

By Senator Bronson

18-674B-00

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

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4 Be It Enacted by the Legislature of the State of Florida:

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6 Section 1. Section 212.20, Florida Statutes, is
7 amended to read:

8 212.20 Funds collected, disposition; additional powers
9 of department; operational expense; reimbursement for refund
10 ~~of~~ taxes adjudicated unconstitutionally collected.--

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

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

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

24 (4) When there has been a final adjudication that any
25 tax pursuant to s. 212.0596 was levied, collected, or both,
26 contrary to the Constitution of the United States or the State
27 Constitution, the department shall, in accordance with rules,
28 determine, based upon claims for refund and other evidence and
29 information, who paid such tax or taxes, and refund to each
30 such person the amount of tax paid. For purposes of this
31 subsection, a "final adjudication" is a decision of a court of

1 competent jurisdiction from which no appeal can be taken or
2 from which the official or officials of this state with
3 authority to make such decisions has or have decided not to
4 appeal.

5 (5) For the purposes of this section:

6 (a) "Proceeds" means all tax or fee revenue collected
7 or received by the department, including interest and
8 penalties.

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

11 (6) Distribution of all proceeds under this chapter
12 shall be as follows:

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

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

19 (c) Proceeds from the tax imposed pursuant to s.
20 212.06(5)(a)2. shall be reallocated to the Mail Order Sales
21 Tax Clearing Trust Fund.

22 (d) Proceeds from the fee imposed pursuant to s.
23 212.18(5) shall be deposited in the Solid Waste Management
24 Clearing Trust Fund, which is hereby created to be used by the
25 department, and shall be subsequently transferred to the State
26 Treasurer to be deposited into the Solid Waste Management
27 Trust Fund.

28 (e) Proceeds from the fees imposed under ss.
29 212.05(1)(i)3. and 212.18(3) shall remain with the General
30 Revenue Fund.

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

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

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

11 3. After the distribution under subparagraphs 1. and
12 2., 9.653 percent of the amount remitted by a sales tax dealer
13 located within a participating county pursuant to s. 218.61
14 shall be transferred into the Local Government Half-cent Sales
15 Tax Clearing Trust Fund.

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

20 5. Of the remaining proceeds:

21 a. Beginning 30 days after the Office of Tourism,
22 Trade, and Economic Development gives the Department of
23 Revenue notice that an applicant has been certified as a
24 qualified sports industry economic development project under
25 s. 288.113 and that the project is under development or
26 operational, has generated sales tax revenue for 12 months,
27 and is creating the number of new jobs specified under a
28 certification agreement with the office, reimbursement in an
29 amount of up to 50 percent, but not exceeding \$2 million, of
30 the newly generated sales tax shall be distributed monthly,
31 pro rata, to the applicant in an amount and for a duration

1 determined in accordance with the certification agreement by
2 the Office of Tourism, Trade, and Economic Development. This
3 distribution and any reduction of the distribution are subject
4 to the terms of the certification agreement pursuant to s.
5 288.113. As used in this paragraph, the term "sports business
6 economic impact" means the amount of new sales tax generated
7 by the projects as estimated by the Sports Economic Impact
8 Model used by the Office of Tourism, Trade, and Economic
9 Development.

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

27 c.b. Beginning 30 days after notice by the Office of
28 Tourism, Trade, and Economic Development to the Department of
29 Revenue that an applicant has been certified as the
30 professional golf hall of fame pursuant to s. 288.1168 and is
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1 open to the public, \$166,667 shall be distributed monthly, for
2 up to 300 months, to the applicant.

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

10 6. All other proceeds shall remain with the General
11 Revenue Fund.

12 Section 2. Section 288.113, Florida Statutes, is
13 created to read:

14 288.113 Tax reimbursement program for certified sports
15 industry economic development projects.--

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

28 (2) DEFINITIONS.--As used in this section, the term:

29 (a) "Certified sports industry economic development
30 project" means any sports business that develops, operates, or
31 both develops and operates a project that attracts and retains

1 multiyear sporting events that generate new sales taxes for
2 the state, that has submitted a properly completed application
3 to the Office of Tourism, Trade, and Economic Development, and
4 that has subsequently been certified by that office as a
5 sports industry economic development project.

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

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

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

27 (a) There shall be allowed, from the account, a
28 reimbursement to a certified sports industry economic
29 development project of up to 50 percent of the amount of
30 eligible new sales taxes generated by the sports business
31 annually as certified by the Office of Tourism, Trade, and

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

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

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

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

20 2. Constructing, reconstructing, renovating,
21 furnishing, equipping, or operating the sports business's
22 facilities or events.

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

27 4. Paying the cost of relocating the corporate
28 headquarters into this state.

29 (5) CERTIFICATION AND RECERTIFICATION PROCEDURE.--

30 (a) The Office of Tourism, Trade, and Economic
31 Development shall establish a certification process by which a

1 sports business may be approved by the office as a certified
2 sports industry economic development project that is eligible
3 to receive economic development incentives in the form of a
4 reimbursement of a percentage of new sales taxes that have
5 been generated and remitted to the state as a result of the
6 certified sports industry economic development project.

7 (b) Before certifying an applicant under this
8 subsection, the Office of Tourism, Trade, and Economic
9 Development must determine that the applicant:

10 1. Has completed an independent analysis or study,
11 verified by the Office of Tourism, Trade, and Economic
12 Development, which demonstrates that the proposed sports
13 business will generate a minimum of \$1 million annually in new
14 sales tax revenues over a multiyear period.

15 2. Has commitments for sports activities which
16 demonstrate that the sports business will bring to this state
17 on a multiyear basis new sports business activities that will
18 generate a minimum of \$1 million in new sales tax revenues
19 annually, as verified by the Office of Tourism, Trade, and
20 Economic Development.

21 3. Has demonstrated that it has provided, is capable
22 of providing, or has financial or other commitments to provide
23 more than one-half of the costs incurred in or related to the
24 development of the sports business activity.

25 (c) A sports business economic development project
26 that has previously been certified under this section and has
27 received a reimbursement under that certification is
28 ineligible for additional certification within each 5-year
29 certification cycle.

30 (d) Upon determining that a sports business meets the
31 established criteria for approval as a certified sports

1 industry economic development project and qualifies for sales
2 tax reimbursement, the Office of Tourism, Trade, and Economic
3 Development shall issue to the applicant a letter of
4 certification that stipulates the terms of the reimbursement
5 agreement and the penalties for failing to comply with those
6 terms.

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

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

25 (g) Initial certification for reimbursement under this
26 section is valid for 10 years. Subsequent to the initial
27 certification period, the sports business economic development
28 project is eligible for two periods of recertification, each
29 of which is valid for 5 years. An applicant must request
30 recertification 12 months before the expiration of the
31 certificate.

1 (h) A sports industry economic development project may
2 request recertification after the initial certification period
3 to be requalified for designation as a qualified sports
4 industry economic development project for a period not to
5 exceed 20 years.

6 (i) The Office of Tourism, Trade, and Economic
7 Development must recertify, before the end of the first
8 10-year period, that the sports business project is
9 operational and that the project is meeting the minimum
10 projections for sales tax revenues as required at the time of
11 original certification. If the project is not recertified
12 during this 10-year review as meeting the minimum projections,
13 funding will be adjusted until certification criteria are met.
14 If the project fails to generate annual tax revenues pursuant
15 to its agreement with the Office of Tourism, Trade, and
16 Economic Development, the amount of revenues distributed to
17 the project under s. 212.20(6)(g)5.c. must be reduced to an
18 amount equal to a pro-rata amount of the taxes collected times
19 50 percent. If, for 2 consecutive years, the amount of tax
20 revenues collected falls below a minimum of \$1 million per
21 year, the sports industry economic development project may be
22 decertified at the discretion of the Office of Tourism, Trade,
23 and Economic Development. Such a reduction must remain in
24 effect until the tax revenues generated by the project in a
25 12-month period equal or exceed \$1 million.

26 (j) A sports project may be decertified if the Office
27 of Tourism, Trade, and Economic Development determines that
28 the business can no longer maintain its economic development
29 activities in this state. If the sports industry economic
30 development project is no longer in existence, or is no longer
31 viable, as determined by its agreement with the Office of

1 Tourism, Trade, and Economic Development, or if the project
2 has the certificate for purposes other than those authorized
3 by this section and chapter 212, the Department of Revenue may
4 suspend payment for a period of 6 months until the project is
5 either back in compliance with the agreement or is determined
6 to be in default. In addition to other penalties imposed by
7 law, any person who knowingly and willfully falsifies an
8 application for purposes other than those authorized by this
9 section commits a felony of the third degree, punishable as
10 provided in s. 774.082, s. 775.083, or s. 775.084.

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

14 (6) TAX REIMBURSEMENT AGREEMENT TERMS.--

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

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

27 2. The maximum amount of new sales taxes estimated to
28 be generated as a result of the sports industry economic
29 development project, the maximum amount of tax reimbursement
30 that the certified sports industry economic development

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1 project is eligible to receive, and the maximum amount of tax
2 reimbursement that the project is requesting.

3 3. The budgets, financing, projections, and cost
4 estimates for the sports activities and projects for which
5 reimbursement is sought.

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

12 (7) ANNUAL CLAIM FOR REIMBURSEMENT.--

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

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

20 (c) Reimbursement may be provided through direct
21 payment or other means of payment to the certified business,
22 as determined in the agreement with the approval of the
23 Department of Revenue.

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

25 (a) The Department of Revenue may adopt such rules and
26 shall prescribe and publish such forms as are necessary to
27 effectuate the purposes of this section or any of the sales
28 tax reimbursements that are reasonably related to this
29 section.

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

4 (9) ADMINISTRATION.--

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

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

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

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

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

8 288.1229 Promotion and development of sports-related
9 industries and amateur athletics; direct-support organization;
10 powers and duties.--

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

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

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

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

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

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SENATE SUMMARY

Creates a tax reimbursement program for certified sports industry economic development projects. Provides legislative findings and declarations. Defines terms. Provides eligibility criteria. Prescribes the terms and amounts of tax reimbursements. Provides for a certification procedure, to be established and administered by the Office of Tourism, Trade, and Economic Development. Provides for periodic certification. Provides for abating or reducing funding in specified circumstances. Provides that 20 years is the maximum length of time for which a sports business may be certified. Provides for a tax reimbursement agreement and prescribes terms of the agreement. Provides for annual claims for reimbursement. Provides duties of the Department of Revenue. Provides for the administration of the program. Provides for recordkeeping and submission of an annual report to the Legislature. Provides for the Department of Revenue to distribute sales tax reimbursements to certified projects; Provides that the Office of Tourism, Trade, and Economic Development may authorize a direct-support organization to assist the office in matters related to projects certified under this act. Provides for the creation of new jobs in this state.