

By Representative Bronson

1                                   A bill to be entitled  
2           An act relating to sports industry economic  
3           development projects; amending s. 212.20, F.S.;  
4           providing for the Department of Revenue to  
5           distribute sales tax reimbursements to  
6           certified sports industry economic development  
7           projects; creating s. 288.113, F.S.; creating a  
8           tax reimbursement program for certified sports  
9           industry economic development projects;  
10          providing legislative findings and  
11          declarations; defining terms; providing  
12          eligibility criteria for sports businesses;  
13          prescribing the terms and amounts of tax  
14          reimbursements; providing a certification  
15          procedure, to be established and administered  
16          by the Office of Tourism, Trade, and Economic  
17          Development; providing for periodic  
18          recertification; abating or reducing funding in  
19          specified circumstances; providing a maximum  
20          number of years for which a sports business may  
21          be certified; providing for decertification;  
22          providing a penalty for falsifying an  
23          application; providing for a tax reimbursement  
24          agreement and prescribing terms of the  
25          agreement; providing for annual claims for  
26          reimbursement; providing duties of the  
27          Department of Revenue; providing for  
28          administration of the program; providing for  
29          recordkeeping and submission of an annual  
30          report to the Legislature; amending s.  
31          288.1229, F.S.; providing an additional purpose

1           for which the Office of Tourism, Trade, and  
2           Economic Development may authorize a  
3           direct-support organization to assist the  
4           office; providing for the creation of new jobs  
5           in this state; providing an effective date.  
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7 Be It Enacted by the Legislature of the State of Florida:  
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9           Section 1. Section 212.20, Florida Statutes, is  
10          amended to read:

11           212.20 Funds collected, disposition; additional powers  
12          of department; operational expense; reimbursement for ~~refund~~  
13          of taxes adjudicated unconstitutionally collected.--

14           (1) The department shall pay over to the Treasurer of  
15          the state all funds received and collected by it under the  
16          provisions of this chapter, to be credited to the account of  
17          the General Revenue Fund of the state, except the proceeds of  
18          the fee imposed pursuant to s. 212.18(5).

19           (2) The department is authorized to employ all  
20          necessary assistants to administer this chapter properly and  
21          is also authorized to purchase all necessary supplies and  
22          equipment which may be required for this purpose.

23           (3) The estimated amount of money needed for the  
24          administration of this chapter shall be included by the  
25          department in its annual legislative budget request for the  
26          operation of its office.

27           (4) When there has been a final adjudication that any  
28          tax pursuant to s. 212.0596 was levied, collected, or both,  
29          contrary to the Constitution of the United States or the State  
30          Constitution, the department shall, in accordance with rules,  
31          determine, based upon claims for refund and other evidence and

1 information, who paid such tax or taxes, and refund to each  
2 such person the amount of tax paid. For purposes of this  
3 subsection, a "final adjudication" is a decision of a court of  
4 competent jurisdiction from which no appeal can be taken or  
5 from which the official or officials of this state with  
6 authority to make such decisions has or have decided not to  
7 appeal.

8 (5) For the purposes of this section:

9 (a) "Proceeds" means all tax or fee revenue collected  
10 or received by the department, including interest and  
11 penalties.

12 (b) "Reallocate" means reduction of the accounts of  
13 initial deposit and redeposit into the indicated account.

14 (6) Distribution of all proceeds under this chapter  
15 shall be as follows:

16 (a) Proceeds from the convention development taxes  
17 authorized under s. 212.0305 shall be reallocated to the  
18 Convention Development Tax Clearing Trust Fund.

19 (b) Proceeds from discretionary sales surtaxes imposed  
20 pursuant to ss. 212.054 and 212.055 shall be reallocated to  
21 the Discretionary Sales Surtax Clearing Trust Fund.

22 (c) Proceeds from the tax imposed pursuant to s.  
23 212.06(5)(a)2. shall be reallocated to the Mail Order Sales  
24 Tax Clearing Trust Fund.

25 (d) Proceeds from the fee imposed pursuant to s.  
26 212.18(5) shall be deposited in the Solid Waste Management  
27 Clearing Trust Fund, which is hereby created to be used by the  
28 department, and shall be subsequently transferred to the State  
29 Treasurer to be deposited into the Solid Waste Management  
30 Trust Fund.

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1 (e) Proceeds from the fees imposed under ss.  
2 212.05(1)(i)3. and 212.18(3) shall remain with the General  
3 Revenue Fund.

4 (f) The proceeds of all other taxes and fees imposed  
5 pursuant to this chapter shall be distributed as follows:

6 1. In any fiscal year, the greater of \$500 million,  
7 minus an amount equal to 4.6 percent of the proceeds of the  
8 taxes collected pursuant to chapter 201, or 5 percent of all  
9 other taxes and fees imposed pursuant to this chapter shall be  
10 deposited in monthly installments into the General Revenue  
11 Fund.

12 2. Two-tenths of one percent shall be transferred to  
13 the Solid Waste Management Trust Fund.

14 3. After the distribution under subparagraphs 1. and  
15 2., 9.653 percent of the amount remitted by a sales tax dealer  
16 located within a participating county pursuant to s. 218.61  
17 shall be transferred into the Local Government Half-cent Sales  
18 Tax Clearing Trust Fund.

19 4. After the distribution under subparagraphs 1., 2.,  
20 and 3., 0.054 percent shall be transferred to the Local  
21 Government Half-cent Sales Tax Clearing Trust Fund and  
22 distributed pursuant to s. 218.65.

23 5. Of the remaining proceeds:

24 a. Beginning 30 days after the Office of Tourism,  
25 Trade, and Economic Development gives the Department of  
26 Revenue notice that an applicant has been certified as a  
27 qualified sports industry economic development project under  
28 s. 288.113 and that the project is under development or  
29 operational, has generated sales tax revenue for 12 months,  
30 and is creating the number of new jobs specified under a  
31 certification agreement with the office, reimbursement in an

1 amount of up to 50 percent, but not exceeding \$2 million, of  
2 the newly generated sales tax shall be distributed monthly,  
3 pro rata, to the applicant in an amount and for a duration  
4 determined in accordance with the certification agreement by  
5 the Office of Tourism, Trade, and Economic Development. This  
6 distribution and any reduction of the distribution are subject  
7 to the terms of the certification agreement pursuant to s.  
8 288.113. As used in this paragraph, the term "sports business  
9 economic impact" means the amount of new sales tax generated  
10 by the projects as estimated by the Sports Economic Impact  
11 Model used by the Office of Tourism, Trade, and Economic  
12 Development.

13 ~~b.a.~~ Beginning July 1, 1992, \$166,667 shall be  
14 distributed monthly by the department to each applicant that  
15 has been certified as a "facility for a new professional  
16 sports franchise" or a "facility for a retained professional  
17 sports franchise" pursuant to s. 288.1162 and \$41,667 shall be  
18 distributed monthly by the department to each applicant that  
19 has been certified as a "new spring training franchise  
20 facility" pursuant to s. 288.1162. Distributions shall begin  
21 60 days following such certification and shall continue for 30  
22 years. Nothing contained herein shall be construed to allow an  
23 applicant certified pursuant to s. 288.1162 to receive more in  
24 distributions than actually expended by the applicant for the  
25 public purposes provided for in s. 288.1162(7). However, a  
26 certified applicant shall receive distributions up to the  
27 maximum amount allowable and undistributed under this section  
28 for additional renovations and improvements to the facility  
29 for the franchise without additional certification.

30 ~~c.b.~~ Beginning 30 days after notice by the Office of  
31 Tourism, Trade, and Economic Development to the Department of

1 Revenue that an applicant has been certified as the  
2 professional golf hall of fame pursuant to s. 288.1168 and is  
3 open to the public, \$166,667 shall be distributed monthly, for  
4 up to 300 months, to the applicant.

5 ~~d.c.~~ Beginning 30 days after notice by the Department  
6 of Commerce to the Department of Revenue that the applicant  
7 has been certified as the International Game Fish Association  
8 World Center facility pursuant to s. 288.1169, and the  
9 facility is open to the public, \$83,333 shall be distributed  
10 monthly, for up to 180 months, to the applicant. This  
11 distribution is subject to reduction pursuant to s. 288.1169.

12 6. All other proceeds shall remain with the General  
13 Revenue Fund.

14 Section 2. Section 288.113, Florida Statutes, is  
15 created to read:

16 288.113 Tax reimbursement program for certified sports  
17 industry economic development projects.--

18 (1) LEGISLATIVE FINDINGS AND DECLARATIONS.--The  
19 Legislature finds that attracting, retaining, and providing  
20 favorable conditions for the growth of certified sports  
21 industry economic development projects provides high-quality  
22 employment opportunities for residents of this state,  
23 increases tourism, and enhances the economic foundations of  
24 this state. It is the policy of this state to encourage the  
25 growth of high-value-added employment to the economic base by  
26 providing reimbursement to certified sports industry economic  
27 development projects that create new employment opportunities  
28 and generate new sales tax dollars by expanding businesses  
29 within this state or by bringing new businesses to this state.

30 (2) DEFINITIONS.--As used in this section, the term:  
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1           (a) "Certified sports industry economic development  
2 project" means any sports business that develops, operates, or  
3 both develops and operates a project that attracts and retains  
4 multiyear sporting events that generate new sales taxes for  
5 the state, that has submitted a properly completed application  
6 to the Office of Tourism, Trade, and Economic Development, and  
7 that has subsequently been certified by that office as a  
8 sports industry economic development project.

9           (b) "Sales tax reimbursement" means that percentage of  
10 new sales taxes that are generated by a sports business and  
11 collected by the state which the Office of Tourism, Trade, and  
12 Economic Development, using the Sports Economic Impact Model,  
13 estimated to be returned to the sports business as a  
14 reimbursement under the terms of the certification agreement.  
15 The sports business must first generate new sales taxes, which  
16 in turn have been collected by the Department of Revenue  
17 before any reimbursement may be provided to the sports  
18 business. The reimbursement may not exceed 50 percent of the  
19 total new sales tax generated annually by the sports business.

20           (3) SPORTS BUSINESSES ELIGIBLE TO APPLY.--Any sports  
21 business that promotes multiyear sports industry economic  
22 development activities in this state may submit to the Office  
23 of Tourism, Trade, and Economic Development in the Office of  
24 the Governor an application for approval as a certified sports  
25 industry economic development project for the purpose of  
26 receiving a reimbursement on new sales taxes generated by  
27 increased new business or tourism activity directly  
28 attributable to the sports business.

29           (4) TAX REIMBURSEMENT AND ELIGIBLE AMOUNT.--

30           (a) There shall be allowed, from the account, a  
31 reimbursement to a certified sports industry economic

1 development project of up to 50 percent of the amount of  
2 eligible new sales taxes generated by the sports business  
3 annually as certified by the Office of Tourism, Trade, and  
4 Economic Development. The total amount of reimbursements for  
5 all fiscal years estimated for each such sports business  
6 project may not exceed 50 percent of the cost of the projects  
7 as determined by the Office of Tourism, Trade, and Economic  
8 Development in the certification process set forth in  
9 subsection (5). The annual amount of reimbursement to a  
10 certified sports business must be determined by that office in  
11 accordance with the applicant's certification procedure set  
12 forth in this section.

13 (b) The Office of Tourism, Trade, and Economic  
14 Development may approve a certified sports business to receive  
15 tax reimbursement payments in an amount not less than \$500,000  
16 and not more than \$2 million in a single fiscal year.

17 (c) After entering into a tax reimbursement agreement  
18 under subsection (6), a certified sports business may receive  
19 reimbursement from the account for any or all of the  
20 following:

21 1. Developing and implementing any component of the  
22 certified sport business's sports events and activities.

23 2. Constructing, reconstructing, renovating,  
24 furnishing, equipping, or operating the sports business's  
25 facilities or events.

26 3. Pledging payments or debt service on, or funding,  
27 debt service reserve funds, arbitrage rebate obligations, or  
28 other amounts payable with respect to bonds for the sports  
29 business's activities and facilities.

30 4. Paying the cost of relocating the corporate  
31 headquarters into this state.



1           (5) CERTIFICATION AND RECERTIFICATION PROCEDURE.--  
2           (a) The Office of Tourism, Trade, and Economic  
3 Development shall establish a certification process by which a  
4 sports business may be approved by the office as a certified  
5 sports industry economic development project that is eligible  
6 to receive economic development incentives in the form of a  
7 reimbursement of a percentage of new sales taxes that have  
8 been generated and remitted to the state as a result of the  
9 certified sports industry economic development project.  
10          (b) Before certifying an applicant under this  
11 subsection, the Office of Tourism, Trade, and Economic  
12 Development must determine that the applicant:  
13            1. Has completed an independent analysis or study,  
14 verified by the Office of Tourism, Trade, and Economic  
15 Development, which demonstrates that the proposed sports  
16 business will generate a minimum of \$1 million annually in new  
17 sales tax revenues over a multiyear period.  
18            2. Has commitments for sports activities which  
19 demonstrate that the sports business will bring to this state  
20 on a multiyear basis new sports business activities that will  
21 generate a minimum of \$1 million in new sales tax revenues  
22 annually, as verified by the Office of Tourism, Trade, and  
23 Economic Development.  
24            3. Has demonstrated that it has provided, is capable  
25 of providing, or has financial or other commitments to provide  
26 more than one-half of the costs incurred in or related to the  
27 development of the sports business activity.  
28          (c) A sports business economic development project  
29 that has previously been certified under this section and has  
30 received a reimbursement under that certification is  
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1 ineligible for additional certification within each 5-year  
2 certification cycle.

3 (d) Upon determining that a sports business meets the  
4 established criteria for approval as a certified sports  
5 industry economic development project and qualifies for sales  
6 tax reimbursement, the Office of Tourism, Trade, and Economic  
7 Development shall issue to the applicant a letter of  
8 certification that stipulates the terms of the reimbursement  
9 agreement and the penalties for failing to comply with those  
10 terms.

11 (e) The Office of Tourism, Trade, and Economic  
12 Development shall deny the application of a sports business to  
13 be a certified sports industry economic development project if  
14 it determines that the sports industry economic development  
15 project does not meet the established criteria for approval.

16 (f) The Office of Tourism, Trade, and Economic  
17 Development, with the cooperation of the Department of  
18 Revenue, shall develop a standardized form for sports  
19 businesses to complete in applying for designation as a  
20 certified sports industry economic development project. The  
21 application must include, but is not limited to, relevant  
22 information on employment and job creation, proposed budgets,  
23 contracts for multiyear events and projects, project  
24 financing, and other information requested by the office. The  
25 application may be distributed to applicants by the Office of  
26 Tourism, Trade, and Economic Development, and all completed  
27 applications must be processed by the Office of Tourism,  
28 Trade, and Economic Development.

29 (g) Initial certification for reimbursement under this  
30 section is valid for 10 years. Subsequent to the initial  
31 certification period, the sports business economic development

1 project is eligible for two periods of recertification, each  
2 of which is valid for 5 years. An applicant must request  
3 recertification 12 months before the expiration of the  
4 certificate.

5 (h) A sports industry economic development project may  
6 request recertification after the initial certification period  
7 to be requalified for designation as a qualified sports  
8 industry economic development project for a period not to  
9 exceed 20 years.

10 (i) The Office of Tourism, Trade, and Economic  
11 Development must recertify, before the end of the first  
12 10-year period, that the sports business project is  
13 operational and that the project is meeting the minimum  
14 projections for sales tax revenues as required at the time of  
15 original certification. If the project is not recertified  
16 during this 10-year review as meeting the minimum projections,  
17 funding will be adjusted until certification criteria are met.  
18 If the project fails to generate annual tax revenues pursuant  
19 to its agreement with the Office of Tourism, Trade, and  
20 Economic Development, the amount of revenues distributed to  
21 the project under s. 212.20(6)(g)5.c. must be reduced to an  
22 amount equal to a pro-rata amount of the taxes collected times  
23 50 percent. If, for 2 consecutive years, the amount of tax  
24 revenues collected falls below a minimum of \$1 million per  
25 year, the sports industry economic development project may be  
26 decertified at the discretion of the Office of Tourism, Trade,  
27 and Economic Development. Such a reduction must remain in  
28 effect until the tax revenues generated by the project in a  
29 12-month period equal or exceed \$1 million.

30 (j) A sports project may be decertified if the Office  
31 of Tourism, Trade, and Economic Development determines that

1 the business can no longer maintain its economic development  
2 activities in this state. If the sports industry economic  
3 development project is no longer in existence, or is no longer  
4 viable, as determined by its agreement with the Office of  
5 Tourism, Trade, and Economic Development, or if the project  
6 has the certificate for purposes other than those authorized  
7 by this section and chapter 212, the Department of Revenue may  
8 suspend payment for a period of 6 months until the project is  
9 either back in compliance with the agreement or is determined  
10 to be in default. In addition to other penalties imposed by  
11 law, any person who knowingly and willfully falsifies an  
12 application for purposes other than those authorized by this  
13 section commits a felony of the third degree, punishable as  
14 provided in s. 774.082, s. 775.083, or s. 775.084.

15 (k) The Office of Tourism, Trade, and Economic  
16 Development shall develop rules for the receipt and processing  
17 of applications for funding pursuant to s. 212.20.

18 (6) TAX REIMBURSEMENT AGREEMENT TERMS.--

19 (a) In order to qualify for reimbursement from the  
20 state, each certified sports industry economic development  
21 project must enter into a written agreement with the Office of  
22 Tourism, Trade, and Economic Development which specifies, at a  
23 minimum:

24 1. The total number of full-time-equivalent jobs  
25 created in or transferred to this state as a direct result of  
26 the project, the average wage paid for those jobs, the  
27 criteria that will apply to measuring the achievement of these  
28 terms during the effective period of the agreement, and a time  
29 schedule or plan for when such jobs will be in place and  
30 operative in the state.

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1           2. The maximum amount of new sales taxes estimated to  
2 be generated as a result of the sports industry economic  
3 development project, the maximum amount of tax reimbursement  
4 that the certified sports industry economic development  
5 project is eligible to receive, and the maximum amount of tax  
6 reimbursement that the project is requesting.

7           3. The budgets, financing, projections, and cost  
8 estimates for the sports activities and projects for which  
9 reimbursement is sought.

10           (b) Compliance with the terms and conditions of the  
11 agreement is a condition precedent for receiving a tax  
12 reimbursement each year. Failure to comply with the terms and  
13 conditions of the tax reimbursement agreement will result in  
14 an immediate review by the Office of Tourism, Trade, and  
15 Economic Development of the activities of the project.

16           (7) ANNUAL CLAIM FOR REIMBURSEMENT.--

17           (a) To receive a reimbursement under this section, an  
18 applicant must submit to the Department of Revenue at the end  
19 of each fiscal year a copy of the applicant's certificate and  
20 agreement and a request for reimbursement.

21           (b) The reimbursement may not exceed 50 percent of the  
22 total project costs, amortized over a period of years not to  
23 exceed 20.

24           (c) Reimbursement may be provided through direct  
25 payment or other means of payment to the certified business,  
26 as determined in the agreement with the approval of the  
27 Department of Revenue.

28           (8) DUTIES OF THE DEPARTMENT OF REVENUE.--

29           (a) The Department of Revenue may adopt such rules and  
30 shall prescribe and publish such forms as are necessary to  
31 effectuate the purposes of this section or any of the sales

1 tax reimbursements that are reasonably related to this  
2 section.

3 (b) The Department of Revenue may establish such  
4 auditing procedures as are allowed by law and are reasonably  
5 related to the purposes of this section.

6 (9) ADMINISTRATION.--

7 (a) The Office of Tourism, Trade, and Economic  
8 Development may verify information provided in any claim for  
9 tax reimbursement under this section, including information  
10 regarding employment and wage levels or the payment of the  
11 taxes to the appropriate agency, including the Department of  
12 Revenue, the Department of Labor and Employment Security, or  
13 the appropriate local government or authority.

14 (b) To facilitate the process of monitoring and  
15 auditing applications made under this program, the Office of  
16 Tourism, Trade, and Economic Development may provide a list of  
17 certified sports industry economic development projects to the  
18 Department of Revenue, to the Department of Labor and  
19 Employment Security, or to any local government or authority.  
20 The Office of Tourism, Trade, and Economic Development may  
21 request the assistance of those entities in monitoring the  
22 payment of reimbursements under this section.

23 (10) RELATIONSHIP OF TAX REIMBURSEMENTS TO SPORTS  
24 INDUSTRY GROWTH; REPORT TO THE LEGISLATURE.--Beginning January  
25 1, 2001, the Office of Tourism, Trade, and Economic  
26 Development shall maintain records based on information  
27 provided on taxpayer applications for sports business  
28 reimbursements. These records must include a statement of what  
29 percentage of the overall new economic impact generated by  
30 certified sports industry economic development projects  
31 consists of the amount of funds annually reimbursed to such

1 projects. In addition, the Office of Tourism, Trade, and  
2 Economic Development shall maintain data showing the annual  
3 growth in Florida-based sports industry companies and the  
4 number of persons employed and wages paid by such companies.  
5 The Office of Tourism, Trade, and Economic Development shall  
6 report this information to the Legislature annually, no later  
7 than December 1.

8 Section 3. Subsection (1) of section 288.1229, Florida  
9 Statutes, is amended to read:

10 288.1229 Promotion and development of sports-related  
11 industries and amateur athletics; direct-support organization;  
12 powers and duties.--

13 (1) The Office of Tourism, Trade, and Economic  
14 Development may authorize a direct-support organization to  
15 assist the office in:

16 (a) The promotion and development of the sports  
17 industry and related industries for the purpose of improving  
18 the economic presence of these industries in Florida.

19 (b) The promotion of amateur athletic participation  
20 for the citizens of Florida and the promotion of Florida as a  
21 host for national and international amateur athletic  
22 competitions for the purpose of encouraging and increasing the  
23 direct and ancillary economic benefits of amateur athletic  
24 events and competitions.

25 (c) The attraction of sports industry economic  
26 development projects to this state for the purposes set forth  
27 in paragraphs (a) and (b), as well as for the purposes of  
28 increasing national and international media promotions and  
29 attention, promoting the quality of life in this state, and  
30 promoting tourism, which will have a positive effect on

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1 expanding the tax base as well as creating new jobs in the  
2 state.

3 Section 4. This act shall take effect July 1, 2000.

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6 LEGISLATIVE SUMMARY

7 Creates a tax reimbursement program for certified sports  
8 industry economic development projects. Provides  
9 eligibility criteria for sports businesses. Prescribes  
10 the terms and amounts of tax reimbursements. Provides  
11 procedures for certification, recertification, and  
12 decertification of sports businesses. Provides for  
13 abating or reducing funding in specified circumstances.  
14 Specifies a 20-year maximum certification time for sports  
15 businesses. Provides for a tax reimbursement agreement  
16 and prescribes terms of the agreement. Provides for  
17 annual claims for reimbursement. Provides duties of the  
18 Department of Revenue. Requires recordkeeping and  
19 submission of an annual report to the Legislature.  
20 Provides for the Department of Revenue to distribute  
21 sales tax reimbursements to certified projects. Provides  
22 that the Office of Tourism, Trade, and Economic  
23 Development may authorize a direct-support organization  
24 to assist the office in matters related to certified  
25 projects. Provides for the creation of new jobs.  
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