

BOARD OF COUNTY COMMISSIONERS AGENDA REQUEST

DATE: October 4, 2022
TO: Honorable Chairman and Distinguished Members of the Board
FROM: Craig Coffey
SUBJECT: 6th Cent Request for Public Hearing and Consideration for Adoption
DEPARTMENT: County Administrator
BCC DISTRICT: All

STATEMENT OF ISSUE: Request the Board hold a public hearing at 8:30 a.m. or soon thereafter and receive comments for the consideration of Ordinance 2022-__ to levy an additional one percent (1%) tourist development tax (TDT), also known as the "sixth cent". Following the public hearing, consider adoption of an additional one percent (1%) tourist development tax known as the "High Impact Tourism Tax" or the "Sixth Cent".

BACKGROUND: Pursuant to section 125.0104, Florida Statutes, the Board enacted Ordinance 86-06, which has been subsequently amended over three decades and codified in Sections 20-71 through 20-77 of the Okaloosa County Code of Ordinances ("TDT Ordinance"). Currently the County levies five cents/percent (5%) of TDT within the previously created subcounty taxing district and four cents/percent (4%) of TDT within the expanded area of Okaloosa County.

Section 125.0104(3)(m), Florida Statutes, authorizes the imposition of an additional one-percent (1%) TDT ("Sixth Percent TDT") by high tourism impact counties, subject to certification by the Department of Revenue ("DOR"). The DOR has certified that the sales subject to the TDT in Okaloosa County exceeded \$600 million during the calendar year of 2021, and Okaloosa County is therefore eligible to levy the sixth percent TDT. A DOR certification letter is attached.

Proposed Ordinance No. 2022-__ will levy and impose an additional one percent (1%) TDT in Okaloosa County. The total TDT will be levied and imposed in the previously created subcounty taxing district at the rate of six percent (6%) and within the remaining areas of the County at the rate of five percent (5%). Of the 14 eligible "High Impact Tourism" counties in the State, 9 have adopted the tax, if adopted, Okaloosa would become the 10th.

This item was before the Tourism Development Council on September 13th and was recommended unanimously for approval. Passage of the additional cent/percent of bed tax requires passage by at least 4 Commissioners. The high impact tourism cent/percent is paid for by visitors and is expected to generate approximately \$4-\$5 Million dollars annually, less any funding that is utilized for public safety (up to 10%). The new rates can be implemented 60 days after adoption and are scheduled to take effect on January 1, 2023. Based on current revenues it would likely generate approximately \$3.5 Million for the remaining 9 months of FY 2023.

Overall, the funding will allow the County to make bolder and strategic investments in tourism initiatives similar to those made by many other counties in the panhandle and the state, while at the same time protecting other key functions of tourism such as marketing and destination stewardship. These monies have the potential to add depth and diversity to our tourism offerings, as well as the ability to keep our destination fresh, exciting and growing. Strategic focus could be placed on investment in regional market gaps/opportunities with specific attention on those in

the slower occupancy months (November-February). For residents, this additional funding for tourism capital assets could really provide some of the best and most visible rewards that the community experiences and appreciates. These tourism investments will ultimately help create community identity, community appeal, and higher quality public recreational assets, that residents will have use of and that otherwise may not exist if solely funded from property taxes.

Per Florida Statutes, the uses of this penny are the same as the uses of the 1st or 2nd penny, which are generally broad in scope. However, staff is proposing the funding primarily be planned to be used for County tourism capital and large maintenance expenditures, remembering dedicated City capital and maintenance funding has already been provided annually via a recent interlocal agreement. A provision is included in Exhibit A to the ordinance that will restrict the funding to capital projects and up to 10% for public safety, unless otherwise approved by a supermajority of the Board.

The County tourism capital projects will be of varying sizes (big and small) and of varying types realizing that projects will evolve over time. Examples of projects include: property acquisition and development; tourism infrastructure impact offsets, artificial reefs and sand renourishment, facility capital maintenance/ improvement, tourism venue development, river access and campgrounds, tourism physical product development, wayfinding, and destination stewardship. As we meet with stakeholders and continue to analyze tourism strategies and opportunities, the County will develop a multi-year capital plan, similar to the other currently adopted plans such as the "Tourism 5YR Capital Plan" and the "Artificial Reef Plan".

FUNDING SOURCE: N/A Revenue approx. \$3.5M for FY23.

OPTIONS: Approve/Disapprove/Modify/Postpone/Direction

RECOMMENDATION: Approve Ordinance 2022-__ as presented to levy an additional one percent (1%) "High Impact Tourism/Six Cent" tourist development tax beginning January 1, 2023 and amend Chapter 20 of the County Code of Ordinances.

RECOMMENDED BY:



John Hofstad, County Administrator

9/28/2022

APPROVED BY:

ORDINANCE NO. 2022- 23

AN ORDINANCE AMENDING ORDINANCE NO. 86-06, AS AMENDED AND CODIFIED IN CHAPTER 20, ARTICLE II OF THE OKALOOSA COUNTY CODE OF ORDINANCES REGARDING THE TOURIST DEVELOPMENT TAX; LEVYING AN ADDITIONAL ONE PERCENT (1%) TOURIST DEVELOPMENT TAX; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR EFFECTIVE DATES OF THIS ORDINANCE AND LEVY OF THE ADDITIONAL ONE PERCENT (1%) TAX.

WHEREAS, the Florida Local Option Tourist Development Act, section 125.0104, Florida Statutes, permits the Board of County Commissioners of Okaloosa County, Florida (the "County" or "Board") to levy a tourist development tax ("TDT") as provided in said statutes; and

WHEREAS, pursuant to section 125.0104, Florida Statutes, the Board enacted Ordinance 86-06, which has been subsequently amended and codified in Sections 20-71 through 20-77 of the Okaloosa County Code of Ordinances ("TDT Ordinance"), which levied a five percent (5%) TDT within the previously created subcounty taxing district and a four percent (4%) TDT within the remaining areas of Okaloosa County; and

WHEREAS, the TDT Ordinance established a Tourist Development Plan which sets forth the uses and allocation of the TDT; and

WHEREAS, section 125.0104(3)(m), Florida Statutes, authorizes the imposition of an additional one-percent (1%) TDT ("Sixth Percent TDT") by high tourism impact counties after the Department of Revenue certifies that the sales subject to the TDT levied exceeded \$600 million during the previous calendar year; and

WHEREAS, the Department of Revenue has certified that the sales subject to the TDT in Okaloosa County exceeded \$600 million during the calendar year of 2021; and

WHEREAS, the Board has determined that it is desirable to levy the Sixth Percent TDT in order to provide additional revenue to fund the uses authorized in section 125.0104(5), Florida Statutes.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF OKALOOSA COUNTY:

SECTION 1. LEVY, IMPOSITION AND COLLECTION OF SIXTH PERCENT TDT. There is hereby levied and imposed an additional one percent (1%) TDT in Okaloosa County. The TDT will be levied and imposed in the previously created subcounty taxing district, which is depicted in Attachment A of Exhibit A, at the rate of six percent (6%) and within the remaining areas of the County at the rate of five percent (5%).

SECTION 2. AMENDMENTS TO CHAPTER 20, ARTICLE II OF THE OKALOOSA COUNTY CODE OF ORDINANCES. Ordinance 86-06, as subsequently amended, and codified in Chapter 20, Article II of the Okaloosa County Code of Ordinances is hereby amended as set forth in Exhibit A.

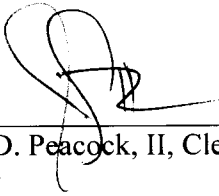
SECTION 3. SEVERABILITY. It is declared to be the intent of the County that, if any section, subsection, sentence, clause, phrase or portion of this Ordinance is held invalid or unconstitutional by any court of competent jurisdiction, then such determination shall not affect the validity of the remaining sections.

SECTION 4. EFFECTIVE DATES. This ordinance shall take effect as provided by law. The effect date of the levy and imposition of the Sixth Percent TDT shall be January 1, 2023.

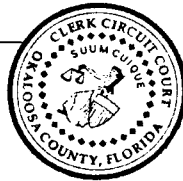
DULY ADOPTED by the Board of County Commissioners this 4th day of October, 2022.

BOARD OF COUNTY COMMISSIONERS
OF OKALOOSA COUNTY, FLORIDA

ATTEST:



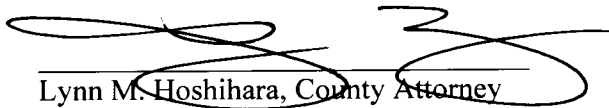
J. D. Peacock, II, Clerk of the Court



Mel Ponder, Chairman



APPROVED AS TO FORM:



Lynn M. Hoshihara, County Attorney

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2 **ORDINANCE NO. 2022-__**
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4 **AN ORDINANCE AMENDING ORDINANCE NO. 86-06, AS**
5 **AMENDED AND CODIFIED IN CHAPTER 20, ARTICLE II**
6 **OF THE OKALOOSA COUNTY CODE OF ORDINANCES**
7 **REGARDING THE TOURIST DEVELOPMENT TAX;**
8 **LEVYING AN ADDITIONAL ONE PERCENT (1%)**
9 **TOURIST DEVELOPMENT TAX; PROVIDING FOR**
10 **SEVERABILITY; AND PROVIDING FOR EFFECTIVE**
11 **DATES OF THIS ORDINANCE AND LEVY OF THE**
12 **ADDITIONAL ONE PERCENT (1%) TAX.**
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15 **WHEREAS**, the Florida Local Option Tourist Development Act, section 125.0104,
16 Florida Statutes, permits the Board of County Commissioners of Okaloosa County, Florida (the
17 "County" or "Board") to levy a tourist development tax ("TDT") as provided in said statutes; and
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19 **WHEREAS**, pursuant to section 125.0104, Florida Statutes, the Board enacted Ordinance
20 86-06, which has been subsequently amended and codified in Sections 20-71 through 20-77 of the
21 Okaloosa County Code of Ordinances ("TDT Ordinance"), which levied a five percent (5%) TDT
22 within the previously created subcounty taxing district and a four percent (4%) TDT within the
23 remaining areas of Okaloosa County; and
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25 **WHEREAS**, the TDT Ordinance established a Tourist Development Plan which sets forth
26 the uses and allocation of the TDT; and
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28 **WHEREAS**, section 125.0104(3)(m), Florida Statutes, authorizes the imposition of an
29 additional one-percent (1%) TDT ("Sixth Percent TDT") by high tourism impact counties after the
30 Department of Revenue certifies that the sales subject to the TDT levied exceeded \$600 million
31 during the previous calendar year; and
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33 **WHEREAS**, the Department of Revenue has certified that the sales subject to the TDT in
34 Okaloosa County exceeded \$600 million during the calendar year of 2021; and
35

36 **WHEREAS**, the Board has determined that it is desirable to levy the Sixth Percent TDT
37 in order to provide additional revenue to fund the uses authorized in section 125.0104(5), Florida
38 Statutes.
39

40 **NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY**
41 **COMMISSIONERS OF OKALOOSA COUNTY:**
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43 **SECTION 1. LEVY, IMPOSITION AND COLLECTION OF SIXTH PERCENT**
44 **TDT.** There is hereby levied and imposed an additional one percent (1%) TDT in Okaloosa
45 County. The TDT will be levied and imposed in the previously created subcounty taxing district,
46 which is depicted in Attachment A of Exhibit A, at the rate of six percent (6%) and within the
47 remaining areas of the County at the rate of five percent (5%).

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SECTION 2. AMENDMENTS TO CHAPTER 20, ARTICLE II OF THE OKALOOSA COUNTY CODE OF ORDINANCES. Ordinance 86-06, as subsequently amended, and codified in Chapter 20, Article II of the Okaloosa County Code of Ordinances is hereby amended as set forth in Exhibit A.

SECTION 3. SEVERABILITY. It is declared to be the intent of the County that, if any section, subsection, sentence, clause, phrase or portion of this Ordinance is held invalid or unconstitutional by any court of competent jurisdiction, then such determination shall not affect the validity of the remaining sections.

SECTION 4. EFFECTIVE DATES. This ordinance shall take effect as provided by law. The effect date of the levy and imposition of the Sixth Percent TDT shall be January 1, 2023.

DULY ADOPTED by the Board of County Commissioners this ___ day of _____, 2022.

BOARD OF COUNTY COMMISSIONERS
OF OKALOOSA COUNTY, FLORIDA

ATTEST:

Mel Ponder, Chairman

J. D. Peacock, II, Clerk of the Court

APPROVED AS TO FORM:

Lynn M. Hoshihara, County Attorney

EXHIBIT A

**AMENDMENTS TO CHAPTER 20, ARTICLE II
OF THE OKALOOSA COUNTY CODE OF ORDINANCES**

Ordinance 86-06, as subsequently amended, and Chapter 20, Article II of the Okaloosa County Code of Ordinances, are hereby amended as follows:

(stricken words indicate deletions, underlined words indicate additions)

Sec. 20-71. Tax levied; collection; remittance.

- (a) There is hereby levied and imposed a tourist development tax countywide in Okaloosa County, Florida. The tourist development tax will ~~continue to be~~ levied and imposed within the previously created subcounty special district (“Subdistrict”), which is depicted on Attachment A at the rate of ~~five~~-six percent, and within the remaining areas of Okaloosa County (“Expansion Area”) at the rate of ~~four~~-five percent, of each whole and major fraction of each dollar of the total rental charged every person who rents, leases or lets for consideration any living quarters or accommodations in any hotel, apartment hotel, motel, resort motel, apartment, apartment motel, rooming house, mobile home park, recreational vehicle park, condominium, condominium hotel, timeshare resort, residential dwelling or campground for a term of six months or less (the “dealer”). When receipt of consideration is by way of property other than money, the tax shall be levied and imposed on the fair market value of the non-monetary consideration.
- (b) The tourist development tax shall be in addition to any other tax imposed pursuant to Chapter 212, Florida Statutes, and in addition to all other taxes, fees, and the considerations for the rental or lease.
- (c) The tourist development tax shall be charged by the person receiving the consideration for the lease or rental, and it shall be collected from the lessee, tenant or customer at the time of payment of the consideration for such lease or rental.
- (d) The person receiving the consideration for such rental or lease shall receive, account for, and remit the tax to the Okaloosa County Clerk of Circuit Court (the “Clerk”) at the same time and in the manner provided for persons who collect and remit taxes under Section 212.03, Florida Statutes. The same duties and privileges imposed by Chapter 212, Florida Statutes, upon dealers in tangible property, respecting the collection and remission of tax, the making of returns, the keeping of books, records and accounts, the payment of a dealer's credit, and compliance with the rules of the Florida Department of Revenue in the administration of said chapter shall apply to and be binding on all persons who are subject to the provisions of this article; provided, however, the Clerk may authorize a quarterly payment when the tax remitted by the dealer for the preceding quarter did not exceed \$250.00.
- (e) The Clerk shall keep records showing the amount of taxes collected, which records shall be open to the public during the regular office hours of the Clerk, subject to the provisions of Section 213.053, Florida Statutes.

- (f) Collections received by the Clerk shall be paid on a monthly basis to the Okaloosa Board of County Commissioners (“Board”) for use by the county in accordance with the provisions of this article and shall be placed in the county tourist development trust fund.
- (g) The Clerk shall perform the enforcement and audit functions associated with the collection and remission of this tax, in accordance with the Laws of the State of Florida. The Clerk shall have such powers and authority, including enforcement authority, as provided by Florida Law.
- (1) a. For the purpose of enforcing the collection of the tax levied by this article, the Clerk is hereby specifically authorized and empowered to examine at all reasonable hours the books, records, and other documents of all dealers, or other persons charged with the duty to report or pay a tax under this article, in order to determine whether they are collecting the tax or otherwise complying with this article.
- b. In the event such dealer refuses to permit such examination of its books, records, or other documents by the Clerk as aforesaid, such dealer is guilty of a misdemeanor of the first degree, punishable as provided in Sections 775.082 or 775.083, Florida Statutes. In addition to all rights and authority to enforce its responsibilities under Florida Law, the Clerk shall have the right to proceed in Circuit Court to seek an injunction or other appropriate remedy against the offender, as granted by this section, to require the examination of the books and records of such dealer.
- (2) a. Each dealer, as defined in this article, shall secure, maintain, and keep for a period of three years, a complete record of rooms or other lodging, leased or rented by the dealer, together with gross receipts from such sales, and other pertinent records and papers as may be required by the Clerk for the reasonable administration of this article; and all such records which are maintained in this state shall be open for inspection by the Clerk at all reasonable hours at such dealer's place of business located in the county.
- b. Any dealer who maintains such books and records at a point outside the county must make such books and records available for inspection by the Clerk. Any dealer subject to the provisions of this article who violates these provisions is guilty of a misdemeanor of the first degree, punishable as provided in Sections 775.082 or 775.083, Florida Statutes.
- (3) The Clerk shall be authorized to perform audits in accordance with the requirements and procedures as set forth in Florida Law.
- (4) All taxes collected under this article by the Clerk shall be remitted to the Okaloosa Board of County Commissioners, attention: Finance officer, in accordance with section 125.0104(10)(c), Florida Statutes.
- (5) In addition to all enforcement authority under Florida Law, the Clerk is empowered, and it shall be the Clerk's duty, when any tax becomes delinquent or is otherwise in jeopardy, to issue a warrant for the full amount of the tax due or estimated to be due, with the interest, penalties and cost of collection directed to all and singular the sheriffs of the

state, and shall record the warrant in the public records of the county, and thereupon the amount of the warrant shall become a lien of any real or personal property of the taxpayer in the same manner as a recorded judgment. The Clerk may issue a tax execution to enforce the collection of taxes imposed by this section and deliver it to the sheriff. The sheriff shall thereupon proceed in the same manner as prescribed by law for executions and shall be entitled to the same fees for his services in executing the warrant to be collected. The Clerk may also have a writ of garnishment issued to the subject of any indebtedness due to the delinquent dealer by a third party in any goods, money, chattels or effects of the delinquent dealer in the hands, possession or control of the third person in the manner provided by law for the payment of the tax due. Upon payment of the execution, warrant, judgment or garnishment, the Clerk shall satisfy the lien of record within 30 days.

- (h) Tax revenues may be used only in accordance with the provisions of Section 125.0104, Florida Statutes.
- (i) The Clerk is authorized to be reimbursed for the costs of administration from the proceeds collected. The cost of administration shall be determined as set forth in section 125.0104(10)(c), Florida Statutes.

~~(j) It is the Board's intent to transfer the duties and responsibilities related to the collection, audit and enforcement of tourist development taxes from the Department to the Clerk. The Clerk is hereby vested with authority to administer the tourist development tax. Pursuant to section 213.0535, Florida Statutes, the Clerk and the Department shall enter into an information sharing agreement as soon as practicable to effectuate a seamless transition of collection, audit and enforcement of tourist development taxes. The Department shall continue to collect tourist development taxes owed through December 31, 2021. The Clerk shall assume the responsibility for the collection, audit and enforcement of tourist development tax revenues under the provisions of section 125.0104, Florida Statutes, effective January 1, 2022.~~

Sec. 20-72. Tourist development plan.

- (a) *Revenue projections and allocations.* Pursuant to the requirements of section 125.0104(4), Florida Statutes, the tax revenues collected pursuant to this section shall be used to fund the uses identified in the Tourist Development Plan as set forth below.

Revenues generated by the first three percent and sixth percent on each dollar in the existing Subdistrict and the first two percent and fifth percent on each dollar in the Expansion Area shall be used pursuant to Section 20-72(d) below. Upon implementation of the additional one percent in the Expansion Area pursuant to section 125.0104(3)(d), Florida Statutes it shall also be used pursuant to Section 20-72(d) below. To the extent that such proceeds are not required for those uses, the Board may direct that such proceeds may be used for any other purposes authorized under section 125.0104(5), Florida Statutes.

Revenues generated by the fourth and fifth percent on each dollar in the existing Subdistrict and third and fourth percent on each dollar in the Expansion Area shall be used pursuant to

Section 20-72(d)(1) below. Upon implementation of the additional one percent in the Expansion Area pursuant to section 125.0104(3)(d), Florida Statutes, it shall be the fourth and fifth percent of each dollar in the Expansion Area that shall be used pursuant to Section 20-72(d)(1) below. To the extent that such proceeds are not required for those uses, the Board may direct that such proceeds may be used for any other purposes authorized under section 125.0104(3)(l) and (3)(n), Florida Statutes.

The anticipated annual revenues to be produced by the levy as identified herein for each special use is provided as a percentage based on estimates and past collection trends for a total of ~~\$24.5~~\$27 million countywide annually. The projected revenues are estimates and may vary from those identified herein.

The approximations are based on no Force Majeure events occurring during the 24-month period that substantially affect tourism which ultimately could affect the allocations towards special uses, and do not include any expenditure of existing Subdistrict funds earned prior to March 1, 2022.

The following is a list, in order of priority, of the proposed uses of revenues anticipated to be available for the twenty-four (24) months beginning March 1, 2022. Thereafter, allocations shall occur annually as part of the budget process.

<u>Special Use</u>	<u>Tourism District</u>
Tourism Promotion and Advertising	43.4%
Public Safety	10.0%
Beach Cleaning/Renourishment & Marine	7.3%
Tourist Parks Maintenance & Beautification	7.6%
Product Improvement - Stewardship	7.2%
Product Improvement - Other	12.4%
Convention Center Operations	6.4%
Infrastructure Improvement	0%
Economic & Cultural Support	1.5%
Administration & Local Collection	3.8%
Emergency Response - Operations	.1%
Emergency Response - Promotions	<u>.2%</u>
Approximate Total	100%

- (b) *Revenue allocations.* Sub-county district revenues earned prior to March 1, 2022, shall be separately accounted for and shall be used solely within the boundaries of the existing Subdistrict and for the benefit of that area. Further, City of Destin and City of Fort Walton Beach designated projects listed in the currently adopted 5-Year TDT Capital Plan (FY 2021 – FY 2025) shall remain funded up to the amounts designated in the plan at a minimum, less any funding already expended on such projects:

City of Destin (\$17.8 million total): \$3.3 million for Crosstown Connector; \$13 million for Beachfront Property Acquisition; \$1.5 million for Beachfront Park Development.

Fort Walton Beach: \$1 million for Waterfront Accessibility

The City-related components of the currently adopted 5-Year TDT Capital Plan may be amended by mutual agreement of the Board and affected City, provided that the total amount allocated is not reduced.

Revenues earned subsequent to the March 1, 2022, effective date of the countywide levy shall be allocated with the following considerations:

- (1) For the optimal, logical and systematic countywide benefit for the promotion and development of tourism, public infrastructure and public safety to offset the impacts of tourism, and the operation, maintenance and construction of tourism related amenities/facilities.
- (2) The proportionate contribution of revenues from various areas, after local collection and an accurate contribution of revenues by area can be determined.
- (3) The County will earmark 12.5 % of TDT collections, except for any future levy of the “6th” penny High Tourism Impact Tax, for the municipalities subject to the following:
 - a. The terms and conditions in the interlocal agreement between the County and the municipalities earmarking the 12.5% of TDT collections;
 - b. The municipalities shall enter into a separate interlocal agreement, of which the County is not a party to, which details the annual percentage and/or amounts earmarked for each municipality;
 - c. Use of these funds shall comply with the provisions of section 125.0104, F.S., County ordinance, and the TDD Manual, and any amendments thereto, as determined by the County; and
 - d. Proposed uses of these funds shall be presented to the Tourist Development Council for a recommendation and the Board of County Commissioners for final approval.

(4) Revenues from the “6th” penny High Tourism Impact Tax will be earmarked for Capital Projects and up to 10% of the proceeds on Public Safety. Other uses of these revenues may be approved by a supermajority vote of the Board. Capital Projects shall include all aspects of capital projects to include, but not be limited to; property acquisition, conceptual design, design/permitting, construction, construction management, FFE (fixtures, furnishing, and equipment), capital maintenance projects, infrastructure projects, and similar related items connected to the Capital Project. These revenues will be tracked and reported separately.

- (c) *Taxing district boundaries.* The countywide tourism development district shall consist of all real property within the boundaries of Okaloosa County, including all real property within the various municipalities.
- (d) *Tourist development plan.* The Tourist Development Plan shall be comprised of the following broad goals and objectives and the Board determines revenues may be allocated to these purposes:
- (1) *Tourism promotion.* The tourism related economy within Okaloosa County generates significant direct and indirect revenue to businesses within the community. Accordingly, tourism is essential to a healthy economy and is a driving force in the growth of business development and increased employment opportunities for county residents. The county works diligently on the development and maintenance of quality advertising, sales, marketing and public relations initiatives which present a consistent and positive brand for the area. This branding is essential to the development of this section of the economy and the county will work towards the development and implementation of unified marketing campaigns. These campaigns will be monitored and analyzed by the Tourist Development Council (the "Council"), the director and tourist development department staff with, at a minimum, quarterly reports provided to the Board. Within the guidelines set forth herein, the campaigns shall be conducted with funding levels designed to achieve maximum positive promotional exposure to potential visitors. A primary objective for the campaigns shall be the maintenance of consistent positive "branding" which consists of image and name recognition and the further development of "year round business" to encompass group and leisure business.

The support for a variety of special events and sponsorships is another productive means to further the development of year round business and bolster image and name recognition. The development of a visible support community for local production of film and advertising projects may also be a productive means to further maintain a consistent positive "branding".

The funding of aquariums and museums that are publicly owned and operated or owned and operated by not-for-profit organizations and open to the public, will promote tourism by offering educational activities and entertainment for visitors of all ages.

- (2) *Convention business development.* The county has operated the Destin-Fort Walton Beach Convention Center ("DFWBCC") since 2003 and its value as a catalyst for the growth of the conference/convention/group business segment of the visitor population is well established and is an effective means of developing year round business. The DFWBCC will be managed in house or by contract with professional management firms, or by a combination of the two. The facility provides indoor and outdoor venues for cultural, educational, sport and entertainment events which are a positive draw for visitors as well as a benefit to the overall quality of the branding of county products. The expansion of the DFWBCC facilities, grounds and functions will further the development of year-round business.

(3) *Product improvement.* The attraction of new tourists and repeat visitation by making vacation time here more valuable through improved experiences results in a diverse, healthy tourism related economy and consistent and positive brand for the area. Product improvement may include operations, maintenance, feasibility studies and/or actual construction costs.

a. *Destination stewardship.* Destination stewardship is heavily engaged with the promotion of tourism by enhancing the tourism product, improving visitor experiences, and engaging visitors while in-market. A multi-stakeholder approach is required to foster the environmental, cultural, economic, and aesthetic integrity of Okaloosa County, while building a more resilient, regenerative, equitable, and sustainable tourism economy.

b. *Water related.* The beaches, waters of the Gulf of Mexico, Choctawhatchee Bay, Bayous, Rivers, Lakes, and all other public water bodies are a main focus of attraction to our visitors, as are the related entrance points and recreational facilities, which allow greater access and enhanced enjoyment of these areas. Accordingly, the maintenance and improvement of these natural assets and recreational facilities (“tourist destination facilities”) provide a clean, attractive and safe environment for public usage and are important to the image and marketing of the county and essential to the preservation, improvement and promotion of the very foundation of the economy that the county is promoting.

The long-term maintenance goals of this plan include a mechanical beach cleaning program for all Gulf beaches not owned or controlled by the federal government and an ongoing partnership between federal, state, county and municipal entities for the restoration and re-nourishment of the beaches. The county will continue to fund the permitting and construction of restoration and re-nourishment projects for beaches. This will facilitate the dual goal of this long-term restoration plan and preservation and management of the county's waterfront resources and other tourist destination facilities, including the improvement of public access to those resources and facilities. This component of beach access improvement and beach restoration and monitoring is essential for ensuring access and promoting a broader accommodation base by improving access for non-waterfront accommodations.

Constructing artificial reefs will promote tourism by offering diving, snorkeling and fishing activities. Additionally, the construction of artificial reefs will enhance the waters of the Gulf of Mexico by providing increased fisheries and improved aquatic habitat. Once enough artificial reefs are constructed, the county may develop an aquatic nature center as an eco-tourism facility to showcase these tourism activities and assets.

An essential component of product improvement and promotion is to provide a safe environment for the use of the beaches, waterways and facilities, including the provision of lifeguard services, as well as public safety services, including emergency medical services as defined in section 401.107(3), Florida Statutes, and law

enforcement services, which are needed to address impacts related to increased tourism and visitors.

- c. *Non-water related.* Sports tourism generates economic impact to businesses within the community and is a compelling method to garner repeat visitation during the non-sports season. Accordingly, the maintenance and improvement of sports facilities or arenas, including equestrian, that are publicly owned and operated or owned and operated by not-for-profit organizations and open to the public, are important to the image and marketing of the county.

Agritourism enhances the tourism industry by offering educational activities and entertainment for visitors of all ages, thereby extending length of stay. Supporting the link between agricultural production and/or processing with tourism in order to attract visitors onto a farm, ranch, or other agricultural business for the purposes of entertaining and/or educating the visitors and generating income for the farm, ranch, or business owner furthers the development of year-round business.

Ecotourism unites conservation and sustainable travel, with a focus on design, construction and operation of low-impact facilities, delivering memorable interpretative experiences to visitors that help raise sensitivity to local environment and culture, and provide direct financial benefit to conservation. Trails and scenic overlooks for hiking and biking allow visitors to commune with nature and wildlife. Fostering ecotourism is an approach to reaching a new type of visitor.

Wayfinding systems include informational, directional, and identification signs and maps that are simple, intuitive, and work together to help people of all ages and abilities orient themselves and find their way. A consistent and reliable wayfinding plan fosters a sense of place that connects users to the community and promotes the destination's identity by creating a clear and consistent message and style to visitors. Wayfinding may also include water-related signage and safety messaging.

- (4) *Infrastructure improvement.* The provision of public facilities capital improvements (e.g. transportation, sanitary sewer, solid waste, drainage, potable water) needed to increase tourist-related business activities is an integral element of product improvement and promotion. The conditions and requirements of section 125.0104, Florida Statutes, must be met if revenues are used for this purpose.
- (5) *Administration.* The best means for administration of the revenues allocated under this plan, including local coordination and monitoring, is by local administration under the direction of the Board and the county administrator. In addition, the administration of the revenue collection process shall be carried out pursuant to the requirements of section 125.0104, Florida Statutes, and such other provisions of Florida Law, by the Clerk.
- (6) *Reserve or emergency operations fund(s).* Reserve funds are essential to long-term financial stability; they enable continued operations when revenue collections are adversely impacted, expedite recovery in the aftermath of a major storm event, and allow the county to take advantage of major unforeseen promotional, product improvement, and

infrastructure opportunities. These reserve amounts are carried forward as a budget allocation from year to year. The Council, through the director, is responsible for recommending to the Board sufficient reserve levels and when and how these funds should be used.

- (e) *Tourist development plan amendments.* The Tourist Development Plan may not be substantially amended except by ordinance enacted by an affirmative vote of a majority plus one additional member of the Board. Non-substantial amendments may be approved by a simple majority. As an undefined term in the statute, and to clarify specific provisions as substantial or non-substantial amendments, the following is adopted:

The following shall be considered a substantial amendment:

1. Changes in Council membership removing any City Council designated elected representative or the geographic distribution of members.
2. Changes to any of the provisions in Section 20-72(b) above.
3. Changes that allocate less than 40% of revenues to tourism promotion.

The following shall not be considered a substantial amendment:

1. Changes to the allocation of funding between uses.
2. Removal of language with specific time provisions after they are no longer applicable.
3. Amendments related to moving collection from DOR to local collection.
4. Amendments related to adopting a High Tourism Impact Tax should the County qualify to do so in the future.
5. Amendments required by changes in Florida Law or legal decisions.

Sec. 20-73. Tourist development council.

- (a) *Established.* There is hereby established, pursuant to the provisions of Section 125.0104, Florida Statutes, an advisory council to be known as the "Okaloosa County Tourist Development Council" (the "Council"). The Board shall appoint nine (9) members to the Council, which consists of: the chair of the Board or any other member of the Board as designated by the chair; two (2) members shall be elected municipal officials, at least one of whom shall be from the most populous municipality in the county ("Elected Representative"); no less than three (3) nor more than four (4) shall be owners or operators of tourist accommodations ("Lodging Representative"); and no less than two (2) nor more than three (3) shall be persons who are involved in the tourist industry and who have demonstrated an interest in tourist development ("Tourism Industry Representative"). The Board shall have the option of designating the chair of the Council or allowing the Council to elect a chair.

Effective January 1, 2022, the cities of Crestview, Destin and Fort Walton Beach shall each have a designated member of the Council. The designated members of the Council for the Cities of Crestview and Fort Walton Beach shall serve as Elected Representatives. The designated member of the Council for the City of Destin shall serve as a Tourism Industry Representative. The City of Destin is a premier tourist destination and its economic base is tourism. Therefore, Destin City Council members are “persons who are involved in the tourist industry and who have demonstrated an interest in tourist development” in accordance with section 125.0104(4)(e), Florida Statutes. The Board shall use its best efforts to appoint a geographically-diverse Council that meets the statutory requirements.

- (b) *Duties and responsibilities.* The Council shall make recommendations to the Board for the effective uses of the revenue and may perform such other duties or functions as hereinafter may be prescribed by ordinance or resolution.
- (c) *Review of revenue expenditures.* The Council and the director shall continuously review all expenditures of revenue and shall report to the Board and Department of Revenue all expenditures of said revenue believed to be unauthorized by the provisions of this article.

Sec. 20-74. Failure to charge or collect tax.

Any person who is taxable hereunder who fails or refuses to charge and collect from the person paying any rental or lease the taxes herein provided, either by himself or through his agents or employees, shall be, in addition to being personally liable for the payment of the tax, guilty of a misdemeanor of the first degree, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

Sec. 20-75. Representation that tenant or lessee need not pay tax.

No person shall advertise or hold out to the public in any manner, directly or indirectly, that he will absorb all or any part of the tax, or that he will relieve the person paying the rental of the payment of all or any part of the tax, or that the tax will not be added to the rental or lease consideration, or when added, that it or any part thereof will be refunded or refused, either directly or indirectly, by any method whatsoever. Any person who willfully violates any provisions of this subsection shall be guilty of a misdemeanor of the first degree, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

Sec. 20-76. Tax deemed lien.

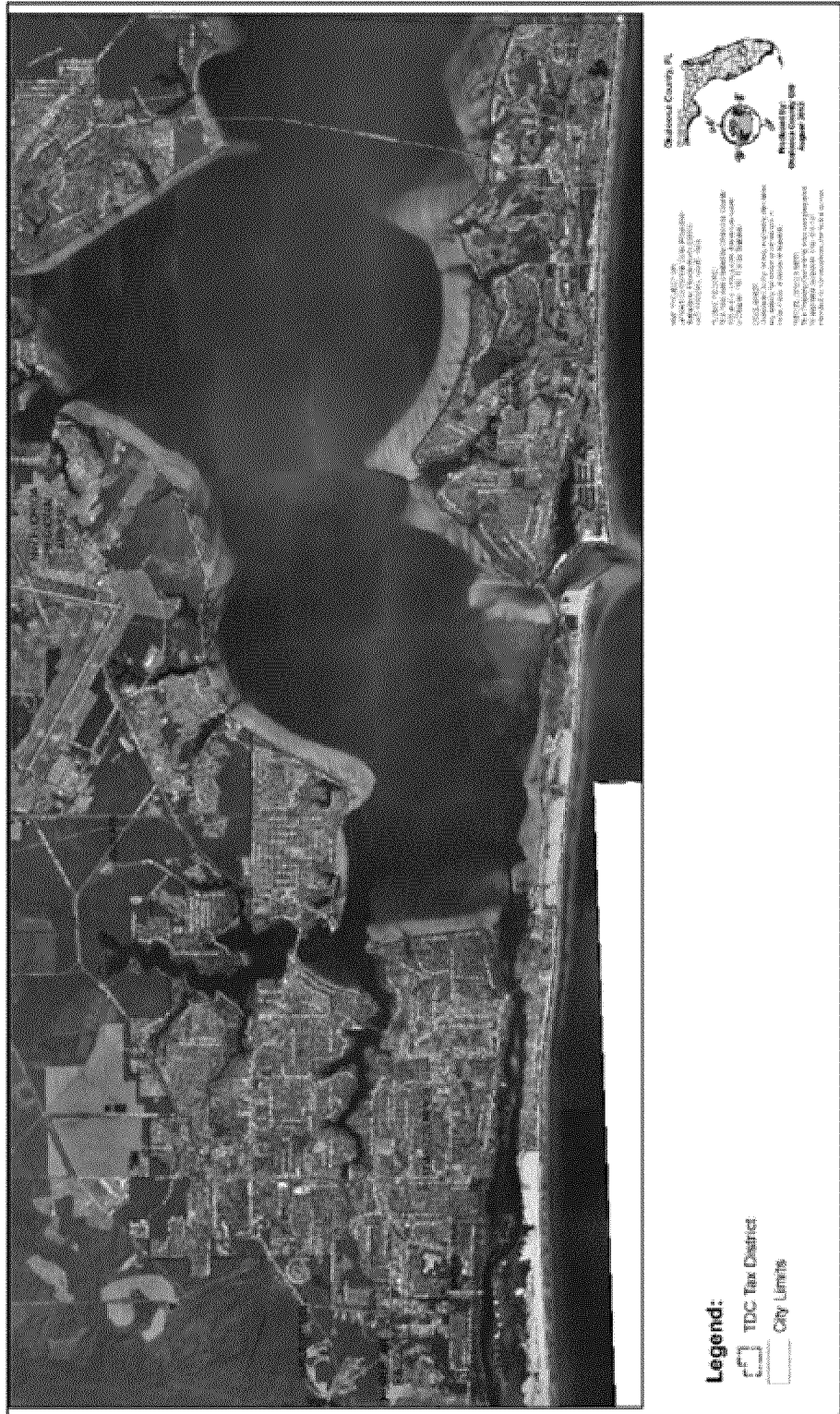
The tax hereby levied shall constitute a lien on the property of the lessee, customer or tenant in the same manner as, and shall be collectible as are, liens authorized and imposed in Sections 713.67, 713.68 and 713.69, Florida Statutes.

Sec. 20-77. Representation of county tourism.

No business entity, other than a county tourism promotion agency, within the boundaries of Okaloosa County, Florida, shall use names as specified in Section 125.0104(9)(e), Florida Statutes, including "visitor information centers" when representing itself to the public as an entity representing tourism interest of the county.

Being a county levying the tourist development tax as aforesaid, in addition to any other powers and duties provided for agencies created for the purpose of tourism promotion by Okaloosa County, such agencies are authorized and empowered to represent themselves to the public as convention and visitors bureaus, visitors bureaus, tourist development councils, vacation bureaus, county tourism promotion agencies, or visitor information centers.

ATTACHMENT A



1 EXHIBIT A

2 **AMENDMENTS TO CHAPTER 20, ARTICLE II**
3 **OF THE OKALOOSA COUNTY CODE OF ORDINANCES**

4 Ordinance 86-06, as subsequently amended, and Chapter 20, Article II of the Okaloosa County
5 Code of Ordinances, are hereby amended as follows:

6 (~~stricken~~ words indicate deletions, underlined words indicate additions)

7 **Sec. 20-71. Tax levied; collection; remittance.**

- 8 (a) There is hereby levied and imposed a tourist development tax countywide in Okaloosa
9 County, Florida. The tourist development tax will ~~continue to be~~ levied and imposed within
10 the previously created subcounty special district ("Subdistrict"), which is depicted on
11 Attachment A at the rate of ~~five~~-six percent, and within the remaining areas of Okaloosa
12 County ("Expansion Area") at the rate of ~~four~~-five percent, of each whole and major fraction
13 of each dollar of the total rental charged every person who rents, leases or lets for
14 consideration any living quarters or accommodations in any hotel, apartment hotel, motel,
15 resort motel, apartment, apartment motel, rooming house, mobile home park, recreational
16 vehicle park, condominium, condominium hotel, timeshare resort, residential dwelling or
17 campground for a term of six months or less (the "dealer"). When receipt of consideration is
18 by way of property other than money, the tax shall be levied and imposed on the fair market
19 value of the non-monetary consideration.
- 20 (b) The tourist development tax shall be in addition to any other tax imposed pursuant to Chapter
21 212, Florida Statutes, and in addition to all other taxes, fees, and the considerations for the
22 rental or lease.
- 23 (c) The tourist development tax shall be charged by the person receiving the consideration for
24 the lease or rental, and it shall be collected from the lessee, tenant or customer at the time of
25 payment of the consideration for such lease or rental.
- 26 (d) The person receiving the consideration for such rental or lease shall receive, account for, and
27 remit the tax to the Okaloosa County Clerk of Circuit Court (the "Clerk") at the same time
28 and in the manner provided for persons who collect and remit taxes under Section 212.03,
29 Florida Statutes. The same duties and privileges imposed by Chapter 212, Florida Statutes,
30 upon dealers in tangible property, respecting the collection and remission of tax, the making
31 of returns, the keeping of books, records and accounts, the payment of a dealer's credit, and
32 compliance with the rules of the Florida Department of Revenue in the administration of said
33 chapter shall apply to and be binding on all persons who are subject to the provisions of this
34 article; provided, however, the Clerk may authorize a quarterly payment when the tax
35 remitted by the dealer for the preceding quarter did not exceed \$250.00.
- 36 (e) The Clerk shall keep records showing the amount of taxes collected, which records shall be
37 open to the public during the regular office hours of the Clerk, subject to the provisions of
38 Section 213.053, Florida Statutes.

- 39 (f) Collections received by the Clerk shall be paid on a monthly basis to the Okaloosa Board of
40 County Commissioners (“Board”) for use by the county in accordance with the provisions of
41 this article and shall be placed in the county tourist development trust fund.
- 42 (g) The Clerk shall perform the enforcement and audit functions associated with the collection
43 and remission of this tax, in accordance with the Laws of the State of Florida. The Clerk
44 shall have such powers and authority, including enforcement authority, as provided by
45 Florida Law.
- 46 (1) a. For the purpose of enforcing the collection of the tax levied by this article, the Clerk is
47 hereby specifically authorized and empowered to examine at all reasonable hours the
48 books, records, and other documents of all dealers, or other persons charged with the
49 duty to report or pay a tax under this article, in order to determine whether they are
50 collecting the tax or otherwise complying with this article.
- 51 b. In the event such dealer refuses to permit such examination of its books, records, or
52 other documents by the Clerk as aforesaid, such dealer is guilty of a misdemeanor of
53 the first degree, punishable as provided in Sections 775.082 or 775.083, Florida
54 Statutes. In addition to all rights and authority to enforce its responsibilities under
55 Florida Law, the Clerk shall have the right to proceed in Circuit Court to seek an
56 injunction or other appropriate remedy against the offender, as granted by this section,
57 to require the examination of the books and records of such dealer.
- 58 (2) a. Each dealer, as defined in this article, shall secure, maintain, and keep for a period of
59 three years, a complete record of rooms or other lodging, leased or rented by the
60 dealer, together with gross receipts from such sales, and other pertinent records and
61 papers as may be required by the Clerk for the reasonable administration of this
62 article; and all such records which are maintained in this state shall be open for
63 inspection by the Clerk at all reasonable hours at such dealer's place of business
64 located in the county.
- 65 b. Any dealer who maintains such books and records at a point outside the county must
66 make such books and records available for inspection by the Clerk. Any dealer subject
67 to the provisions of this article who violates these provisions is guilty of a
68 misdemeanor of the first degree, punishable as provided in Sections 775.082 or
69 775.083, Florida Statutes.
- 70 (3) The Clerk shall be authorized to perform audits in accordance with the requirements and
71 procedures as set forth in Florida Law.
- 72 (4) All taxes collected under this article by the Clerk shall be remitted to the Okaloosa Board
73 of County Commissioners, attention: Finance officer, in accordance with section
74 125.0104(10)(c), Florida Statutes.
- 75 (5) In addition to all enforcement authority under Florida Law, the Clerk is empowered, and
76 it shall be the Clerk's duty, when any tax becomes delinquent or is otherwise in jeopardy,
77 to issue a warrant for the full amount of the tax due or estimated to be due, with the
78 interest, penalties and cost of collection directed to all and singular the sheriffs of the

79 state, and shall record the warrant in the public records of the county, and thereupon the
80 amount of the warrant shall become a lien of any real or personal property of the taxpayer
81 in the same manner as a recorded judgment. The Clerk may issue a tax execution to
82 enforce the collection of taxes imposed by this section and deliver it to the sheriff. The
83 sheriff shall thereupon proceed in the same manner as prescribed by law for executions
84 and shall be entitled to the same fees for his services in executing the warrant to be
85 collected. The Clerk may also have a writ of garnishment issued to the subject of any
86 indebtedness due to the delinquent dealer by a third party in any goods, money, chattels
87 or effects of the delinquent dealer in the hands, possession or control of the third person
88 in the manner provided by law for the payment of the tax due. Upon payment of the
89 execution, warrant, judgment or garnishment, the Clerk shall satisfy the lien of record
90 within 30 days.

91 (h) Tax revenues may be used only in accordance with the provisions of Section 125.0104,
92 Florida Statutes.

93 (i) The Clerk is authorized to be reimbursed for the costs of administration from the proceeds
94 collected. The cost of administration shall be determined as set forth in section
95 125.0104(10)(c), Florida Statutes.

96 ~~(j) It is the Board's intent to transfer the duties and responsibilities related to the collection,
97 audit and enforcement of tourist development taxes from the Department to the Clerk. The
98 Clerk is hereby vested with authority to administer the tourist development tax. Pursuant to
99 section 213.0535, Florida Statutes, the Clerk and the Department shall enter into an
100 information sharing agreement as soon as practicable to effectuate a seamless transition of
101 collection, audit and enforcement of tourist development taxes. The Department shall
102 continue to collect tourist development taxes owed through December 31, 2021. The Clerk
103 shall assume the responsibility for the collection, audit and enforcement of tourist
104 development tax revenues under the provisions of section 125.0104, Florida Statutes,
105 effective January 1, 2022.~~

106 **Sec. 20-72. Tourist development plan.**

107 (a) *Revenue projections and allocations.* Pursuant to the requirements of section 125.0104(4),
108 Florida Statutes, the tax revenues collected pursuant to this section shall be used to fund the
109 uses identified in the Tourist Development Plan as set forth below.

110 Revenues generated by the first three percent and sixth percent on each dollar in the existing
111 Subdistrict and the first two percent and fifth percent on each dollar in the Expansion Area
112 shall be used pursuant to Section 20-72(d) below. Upon implementation of the additional one
113 percent in the Expansion Area pursuant to section 125.0104(3)(d), Florida Statutes it shall
114 also be used pursuant to Section 20-72(d) below. To the extent that such proceeds are not
115 required for those uses, the Board may direct that such proceeds may be used for any other
116 purposes authorized under section 125.0104(5), Florida Statutes.

117 Revenues generated by the fourth and fifth percent on each dollar in the existing Subdistrict
118 and third and fourth percent on each dollar in the Expansion Area shall be used pursuant to

119 Section 20-72(d)(1) below. Upon implementation of the additional one percent in the
 120 Expansion Area pursuant to section 125.0104(3)(d), Florida Statutes, it shall be the fourth
 121 and fifth percent of each dollar in the Expansion Area that shall be used pursuant to Section
 122 20-72(d)(1) below. To the extent that such proceeds are not required for those uses, the
 123 Board may direct that such proceeds may be used for any other purposes authorized under
 124 section 125.0104(3)(l) and (3)(n), Florida Statutes.

125 The anticipated annual revenues to be produced by the levy as identified herein for each
 126 special use is provided as a percentage based on estimates and past collection trends for a
 127 total of ~~\$24.5~~\$27 million countywide annually. The projected revenues are estimates and
 128 may vary from those identified herein.

129 The approximations are based on no Force Majeure events occurring during the 24-month
 130 period that substantially affect tourism which ultimately could affect the allocations towards
 131 special uses, and do not include any expenditure of existing Subdistrict funds earned prior to
 132 March 1, 2022.

133 The following is a list, in order of priority, of the proposed uses of revenues anticipated to be
 134 available for the twenty-four (24) months beginning March 1, 2022. Thereafter, allocations
 135 shall occur annually as part of the budget process.

<u>Special Use</u>	<u>Tourism District</u>
Tourism Promotion and Advertising	43.4%
Public Safety	10.0%
Beach Cleaning/Renourishment & Marine	7.3%
Tourist Parks Maintenance & Beautification	7.6%
Product Improvement - Stewardship	7.2%
Product Improvement - Other	12.4%
Convention Center Operations	6.4%
Infrastructure Improvement	0%
Economic & Cultural Support	1.5%
Administration & Local Collection	3.8%
Emergency Response - Operations	.1%
Emergency Response - Promotions	<u>.2%</u>
Approximate Total	100%

153 (b) *Revenue allocations.* Sub-county district revenues earned prior to March 1, 2022, shall be
 154 separately accounted for and shall be used solely within the boundaries of the existing
 155 Subdistrict and for the benefit of that area. Further, City of Destin and City of Fort Walton
 156 Beach designated projects listed in the currently adopted 5-Year TDT Capital Plan (FY 2021
 157 – FY 2025) shall remain funded up to the amounts designated in the plan at a minimum, less
 158 any funding already expended on such projects:

159 City of Destin (\$17.8 million total): \$3.3 million for Crosstown Connector; \$13 million for
160 Beachfront Property Acquisition; \$1.5 million for Beachfront Park Development.

161 Fort Walton Beach: \$1 million for Waterfront Accessibility

162 The City-related components of the currently adopted 5-Year TDT Capital Plan may be
163 amended by mutual agreement of the Board and affected City, provided that the total amount
164 allocated is not reduced.

165 Revenues earned subsequent to the March 1, 2022, effective date of the countywide levy
166 shall be allocated with the following considerations:

167 (1) For the optimal, logical and systematic countywide benefit for the promotion and
168 development of tourism, public infrastructure and public safety to offset the impacts of
169 tourism, and the operation, maintenance and construction of tourism related
170 amenities/facilities.

171 (2) The proportionate contribution of revenues from various areas, after local collection and
172 an accurate contribution of revenues by area can be determined.

173 (3) The County will earmark 12.5 % of TDT collections, except for any future levy of the
174 “6th” penny High Tourism Impact Tax, for the municipalities subject to the following:

175 a. The terms and conditions in the interlocal agreement between the County
176 and the municipalities earmarking the 12.5% of TDT collections;

177 b. The municipalities shall enter into a separate interlocal agreement, of
178 which the County is not a party to, which details the annual percentage
179 and/or amounts earmarked for each municipality;

180 c. Use of these funds shall comply with the provisions of section 125.0104,
181 F.S., County ordinance, and the TDD Manual, and any amendments
182 thereto, as determined by the County; and

183 d. Proposed uses of these funds shall be presented to the Tourist
184 Development Council for a recommendation and the Board of County
185 Commissioners for final approval.

186 (4) Revenues from the “6th” penny High Tourism Impact Tax will be earmarked for Capital
187 Projects and up to 10% of the proceeds on Public Safety. Other uses of these revenues
188 may be approved by a supermajority vote of the Board. Capital Projects shall include all
189 aspects of capital projects to include, but not be limited to; property acquisition,
190 conceptual design, design/permitting, construction, construction management, FFE
191 (fixtures, furnishing, and equipment), capital maintenance projects, infrastructure
192 projects, and similar related items connected to the Capital Project. These revenues will
193 be tracked and reported separately.

194

195 (c) *Taxing district boundaries.* The countywide tourism development district shall consist of all
196 real property within the boundaries of Okaloosa County, including all real property within
197 the various municipalities.

198 (d) *Tourist development plan.* The Tourist Development Plan shall be comprised of the
199 following broad goals and objectives and the Board determines revenues may be allocated to
200 these purposes:

201 (1) *Tourism promotion.* The tourism related economy within Okaloosa County generates
202 significant direct and indirect revenue to businesses within the community. Accordingly,
203 tourism is essential to a healthy economy and is a driving force in the growth of business
204 development and increased employment opportunities for county residents. The county
205 works diligently on the development and maintenance of quality advertising, sales,
206 marketing and public relations initiatives which present a consistent and positive brand
207 for the area. This branding is essential to the development of this section of the economy
208 and the county will work towards the development and implementation of unified
209 marketing campaigns. These campaigns will be monitored and analyzed by the Tourist
210 Development Council (the "Council"), the director and tourist development department
211 staff with, at a minimum, quarterly reports provided to the Board. Within the guidelines
212 set forth herein, the campaigns shall be conducted with funding levels designed to
213 achieve maximum positive promotional exposure to potential visitors. A primary
214 objective for the campaigns shall be the maintenance of consistent positive "branding"
215 which consists of image and name recognition and the further development of "year
216 round business" to encompass group and leisure business.

217 The support for a variety of special events and sponsorships is another productive means
218 to further the development of year round business and bolster image and name
219 recognition. The development of a visible support community for local production of film
220 and advertising projects may also be a productive means to further maintain a consistent
221 positive "branding".

222 The funding of aquariums and museums that are publicly owned and operated or owned
223 and operated by not-for-profit organizations and open to the public, will promote tourism
224 by offering educational activities and entertainment for visitors of all ages.

225 (2) *Convention business development.* The county has operated the Destin-Fort Walton
226 Beach Convention Center ("DFWBCC") since 2003 and its value as a catalyst for the
227 growth of the conference/convention/group business segment of the visitor population is
228 well established and is an effective means of developing year round business. The
229 DFWBCC will be managed in house or by contract with professional management firms,
230 or by a combination of the two. The facility provides indoor and outdoor venues for
231 cultural, educational, sport and entertainment events which are a positive draw for
232 visitors as well as a benefit to the overall quality of the branding of county products. The
233 expansion of the DFWBCC facilities, grounds and functions will further the development
234 of year-round business.

235 (3) *Product improvement.* The attraction of new tourists and repeat visitation by making
236 vacation time here more valuable through improved experiences results in a diverse,
237 healthy tourism related economy and consistent and positive brand for the area. Product
238 improvement may include operations, maintenance, feasibility studies and/or actual
239 construction costs.

240 a. *Destination stewardship.* Destination stewardship is heavily engaged with the
241 promotion of tourism by enhancing the tourism product, improving visitor
242 experiences, and engaging visitors while in-market. A multi-stakeholder approach is
243 required to foster the environmental, cultural, economic, and aesthetic integrity of
244 Okaloosa County, while building a more resilient, regenerative, equitable, and
245 sustainable tourism economy.

246 b. *Water related.* The beaches, waters of the Gulf of Mexico, Choctawhatchee Bay,
247 Bayous, Rivers, Lakes, and all other public water bodies are a main focus of attraction
248 to our visitors, as are the related entrance points and recreational facilities, which
249 allow greater access and enhanced enjoyment of these areas. Accordingly, the
250 maintenance and improvement of these natural assets and recreational facilities
251 (“tourist destination facilities”) provide a clean, attractive and safe environment for
252 public usage and are important to the image and marketing of the county and essential
253 to the preservation, improvement and promotion of the very foundation of the
254 economy that the county is promoting.

255 The long-term maintenance goals of this plan include a mechanical beach cleaning
256 program for all Gulf beaches not owned or controlled by the federal government and
257 an ongoing partnership between federal, state, county and municipal entities for the
258 restoration and re-nourishment of the beaches. The county will continue to fund the
259 permitting and construction of restoration and re-nourishment projects for beaches.
260 This will facilitate the dual goal of this long-term restoration plan and preservation and
261 management of the county's waterfront resources and other tourist destination
262 facilities, including the improvement of public access to those resources and facilities.
263 This component of beach access improvement and beach restoration and monitoring is
264 essential for ensuring access and promoting a broader accommodation base by
265 improving access for non-waterfront accommodations.

266 Constructing artificial reefs will promote tourism by offering diving, snorkeling and
267 fishing activities. Additionally, the construction of artificial reefs will enhance the
268 waters of the Gulf of Mexico by providing increased fisheries and improved aquatic
269 habitat. Once enough artificial reefs are constructed, the county may develop an
270 aquatic nature center as an eco-tourism facility to showcase these tourism activities
271 and assets.

272 An essential component of product improvement and promotion is to provide a safe
273 environment for the use of the beaches, waterways and facilities, including the
274 provision of lifeguard services, as well as public safety services, including emergency
275 medical services as defined in section 401.107(3), Florida Statutes, and law

276 enforcement services, which are needed to address impacts related to increased
277 tourism and visitors.

278 c. *Non-water related.* Sports tourism generates economic impact to businesses within the
279 community and is a compelling method to garner repeat visitation during the non-
280 sports season. Accordingly, the maintenance and improvement of sports facilities or
281 arenas, including equestrian, that are publicly owned and operated or owned and
282 operated by not-for-profit organizations and open to the public, are important to the
283 image and marketing of the county.

284 Agritourism enhances the tourism industry by offering educational activities and
285 entertainment for visitors of all ages, thereby extending length of stay. Supporting the
286 link between agricultural production and/or processing with tourism in order to attract
287 visitors onto a farm, ranch, or other agricultural business for the purposes of
288 entertaining and/or educating the visitors and generating income for the farm, ranch, or
289 business owner furthers the development of year-round business.

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291 construction and operation of low-impact facilities, delivering memorable
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293 and culture, and provide direct financial benefit to conservation. Trails and scenic
294 overlooks for hiking and biking allow visitors to commune with nature and wildlife.
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300 destination's identity by creating a clear and consistent message and style to visitors.
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304 tourist-related business activities is an integral element of product improvement and
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306 be met if revenues are used for this purpose.

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308 plan, including local coordination and monitoring, is by local administration under the
309 direction of the Board and the county administrator. In addition, the administration of the
310 revenue collection process shall be carried out pursuant to the requirements of section
311 125.0104, Florida Statutes, and such other provisions of Florida Law, by the Clerk.

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313 financial stability; they enable continued operations when revenue collections are
314 adversely impacted, expedite recovery in the aftermath of a major storm event, and allow
315 the county to take advantage of major unforeseen promotional, product improvement, and

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351 have a designated member of the Council. The designated members of the Council for the
352 Cities of Crestview and Fort Walton Beach shall serve as Elected Representatives. The
353 designated member of the Council for the City of Destin shall serve as a Tourism Industry
354 Representative. The City of Destin is a premier tourist destination and its economic base is
355 tourism. Therefore, Destin City Council members are “persons who are involved in the
356 tourist industry and who have demonstrated an interest in tourist development” in accordance
357 with section 125.0104(4)(e), Florida Statutes. The Board shall use its best efforts to appoint
358 a geographically-diverse Council that meets the statutory requirements.

359 (b) *Duties and responsibilities.* The Council shall make recommendations to the Board for the
360 effective uses of the revenue and may perform such other duties or functions as hereinafter
361 may be prescribed by ordinance or resolution.

362 (c) *Review of revenue expenditures.* The Council and the director shall continuously review all
363 expenditures of revenue and shall report to the Board and Department of Revenue all
364 expenditures of said revenue believed to be unauthorized by the provisions of this article.

365 **Sec. 20-74. Failure to charge or collect tax.**

366 Any person who is taxable hereunder who fails or refuses to charge and collect from the person
367 paying any rental or lease the taxes herein provided, either by himself or through his agents or
368 employees, shall be, in addition to being personally liable for the payment of the tax, guilty of a
369 misdemeanor of the first degree, punishable as provided in Section 775.082 or Section 775.083,
370 Florida Statutes.

371 **Sec. 20-75. Representation that tenant or lessee need not pay tax.**

372 No person shall advertise or hold out to the public in any manner, directly or indirectly, that he
373 will absorb all or any part of the tax, or that he will relieve the person paying the rental of the
374 payment of all or any part of the tax, or that the tax will not be added to the rental or lease
375 consideration, or when added, that it or any part thereof will be refunded or refused, either
376 directly or indirectly, by any method whatsoever. Any person who willfully violates any
377 provisions of this subsection shall be guilty of a misdemeanor of the first degree, punishable as
378 provided in Section 775.082 or Section 775.083, Florida Statutes.

379 **Sec. 20-76. Tax deemed lien.**

380 The tax hereby levied shall constitute a lien on the property of the lessee, customer or tenant in
381 the same manner as, and shall be collectible as are, liens authorized and imposed in Sections
382 713.67, 713.68 and 713.69, Florida Statutes.

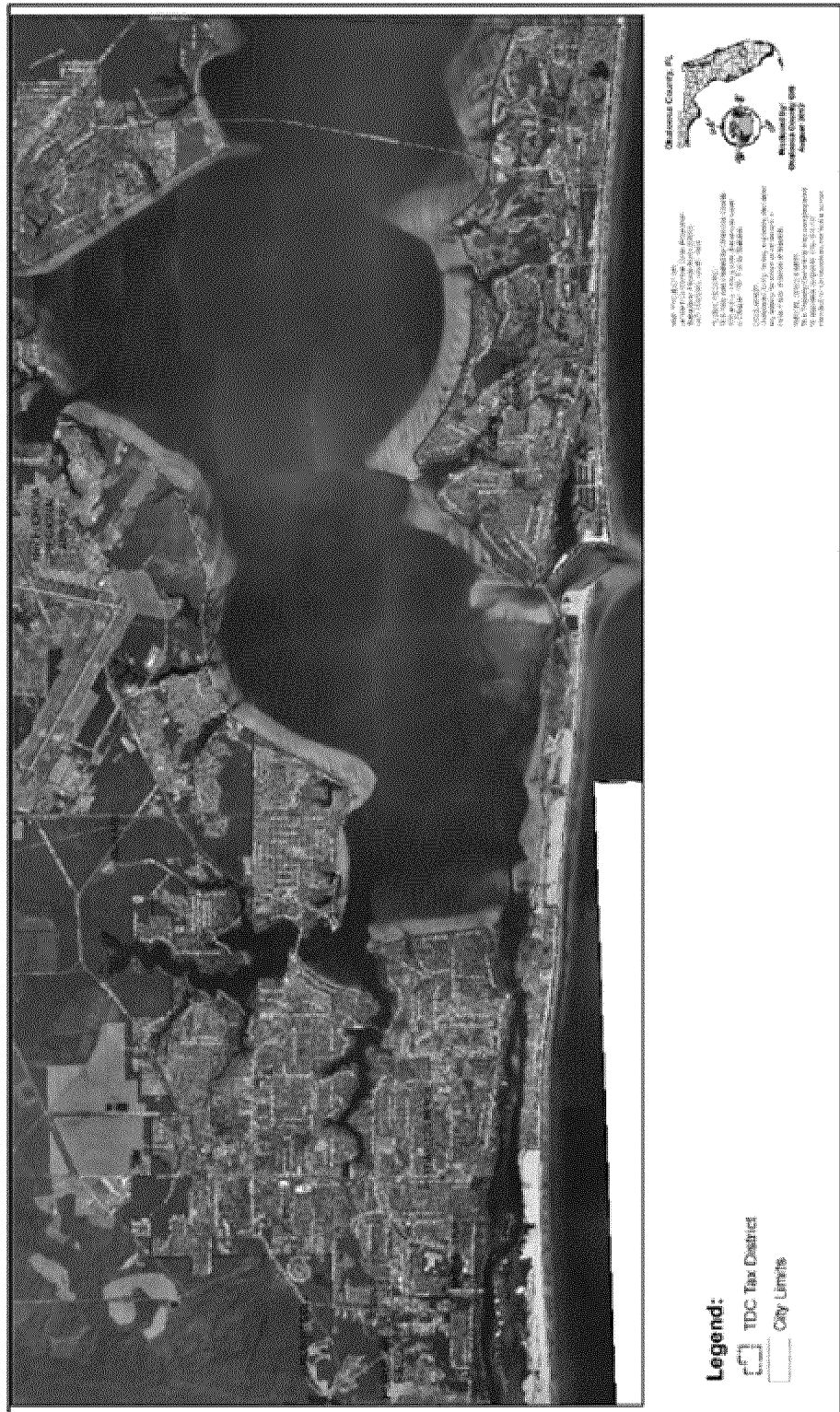
383 **Sec. 20-77. Representation of county tourism.**

384 No business entity, other than a county tourism promotion agency, within the boundaries of
385 Okaloosa County, Florida, shall use names as specified in Section 125.0104(9)(e), Florida
386 Statutes, including "visitor information centers" when representing itself to the public as an
387 entity representing tourism interest of the county.

388 Being a county levying the tourist development tax as aforesaid, in addition to any other powers
389 and duties provided for agencies created for the purpose of tourism promotion by Okaloosa
390 County, such agencies are authorized and empowered to represent themselves to the public as
391 convention and visitors bureaus, visitors bureaus, tourist development councils, vacation
392 bureaus, county tourism promotion agencies, or visitor information centers.

393

ATTACHMENT A





Florida Department of Revenue
Office of Tax Research

Jim Zingale
Executive Director

5050 West Tennessee Street, Tallahassee, FL 32399

floridarevenue.com

August 24, 2022

Craig Coffey
Deputy County Administrator
Okaloosa County Administrators Office
1250 N Eglin Pkwy,
Shalimar, Florida 32579

Dear Mr. Coffey:

The Department of Revenue is in receipt of a request for certification of Okaloosa County as a High Impact Tourist County pursuant to the requirements of section 125.0104 (3)(m), Florida Statutes. This provision reads:

(m)1. In addition to any other tax which is imposed pursuant to this section, a high tourism Impact county may impose an additional 1-percent tax on the exercise of the privilege described in paragraph (a) by extraordinary vote of the governing board of the county. The tax revenues received pursuant to this paragraph shall be used for one or more of the authorized uses pursuant to subsection (5).

2. A county is considered to be a high tourism impact county after the Department of Revenue has certified to such county that the sales subject to the tax levied pursuant to this section exceeded \$600 million during the previous calendar year, or were at least 18 percent of the county's total taxable sales under chapter 212 where the sales subject to the tax levied pursuant to this section were a minimum of \$200 million, except that no county authorized to levy a convention development tax pursuant to s. [212.0305](#) shall be considered a high tourism impact county. Once a county qualifies as a high tourism impact county, it shall retain this designation for the period the tax is levied pursuant to this paragraph.

3. The provisions of paragraphs (4)(a)-(d) shall not apply to the adoption of the additional tax authorized in this paragraph. The effective date of the levy and imposition of the tax authorized under this paragraph shall be the first day of the second month following approval of the ordinance by the governing board or the first day of any subsequent month as may be specified in the ordinance. A certified copy of such ordinance shall be furnished by the county to the Department of Revenue within 10 days after approval of such ordinance.

The taxable rental receipts reported by the Department of Revenue as the administrator for taxable calendar year 2021 are as follows:

	As on the monthly Report	Calculated Taxable Sales (Remitted / 5%)
Activity Period	Total Amount Remitted	Taxable Rental Receipts
January 2021	896,672	17,933,445
February 2021	1,101,709	22,034,189
March 2021	2,939,636	58,792,716
April 2021	3,415,874	68,317,476
May 2021	4,255,486	85,109,720
June 2021	6,044,784	120,895,674
July 2021	7,083,592	141,671,842
August 2021	4,211,782	84,235,635
September 2021	2,914,631	58,292,629
October 2021	2,456,013	49,120,259
November 2021	1,101,690	22,033,804
December 2021	1,154,164	23,083,282
2021 Total	37,576,034	751,520,672

Based on these reported taxable rental receipts, Okaloosa County meets the requirement of section 125.0104(3)(m)2., Florida Statutes, that the sales subject to the tax levied under section 125.0104, Florida Statutes, during calendar year 2021 exceeded \$600 million. By this letter, the Department of Revenue certifies that the sales subject to tax levied pursuant to section 125.0104, Florida Statutes exceeded \$600 Million in the previous calendar year.

Please note that section 125.0104(3)(m)2., Florida Statutes, further provides that no county authorized to levy a convention development tax pursuant to section 212.0305, Florida Statutes, shall be considered a High Tourism Impact County. In certifying the required level of taxable activity, the Department of Revenue makes no determination of whether Okaloosa County is authorized to levy a convention development tax pursuant to section 212.0305, Florida Statutes.

Please let me know if you have any questions or need additional assistance on this matter.

Sincerely,

Matthew Moore
Chief Economist
Office of Tax Research
Florida Department of Revenue

**NOTICE OF INTENTION TO
ADOPT ORDINANCE**

NOTICE IS HEREBY GIVEN that the Board of County Commissioners of Okaloosa County, Florida, on October 4, 2022, at 8:30 A.M. or soon thereafter, in the Commission Meeting Room at the Okaloosa County Administrative Building, located at 1250 N. Eglin Parkway, Shalimar, Florida, will hold a public hearing to consider adopting an ordinance, the title and substance of said proposed ordinance being:

AN ORDINANCE AMENDING ORDINANCE NO. 86-06, AS AMENDED AND CODIFIED IN CHAPTER 20, ARTICLE II OF THE OKALOOSA COUNTY CODE OF ORDINANCES REGARDING THE TOURIST DEVELOPMENT TAX; LEVYING AN ADDITIONAL ONE PERCENT (1%) TOURIST DEVELOPMENT TAX; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR EFFECTIVE DATES OF THIS ORDINANCE AND LEVY OF THE ADDITIONAL ONE PERCENT (1%) TAX.

The proposed ordinance may be inspected by the public at the Offices of the County Commission located at Suite 100, Okaloosa County Administrative Building, 1250 N. Eglin Parkway, Shalimar, Florida 32579 and at Suite 302, 302 N. Wilson Street, Crestview, Florida 32536. Those offices can be contacted by telephone at 850-651-7105.

If any person decides to appeal any decision made with respect to any matter considered at these hearings, such person will need a record of the proceeding and may need to ensure that a verbatim record of the proceeding is made which record includes the testimony and evidence upon which the appeal is to be based.

Okaloosa County adheres to the Americans with Disabilities Act and will make reasonable modifications for access to these hearings upon request. Requests may be made to the County Commission Offices at the above address and must be made at least 48 hours in advance of the hearings to provide the requested service.

Ad#7793889, 9/22/2022



Florida Department of Revenue
Office of Tax Research

Jim Zingale
Executive Director

5050 West Tennessee Street, Tallahassee, FL 32399

floridarevenue.com

August 24, 2022

Craig Coffey
Deputy County Administrator
Okaloosa County Administrators Office
1250 N Eglin Pkwy,
Shalimar, Florida 32579

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Please let me know if you have any questions or need additional assistance on this matter.

Sincerely,

Matthew Moore Digitally signed by Matthew Moore
Date: 2022.10.03 11:37:09 -04'00'

Matthew Moore
Chief Economist
Office of Tax Research
Florida Department of Revenue