

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1427 Sports Franchise Facilities

SPONSOR(S): Avila

TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Economic Development & Tourism Subcommittee		Lukis	Duncan
2) Transportation & Economic Development Appropriations Subcommittee			
3) Economic Affairs Committee			

SUMMARY ANALYSIS

Florida is home to many professional and semi-professional sport franchises. Some of these franchises have facilities located on land leased from a local government; some have facilities on land which they previously purchased from a local government.

The bill creates a new section of law and provides the following:

- A sports franchise may not construct, reconstruct, renovate, or improve a facility on public land leased from the state or a political subdivision thereof.
- Any sale of public land by the state or a political subdivision thereof for a sports franchise to construct, reconstruct, renovate, or improve a facility on such land must be at fair market value.

The bill defines "sports franchise" and "facility":

- "Sports franchise" means a professional or semi-professional sports franchise, including, but not limited to, a franchise of the National Football League, the National Hockey League, the National Basketball Association, the National League or American League of Major League Baseball, Minor League Baseball, Major League Soccer, the North American Soccer League, the Professional Rodeo Cowboys Association, the promoter or host of a signature event administered by Breeders' Cup Limited, or the promoter of a signature event sanctioned by the National Association for Stock Car Auto Racing.
- "Facility" means a structure, and its adjoining parcels of land, primarily used to host games or events held by a sports franchise.

The bill may have an indeterminate negative fiscal impact on local governments.

The bill provides an effective date of July 1, 2016.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Florida Sports and Facilities

Many professional and semi-professional sports organizations and facilities reside in Florida. With respect to professional sports, Florida is home to professional football, basketball, baseball, hockey, and soccer teams and two National Association of Stock Car Racing (NASCAR) sanctioned tracks.¹ Florida also hosts professional golf, tennis, equestrian, and rodeo events. Notably, the Breeder's Cup, Players Championship, and Daytona 500 all take place in Florida, and the Professional Golf Association (PGA) and Ladies Professional Golf Association (LPGA) both are headquartered in Florida.

Additionally, 15 major league baseball teams come to Florida every year for spring training in the state's Grapefruit League.² The teams use 14 spring training facilities, 13 of which are constructed on publicly-owned land.³ The only facility on privately owned land is the Atlanta Braves/ESPN Wide World of Sports complex.⁴

Florida is also home to numerous minor-league and semi-professional sports franchises in various sports.⁵ Florida has many Minor League Baseball teams, three Arena Football League teams,⁶ four North American Soccer League teams,⁷ and two East Coast Hockey League teams.⁸ Most of the facilities that such teams use are located on city or county-owned land.⁹

The following chart displays basic information about Florida's 10 largest professional sports franchises and their facilities.

Franchise	League	Inaugural Season	Home Facility	County	Facility Opened	Land Owner
Miami Dolphins	NFL	1966	Sun Life Stadium	Miami-Dade	1987	South Florida Stadium LLC ¹⁰
Tampa Bay Buccaneers	NFL	1976	Raymond James Stadium	Hillsborough	1998	Hillsborough County ¹¹
Miami Heat	NBA	1988	American Airlines	Miami-Dade	1999	Miami-Dade County ¹²

¹ NASCAR website at http://www.nascar.com/en_us/NASCAR-Tracks.html. (Last visited January 26, 2016.)

² Florida Sports Foundation Website at <http://www.flasports.com/spring-training/>. (Last visited January 26, 2016.)

³ E-mail correspondence received from David Cooper, Office of Economic and Demographic Research, January 26, 2016. (Relaying information received from John Webb, President of the Florida Sports Commission.) E-mail on file with the House Economic Development & Tourism Subcommittee staff.

⁴ *Id.*

⁵ Florida Sports Foundation Director and Facilities Guide, 2014-2015, pgs. 17-25, available at <http://www.flasports.com/sports-development/directory-and-facilities-guide/>. (Last visited January 26, 2016.)

⁶ Arena League Football website at <http://www.arenafootball.com/>. (Last visited January 26, 2016.)

⁷ North American Soccer League website at <http://www.nasl.com/teams>. (Last visited January 26, 2016.)

⁸ East Coast League Hockey website at <http://www.echl.com/>. Last visited January 27, 2016.

⁹ The Florida Everblades (of the East Coast Hockey League) play at the Germain Arena in Lee County, which is privately owned. <http://www.leepa.org/Display/DisplayAccount.aspx?Account=BB00285430>. (Last visited January 27, 2016.)

¹⁰ Miami-Dade County Property Appraiser's Office website: <http://www.miamidade.gov/propertysearch/#/>. (Last visited January 26, 2016.)

¹¹ Hillsborough County Property Appraiser's Office website: <http://gis.hcpafl.org/propertysearch/#/parcel/basic/18290972800000000010A>. (Last visited January 26, 2016.)

¹² Miami-Dade County Property Appraiser's Office website: <http://www.miamidade.gov/propertysearch/#/>. (Last visited January 26, 2016.)

			Arena			
Orlando Magic	NBA	1989	Amway Center	Orange	2010	City of Orlando ¹³
Tampa Bay Lightning	NHL	1992	Tampa Bay Times Forum	Hillsborough	1996	Hillsborough County ¹⁴
Florida Panthers	NHL	1993	BB&T Center	Broward	1998	Broward County ¹⁵
Miami Marlins	MLB	1993	Marlins Park	Miami-Dade	2012	Miami-Dade County ¹⁶
Jacksonville Jaguars	NFL	1995	EverBank Field	Duval	1995	City of Jacksonville ¹⁷
Tampa Bay Rays	MLB	1998	Tropicana Field	Pinellas	1990	St. Petersburg ¹⁸
Orlando City Soccer (Lions)	MLS	2015	Orlando City Stadium	Orange	N/A ¹⁹	Orlando City Soccer Club ²⁰

City and County Authority to Sell and Lease Land

Florida law provides broad authority to cities and counties to conduct governmental functions and render governmental services, except when expressly prohibited by law.²¹

Such authority includes, but is not limited to, certain statutorily enumerated powers and all implied authority necessary to effectively exercise those express powers, including the authority to contract, purchase, lease, sell and exchange real or personal property.²²

Counties and municipalities may also offer private entities below-market rate leases or deeds for real property for economic development purposes.²³

Effect of Proposed Changes

¹³ Orange County Property Appraiser's Office website: <https://www.ocpafl.org/searches/parcelsearch.aspx>. (Last visited January 26, 2016.)

¹⁴ Hillsborough County Property Appraiser's Office website: <http://gis.hcpafl.org/propertysearch/#/parcel/basic/19291952R000010000140A>. (Last visited January 26, 2016.)

¹⁵ Broward County Property Appraiser's Office website: http://www.bcpa.net/RecInfo.asp?URL_Folio=494026070010. (Last visited January 26, 2016.)

¹⁶ Miami-Dade County Property Appraiser's Office website: <http://www.miamidade.gov/propertysearch/#/>. (Last visited January 26, 2016.)

¹⁷ Duval County Property Appraiser's Office website: http://apps.coj.net/PAO_PropertySearch/Basic/Detail.aspx?RE=1308490000. (Last visited January 26, 2016.)

¹⁸ "What is Tropicana Field worth if Tampa Bay Rays Leave? That depends," by Stephen Nohlgren, Tampa Bay Times, February 6, 2015. Available at <http://www.tampabay.com/news/localgovernment/what-is-tropicana-field-worth-if-rays-leave-that-depends/2216781>. (Last visited January 26, 2016.)

¹⁹ For more information about the Orlando City Soccer Stadium, visit <http://www.orlandocitysc.com/stadium>. (Last visited January 26, 2016.)

²⁰ "Orlando Oks stadium-land deal with Orlando City Soccer Club," by Jeff Weiner, Orlando Sentinel, January 25, 2016. Available at <http://www.orlandosentinel.com/news/breaking-news/os-orlando-city-soccer-stadium-vote-20160125-story.html>. (Last visited January 26, 2016.)

²¹ Sections 125.01 and 166.021, F.S.

²² Section 125.01(3)(a) and 166.021(1), F.S. See also Art VIII, s. 2, Fla. Const. (2016).

²³ Sections 125.045(5)(a) and 166.021(8)(e), F.S.

The bill creates s. 288.11633, F.S., and provides the following:

- A sports franchise may not construct, reconstruct, renovate, or improve a facility on public land leased from the state or a political subdivision thereof.
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The bill defines "sports franchise" and "facility" as follows:

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B. SECTION DIRECTORY:

Section 1: Creates s. 288.11633, F.S.; providing that a sports franchise may not construct, reconstruct, renovate, or improve a facility on public land leased from the state or a political subdivision thereof; providing that any sale of public land by the state or a political subdivision thereof for a sports franchise to construct, reconstruct, renovate, or improve a facility on such land must be at fair market value; and defining terms.

Section 2: Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The bill could have an indeterminate negative fiscal impact on local governments. For example, a sports franchise that is unable to make necessary improvements or renovations to its facility could lose customers (that pay sales and other taxes and fees).

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill prevents a sports franchise from constructing, reconstructing, renovating, or improving a facility on public land leased from the state or a political subdivision of the state.

Accordingly, the bill would prevent any economic benefit that may have been created from a new sports franchise's facility that would have otherwise existed but for the bill.

Similarly, the bill would prevent any economic benefit that may have been created by a sports franchise that would have otherwise reconstructed, renovated or improved its facility but for the bill.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. The bill does not require a municipality or county to expend funds or to take any action requiring the expenditure of funds. The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate. The bill does not require a reduction in the percentage of state tax shared with municipalities or counties.

2. Other:

Constitutional Impairment of Contract: Both the United States and Florida Constitutions provide that legislation cannot modify or render unenforceable any existing contract or contract right.²⁴ Accordingly, the bill's provisions may only apply prospectively: the bill would not be able to affect an existing lease or other agreement between a sports franchise and the state or a subdivision thereof.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

The meaning of the terms "renovate" and "improve" are unclear.

It is also unclear how the bill would affect a sports franchise that is mandated by some other law or regulation to update or "improve" its facility for safety reasons.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

²⁴ United States Constitution, Art. I, Sec. 10, and Florida Constitution, Art.I, Sec. 10.