



## Board of County Commissioners

Leon County, Florida

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### Agenda Item Executive Summary

Thursday, March 19, 2009

**Title:**

Conduct First and Only Public Hearing to Adopt an Ordinance Authorizing the Levying and Imposition of an Additional One Percent (Fifth Cent) Tourist Development Tax

**Staff:**

Herbert W. A. Thiele, Esq., County Attorney

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**Issue Briefing:**

Conduct the first and only public hearing to consider adoption of an ordinance authorizing the levying and imposition of an additional one percent (fifth cent) Tourist Development Tax, by amending the Leon County Code of Laws, Chapter 11, Article III, Tourist Development Tax (Attachment #1).

**Fiscal Impact:**

This item has a fiscal impact. The fifth-cent tourist development tax would be expected to generate approximately \$817,000 annually. Annual revenue from this tax would be expected to increase modestly once the economy rebounds from the current recession.

**Staff Recommendation:**

Board Direction.

## **Report and Discussion**

### **Background:**

At the Board retreat held on December 8, 2008, the Board established revenue diversification as one of its priorities, including the feasibility of levying the fifth-cent tourist development tax. At the Board meeting of January 29, 2009, the Board further considered this matter and directed the County Attorney's Office to prepare a draft ordinance authorizing the levying and imposition of the fifth-cent tourist development tax, and to request the scheduling of a public hearing on the ordinance for the Board's consideration. At its February 26, 2009, meeting, the Board authorized scheduling the first and only public hearing for March 19, 2009, to consider the adoption of an ordinance authorizing the levying and imposition of an additional one percent (fifth cent) tourist development tax.

In accordance with Section 125.0104, Florida Statutes, the County currently levies four cents out of the allowable five cents for a tourist development tax. The first three cents of the tax were originally levied for tourist development expenses related to the tourist development plan. The first three cents of the tax may also be utilized, in part, for the construction of tourism-related venues, such as a performing arts center. However, the fourth cent may only be utilized for sports franchise facilities, a convention center and its operations and maintenance, and to promote and advertise tourism. Further, the fifth cent tax may only be utilized for enumerated costs related to professional sports franchise facilities and to promote and advertise tourism. Therefore, when the fourth cent tourist development tax was adopted by the Board in 2004, one of the first three cents was dedicated to the construction of a performing arts center, and the fourth cent was then used to provide funding for promoting tourism and related activities.

### **Analysis:**

In accordance with Section 125.0104(3)(n), Florida Statutes (2008), the County may impose the fifth cent tourist development tax by a majority plus one vote of the Board. One public hearing would be required. The fifth cent tax may be used to: (1) pay the debt service on bonds issued to finance the acquisition, construction or renovation of a professional sports franchise facility; or (2) promote and advertise tourism, including expending tax revenues for an activity, service, venue or event, provided same has as one of its main purposes the attraction of tourists. The attached proposed ordinance has been drafted based upon the Board's direction regarding the use of the fifth cent tax for promoting and advertising tourism, while commencing fiscal year 2011/2012, 50% of the second one percent tax will be utilized to support a proposed performing arts center; and the other 50% to be utilized for Council on Culture & Arts funding directly related to promoting and advertising tourism.

**Options:**

1. Conduct the first and only public hearing and adopt the attached proposed ordinance.
2. Conduct the first and only public hearing and adopt the attached proposed ordinance, as amended.
3. Conduct the first and only public hearing and do not adopt the attached proposed ordinance.
4. Board Direction.

**Recommendation:**

Board Direction.