

**STORAGE NAME:** h1609.tu

**DATE:** March 3, 2000

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
TOURISM  
ANALYSIS**

**BILL #:** HB 1609 (PCB TU 00-03)

**RELATING TO:** The Office of Tourism, Trade, and Economic Development

**SPONSOR(S):** Committee on Tourism

**TIED BILL(S):**

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

(1) TOURISM YEAS 5 NAYS 0

(2)

(3)

(4)

(5)

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**I. SUMMARY:**

The bill amends ss. 14.2015 and 288.1224, F.S. The first relates to the Office of Tourism, Trade, and Economic Development (OTTED) serving as contract administrator for the state with respect to contracts with Enterprise Florida, Inc., the Florida Commission on Tourism, and the direct support organization created under section 288.1229, F.S. The second relates to the contract between the Florida Commission on Tourism and the Florida Tourism Industry Marketing Corporation, d.b.a. Visit Florida.

The bill specifies that the direct support organization created under section 288.1229, F.S., is the only direct support organization for which OTTED serves as contract administrator.

Also, the bill provides that such contracts shall provide for recovery of state assets in the event of termination of the contract between one of the contracted parties, that is, Enterprise Florida, Inc., the Florida Commission on Tourism, or the direct support organization created under s. 288.1229, F.S. and OTTED.

The bill provides that upon dissolution of the party contracted with OTTED, the contracted party shall cease incurring debt and all assets of the contracted party held in trust shall be reverted to the state for use by OTTED for satisfaction of outstanding debt and after such satisfaction all assets remaining shall be used by OTTED for carrying out its duties under s. 14.2015, F.S., and Chapter 288. The bill provides that these provisions for dissolution are deemed to be part of each contract for which OTTED serves as contract administrator.

The bill also adds clarifying language to define assets held in trust to include money from public, private, or third-party sources; real property; and tangible and intangible personal property.

The bill makes technical and clarifying changes in s. 288.1224, F.S., including how the direct support organization for tourism is referenced. A provision is also added to the section requiring that the Florida Commission on Tourism provide for the recovery of state assets in its contract with the Florida Tourism Industry Marketing Corporation, d.b.a. VISIT FLORIDA, and adds similar provisions for dissolution which are also required to be part of the contract between these two entities.

There is no fiscal impact to this bill.

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II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |                              |  |   |
|-----------------------------------|------------------------------|--|---|
| 1. <u>Less Government</u>         | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u>             | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/>            |
| 3. <u>Individual Freedom</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Section 14.2015, F.S., provides that the purpose of the Office of Tourism, Trade, and Economic Development (OTTED) is to assist the Governor in working with the Legislature, state agencies, business leaders, and economic development professionals to formulate and implement coherent and consistent policies and strategies designed to provide economic opportunities for all Floridians. To accomplish such purposes, OTTED shall serve as contract administrator for the state with respect to contracts with Enterprise Florida, Inc., the Florida Commission on Tourism, and all direct-support organizations, except the tourism direct-support organization. To accomplish the provisions, OTTED shall enter into specific contracts with Enterprise Florida, Inc., the Florida Commission on Tourism, and other appropriate direct support organization. Such contracts may be multi-year and shall include specific performance measures for each year.

Section 288.1224, F.S., provides the powers and duties of the Florida Commission on Tourism, specifically that the Florida Commission on Tourism shall contract no later than December 31, 1996, with a direct-support organization incorporated as a private, not-for-profit corporation, defined in section 501(c)(6) of the Internal Revenue Code to execute the tourism and marketing promotion services of the state. The Commission serves as the contract administrator for this contract.

Section 288.1224, F.S., allows OTTED to review such contract in an expedient manner and shall timely make any recommendations so as to allow the date of the contract to be met.

C. EFFECT OF PROPOSED CHANGES:

Section 14.2015, F.S., is amended to specify that the direct support organization created under s. 288.1229, F.S., is the only direct support organization for which OTTED serves as contract administrator.

The bill also amends s. 14.2015, F.S., to require that contracts between OTTED and the contracted party, that is, Enterprise Florida, Inc., the Florida Commission on Tourism, or the direct support organization created under s. 288.1229, F.S., provide a mechanism for recovery of state assets in the event of termination of the contract between OTTED and the contracted party. Also, the bill amends s. 14.2015, F.S., to provide that upon dissolution of the party contracting with OTTED, the party shall cease incurring debt and all assets of the

contracted party held in trust shall be reverted to the state for use by the office for satisfaction of outstanding debt and with the remaining assets for use by the office for carrying out its duties.

Section 14.2015, F.S., is amended to clarify assets of the contracted party held in trust as money from public, private, or third-party sources, real property, and tangible and intangible personal property.

Section 288.1224, F.S., is amended to make technical and clarifying changes. One such change is to specifically add the name of the Florida Tourism Industry Marketing Corporation as the direct support organization. A provision is added for the Florida Commission on Tourism to address recovery of state assets in the event of termination to be incorporated in its contract with the Florida Tourism Industry Marketing Corporation, d.b.a. Visit Florida.

The section is also amended to add a provision that upon dissolution of the Florida Tourism Industry Marketing Corporation, the corporation shall cease incurring debt and all assets of the corporation held in trust shall be reverted to the state for use by the office for satisfaction of outstanding debt and after such satisfaction of all assets remaining shall be used to carry out the duties of the office under s. 14.2015, F.S., and Chapter 288. The provisions for dissolution are deemed to be part of the contract between the Commission on Tourism and the contracted party.

Section 288.1224, F.S., is also amended to clarify assets as money from public, private, or third-party sources, real property, and tangible and intangible personal property.

#### D. SECTION-BY-SECTION ANALYSIS:

**Section 1.** Section 14.2015, F.S., is amended to specify that the direct support organization created under s. 288.1229, F.S., is the only direct support organization for which OTTED serves as contract administrator.

The bill also amends s. 14.2015, F.S., to require that contracts between OTTED and the contracted party, that is, Enterprise Florida, Inc., the Florida Commission on Tourism, or the direct support organization created under s. 288.1229, F.S., provide a mechanism for recovery of state assets in the event of termination of the contract between the contracted parties. Also, upon dissolution of the party contracting with OTTED, the contracted party shall cease incurring debt and all assets of the contracted party held in trust shall be reverted to the state for use by the OTTED for satisfaction of outstanding debt and after such satisfaction all assets remaining shall be used by OTTED for carrying out its duties under s. 14.2015, F.S., and Chapter 288. The provisions for dissolution are deemed to be part of the contract between OTTED and the contracted party.

Section 14.2015, F.S., is amended to clarify that assets of the contracted party held in trust are money from public, private, or third-party sources; real property; and tangible and intangible personal property.

**Section 2.** Section 288.122, F.S., is amended to specifically use the name of the Florida Tourism Industry Marketing Corporation as the direct support organization with which the Commission is to contract versus having a more detailed identification of the organization. A provision is added to require the Commission, in its contract with the Florida Tourism

Industry Marketing Corporation, to address recovery of state assets in the event of termination of the contract. Section 288.1224, F.S., is also amended to add language requiring that upon dissolution of the Florida Tourism Industry Marketing Corporation, the corporation shall cease incurring debt and all assets of the corporation held in trust shall be reverted to the state for use by OTTED for satisfaction of outstanding debt and after such satisfaction, all assets remaining shall be used to carry out the duties of the OTTED under s. 14.2015, F.S., and Chapter 288. These provisions for dissolution are also required to be incorporated by the Florida Commission on Tourism into the contract between the Commission and the Florida Tourism Industry Marketing Corporation.

**Section 3.** Provides an effective date.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to expend funds.

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B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of counties or municipalities to raise revenue.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

No.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON TOURISM:

Prepared by:

Staff Director:

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Monique H. Cheek

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Judy C. McDonald