Paying for Its Sins? Disney Faces Financial Punishment for Engaging in Politics

Florida Republican Gov. Ron DeSantis on Tuesday asked the state legislature to repeal a law that has given Walt Disney World special privileges for decades, allowing it to operate as a private government over its properties in the state.

On Wednesday, the Republican-led Florida Senate passed a bill that would eliminate a special tax district that has allowed Walt Disney Co. to govern the land where its theme parks sit, *The Wall Street Journal* reports. The move comes after Disney began engaging in politics, opposing parental rights legislation that restricts classroom instruction on gender and sexuality to young children.

The Disney measure now goes to the GOP-led Florida House which is expected to also approve it. DeSantis has indicated he will sign it.

The Reedy Creek Improvement District is a private government controlled by Disney World and was set up by the state legislature in 1967 allowing it to provide government services such as zoning, fire protection, utilities and infrastructure.

The creation of the district, and the control the state gave to Disney over 27,000 acres in Florida, was a crucial element in the company's plans to build near Orlando in the 1960s. Company officials said they needed autonomy to plan a futuristic city along with the theme park. The city never materialized, but it morphed instead into the EPCOT theme park.

Disney is one of Florida's biggest private employers. Last year, the company said it had more than 80,000 workers in the state.

According to *The Journal*, under the bill passed by the Senate 23-16 on Wednesday, any special district established before the ratification of the Florida Constitution in 1968, and not renewed since then, would be dissolved on June 1, 2023.

The measure would affect about six districts across the state, but Reedy Creek is the only district with a high-profile company.

Disney could pursue another special district after the Reedy Creek district is dissolved.

“It is difficult to estimate what a dissolution of Reedy Creek would cost Disney over time,” said Michael Rinaldi, head of U.S. Local Government Ratings at Fitch Ratings told *The Journal*. It “would eliminate access to tax-exempt debt issuance via Reedy Creek, potentially costing Disney and other landowners within the district more to finance various projects,” he added.

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