

Discussion: Key West Use of Tourist Tax Funds for Transit

As the City Commission, do we support seeking tourist tax funds to fund tourist-serving transit like the Duval Loop? If also approved by the County Commission, this initiative will enhance the visitor experience, alleviate congestion, and bolster the hospitality industry.

☒ What the Law Allows Now

Florida Statute §125.0104(5)(a)(6) permits TDC funds to be used for:

- **Transportation systems that are designed to increase tourist-related business activity.**
- **Capital projects, public facilities, activities and services** that promote tourism.

This means that **transit services like the Duval Loop and Lower Keys Shuttle**—which connect hotels, attractions, and beaches—can qualify, especially if they’re marketed as tourist-serving and ridership data supports that claim.

☒ What the Law Allows for Future

FS §125.0104 sets criteria for counties to add an additional 1% or 2% tourist tax.

- **Requires local referendum.**
- **Requires approval by county commission.**

Key West Relevance

- The **Duval Loop** connects hotels, restaurants, and attractions—clearly serving tourists.
- The **Lower Keys Shuttle** and **Workforce Shuttle** support both workers and visitors.
- TDC funding could stabilize and expand service—if we, TDC and County Commission act.

Sample Projects - Current TDC Investment in City

- **Beach cleaning and coral restoration**
- **Historic restoration**
- **Park improvements**

These projects are all funded through a percentage of bed tax revenue. The key requirement is that a facility, activity or service must have a **primary purpose of promoting tourism**. This precedent strengthens the case for the city to seek TDC funds for transit infrastructure, especially if the service is publicly owned and demonstrably serves tourists. **Does the City Commission endorse initiating investment in visitor-friendly transit systems to enhance the tourist experience and promote overall goodwill?**