

LEGISLATIVE ACTION

Senate House

04/02/2013

Comm: RCS

The Committee on Rules (Gardiner, Thrasher, and Lee) recommended the following:

Senate Amendment (with title amendment)

Delete lines 190 - 319

and insert:

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Section 2. Paragraph (d) of subsection (6) of section 212.20, Florida Statutes, is amended to read:

- 212.20 Funds collected, disposition; additional powers of department; operational expense; refund of taxes adjudicated unconstitutionally collected.-
- (6) Distribution of all proceeds under this chapter and s. 202.18(1)(b) and (2)(b) shall be as follows:
 - (d) The proceeds of all other taxes and fees imposed

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pursuant to this chapter or remitted pursuant to s. 202.18(1)(b) and (2) (b) must shall be distributed as follows:

- 1. In any fiscal year, the greater of \$500 million, minus an amount equal to 4.6 percent of the proceeds of the taxes collected pursuant to chapter 201, or 5.2 percent of all other taxes and fees imposed pursuant to this chapter or remitted pursuant to s. 202.18(1)(b) and (2)(b) must shall be deposited in monthly installments into the General Revenue Fund.
- 2. After the distribution under subparagraph 1., 8.814 percent of the amount remitted by a sales tax dealer located within a participating county pursuant to s. 218.61 must shall be transferred into the Local Government Half-cent Sales Tax Clearing Trust Fund. Beginning July 1, 2003, the amount to be transferred must shall be reduced by 0.1 percent, and the department shall distribute this amount to the Public Employees Relations Commission Trust Fund less \$5,000 each month, which must shall be added to the amount calculated in subparagraph 3. and distributed accordingly.
- 3. After the distribution under subparagraphs 1. and 2., 0.095 percent must shall be transferred to the Local Government Half-cent Sales Tax Clearing Trust Fund and distributed pursuant to s. 218.65.
- 4. After the distributions under subparagraphs 1., 2., and 3., 2.0440 percent of the available proceeds must shall be transferred monthly to the Revenue Sharing Trust Fund for Counties pursuant to s. 218.215.
- 5. After the distributions under subparagraphs 1., 2., and 3., 1.3409 percent of the available proceeds must shall be transferred monthly to the Revenue Sharing Trust Fund for

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Municipalities pursuant to s. 218.215. If the total revenue to be distributed pursuant to this subparagraph is at least as great as the amount due from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000, a no municipality may not shall receive less than the amount due from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000. If the total proceeds to be distributed are less than the amount received in combination from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000, each municipality shall receive an amount proportionate to the amount it was due in state fiscal year 1999-2000.

- 6. Of the remaining proceeds:
- a. In each fiscal year, the sum of \$29,915,500 must shall be divided into as many equal parts as there are counties in the state, and one part must shall be distributed to each county. The distribution among the several counties must begin each fiscal year on or before January 5th and continue monthly for a total of 4 months. If a local or special law required that any moneys accruing to a county in fiscal year 1999-2000 under the then-existing provisions of s. 550.135 be paid directly to the district school board, special district, or a municipal government, such payment must continue until the local or special law is amended or repealed. The state covenants with holders of bonds or other instruments of indebtedness issued by local governments, special districts, or district school boards before July 1, 2000, that it is not the intent of this

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subparagraph to adversely affect the rights of those holders or relieve local governments, special districts, or district school boards of the duty to meet their obligations as a result of previous pledges or assignments or trusts entered into which obligated funds received from the distribution to county governments under then-existing s. 550.135. This distribution specifically is in lieu of funds distributed under s. 550.135 before July 1, 2000.

- b. The department shall, pursuant to s. 288.1162, distribute \$166,667 monthly pursuant to s. 288.1162 to each applicant certified as a facility for a new or retained professional sports franchise pursuant to s. 288.1162. Up to \$41,667 must shall be distributed monthly by the department to each certified applicant as defined in s. 288.11621 for a facility for a spring training franchise. However, not more than \$416,670 may be distributed monthly in the aggregate to all certified applicants for facilities for spring training franchises. Distributions begin 60 days after such certification and continue for not more than 30 years, except as otherwise provided in s. 288.11621. A certified applicant identified in this sub-subparagraph may not receive more in distributions than expended by the applicant for the public purposes provided for in s. $288.1162 \frac{288.1162(5)}{}$ or s. 288.11621(3).
- c. Beginning 30 days after notice by the Department of Economic Opportunity to the Department of Revenue that an applicant has been certified as the professional golf hall of fame pursuant to s. 288.1168 and is open to the public, \$166,667 must shall be distributed monthly, for up to 300 months, to the applicant.

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- d. Beginning 30 days after notice by the Department of Economic Opportunity to the Department of Revenue that the applicant has been certified as the International Game Fish Association World Center facility pursuant to s. 288.1169, and the facility is open to the public, \$83,333 must shall be distributed monthly, for up to 168 months, to the applicant. This distribution is subject to reduction pursuant to s. 288.1169. A lump sum payment of \$999,996 must shall be made, after certification and before July 1, 2000.
- e. Beginning 45 days after notice by the Department of Economic Opportunity that an applicant has been approved by the Legislature and certified by the department under s. 288.11625, the department shall distribute each month an amount equal to one-twelfth the annual distribution amount certified by the Department of Economic Opportunity for the applicant. This distribution is subject to adjustment pursuant to s. 288.11625. The department may not distribute more than \$15 million annually to all applicants approved by the Legislature and certified by the Department of Economic Opportunity pursuant to s. 288.11625.
- 7. All other proceeds must remain in the General Revenue Fund.

Delete lines 346 - 506

and insert:

Section 7. Section 288.11625, Florida Statutes, is created to read:

288.11625 Sports Development.

(1) ADMINISTRATION.—The department shall serve as the state agency responsible for screening applicants for state funding under s. 212.20(6)(d)6.e.

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- (2) DEFINITIONS. As used in this section, the term:
- (a) "Applicant" means a unit of local government as defined in s. 218.369 that is responsible for the construction, management, or operation of a facility; or a not-for-profit entity or for-profit entity if a unit of local government holds title to the underlying property on which the facility is located.
- (b) "Agreement" means a signed agreement between a unit of local government and a beneficiary.
- (c) "Beneficiary" means a major professional sports franchise, sports franchise or association, or an off-season sports training franchise that occupies or utilizes a facility as the facility's primary tenant. A beneficiary may also be an applicant under this section.
- (d) "Facility" means a facility primarily used to host games or events held by a beneficiary and does not include ancillary activities including transient lodging facilities, or retail operations unless physically connected to the facility. For an off-season sports training franchise, the facility also includes training facilities that are associated with the primary facility, but does not include ancillary activities such as transient lodging facilities, or retail operations unless physically connected to the facility.
- (e) "Major professional sports franchise" means a franchise that is a member of and competes in the National Football League, the National Hockey League, the National Basketball Association, the National League or American League of Major League Baseball, or Major League Soccer.
 - (f) "Sports franchise or association" means either a

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professional sports franchise that is not a major professional sports franchise as defined in paragraph (e), or a nationallyrecognized professional sports association.

- (q) "Off-season sports training franchise" means a major professional sports franchise team that uses or occupies a local government-owned facility during the months from February through April.
- (h) "Project" means a proposed construction, reconstruction, renovation, or improvement of a facility.
- (i) "Signature event" means a professional sports event with significant export factor potential. For purposes of this paragraph, "export factor" means the attraction of economic activity or growth into the state that otherwise would not have occurred. Examples of signature events may include, but are not limited to:
 - 1. National Football League Super Bowls.
 - 2. College football bowl games and playoff games.
- 3. College basketball and baseball tournaments and championships.
 - 4. Major professional sports franchise All-Star games.
 - 5. International sporting events and tournaments.
- 6. Professional automobile race championships or Formula 1 Grand Prix.
- (3) PURPOSE.—The purpose of this section is to provide applicants state funding under s. 212.20(6)(d)6.e. for the public purpose of constructing, reconstructing, renovating, or improving a facility.
 - (4) APPLICATION AND APPROVAL PROCESS.-
 - (a) The department shall establish the procedures and

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application forms deemed necessary pursuant to the requirements of this section. The department may notify an applicant of any additional required or incomplete information necessary to evaluate an application.

- (b) The annual application period shall be from June 1 through November 1.
- (c) Within 60 days from receipt of a completed application, the department shall complete its evaluation of the application as provided under subsection (5) and notify the applicant in writing as to the department's decision to recommend approval of the applicant by the Legislature or to deny the application.
- (d) Annually by February 1, the department shall rank all applicants and shall provide to the Legislature the list of all recommended applicants in ranked order of projects most likely to positively impact the state based on required criteria established in this section. The list shall include the department's evaluation of the applicant.
- (e) A recommended applicant's request for funding must be approved by the legislature by general law.
- 1. An application by a unit of local government that is approved by the Legislature and subsequently certified by the department remains certified for the duration of the beneficiary's agreement with the applicant or for 30 years, whichever is less, provided the certified applicant has an agreement with a beneficiary for at least 15 more years at the time of initial certification by the department.
- 2. An application by a beneficiary that is approved by the Legislature and subsequently certified by the department remains certified for the duration of the beneficiary's agreement with

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the unit of local government that owns the underlying property or for 30 years, whichever is less, provided the certified applicant has an agreement with the unit of local government for at least 15 more years at the time of initial certification by the department.

- 3. An applicant approved by the Legislature and certified by the department must enter into a contract with the department that:
 - a. Specifies the terms of the state's investment.
- b. States the criteria that the certified applicant must meet in order to remain certified.
- c. States that the certified applicant is subject to decertification, as recommended by the department and approved by the Legislature, or reduction of funding if the certified applicant fails to comply with this section or the contract.
- d. Specifies information that the certified applicant must report to the department.
- e. Includes any provisions deemed prudent by the department.
- 4. Previously certified applicants do not require legislative approval each year to receive state funding.
- (f) Applications recommended by the department and not approved by the Legislature may reapply and update any information in the original application as required by the department.
- (g) The department may recommend no more than one distribution under this section for any applicant, facility, or beneficiary at any single point in time.
 - (5) EVALUATION PROCESS.—

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- (a) Before recommending an applicant to receive a state distribution under s. 212.20(6)(d)6.e., the department must verify that:
- 1. The applicant or beneficiary is responsible for the construction, reconstruction, renovation, or improvement of a facility.
- 2. If the applicant is also the beneficiary, a unit of local government holds title to the property on which the facility and project is located.
- 3. The project for which the applicant is seeking state funding has not commenced construction.
- 4. If the applicant is a unit of local government in which the facility will be located, the unit of local government has an exclusive intent agreement to negotiate in Florida with a beneficiary.
- 5.a. The unit of local government in which the facility will be located supports the application for state funds. Such support must be verified by the adoption of a resolution after a public hearing that the project serves a public purpose.
- b. If the unit of local government is required to hold a referendum for approval under s. 125.0104(3)(n)2., such referendum must be affirmatively passed by a majority-plus-one vote for the applicant to receive state funding under this section.
- 6. The applicant or beneficiary has not previously defaulted or failed to meet any statutory requirements of a previous state-administered sports-related program under ss. 288.1162, 288.11621, or 288.1168.
 - 7. The applicant or beneficiary has sufficiently

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demonstrated a commitment to hire Florida residents, contract with Florida-based firms, and purchase locally-available building materials to the greatest extent possible.

- 8. If the applicant is a unit of local government, the applicant has a certified copy of a signed agreement with a beneficiary for the use of the facility. If the applicant is a beneficiary, the beneficiary must enter into an agreement with the department. The applicant or beneficiary's agreement must also require the following:
- a. The beneficiary must reimburse the state for state funds distributed if the beneficiary relocates before the agreement expires.
- b. The beneficiary must pay for signage or advertising within the facility. The signage or advertising must be placed in a prominent location as close to the field of play or competition as is practical, displayed consistent with signage or advertising in the same location and like value, and must feature Florida advertising approved by the Florida Tourism Industry Marketing Corporation.
- c. The owner of a beneficiary must agree to reimburse the state for state funds if the owner sells the beneficiary before the agreement expires. Funds paid to the state must be in lump sum and paid within 90 days after final sale of the beneficiary.
- 9. The project will be commenced within 12 months of receiving state funds.
- (b) The department shall competitively evaluate and rank applicants that submit applications for state funding received during the application period using the following criteria to evaluate the applicant's ability to positively impact the state:

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- 303 1. The proposed use of state funds.
 - 2. The length of time that a beneficiary has agreed to use the facility.
 - 3. The percentage of total project funds provided by the applicant and the percentage of total project funds provided by the beneficiary.
 - 4. The number and type of signature events the facility is likely to attract over the duration of the agreement with the beneficiary.
 - 5. The anticipated increase in average annual ticket sales and attendance at the facility due to the project.
 - 6. The potential to attract out-of-state visitors to the facility.
 - 7. The length of time a beneficiary has been in the state or partnered with the unit of local government.
 - 8. The multi-use capabilities of the facility.
 - 9. The facility's projected use of Florida workers, firms, and building materials.
 - 10. The amount of private and local financial or in-kind contributions to the project.
 - 11. The amount of positive advertising or media coverage the facility generates.
 - (c) The department shall determine if a beneficiary is a major professional sports franchise, a sports franchise or association, or an off-season sports training franchise.
 - 1. If the beneficiary is a major professional sports franchise, the applicant is eligible to receive annual distributions equaling up to 80 percent of the new incremental state sales tax generated to the state over 12 months, up to \$3



million over 12 months.

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- 2. If the beneficiary is a professional sports franchise or association, the applicant is eligible to receive annual distributions equaling up to 100 percent of the new incremental state sales tax generated to the state over 12 months, up to \$2 million over 12 months.
- 3. If the beneficiary is an off-season sports training franchise, the applicant is eligible to receive annual distributions equaling up to 100 percent of the new incremental state sales taxes generated to the state over 12 months, up to \$666,660 over 12 months.
 - (6) DISTRIBUTION.—
- (a) At the time of initial evaluation and review by the department under subsection (5), the applicant must provide an analysis by an independent certified public accountant which demonstrates the amount of the revenues generated by the taxes imposed under chapter 212 with respect to the use and operation of the facility over the 12 month period immediately prior to the beginning of the application period. This amount shall be the baseline. The independent analysis must be verified by the department.
- (b) Except in the case of the period of time prior to completion of a project or the first four annual distributions, whichever is sooner, a certified applicant's annual distribution shall be based upon the new incremental sales taxes generated by sales at the facility during the immediately previous 12 month period, not to exceed the limitations established in subsection (5)(c).
 - (c) For the initial annual distribution under s.

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212.20(6)(d)6.e., the department shall estimate the amount of new incremental state sales taxes above the baseline that will be generated by the sales at the facility as a result of the project. This amount shall be used to calculate the initial annual distribution to the applicant. The initial annual distribution may not exceed the lesser of the estimated new incremental state sales taxes above the baseline or the limits established in subsection (5)(c). The initial annual distribution amount shall continue through the next full 12 month period following completion of the project or the certified applicant's first four years of annual distributions, whichever is earlier.

(d) 1. Beginning in the first full 12 month period after completion of a project or first four annual distributions, whichever is earlier, the applicant shall certify to the department the actual amount of state sales taxes generated by sales at the facility over that 12 month period. The applicant shall submit the certification within 60 days of the end of the previous 12 month period and such certification must be done by an analysis by an independent certified public accountant. The department shall verify the analysis and compare the actual new incremental state sales taxes generated by sales at the facility to the previous period's new incremental state sales taxes upon which the annual distribution amount was based.

2. If the actual new incremental increase in state sales taxes generated by sales at the facility during the most recent 12 month period was different than the actual 12 month new incremental increase in state sales taxes generated by sales at the facility upon which the previous period's annual

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distribution was based then the department shall certify to the Department of Revenue an adjustment to the annual distribution for the current 12 month period downward or upward as appropriate to reflect the actual new incremental increase in state sales taxes generated by sales at the facility during the previous 12 month period, not to exceed the maximum amount allowable per applicant pursuant to subsection (5)(c).

- (e) Upon certification by the department, the Department of Revenue shall adjust the annual distribution under s. 212.20(6)(d)6.e. for the applicant. The first adjusted monthly distribution in a 12 month period, and subsequent monthly distributions in the same period if necessary, shall also be adjusted for downward or upward adjustment that should have begun after the most recent 12 month period.
- (f) The Department of Revenue shall begin distributions within 45 days after notification of initial certification from the department.
- (g) The department must consult with the Department of Revenue and the Office of Economic and Demographic Research to develop a standard calculation for estimating new incremental state sales taxes generated by sales at the facility and adjustments to distributions.
- (h) In any 12 month period when total distributions for all certified applicants equal \$15 million, the department may not certify new distributions for any additional applicants or certify to the Department of Revenue any upward adjustments in existing distributions.
- (7) USE OF FUNDS.—An applicant certified under this section may use state funds only for the public purpose of constructing,



reconstructing, renovating, or improving a facility, or reimbursing such costs.

(8) REPORTS.—

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- (a) On or before November 1 of each year, an applicant certified under this section and approved to receive state funds must submit to the department any information required by the department. The department shall summarize this information for inclusion in the report to the Legislature due February 1 under subsection (4)(d).
- (b) Every 5 years following the first month that an applicant receives a monthly distribution, the department must verify that the applicant is meeting all program requirements. If the applicant is not meeting program requirements, the department must notify the Governor and Legislature of the requirements not being met and must make recommendations for future action, including reducing or halting future distributions, as part of the report to the Legislature due February 1 under paragraph (4)(d). The department shall consider certain exceptions that may have prevented the applicant from meeting certain program requirements. Such exceptions include:
 - 1. Force majeure events.
 - 2. Significant economic downturn.
 - 3. Other extenuating circumstances.
- (9) AUDITS. The Auditor General may conduct audits as provided in s. 11.45 to verify that the distributions under this section are expended as required in this section. If the Auditor General determines that the distribution payments under this section are not expended as required by this section, the Auditor General shall notify the Department of Revenue, which

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may pursue recovery of distributions under the laws and rules governing the assessment of taxes.

- (10) APPLICATION RELATED TO SIGNATURE EVENT.—An applicant may apply for the program under this section after May 1, 2013, if the applicant intends to apply for a signature event prior to the 2014 Regular Session for which state funds to renovate a major professional sports franchise facility are requested. The department must review the application and recommend approval by the Legislature as required under this section. The Legislative Budget Commission is authorized to approve applications as provided under this subsection. State funds may not be distributed until the department notifies the Department of Revenue that the applicant was approved by the Legislative Budget Commission and certified by the department. An applicant certified under this subsection is subject to all other provisions and requirements of this section.
- (11) DISCONTINUATION OF DISTRIBUTIONS. The Department of Revenue shall immediately halt future distributions to any applicant certified under this section upon notice from the department that:
- (a) An applicant's beneficiary has broken the terms of its agreement with the applicant and relocated from the facility or that the applicant has been decertified.
- (b) The department has determined that an applicant has submitted any information or made a representation that is determined to be false, misleading, deceptive, or otherwise untrue.
- (c) The applicant has requested to halt future distributions.

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(12) RULEMAKING.—The department may adopt rules to implement this section. The Department of Revenue may adopt rules to implement this section.

Section 8. Contingent upon enactment of the Economic Development Program Evaluation as set forth in SB 406 or similar legislation, section 288.116255, Florida Statutes, is created to read:

288.116255 Sports Development Program Evaluation.—Beginning in 2015, the Sports Development program shall be evaluated as part of the Economic Development Program Evaluation, and every 3 years thereafter.

Section 9. (1) The executive directors of the Department of Revenue and the Department of Economic Opportunity are authorized, and all conditions are deemed met, to adopt emergency rules under ss. 120.536(1) and 120.54(4), Florida Statutes, for the purpose of implementing this act.

(2) Notwithstanding any provision of law, such emergency rules shall remain in effect for 6 months after the date adopted and may be renewed during the pendency of procedures to adopt permanent rules addressing the subject of the emergency rules.

Section 10. This act shall take effect upon becoming law.

======= T I T L E A M E N D M E N T ========= And the title is amended as follows:

Delete lines 32 - 35

502 and insert:

> 212.20, F.S.; authorizing a distribution for a an applicant that has been approved by the Legislature and certified by the Department of Economic



Opportunity under s. 288.11625; providing a limitation; amending s. 220.153, F.S.; conforming Delete lines 43 - 59

and insert:

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act; creating s. 288.11625, F.S.; provides that the Department of Economic Opportunity shall screen applicants for state funding for sports development; defining the terms "applicant," "agreement," "beneficiary," "facility," "major professional sports franchise," "sports franchise or association," "offseason sports training franchise," "project," and "signature event"; providing a purpose to provide funding for applicants for constructing, reconstructing, renovating, or improving a facility; providing an application and approval process; providing for an annual application period from June 1 to November 1; providing for the Department of Economic Opportunity to submit recommendations to the Legislature by February 1; requiring Legislative approval for state funding; providing for a contract between the department and the applicant; providing evaluation criteria for an applicant to receive state funding; providing for reimbursement of the state funding under certain circumstances; providing for evaluation and ranking of applicants under certain criteria; allowing the department to determine the type of beneficiary; providing levels of state funding up to a certain amount of new incremental state sales tax revenue; providing for a distribution and

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calculation; providing for adjustment of the distribution; requiring the Department of Revenue to distribute funds within 45 days of notification by the department; limiting annual distributions to \$15 million; limiting use of funds; requiring an applicant to submit information to the department annually; requiring a 5 year review; authorizing the Auditor General to conduct audits; providing for an application related to a signature event; authorizing the Legislative Budget Commission to approve an application; providing for discontinuation of distributions under certain circumstances; permitting the Department of Economic Opportunity and the Department of Revenue to adopt rules; contingently creating s. 288.116255, F.S.; providing for an evaluation; authorizing the Department of Revenue and the Department of Economic Opportunity to adopt emergency rules; providing an effective date.

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