

# **Board of County Commissioners**

## **Agenda Request**

Date of Meeting: June 16, 2009

Date Submitted: May 29, 2009

To: Honorable Chairman and Members of the Board

From: Brent X. Thurmond, Clerk of Court  
Jerry Evans, Chairman of Tourist Development Council (TDC)

Subject: Request Board Approval to Amend Ordinance 96-26, to Transfer the Collection and Enforcement of Tourism Tax from Wakulla County to the Florida Department of Revenue

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### **Statement of Issue:**

This agenda item requests Board approval to set a date for public hearing on amending the Ordinance to authorize the Department of Revenue to collect and enforce the Wakulla County Tourism tax.

This change will benefit the County by allowing us to continue to monitor and ensure that all new local businesses that come on line are picked up by the State and thus the tax dollars are flowing to our TDC. As it currently operates, the entire funds received from tourism tax to administer the collection program averages \$114 per month. This is not enough to perform all of the operations for so few dealers and thus we are using precious personnel and financial resources funded from general funds to supplement the operations of this effort.

The Florida Department of Revenue is fully geared up to set up new accounts, print forms, collect remittances, monitor payments and delinquencies, and most of all, to fully enforce all tourism tax obligations, at no additional cost to the taxpayers or the TDC of Wakulla County.

On top of that, now that we have a Revenue Information Sharing Exchange (RISE) Agreement with the Department of Revenue, we can continue to monitor the process to ensure that any new dealers opening up in Wakulla County are included in the funds collected for our County. This means we can avoid the occurrence of the problems with the original set up of this when DOR originally did the collections and had not given us credit for all the tax collected.

### **Background:**

The Tourism tax is a 2% tax that was imposed by Ordinance 94-46 originally. In Ordinance 96-26, the BOCC amended the original Ordinance to allow the County, through the Clerks office, to collect this tax. Although not abundantly clear from the records and since none of us were here then, it is believed that the motivation for this was to maximize the collection of taxes as there was some suspicion at that time that revenues were being lost to the County.

Agenda Request: Request Board Approval to Amend Ordinance 96-26, to Transfer the Collection and Enforcement of Tourism Tax from Wakulla County to Florida Department of Revenue

June 16, 2009

Page 2

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This suspicion was correct, and the change brought about positives in the form of an additional \$10,000.00 of tourism tax dollars properly collected by local dealers and properly remitted to the DOR, but improperly classified and thus not remitted to Wakulla County.

However, after the initial improvements, we have had challenges with some dealers becoming delinquent in their remittances to the County. The Ordinance authorized the County to enforce these delinquencies, but did not clarify certain things and thus enforcement has always been a problem for the County.

When discussing this recently with the Tourist Development Council and their director, and with the County Attorney, it was decided that we could now have the best of both worlds by amending the Ordinance and keeping a RISE Agreement in place. Wakulla County can be in the strongest position with collections and with enforcement.

This change is supported by the Tourist Development Council and requested by the Clerk's Office to better focus our efforts on finance areas we are better suited for and return this collection/enforcement function to the experts in this field, the Florida Department of Revenue.

We should be proud that we have benefited from the 1996 changeover in that we were able to identify 3 local businesses that Wakulla County was not getting credit for and subsequently received over \$10,000 in adjustments from the State. We have improved the forms that we print and mail to the dealers to make it much easier to complete than the forms the County originally provided. But now seems to be a good time to make this change.

**Analysis:**

This should have no negative affect on the rate of collections or the administrative fees taken from the Tourism tax collections. It will have no affect on the administration or expending of those funds by the Board and for the Tourism Council. It will better utilize local resources to deal with local requirements.

**Options:**

1. Approve to schedule a public hearing and authorize advertising of Ordinance amendment.
2. Do not approve to schedule a public hearing and do not authorize advertising of Ordinance amendment.
3. Board direction.

**Recommendation:**

Option #1

**Attachment(s)**

1. Wakulla County Ordinance 96-26.