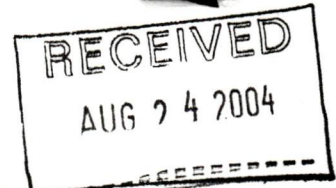


ORDINANCE NO. 2004-45



**AN ORDINANCE LEVYING AND IMPOSING A TOURIST DEVELOPMENT TAX; ADOPTING THE FRANKLIN COUNTY TOURIST DEVELOPMENT PLAN; PROVIDING FOR VOTER APPROVAL; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

WHEREAS, Florida Statutes section 125.0104 provide for local option for the establishment of a Franklin County Tourist Development Council (referred to as the Council herein) and for the declaration of the intent of the Board of County Commissioners of Franklin County (the Board) to consider the levy and imposition of a tourist development tax under section 125.0104; and

WHEREAS, the Council has duly met and adopted a Tourist Development Plan in accordance with the provisions of Fla. St. section 125.0104(4)(c); and

WHEREAS, the Board of County Commissioners of Franklin County has determined that it is in the best interests of the residents and citizens of the County that the Plan be approved and adopted by the Board as the Franklin County Tourist Development Plan and that, in accordance with the Plan, the Board levy and impose a tourist development tax under section 125.0104, subject to all requirements of the statute (including a referendum as required thereby);

NOW, THEREFORE, BE IT ORDAINED by the Board of County Commissioners of Franklin County, Florida, that:

1. **Adoption of Plan.** There is hereby adopted, pursuant to Fla. St. section 125.0104, the Franklin County Tourist Development Plan, a true copy of which is attached to and incorporated into this ordinance as if fully set out herein (the "Plan" herein).

2. **Levy of Tourist Development Tax.** Subject to approval of this ordinance by referendum as set forth in Fla. St. section 125.0104, the Board of County Commissioners of Franklin County, Florida, hereby levies a two-cent sales surtax on those transactions described in Fla. St. section 125.0104 for the purposes expressed herein and in the Plan.

3. **Use of Proceeds.** The proceeds of the two-cent sales surtax shall be used solely for those purposes authorized in Fla. St. section 125.0104.

4. **Referendum.** The Board directs that a referendum be held on the levy and imposition of the tax set forth herein at the next regular or special election to be held. The Supervisor of Elections is directed to place on the ballot the following question:

FOR the Tourist Development Tax  
     AGAINST the Tourist Development Tax

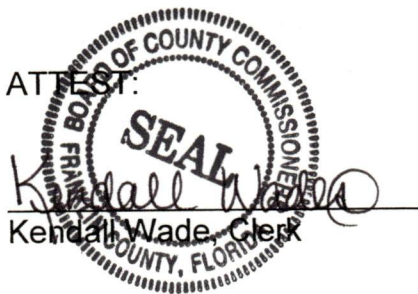
The Supervisor of Elections shall report the official results of the election to the Board in accordance with law.

5. **Severability.** It is declared to be the intent of the Board that if any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portions shall be deemed a separate, distinct, and independent provision, and such holdings shall not affect the validity of the remaining portions hereof.

6. **Effective Date.** This ordinance shall take effect as provided by law. The levy and tax provided for herein shall take effect on the first day of the second month following approval of this ordinance by referendum.

ORDAINED this 21<sup>st</sup> day of September, 2004.

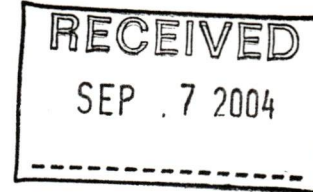
ATTEST:



BOARD OF COUNTY COMMISSIONERS  
BY:

  
\_\_\_\_\_  
HON. CHERYL SANDERS, Chairman

**Franklin County Tourist Development Council  
Plan**



***I. Legislative Authority***

Florida Statutes provide for the levying of a tourist development tax on transient rentals for the purpose of providing funds, through a tax on tourists, to assist in promoting the community and providing for certain infrastructure needs created by visitors. The Franklin County Tourist Development Council has prepared the following plan, as required by law, for the purpose of presenting a referendum to the voters of Franklin County.

Franklin County sits in a unique position as it enters the new century. The seafood industry, long the mainstay of the local economy, is impacted by environmental concerns and low-cost imported goods. Property values are increasing rapidly while the labor force has limited employment opportunities. The retail and tourist rental market is subject to off-season valleys and increased competition from other better-financed communities. With the county's limited tax base, the community is challenged to meet the infrastructure needs of existing tourists.

***II. TDC Statement of Purpose***

The Tourist Development Council has prepared a plan that is designed to address the pressing needs of the county. The revenues envisioned in this plan are anticipated to assist the community in the following general ways:

- a. Create and maintain adequate infrastructure for visitors including implementation of cleanup activities and addition of rest rooms and other amenities.
- b. Promote Franklin County during off-peak season.
- c. Support the development of regional and local recreational events.
- d. Promote Franklin County's historical relationship with the seafood industry and promote local products.

### III. Tourist Tax Levy

The Tourist Development Council proposes a 2% tax on all short term rentals, hotel & motel rooms and RV space. A 2% levy would generate approximately \$544,580 per year. (Figures based on number of rental units, hotel rooms and RV spaces in Franklin County in a typical year, average occupancy rate and average cost of units)

#### Franklin County Tourist Development Tax Projected Annual Revenue

<u>Hotels</u>	<u># of Units</u>	<u>Annual Sales Per Unit</u>	<u>Annual Sales</u>	<u>Annual Tax Collected</u>
Apalachicola	167	\$ 12,000.00	\$ 2,004,000.00	\$ 40,080.00
St. George Island	144	12,000.00	1,728,000.00	34,560.00
Eastpoint	57	6,000.00	342,000.00	6,840.00
Carrabelle	92	8,000.00	736,000.00	14,720.00
 <u>Vacation Rental Homes</u>				
St. George Island	844	25,000.00	21,100,000.00	422,000.00
Alligator Point	35	15,000.00	525,000.00	10,500.00
 <u>RV Parks</u>				
Eastpoint	132	2,000.00	264,000.00	5,280.00
St. George Island	60	2,000.00	120,000.00	2,400.00
Carrabelle	99	2,000.00	198,000.00	3,960.00
Alligator Point	106	2,000.00	212,000.00	4,240.00
			<b>\$ 27,229,000.00</b>	<b>\$544,580.00</b>

(Projections based on approximate income, not on historical data)

Projected 1 <sup>st</sup> . Year Revenue:	\$544,580
Projected 2 <sup>nd</sup> Year Revenue:	\$571,809
Reflects 5% increase	
Total Two Year Revenue	\$1,116,389

#### **IV. Uses**

The TDC is recommending that 60% of the money generated by the tax be spent on infrastructure throughout Franklin County and that 40% be utilized for promotion and administrative expenses in a manner that approximates the following:

#### **Infrastructure Needs: 60%**

##### **Year 1 = \$326,000 in year 1**

- \$50,000 Beach Park Facility development
- \$50,000 Maintenance and facility cleanup fund as an ongoing program to service tourism.
- \$100,000 To enhance county-wide recreational facilities
- \$126,000 Infrastructure construction (including piers and rest rooms, etc.)

##### **Year 2 = \$342,300 in year 2**

- \$50,000 Beach Park Facility Development
- \$50,000 Maintenance and facility cleanup fund as an ongoing program to service tourism.
- \$100,000 Recreational park development
- \$142,300 Infrastructure construction (including piers and rest rooms, etc.)

#### **Promotion and administration: 40%**

##### **Year 1 = \$218,000 in year 1**

- \$48,000 Up to 9% for administration of the TDC activities.
- \$70,000 Fund visitor center activities and the development of a Franklin County theme to promote off-peak visitors

\$100,000 To promote activities and events in non-peak periods

**Year 2 = \$228,900 in year 2**

\$50,900 Up to 9% for administration of the TDC activities.

\$70,000 Fund visitor center activities.

\$108,000 To promote activities and events in non-peak periods

**V. Tax District Boundaries**

Following public hearings and input from local organizations and the cities of Carrabelle and Apalachicola, the final boundaries were determined to be contiguous with the boundaries of Franklin County.

**III) VI. Business Impact**

Businesses in the district will be required to collect the tax just like a sales tax or a gas tax. The same form is used that is currently used to remit sales tax. The amount of the tax increases from 6% to 8%.

For the visitor the impact would be minimal. For example, if a motel charged \$75.00 per night, 6% sales tax adds \$4.50= \$79.50. With the tourist tax it would be 8% rather than 6%, so the difference would be \$ 1.50.

Businesses in the county would benefit from the tax in a number of ways, including a focused promotion campaign designed to level out the peaks and valleys in the tourist seasons. In addition, businesses and residents as well will benefit from additional funds generated for the county to be used in cleanup and recreational facilities.

**VII. Management**

The TDC recommends that Franklin County have the Florida Department of Revenue collect the tax from accommodation owners. The Florida Department of Revenue will deposit the funds directly in a Tourist Tax Trust Fund. As the primary policy group, the TDC will make a determination on how the money collected will be spent within the context of the guidance provided in the introduction to this plan and the budget proposals included in Section IV.

The TDC will oversee the administration of the tourist development activities, drawing on assistance from other groups and agencies as the need arises.

### ***VIII. Time Frame***

Following the preparation of the draft Tourist Development Plan, the TDC conducted two public meetings to receive input on a variety of issues prior to finalizing the draft plan's recommendation for consideration by the Franklin County Commission. These hearings were held on:

November 18 - 7:00 P.M. Franklin County Courthouse Annex – Apalachicola  
December 2 - 7:00 P.M. Senior Citizen Center – Carrabelle

The TDC will present its final recommendations to the County Commission at the regular meeting on April 6, 2004. At that time the recommendation will be to ask the Commission to adopt an ordinance taking the matter to referendum on November 2, 2004. Collection of the tax and implementation of the program would begin January 1, 2005.