

## Committee on Commerce and Tourism

### **HB 231 — Admissions Tax**

by Rep. Brodeur and others (SB 330 by Senators Simmons, Soto, and Margolis)

The bill creates an additional exemption from the tax on admissions for Major League Soccer all-star games.

The bill also changes the current exemption for events related to the National Basketball Association All-Star weekend. The bill repeals reference to specific event names, and instead exempts NBA all-star events produced by the NBA and “held at a facility such as an arena, convention center, or municipal facility.”

If approved by the Governor, these provisions take effect July 1, 2014.

*Vote: Senate 37-2; House 114-0*

## Committee on Commerce and Tourism

### **CS/CS/CS/SB 242 — Security of a Protected Consumer's Information**

by Government Oversight and Accountability Committee; Judiciary Committee; Commerce and Tourism Committee; and Senator Detert

The bill, the Keeping I.D. Safe (KIDS) Act, enables a guardian or other advocate for a protected consumer to place a security freeze on the protected consumer's consumer report. A protected consumer includes a child who is younger than 16 and others who are represented by a guardian or other advocate, often as the result of mental incapacity. A security freeze generally prohibits a consumer reporting agency from releasing information in a consumer report to a third party without express authorization. A security freeze may prevent an unauthorized person from opening lines of credit in a protected consumer's name and engaging in identity theft.

Under the bill, a guardian or advocate who seeks a security freeze must submit a request to the consumer reporting agency along with proof of authority and identification and a fee of up to \$10. The fee is waived if the representative submits a copy of a valid police report about the unlawful use of the protected consumer's identifying information.

The Department of Agriculture and Consumer Services must investigate complaints concerning violations of these consumer information provisions, and may impose an administrative penalty of \$500 for each violation. A person who obtains a consumer report or record under false pretenses or knowingly without a permissible purpose is liable for damages to the protected consumer and the credit reporting agency for at least \$1,000 each. The bill also requires consumer reporting agencies to provide written notice of the availability of a security freeze for protected consumers.

If approved by the Governor, these provisions take effect September 1, 2014.

*Vote: Senate 39-0; House 119-0*

## Committee on Commerce and Tourism

### **CS/CS/HB 343 — Rental Car Surcharge**

by Economic Affairs Committee; Transportation and Highway Safety Subcommittee; and Rep. Nunez and others (CS/CS/SB 484 by Appropriations Committee; Commerce and Tourism Committee; and Senators Braynon and Brandes)

The bill provides that a member of a car-sharing service who uses a motor vehicle for less than 24 hours must pay a surcharge of \$1.00 per usage. A member of a car-sharing service who uses the same motor vehicle for at least 24 consecutive hours must pay a surcharge of \$2.00 per day or any part of a day.

The bill provides that the new hourly surcharge on a car-sharing service does not apply to the lease, rental, or use of a motor vehicle from a location owned, operated, leased by or for the benefit of an airport or airport authority.

If approved by the Governor, these provisions take effect January 1, 2015.

*Vote: Senate 40-0; House 115-0*

## Committee on Commerce and Tourism

### **CS/SB 398 — Florida Tourism Hall of Fame**

by Commerce and Tourism Committee; and Senators Detert and Margolis

The bill establishes the Florida Tourism Hall of Fame to recognize persons, living or dead, whose work in the tourism industry have made significant contributions to the economic climate in Florida. The Florida Tourism Industry Marketing Corporation (VISIT Florida) will administer the Florida Tourism Hall of Fame without the appropriation of state funds.

The Department of Management Services must set aside an area on the Plaza Level of the Capitol Building for the Hall of Fame and consult with VISIT Florida regarding the design and theme of the area.

If approved by the Governor, these provisions take effect July 1, 2014.

*Vote: Senate 40-0; House 109-4*

## Committee on Commerce and Tourism

### **CS/CS/HB 629 — Charities**

by Regulatory Affairs Committee; Business and Professional Regulation Subcommittee; and Rep. Boyd and others (CS/CS/SB 638 by Appropriations Committee; Commerce and Tourism Committee; and Senator Brandes)

This bill updates the Solicitation of Contributions Act to provide increased oversight by the Department of Agriculture and Consumer Services (DACS) of charitable organizations and sponsors, professional fundraising consultants, and professional solicitors.

The bill generally:

- Requires that any changes to information in a registration statement be submitted to DACS within 10 days of the change;
- Requires automatic suspension of a registration for failure to disclose any information related to certain criminal or administrative actions;
- Permits increased processing times for DACS if the applicant discloses any information related to certain criminal or administrative actions against it;
- Authorizes DACS to deny or revoke an application if the applicant or its agent has had certain criminal or administrative action taken against it;
- Prohibits the employment of persons with certain criminal history;
- Requires notices to be provided for all solicitations and confirmations;
- Requires professional fundraising consultants and professional solicitors to only enter into contracts with charitable organizations and sponsors registered under ch. 496, F.S.;
- Removes blood banks from the list of regulated charities; and
- Appropriates \$179,944 in recurring funds and \$235.584 in nonrecurring funds from General Revenue and three full-time equivalent positions to DACS to implement the bill for Fiscal Year 2014-15.

Specifically, the bill:

#### *Charitable Organizations and Sponsors*

- Authorizes DACS to enter a disqualification order for violations of the Solicitation of Contributions Act, which disqualifies the charity from receiving sales tax exempt status for 1 year;
- Requires a non-exempt charity or sponsor that intends to solicit contributions either in Florida or from Florida to register with DACS before soliciting contributions;
- Clarifies the requirements related to financial statements;
- Authorizes DACS to order an audit or review of a charity's or solicitor's financial statement if DACS finds discrepancies in the financial statement;
- Requires certain charities to adopt conflict of interest policies; and
- Requires certain charities to file supplemental financial disclosures and quarterly disaster relief statements.

*Professional Solicitors*

- Creates a new, annual license for officers, directors, trustees, and owners of a professional solicitor and any employee of the solicitor conducting telephone solicitations during which personal financial information is collected;
- Requires professional solicitor license applicants to provide a set of fingerprints along with a fee for state and federal background screening;
- Updates the definition of “professional solicitor” to include solicitors located in Florida that solicit outside of Florida;
- Requires professional solicitation businesses to include additional application information, such as the name, date of birth, and identification of all individuals in charge of or engaged in any solicitation, all the telephone numbers the solicitor will use, and a copy of any script, presentation, or sales literature used;
- Requires professional solicitors to include additional information in the notice required before beginning a solicitation campaign, such as a statement of the minimum percentage of gross receipts from contributions that will be remitted to the charity; and
- Prohibits a professional solicitor from failing to remit to a charity the disclosed guaranteed minimum percentage of gross receipts from the solicitation campaign.

*Donation Collection Receptacles*

- Requires collection receptacles operated by charities to display a permanent sign that provides the name, address, telephone number, and registration number of the charity; and
- Requires collection receptacles operated by other organizations (such as for-profit businesses) to display a permanent sign on the receptacle that provides the organization’s name, address, and telephone number, and the statement: “This is not a charity. Donations made here support a for-profit business and are not tax deductible.”

*Prohibited Acts and Penalties*

- Prohibits a person from submitting false, misleading, or inaccurate information regardless of whether the person knows the information is false, misleading, or inaccurate;
- Increases from \$1,000 to \$5,000 the fine DACS may levy for violations of the chapter and makes the fine applicable to 501(c)(3) organizations; and
- Authorizes a fine up to \$10,000 for any violation that involves fraud or deception.

If approved by the Governor, these provisions take effect July 1, 2014.

*Vote: Senate 39-0; House 113-3*

## Committee on Commerce and Tourism

### **CS/CS/HB 685 — Business Organizations**

by Judiciary Committee; Civil Justice Subcommittee; and Reps. Rooney, Workman, and others (CS/CS/SB 654 by Judiciary Committee; Commerce and Tourism Committee; and Senators Clemens and Richter)

This bill amends the Florida Business Corporation Act to allow for the creation of two new forms of corporate enterprise: the social purpose corporation and the benefit corporation. These new entities will allow businesses to engage in societal benefit programs that may not involve or satisfy the traditional corporate norm of profit maximization. Key elements of the social purpose corporation and the benefit corporation are:

- A social purpose corporation must pursue one or more narrowly identified public benefits.
- A benefit corporation must pursue a general public benefit, which is a broad purpose intended to encompass a broad range of social and environmental factors that are affected by the corporation.
- The corporation's directors and officers are required to consider the effects of any corporate action or inaction upon the benefit goals of the corporation.
- Like directors and officers of all corporations, the new entities' directors and officers are immune from personal liability for failure to pursue or achieve the corporation's benefit goals, but they are subject to duty of care and fiduciary principles applicable to all corporate directors and officers.
- Benefit enforcement judicial proceedings may be brought by a shareholder or certain individuals for claims that the directors or officers have failed to satisfy their obligations in making corporate decisions. Such proceedings are analogous to a shareholder derivative action and allow shareholders to hold a social purpose corporation or benefit corporation accountable to its required public benefit.
- The corporation must provide an annual benefit report to all its shareholders describing and assessing the corporation's efforts during the year to achieve the corporation's benefit goals.

Additionally, the bill specifies which differences in the name of certain business entities are not considered distinguishable and thus are not sufficiently distinguishable from the names of other business entities. The bill also provides that the business name distinguishability requirement does not require business entity names to be distinguishable from the name of any general partnership registration or limited liability partnership statement filed with the Florida Department of State.

If approved by the Governor, these provisions take effect July 1, 2014.

*Vote: Senate 38-0; House 113-0*

## Committee on Commerce and Tourism

### **SB 996 — OGSR/Scripps Florida Funding Corporation**

by Commerce and Tourism Committee

In 2003, the Legislature appropriated \$310 million for the California-based Scripps Research Institute (SRI) to open a Florida research facility (Scripps Florida), the Legislature also created the Scripps Florida Funding Corporation (the Funding Corporation) to release the funds to Scripps Florida according to a 20-year agreement. Additionally, the Legislature created public records and public meeting exemptions for certain records and information provided by SRI or Scripps Florida to the Funding Corporation. These exemptions are codified in s. 288.9551, F.S., which is set to expire on October 2, 2014.

The bill repeals the public records and public meetings exemptions in s. 288.9551, F.S., because the Funding Corporation has indicated that it operates in the sunshine and does not receive such confidential and exempt information.

If approved by the Governor, these provisions take effect October 1, 2014.

*Vote: Senate 40-0; House 110-0*



## Committee on Commerce and Tourism

### **CS/SB 1142 — Ticket Sales**

by Commerce and Tourism Committee; and Senators Lee, Soto, and Sobel

The bill increases the criminal penalties related to counterfeit tickets and sales of “multiuse tickets” to theme parks.

The bill amends s. 817.355, F.S., to expand the list of specifically prohibited activities and to create increased penalties when the offense involves ten or more items or is a repeat offense.

Under current law, it is a first degree misdemeanor to counterfeit, forge, alter, or possess any ticket, token, or paper with the intention to defraud a facility. The bill adds a prohibition against cloning and applies the restrictions to cards, wristbands, or other media that access or are associated with a ticket.

The bill enhances the penalty for a second or subsequent violation of s. 817.355(1), F.S., from a first degree misdemeanor to a third degree felony. It also provides that the offense is a third degree felony if it involves ten or more items, regardless of whether it is a first or subsequent offense.

The bill creates a third degree felony for the counterfeiting, forging, altering, cloning, or possession of ten or more tickets, cards, wristbands, or other media that access or are associated with a ticket with the intention to defraud a facility.

The bill amends s. 817.361, F.S., relating to the unauthorized sale or transfer of nontransferable tickets after the ticket that has been used at least once for admission.

Under current law it is a second degree misdemeanor to offer for sale, sell, or transfer, with or without consideration, any nontransferable ticket or other nontransferable medium which has been used at least once for admission. The bill specifies that the offense applies to nontransferable “multiuse tickets” and to a “card, wristband, or other medium which accesses or is associated with a nontransferable multiuse ticket.”

The bill defines a “multiuse ticket” as a ticket, other medium, or right designed for admission to:

- More than one theme park complex;
- More than one amusement location or other facility in a theme park complex;
- One or more amusement locations or other facilities in a theme park complex for more than one day; or
- One or more amusement locations or other facilities in a theme park complex more than once in the same day.

The bill increases the penalty for the offense to a first degree misdemeanor, and enhances the penalty for a second or subsequent offense to a third degree felony. Currently, the first offense is

a second degree misdemeanor which is enhanced to a first degree misdemeanor for a second or subsequent offense.

Under current law, a ticket is transferable unless otherwise stated on the ticket itself. The bill repeals that provision, and instead states a multiuse ticket is nontransferable unless either:

- The phrase “may be used by more than one person” is printed clearly on the ticket; or
- The issuer of the ticket explicitly states on its website the ticket may be used by more than one person.

The current statute applies to the sale or transfer of nontransferable tickets or other media designed for admission to more than one amusement location or other facility offering entertainment to the general public. The bill applies only to admission to theme park complexes or amusement areas within a theme park complex. This change has the effect of repealing penalties for the resale of used nontransferable multiday or multievent tickets to entertainment venues other than theme parks.

If approved by the Governor, these provisions take effect July 1, 2014.

*Vote: Senate 38-0; House 116-0*

## Committee on Commerce and Tourism

### **CS/CS/SB 1524 — Security of Confidential Personal Information**

by Rules Committee; Commerce and Tourism Committee; and Senator Thrasher

The bill creates the “Florida Information Protection Act of 2014.” The bill requires notice to be given to affected customers and the Department of Legal Affairs (DLA) when a breach of security of personal information occurs. The bill requires such notice to be given within 30 days of the discovery of the breach or belief that a breach occurred, unless delayed at the request of law enforcement for investigative purposes or for other good cause shown. The bill provides enforcement authority to the DLA under the Florida Deceptive and Unfair Trade Practices Act to civilly prosecute violations. A violator of the bill’s provisions may also be subject to civil penalties, similar to current law, if breach notification is not provided timely. State governmental entities are required to provide notification of security breaches to the DLA, but are not liable for civil penalties for failure to timely report the security breaches. The bill provides exceptions for those entities that comply with breach notifications as required by the appropriate federal regulator.

The bill requires the DLA to submit an annual report to the Legislature, by February 1 of each year, detailing any reported breaches of security by governmental entities or their third-party agents for the preceding year, along with any recommendations for security improvement. The report must also identify any governmental entity that has violated the breach notification provisions.

The bill requires customer records, both physical and electronic, to be disposed in a manner that protects personal information from being disclosed. This provision does not apply to governmental entities.

The bill repeals s. 817.5681, F.S., which contains the current law requirements for breach notification.

If approved by the Governor, these provisions take effect July 1, 2014.

*Vote: Senate 38-0; House 117-0*

## Committee on Commerce and Tourism

### **CS/HB 7023 — Economic Development**

by Economic Affairs Committee; Economic Development and Tourism Subcommittee; and Reps. Hutson and Campbell (CS/CS/SB 1634 by Appropriations Committee; Military and Veteran Affairs, Space, and Domestic Security Committee; and Commerce and Tourism Committee)

The bill addresses a number of activities related to economic development as well as activities under the jurisdiction of the Department of Economic Opportunity (DEO). Specifically, the bill addresses the following:

#### ***Rural Job Tax Credit Program***

- Provides a tax refund of up to 50 percent of the sales tax paid for electricity by an eligible business receiving a tax credit under the Rural Job Tax Credit Program during the 1-year period after the tax credit is received.
- The total amount of tax refunds that may be approved is capped at \$600,000 for each calendar year.

#### ***Economic Development Reporting***

- Requires Office of Economic and Demographic Research (EDR) and the Office of Program Policy Analysis and Government Accountability (OPPAGA) to include the New Markets Development Program in the rotating, 3-year review schedule of economic development programs.

#### ***Loan Programs Administered by the DEO***

- Establishes requirements for the operation of all loan programs administered by the DEO to increase accountability and performance.

#### ***Triumph Gulf Coast, Inc.***

- Clarifies that the Auditor General's annual audit of Triumph Gulf Coast, Inc., and the Recovery Fund is a performance audit, and that the audit by the retained independent certified public account is to be performed annually.
- Provides that the initial appointments to the board of directors of Triumph Gulf Coast, Inc., begin after the Legislature appropriates funds to the Recovery Fund, and provides for term limits for the initial appointments.

#### ***Florida Defense Support Task Force***

- Increases the amount of funds the Florida Defense Support Task Force may annually spend on staffing and administrative expenses from \$200,000 to \$250,000.

#### ***Florida Small Cities Community Development Block Grant Program***

- Provides the DEO rulemaking authority to establish guidelines to distribute the Small Cities Community Development Block Grant Program funds through a competitive selection process.

- Revises application procedures, including the citizen participation requirements.
- Revises the amount of block grant funds that may be spent on administrative costs under the economic development program category and provides that the maximum amount of block grant funds that may be spent on engineering and architectural costs will be determined by a method adopted by the DEO by rule.

### ***Space Florida***

- Directs Space Florida to consult with VISIT Florida, rather than Enterprise Florida, Inc., to develop a space tourism marketing plan.
- Repeals the requirement that Space Florida develop a proposal to establish a Center for Excellence for Aerospace and instead, makes it permissive.
- Requires Space Florida to provide support to universities in Florida that are members of the Federal Aviation Administration's Center of Excellence for Commercial Space Transportation.
- Permits the Department of Transportation, in consultation with Space Florida, to fund certain strategic spaceport launch support facilities investment projects.

### ***Reemployment Assistance***

- Repeals the requirement that applicants for reemployment assistance complete the mandatory initial skills review and replaces it with a voluntary online assessment of the individual's skills, abilities, and career aptitude. The online assessment must work seamlessly with CONNECT, the electronic claims filing system, and must be competitively procured by the DEO.
- Amends the Short-Term Compensation program to comply with federal requirements, including:
  - Defining "employer-sponsored training."
  - Requiring an employer participating in the program to treat the fringe benefits of a participant the same as if he or she was not a participant.
  - Prohibiting the DEO from denying benefits due to an individual's participation in certain training programs.
- Extends the ability of employers to make quarterly contributions to the Unemployment Compensation Trust Fund, rather than a single, annual payment. This provision was scheduled to sunset in 2014.
- Requires the DEO to provide an alternate method for filing a claim, such as by telephone, when it determines that the electronic claims filing system is unavailable for individuals to use to file claims.

### ***Rural Areas of Opportunity***

- Rebrands "rural areas of critical economic concern" as "rural areas of opportunity."

### ***Regional Rural Development Grants Program***

- Increases the maximum grant amount that may be awarded by the DEO under the Regional Rural Development Grants Program from \$35,000 to \$50,000; and for rural

areas of opportunity, the maximum grant amount is increased from \$100,000 to \$150,000.

#### ***Developments of Regional Impact***

- Exempts certain developments that qualify for an exemption as a Dense Urban Land Use pursuant to s. 380.06(29), F.S., from aggregation requirements set forth in s. 380.0651(4), F.S.

#### ***Permits***

- Extends and renews certain building permits issued by the Department of Environmental Protection, by a water management district, or a local government for a period of 2 years.
- Requires permit holders to apply for a permit extension, in writing, by December 31, 2014.
- Provides that the permit extensions do not apply to permits issued by the Army Corp of Engineers, permits in significant noncompliance, or permits that, if extended, would prevent compliance with a court order.
- Allows a local government to require an applicant for a permit extension to maintain and secure the property in compliance with applicable laws and ordinances.

#### ***The Florida Microfinance Act***

- Creates the “Florida Microfinance Act” consisting of two programs: a loan program and a guarantee program.
  - Under the loan program, the DEO will competitively award funds to up to three eligible loan administrators who will in-turn provide a 1:1 match to make short-term, microloans of up to \$50,000 to entrepreneurs and small businesses. The borrower must participate in business training and technical assistance provided by the Florida Small Business Development Network.
  - Under the guarantee program, Enterprise Florida, Inc., (EFI) will utilize state funds to guarantee loans made by private lenders to entrepreneurs and small businesses in Florida. Loan guarantees may only be provided on loans between \$50,000 and \$250,000, and a guarantee cannot exceed 50 percent of the total loan amount.
  - Under both programs, eligibility is limited to borrowers who are entrepreneurs or small businesses with 25 or fewer employees and revenue up to \$1.5 million per year.
  - Requires the DEO and EFI to report annually on the programs.
  - Requires the EDR to prepare a report that analyzes, evaluates, and determines the economic benefits of the first 3 years of the programs.
- Requires the OPPAGA and the EDR evaluate the federal State Small Business Credit Initiative in Florida by January 1, 2015.
- Appropriates \$10 million in nonrecurring funds to the DEO to implement the act, of which \$100,000 may be spent by the DEO and EFI to market and promote the act. The bill also authorizes 1 full-time equivalent position to the DEO to implement the act.

If approved by the Governor, these provisions take effect July 1, 2014.

*Vote: Senate 38-0; House 113-0*

## Committee on Commerce and Tourism

### **CS/CS/HB 7051 — Department of Agriculture and Consumer Services**

by Regulatory Affairs Committee; Agriculture and Natural Resources Appropriations Subcommittee; Business and Professional Regulation Subcommittee; and Rep. La Rosa (CS/CS/SB 1018 by Appropriations Committee; Commerce and Tourism Committee; and Senator Detert)

This bill modifies several regulatory programs and activities under the jurisdiction of the Florida Department of Agriculture and Consumer Services (department). Specifically, the bill:

- Expands the Board of Professional Surveying and Mapping's rulemaking authority by requiring it to adopt rules establishing "standards of practice" for surveyors and mappers.
- Eliminates the requirement that a private investigative, private security, or recovery service applicant obtain a letter from a fingerprinting technician or physician when a legible set of fingerprints cannot be obtained after two attempts.
- Revises recertification training requirements for Class "G" firearms licensees.
- Permits a Class "G" licensee to carry a .40 caliber handgun or a .45 caliber automatic colt pistol (ACP) handgun while on duty.
- Permits a Class "D" private security guard holding a Class "G" license to carry a concealed weapon while in plain clothes under certain circumstances.
- Permits the Division of Licensing within the department to access sealed criminal histories for applicants of a concealed weapon license to determine eligibility (effective January 1, 2015).
- Standardizes regulations and procedures by which a consumer can pursue a claim against the bond or other security of a health studio, telemarketer, pawnbroker, or seller of travel.
- Prohibits a person soliciting contributions on behalf of a charity from calling donors who have previously communicated to them that they do not wish to receive any more calls.
- Prohibits a telemarketer from accepting novelty payments, such as remotely created checks or payment orders, cash-to-cash money transfers, and cash reload mechanisms.
- Provides that antifreeze and brake fluid registrations expire one year from the date of issuance.
- Clarifies inconsistent language regarding administrative fines for noncompliant petroleum products.
- Requires the department to adopt quality standards and labeling requirements for motor oils.

For Fiscal Year 2014-15, the bill appropriates \$35,745 in nonrecurring funds from the department's Division of Licensing Trust Fund to the Florida Department of Law Enforcement for costs associated with providing access to sealed criminal history records.

If approved by the Governor, these provisions take effect July 1, 2014, except where otherwise provided.

*Vote: Senate 39-0; House 117-0*

## Committee on Commerce and Tourism

### **CS/HB 7095 — Professional Sports Facilities Incentive Application Process**

by Appropriations Committee; Economic Affairs Committee; and Rep. Patronis and others (CS/CS/SB 1216 by Appropriations Committee; Commerce and Tourism Committee; and Senator Latvala)

The bill makes several changes to state-administered sports-related programs.

#### ***Sports Development Program***

The bill creates the Sports Development Program, a process for a local government or team or other entity that operates or manages a sports facility to apply for an annual distribution of state sales and use tax revenue to fund professional sports franchise facilities. Applicants must be evaluated and recommended by the Department of Economic Opportunity (DEO) and distributions must be approved by the Legislature. Distributed funds may be used for the construction or improvement of a professional sports facility.

The application period is June 1 through November 1, and by February 1 of each year, the DEO will rank the recommended applications and present them to the Legislature for approval. However, applicants who have started a project or a new facility between March 1, 2013, and July 1, 2014, may apply to the DEO beginning May 1, 2014, for review. If the DEO recommends approval, the Legislative Budget Committee may approve the application no earlier than January 1, 2015. Approved applicants would be eligible to receive distributions during Fiscal Year 2014-2015, but distributions during that year may not exceed \$7 million. The total annual cap on distributions is \$13 million for all certified applicants.

The DEO determines the annual distribution amount an applicant may receive based on an amount equal to 75 percent of the average annual new incremental state sales tax generated by sales at the facility, up to a maximum amount based on the total project cost. Applicants with a project cost of:

- \$200 million or greater may receive up to \$3 million annually;
- Over \$100 million but under \$200 million may receive up to \$2 million annually;
- Over \$30 million but under \$100 million may receive up to \$1 million annually; and
- Over \$100 million and who are currently receiving distributions under the Professional Sports Franchise program (s. 288.1162, F.S.) may receive up to \$1 million annually.

Distributions may be made for up to 30 years, and may be pledged for repayment of bonds.

The distributions are determined by the amount of new incremental state sales tax generated by sales at the facility over a baseline. The baseline is determined by a 36-month average annual state sales tax generated by sales at the facility. The following applicants have a “zero baseline”:

- An applicant applying for a “new facility,” which includes a first-time applicant whose project exceeds \$300 million and commenced on the facility’s existing site before



January 1, 2014, or a beneficiary that has completed the terms of a previous agreement for distributions under ch. 212, F.S., for an existing facility; and

- An applicant whose project cost over \$300 million and is funded by at least 90 percent private sources.

Additionally, an applicant currently receiving distributions under the Professional Sports Franchise program have a baseline of \$2 million. To be eligible for distributions the expected average annual new incremental state sales tax generated by sales at the facility must be at least \$500,000 above the baseline.

In general, applicants cannot receive multiple state revenue distributions under s. 212.20, F.S., except for applicants currently receiving distributions under the Professional Sports Franchise program that have project costs of over \$100 million, as discussed above.

The applicant must enter into a contract with the DEO to receive the funds, and must agree to repay the state any funds if:

- Distributions exceed the actual amount of new incremental state sales taxes generated by sales at the facility; the applicant may repay the state the total amount at the end of the contract term, plus a 5 percent penalty, or on an annual basis without penalty;
- The beneficiary breaks the terms of the agreement with the applicant and relocates or no longer uses the facility as the primary tenant; the beneficiary must reimburse the state an amount equal to any funds remaining to be distributed, plus a 5 percent penalty; or
- The DEO determines that the applicant submitted false or fraudulent information; the applicant must reimburse the state for all funds that have been and will be distributed, plus a 5 percent penalty.

The bill allows a municipality or county to use its half-cent sales tax revenue to reimburse the state as required in the Sports Development Program. The bill also increases the amount of a municipality's or county's half-cent sales tax revenue that can be used to fund a professional sports facility or motorsport entertainment complex from \$2 million to \$3 million.

The applicant must report to the DEO at least annually, and must be verified to be meeting the program requirements every 5 years. The Auditor General may conduct audits on the applicant's reports of state sales taxes generated and to verify that the distributions are being expended according to program requirements. Additionally, the bill adds the program to the list of economic development programs subject to review by the Office of Economic and Demographic Research (EDR) and the Office of Program Policy Analysis and Government Accountability (OPPAGA) beginning January 1, 2018.

***Retention of Spring Training Baseball Franchises Program – s. 288.11631, F.S.***

The bill revises the schedule of distribution of state sales and use tax for the Retention of Spring Training Baseball Franchises Program. However, no distributions may be made before July 1, 2016, as under current law. The revised distribution schedule is as follows:

- For a facility used by one spring training franchise, monthly distributions are increased to up to \$83,333 from \$55,555, for a period of 20 years instead of 30 years. The maximum amount that may be distributed remains at \$20 million; and
- For a facility used by more than one spring training franchise, monthly distributions are increased to up to \$166,667 from \$111,110, for a period of 25 years instead of 37.5 years. The maximum amount that may be distributed remains at \$50 million.

The bill also revises the following requirements of the program:

- Permits a local government that was certified for use of its facility by one spring training facility to amend its certification if it adds any additional franchises.
- Provides that an agreement for the use of the facility by a franchise can be signed at any time before the expiration of an existing agreement, as long as the applicant has never received state funding for the facility as a spring training facility under ss. 288.11621 and 288.11631, F.S., and the facility was constructed before January 1, 2000. Otherwise such a contract cannot be signed more than 4 years before the expiration of any existing agreement with the spring training franchise for the use of the facility.
- Provides an exception to reimbursement requirements when bonds are issued for the construction of the facility. If a franchise breaks or violates its agreement with the local government, but bonds were issued for the construction of the facility, the franchise's reimbursement is limited to the amount of state distributions expected to be paid from the date of the contract break or violation to final bond maturity. Otherwise the franchise must reimburse the state for all state funds expended by the local government.

***Sports Facilities as Homeless Shelters – s. 288.1166, F.S.***

The bill limits the use of a professional sports facility as a homeless shelter to the period of a declared federal, state, or local emergency. The bill provides exceptions if the facility is otherwise contractually obligated for a specific event or activity, the facility is designated or used by the county as a staging area, or the county owning the facility also owns or operates homeless assistance shelters and determines there is sufficient capacity to meet the sheltering needs of homeless persons within the county.

If approved by the Governor, these provisions take effect upon becoming law.

*Vote: Senate 35-3; House 89-27*