



2018 LEGISLATIVE REPORT

VACATION RENTALS

DIED IN COMMITTEE

SB 1400/1640 (sponsored by Senator Steube, R-Sarasota & Senator Simmons, R-Longwood)

HB 773 (sponsored Representative La Rosa, R-Saint Cloud)

In 2011, Florida preempted vacation rental regulation to the state preventing local governments from enacting any new law that restricted the use of vacation rentals, prohibited vacation rental, or regulated vacation rentals based on their classification, use or occupancy. In 2014, the Legislature revised the preemption of 2011 so that local governments can regulate vacation rentals, provided the regulations do not regulate the duration or frequency of vacation rentals.

SB 1400 and SB 1640 were combined during the committee process. As combined, this bill would require all vacation rentals to be licensed, and for that license to be displayed within the property. It would apply to vacation rentals only some of the same sanitation and safety requirements that apply to public lodging facilities. It would define what constitutes a commercial operator of vacations rental units. It would preempt local regulation of vacation rentals.

HB 773 would restrict local governments' ability to regulate vacation rentals, requiring all properties to be treated the same regardless of whether they are used for vacation rentals or residential property.

Neither the Senate or House proposals adequately addressed the role of hosting platforms in the vacation rental industry.

TOURIST DEVELOPMENT TAX

PASSED

SB 658 (sponsored by Senator Brandes, R-St. Petersburg)

HB 585 (sponsored by Representative Fine, R-Palm Bay)

HB 7087 (sponsored by Ways & Means and Appropriations Committees)

Recognizing the importance of tourism to Florida's economy, the Tourist Development Tax (TDT) was adopted to provide a dedicated source of funding for tourism promotion. The Florida Statutes delineate the specific and limited uses to which these dollars can be applied. SB 658 and HB 585 allows for broad use of TDT revenue for infrastructure and other public projects, once certain criteria are satisfied.

Both bills stalled in the process and were thought to be dead. The legislation was revived via an amendment to the tax package, HB 7087. The amendment, which closely mirrors the original bill, mandates that TDT funds cannot be used for infrastructure projects unless:

- The county receives at least \$10 million in TDT dollars in the immediately preceding fiscal year;
- It is approved by a two-thirds vote of the county governing board;
- The amount of TDT dollars used is no more than 70 percent of the total project cost;
- 40 percent of the TDT funds are reserved for tourism marketing efforts; and
- An independent analysis to demonstrate the project's positive impact on tourism is conducted.

FRANCHISEE / FRANCHISOR

DIED IN COMMITTEE

SB 1076 (sponsored by Senator Steube, R-Sarasota)

HB 1219 (sponsored by Representative Fitzenhagen, R-Ft. Myers)

A franchise is the agreement or license between two legally independent parties which gives a person or group of people (franchisee) the right to market a product or service using the trademark or trade name of another business (franchisor). A franchisee agreement is the most important document of the franchisee/franchisor relationship. This document legally binds both parties, laying out the rights and obligations of each.

Florida currently regulates franchising through its antifraud and unfair trade practices laws, and by creating rights for violations of federal franchise disclosure laws. SB 1076 and HB 1219 proposed a fundamental alteration of franchise relationships, focusing mostly on franchise terminations, non-renewals, transfers and venue. These bills contain numerous provisions harmful to franchising, franchisors, franchisees and the consumer alike. However, the bills particularly target franchisors, drastically restricting their ability to protect their brands.

HUMAN TRAFFICKING

DIED IN COMMITTEE

SB 1044 (sponsored by Senator Book, D-Plantation)

HB 167 (sponsored by Representative Spano, R-Riverview)

Estimates show that thousands of men, women and children are trafficked in the United States each year. These traffickers often rely on legitimate businesses to sustain their operations and infrastructure.

Unfortunately, hotels are one of the venues that traffickers use to exploit their victims. This criminal activity presents a great risk for the safety and security of hotel businesses, as well as legitimate customers. With millions of million visitors coming to our state each year, Florida's hospitality industry must serve as a leader in the fight to combat human trafficking, and it is critical that our industry continues to raise awareness through education and training.

SB 1044 and HB 167 would have established a civil cause of action for victims of human trafficking. Under these bills, a trafficking victim could sue an entity that meets the broad definition of a facilitator and recover economic, noneconomic and punitive damages. If the employer has provided training to its employees to help them identify and report instances of trafficking, the employer may have a defense against punitive damages.

During the final days of session, SB 1044 was amended onto HB 1301 in a very unusual procedural maneuver late in the session. Additional amendments stripped this language from HB 1301, taking the Human Trafficking legislation out of consideration for the 2018 session.

The hospitality industry is eager to continue collaboration with our state and local community partners to find meaningful solutions to eradicate this horrible crime.

ALCOHOL ISSUES

COOPERATIVE ADVERTISING: DIED IN COMMITTEE

SB 822 (sponsored by Senator Hutson, R -Palm Coast)

HB 775 (sponsored by Representative La Rosa, R-Saint Cloud)

This legislation would create an exemption to "tied house evil" prohibitions and permit manufacturers and vendors to engage in cooperative advertising.

COMPANION BRANDED GLASSWARE: PASSED

SB 1244 (sponsored by Senator Bradley, R-Fleming Island)

HB 961 (sponsored by Representative Joe Gruters, R-Sarasota)

This legislation allows a malt beverage distributor to give, without charge, malt beverage branded glassware to a licensed vendor.

ALCOHOL ISSUES - CONTINUED

ALCOHOLIC BEVERAGES: DIED IN MESSAGES

SB 296 (sponsored by Senator Brandes, R-St. Petersburg)

HB 669 (sponsored by Representative Perez, R-Miami)

This legislation would remove the current size limitations for wine and cider. It would relax the meal purchase requirements for patrons who wish to take partially consumed bottles of wine home with them from a restaurant.

ALCOHOL DELIVERIES: PASSED

SB 1020 (sponsored by Senator Young, R-Tampa)

HB 667 (sponsored by Representative Perez, R-Miami)

This bill allows alcoholic beverage vendors to make deliveries based on “electronic” orders in the same manner as telephone and mail orders. The bill also authorizes vendors to deliver alcoholic beverages in third-party vehicles, including common carriers, pursuant to a contract between the vendor and the third party.

CITY OF ORLANDO: PASSED

HB 1447 (sponsored by Representative Miller, R -Orlando)

Allows for a special exception to the alcoholic beverage law for certain premises in the City of Orlando meeting specific criteria.

VISIT FLORIDA FUNDING

PASSED

HB 5001 – General Appropriations Act

Governor Rick Scott recommended \$100 million in Visit Florida funding in his budget. The House and Senate agreed upon funding for VISIT FLORIDA in the amount of \$76 million. This allows VISIT FLORIDA to be fully funded at its current level and to continue promoting Florida tourism to attract visitors to the Sunshine State.

TOURIST DEVELOPMENT COUNCIL TRANSPARENCY

DIED IN COMMITTEE

SB 1714 (sponsored by Senator Perry, R-Gainesville)

HB 3 (sponsored by Representative Grant (M), R-Port Charlotte)

Local Tourist Development Councils (TDCs) are funded through Tourist Development Tax revenues. The purpose of these organizations is to promote and advertise tourism. A Tourism Development Council meets periodically to discuss tourism promotion ideas and to make recommendations to the County Commission regarding those ideas. TDC expenditures must fall within statutory restrictions and guidelines.

SB 1714 and HB 3 would have established additional regulations and heightened transparency requirements for local TDCs, including limitations on salaries and expenditures, audit requirements, and public posting of certain financial data and contract information.

QUESTIONS?

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