

SCS HCS HB 515 -- TOURISM COMMUNITY ENHANCEMENT DISTRICTS

Currently, each tourism community enhancement district has a board of directors with at least five members. This bill increases the number to seven directors and changes the membership so that it is based on the amount of sales tax revenue collected by each district rather than population. Members are required to be residents of the district, own property in the district, be employed by a business in the district, or operate a business in the district. Currently, only residents of the district may be board members. A simple majority vote is required for the removal of a board member instead of the current two-thirds vote of the appointing governing body.

Currently, the board is allowed to levy, upon voter approval, a tourism tax of up to 1% on all sales within the district. The bill prohibits the tourism tax from being assessed on the sale of food, utilities, telephone, and wireless services. The manner in which the revenue from the tax is distributed is changed so that 98% of the revenue is used for the marketing, advertising, and promotion of tourism; the administration of these activities; and a reasonable reserve. One percent of the revenue must be held in reserve, and another 1% may be retained by the Department of Revenue for the collection of the sales tax.