



Agenda Item Summary

File ID: 19-0088

PH-3

Meeting Date: 11/20/2018

PLACEMENT: Public Hearings

TITLE:

PUBLIC HEARING TO CONSIDER ADOPTION OF ORDINANCE AMENDING SECTION 71.243.B, CHAPTER 71, FINANCE AND TAXATION, ARTICLE 6, TOURIST DEVELOPMENT TAXES, GENERAL ORDINANCES, MARTIN COUNTY CODE TO CHANGE THE CATEGORIES OF USE AND PERCENTAGES OF TAX REVENUES

EXECUTIVE SUMMARY:

The Board of County Commissioners (Board) is requested to adopt proposed amendments to Chapter 71, Finance and Taxation, Article 6, Tourist Development Taxes, General Ordinances, Martin County Code to modify the existing allocations for the uses of funds and percentages of tax revenues for tourist development taxes.

DEPARTMENT: Administration

PREPARED BY: **Name:** Nerissa Okiye
Title: Tourism and Marketing Manager

REQUESTED BY: Martin County Tourist Development Council

PRESET:

PROCEDURES: None

BACKGROUND/RELATED STRATEGIC GOAL:

The Board of County Commissioners and the Tourist Development Council (TDC) are required to annually review the Tourist Development Plan contained in the Tourist Development Taxes Ordinance (TDT Ordinance) pursuant to Section 71.244, General Ordinances, Martin County Code. At the May 16, 2018 TDC meeting, the TDC reviewed the current revenue allocations and uses of funds outlined in the TDT Ordinance. The TDC unanimously agreed that the reallocation of funds into the Promotion Category is needed to expand tourism efforts for Martin County. The TDC recommendation is to reallocate the funds raised from tourist development taxes to enhance promotion efforts were presented to the Board at its October 8, 2018 meeting. The Board approved the new funding allocations and authorized the TDC to bring the TDT Ordinance amendment forward for a public hearing.

Specifically, the proposed TDT Ordinance amendment reassigns the funds currently in the Capital Projects Category (Category C.), forecasted to be at \$123,455, into the Promotion Category (Category A) leaving a zero balance for Capital Projects.

In addition, the amendment proposes changes to the Beach and Inlet Category (Category D). Currently, funds raised from tourist development taxes are initially directed toward maintenance for the St. Lucie Inlet until a \$500,000 cap is reached. Once the St. Lucie Inlet cap is reached, funds are used for beach maintenance. The proposed amendment imposes a \$400,000 cap on the funding allocated for beach maintenance. After the beach and inlet caps are reached, the future funds raised will be allocated to the Promotion Category (Category A). Currently funding for beach maintenance is allocated on a percentage basis that continues to grow. Since 2015, the funding allotted to the beach maintenance has increased over 438%, growing from \$79,030 to \$425,508. Capping the beach maintenance fund at \$400,000 still provides adequate funding for beach projects and frees up the needed funding for the Promotion Category.

The funding allocation for Sports Promotion (Category B) will remain the same.

ISSUES:

Section 125.0104(4) (d), Fla. Stat., requires that the Tourist Development Plan be amended by “ordinance enacted by an affirmative vote of a majority plus one additional member” of the Board of County Commissioners (not less than four County Commissioners).

LEGAL SUFFICIENCY REVIEW:

This is a legislative matter. Legislative decisions are those in which the local government formulates policy rather than applying specific rules to a particular situation. A local government’s approval or denial of an issue in its legislative capacity is typically subject to a fairly debatable standard of review. Fairly debatable means that the government’s action must be upheld if reasonable minds could differ as to the propriety of the decision reached. Decisions subject to the fairly debatable standard of review need only be rationally related to a legitimate public purpose, such as the health, safety, and welfare of the public, to be valid. Given this broad discretion, only decisions that are arbitrary and capricious or illegal are subject to serious legal challenge.

This was published as a Public Hearing in *The Stuart News* on November 1, 2018.

RECOMMENDED ACTION:

RECOMMENDATION

Move that the Board adopt the proposed amendment to the Tourist Development Taxes Ordinance.

ALTERNATIVE RECOMMENDATIONS

None

FISCAL IMPACT:

RECOMMENDATION

Changing the allocation of funds in the Tourist Development Taxes Ordinance will provide additional funding to the Promotion Category. It is anticipated that the funding for the Promotion Category will increase by \$150,000 per year, less the 3% fee imposed by the Martin County Tax Collector’s Office.

Funding Source	County Funds	Non-County Funds
Tourist Development Taxes		
Subtotal		
Project Total		

ALTERNATIVE RECOMMENDATIONS

None

DOCUMENT(S) REQUIRING ACTION:

- ☐ Budget Transfer / Amendment
 ☐ Chair Letter
 ☐ Contract / Agreement
☐ Grant / Application
 ☐ Notice
 ☒ Ordinance
 ☐ Resolution
☐ Other: