

ORDINANCE NO. 2025-03

AN ORDINANCE AMENDING CHAPTER 20, ARTICLE II OF THE OKALOOSA COUNTY CODE OF ORDINANCES TITLED TOURIST DEVELOPMENT; AMENDING AND UPDATING SECTIONS 20-71 TITLED “TAX LEVIED; COLLECTION; REMITTANCE” AND 20-72, TITLED “THE TOURIST DEVELOPMENT PLAN” FOR THE PROPOSED USES OF REVENUES; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR EFFECTIVE DATE OF THIS ORDINANCE.

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 Chapter 20, Article II of the Okaloosa County Code of Ordinances (“TDT Ordinance”) titled “Tourist Development”, which levies a six percent (6%) TDT within Okaloosa County; and

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

WHEREAS, the Board has determined that it is desirable to update the Tourist Development Plan for the proposed uses of revenues as authorized in section 125.0104(5), Florida Statutes.

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

SECTION 1. AMENDMENT TO CHAPTER 20, ARTICLE II OF THE OKALOOSA COUNTY CODE OF ORDINANCES. Chapter 20, Article II, Sections 20-71 titled “Tax Levied; Collection; Remittance” and 20-72 titled Tourist Development Plan, are hereby amended as set forth in Exhibit A and incorporated herein by reference

SECTION 2. 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 3. EFFECTIVE DATES. This ordinance shall take effect as provided by law. The effective date of the revisions to the Tourist Development Plan shall be March 1, 2025.

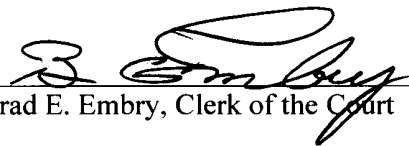
DULY ADOPTED by the Board of County Commissioners this 18th day of February, 2025.

BOARD OF COUNTY COMMISSIONERS
OF OKALOOSA COUNTY, FLORIDA

ATTEST:



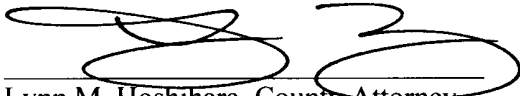
Paul Mixon, Chairman



Brad E. Embry, Clerk of the Court



APPROVED AS TO FORM:



Lynn M. Hoshihara, County Attorney

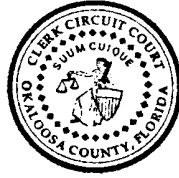


EXHIBIT A

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

SECTION 1.

Chapter 20, Article II, Section 20-71 of the Okaloosa County Code of Ordinances, is 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 be levied and imposed at the rate of six 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.

SECTION 2

Ordinance 86-06, as subsequently amended, and Chapter 20, Article II, Section 20-72 of the Okaloosa County Code of Ordinances, are hereby amended as follows:

(stricken words indicate deletions, underlined words indicate additions)

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 shall 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 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 \$40 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.

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, 2025. Thereafter, allocations shall occur annually as part of the budget process.

<u>Special Use</u>	<u>Allocation</u>
Tourism Promotion and Advertising	40.0%
Public Safety	10.0%
Product Improvement/Maintenance-Municipalities	10.0%
Beaches/Tourist Parks Maintenance & Beautification	10.0%
Product Improvement - Stewardship	5.0%
Product Improvement – Water Related	4.0%
Product Improvement – Non-Water Related	15.0%
Convention Business Development	4.0%
Infrastructure Improvement	0.0%
Economic & Cultural Support	0.5%
Administration & Local Collection	3.3%
Emergency Response - Operations	0.1%
Emergency Response - Promotions	<u>0.1%</u>
Approximate Total	100%

(b) *Revenue allocations.* Subdistrict, which is depicted on Attachment A, revenues earned prior to March 1, 2022, shall be separately accounted for and shall be used solely within the boundaries of the 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 March 1, 2022, 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.

ATTACHMENT A

