

By the Committee on Commerce and Economic Opportunities; and
Senator Bronson

310-1887-00

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 under certain circumstances; amending
8 s. 213.053, F.S.; extending the current
9 information sharing with the Office of Tourism,
10 Trade, and Economic Development to include the
11 sales tax reimbursement program for certified
12 sports industry economic development projects;
13 creating s. 288.113, F.S.; creating a tax
14 reimbursement program for certified sports
15 industry economic development projects;
16 providing legislative findings and
17 declarations; providing definitions; providing
18 eligibility criteria for amateur sports
19 businesses; prescribing the terms and amounts
20 of tax reimbursements; providing a
21 certification procedure, to be established and
22 administered by the Office of Tourism, Trade,
23 and Economic Development; providing for
24 periodic recertification; abating or reducing
25 funding in specified circumstances; providing a
26 maximum number of years for which an amateur
27 sports business may be certified; providing for
28 decertification; providing a penalty for
29 falsifying an application; providing for a tax
30 reimbursement agreement and prescribing terms
31 of the agreement; providing for annual claims

1 for reimbursement; providing duties of the
2 Department of Revenue; providing for
3 administration of the program; providing for
4 recordkeeping and submission of an annual
5 report to the Legislature; amending s.
6 288.1229, F.S.; providing an additional purpose
7 for which the Office of Tourism, Trade, and
8 Economic Development may authorize a
9 direct-support organization to assist the
10 office; providing for the creation of new jobs
11 in this state; providing an effective date.

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

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15 Section 1. Paragraph (f) of subsection (6) of section
16 212.20, Florida Statutes, is amended to read:

17 212.20 Funds collected, disposition; additional powers
18 of department; operational expense; refund of taxes
19 adjudicated unconstitutionally collected.--

20 (6) Distribution of all proceeds under this chapter
21 shall be as follows:

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

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

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

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

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

10 5. Of the remaining proceeds:

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

28 b. Beginning 30 days after notice by the Office of
29 Tourism, Trade, and Economic Development to the Department of
30 Revenue that an applicant has been certified as the
31 professional golf hall of fame pursuant to s. 288.1168 and is

1 open to the public, \$166,667 shall be distributed monthly, for
2 up to 300 months, to the applicant.

3 c. Beginning 30 days after notice by the Department of
4 Commerce to the Department of Revenue that the applicant has
5 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 d. Beginning 12 months after notice by the Office of
11 Tourism, Trade, and Economic Development that an applicant has
12 been certified as a certified sports industry economic
13 development project, a monthly sales tax reimbursement payment
14 in the amount set forth in the notice by the Office of
15 Tourism, Trade, and Economic Development shall be distributed
16 to the applicant until the certification expires or notice is
17 received from the Office of Tourism, Trade, and Economic
18 Development of a change in the applicant's certification
19 status or in the certified monthly payment amount. The amount
20 of the monthly sales tax reimbursement distribution shall be
21 adjusted beginning 30 days after notice by the Office of
22 Tourism, Trade, and Economic Development that the applicant is
23 to receive a reduced or increased sales tax reimbursement
24 payment.

25 6. All other proceeds shall remain with the General
26 Revenue Fund.

27 Section 2. Paragraph (k) of subsection (7) of section
28 213.053, Florida Statutes, is amended to read:

29 213.053 Confidentiality and information sharing.--

30 (7) Notwithstanding any other provision of this
31 section, the department may provide:

1 (k) Payment information relative to chapters 199, 201,
2 212, 220, and 221 to the Office of Tourism, Trade, and
3 Economic Development in its administration of the tax refund
4 program for qualified defense contractors authorized by s.
5 288.1045, ~~and~~ the tax refund program for qualified target
6 industry businesses authorized by s. 288.106, and the sales
7 tax reimbursement program for certified sports industry
8 economic development projects authorized by s. 288.113.

9 Section 3. Section 288.113, Florida Statutes, is
10 created to read:

11 288.113 Tax reimbursement program for certified sports
12 industry economic development projects.--

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

26 (2) DEFINITIONS.--As used in this section:

27 (a) "Certified sports industry economic development
28 project" or "project" means any amateur sports business that
29 develops, operates, or both develops and operates a project
30 that attracts and retains multiyear amateur sporting events
31 that generate new sales taxes for the state, has submitted a

1 properly completed application to the Office of Tourism,
2 Trade, and Economic Development, and has subsequently been
3 certified by that office as a certified sports industry
4 economic development project. The project may not be one that
5 is located in Florida prior to the effective date of this act.

6 (b) "Sales tax reimbursement" means the monthly amount
7 to be distributed through a reimbursement to a certified
8 sports industry economic development project pursuant to s.
9 212.20. Such amount shall be determined by the Office of
10 Tourism, Trade, and Economic Development as provided in this
11 section.

12 (3) AMATEUR SPORTS BUSINESS ELIGIBLE TO APPLY.--

13 (a) Any amateur sports business that promotes
14 multiyear amateur sports industry economic development
15 activities in the state may submit to the Office of Tourism,
16 Trade, and Economic Development an application for approval as
17 a certified sports industry economic development project for
18 the purpose of receiving a sales tax reimbursement on new
19 sales taxes generated by increased new business and tourism
20 activity directly attributable to the proposed amateur sports
21 industry economic development project. However, for the period
22 from July 1, 2000, through June 30, 2005, the Office of
23 Tourism, Trade, and Economic Development shall certify only
24 one project per year.

25 (b) The number of certified sports industry economic
26 development projects shall not exceed three per year.

27 (4) SALES TAX REIMBURSEMENT AND AUTHORIZED
28 AMOUNT.--Pursuant to s. 212.20, each certified sports industry
29 economic development project shall be eligible for a monthly
30 distribution of its sales tax reimbursement in the amount
31 determined by its sales tax reimbursement agreement with the

1 Office of Tourism, Trade, and Economic Development. The
2 amount shall be based on new sales tax revenues generated
3 under chapter 212 by increased new business and tourism
4 activity directly attributable to the project as determined
5 using the sports economic impact model and, subject to other
6 restrictions, returns 50 percent of that amount to the
7 project. The total amount of sales tax reimbursement for all
8 fiscal years estimated for each project shall not exceed 50
9 percent of the cost of the project as determined by the Office
10 of Tourism, Trade, and Economic Development in the
11 certification process set forth in subsection (6). The
12 annualized amount of the monthly distribution shall be
13 calculated by the Office of Tourism, Trade, and Economic
14 Development and specified in the applicant's sales tax
15 reimbursement agreement. Annual payment amounts shall be no
16 less than \$500,000 and no more than \$2 million, unless the
17 Office of Tourism, Trade, and Economic Development reduces
18 payments below \$500,000 under its authority to decertify a
19 project as discussed in subsection (6).

20 (5) AUTHORIZED USE OF SALES TAX REIMBURSEMENT
21 PAYMENTS.--After entering into a sales tax reimbursement
22 agreement under subsection (7), a certified sports industry
23 economic development project may receive a sales tax
24 reimbursement for any of the following:

25 (a) Developing and implementing any component of the
26 project's sports events and activities.

27 (b) Constructing, reconstructing, renovating,
28 furnishing, equipping, or operating the project's facilities
29 or events.

30 (c) Pledging payments or debt service on, or funding,
31 debt service reserve funds, arbitrage rebate obligations, or

1 other amounts payable with respect to bonds for the project's
2 activities and facilities.

3 (d) Paying the cost of relocating the project's
4 corporate headquarters into the state.

5 (6) CERTIFICATION, RECERTIFICATION, AND
6 DECERTIFICATION PROCEDURE.--

7 (a) The Office of Tourism, Trade, and Economic
8 Development shall establish a certification process by which a
9 proposed amateur sports industry economic development project
10 may be approved by the office as a certified sports industry
11 economic development project that is eligible to receive
12 economic development incentives in the form of a sales tax
13 reimbursement of a percentage of new sales taxes that have
14 been generated and remitted to the state as a result of the
15 certified sports industry economic development project.

16 (b) Before certifying an applicant under this
17 subsection, the Office of Tourism, Trade, and Economic
18 Development must determine that the applicant has:

19 1. Completed an independent analysis or study,
20 verified by the Office of Tourism, Trade, and Economic
21 Development, which demonstrates that the proposed amateur
22 sports industry economic development project will generate a
23 minimum of \$1 million annually in new sales tax revenues over
24 a multiyear period.

25 2. Received commitments for amateur sports activities
26 which demonstrate that the proposed amateur sports economic
27 development project will bring to this state on a multiyear
28 basis new proposed amateur sports economic development project
29 activities that will generate a minimum of \$1 million in new
30 sales tax revenues annually, as verified by the Office of
31 Tourism, Trade, and Economic Development.

1 3. Demonstrated that the applicant has provided, is
2 capable of providing, or has financial or other commitments to
3 provide more than one-half of the costs incurred in or related
4 to the development of the proposed amateur sports industry
5 economic development project activity.

6 (c) An amateur sports business that has previously
7 been certified under this section and has received a sales tax
8 reimbursement under that certification is ineligible for
9 additional certification.

10 (d) Upon determining that a proposed amateur sports
11 industry economic development project meets the established
12 criteria for approval as a certified sports industry economic
13 development project and qualifies for a sales tax
14 reimbursement, the Office of Tourism, Trade, and Economic
15 Development shall issue to the applicant a letter of
16 certification that stipulates the terms of the sales tax
17 reimbursement agreement and the penalties for failing to
18 comply with those terms.

19 (e) The Office of Tourism, Trade, and Economic
20 Development shall deny the application of an amateur sports
21 business to be a certified sports industry economic
22 development project if the office determines that the proposed
23 project does not meet the established criteria for approval.

24 (f) The Office of Tourism, Trade, and Economic
25 Development shall develop a standardized form for an amateur
26 sports business to complete in applying for certification as a
27 certified sports industry economic development project. The
28 application shall include, but is not limited to, relevant
29 information on employment and job creation, proposed budgets,
30 contracts for multiyear events and projects, project
31 financing, and other information requested by the office. The

1 application may be distributed to applicants by the Office of
2 Tourism, Trade, and Economic Development, and all completed
3 applications shall be processed by the office.

4 (g) Initial certification for a sales tax
5 reimbursement under this section is valid for 10 years.
6 Subsequent to the initial certification period, the certified
7 sports industry economic development project is eligible for
8 two periods of recertification, each of which is valid for 5
9 years. A project must request recertification 12 months before
10 the expiration of the certificate.

11 (h) A certified sports industry economic development
12 project may request recertification after the initial
13 certification period to be requalified for certification as a
14 certified sports industry economic development project for a
15 period not to exceed 20 years.

16 (i) The Office of Tourism, Trade, and Economic
17 Development shall recertify, before the end of the first
18 10-year period, that the certified sports industry economic
19 development project is operational and that the project is
20 meeting the minimum projections for sales tax revenues as
21 required at the time of original certification. If the project
22 is not recertified during this 10-year review period as
23 meeting the minimum projections, funding shall be adjusted
24 until certification criteria are met. If the project fails to
25 generate annual sales tax revenues pursuant to its sales tax
26 reimbursement agreement with the Office of Tourism, Trade, and
27 Economic Development, the amount of revenues distributed to
28 the project under s. 212.20(6)(f)5.d. shall be reduced to an
29 amount equal to a pro-rata amount of the taxes collected times
30 50 percent. If, for 2 consecutive years, the amount of tax
31 revenues collected falls below a minimum of \$1 million per

1 year, the project may be decertified at the discretion of the
2 Office of Tourism, Trade, and Economic Development. Such a
3 reduction shall remain in effect until the sales tax revenues
4 generated by the project in a 12-month period equal or exceed
5 \$1 million.

6 (j) A project may be decertified if the Office of
7 Tourism, Trade, and Economic Development determines that the
8 amateur sports business can no longer maintain its economic
9 development activities in this state. If the project is no
10 longer in existence, or is no longer viable, as determined by
11 the project's sales tax reimbursement agreement with the
12 Office of Tourism, Trade, and Economic Development, or if the
13 project has the certificate for purposes other than those
14 authorized by this section and chapter 212, the Office of
15 Tourism, Trade, and Economic Development shall notify the
16 Department of Revenue to suspend payment for a period of 6
17 months until the project is either in compliance with the
18 sales tax reimbursement agreement or is determined to be in
19 default. In addition to other penalties imposed by law, any
20 person who knowingly and willfully falsifies an application
21 for purposes other than those authorized by this section
22 commits a felony of the third degree, punishable as provided
23 in s. 775.082, s. 775.083, or s. 775.084.

24 (k) The Office of Tourism, Trade, and Economic
25 Development shall provide written notification to the
26 Department of Revenue of all certifications, recertifications,
27 and decertifications of projects and of the sales tax
28 reimbursement distribution amount each project is entitled to
29 receive.

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1 (1) The Office of Tourism, Trade, and Economic
2 Development shall develop rules for the receipt and processing
3 of applications for funding pursuant to s. 212.20.

4 (7) SALES TAX REIMBURSEMENT AGREEMENT TERMS.--

5 (a) In order to qualify for sales tax reimbursement
6 from the state, each certified sports industry economic
7 development project must enter into a written agreement with
8 the Office of Tourism, Trade, and Economic Development which
9 specifies, at a minimum:

10 1. The total number of full-time-equivalent jobs
11 created in or transferred to the state as a direct result of
12 the project, the average wage paid for those jobs, the
13 criteria that will apply to measuring the achievement of these
14 terms during the effective period of the agreement, and a time
15 schedule or plan for when such jobs will be in place and
16 operative in the state.

17 2. The maximum amount of new sales taxes estimated to
18 be generated as a result of the project, the maximum amount of
19 sales tax reimbursement that the project is eligible to
20 receive, and the maximum amount of sales tax reimbursement
21 that the project is requesting.

22 3. The budgets, financing, projections, and cost
23 estimates for the sports activities and projects for which
24 reimbursement is sought.

25 (b) Compliance with the terms and conditions of the
26 sales tax reimbursement agreement is a condition precedent for
27 receiving a sales tax reimbursement each year. The terms and
28 time frame of the agreement shall be commensurate with the
29 duration of the certification period. Failure to comply with
30 the terms and conditions of the sales tax reimbursement
31 agreement shall result in an immediate review by the Office of

1 Tourism, Trade, and Economic Development of the activities of
2 the project.

3 (c) The sales tax reimbursement shall not exceed 50
4 percent of the total project costs, amortized over a period of
5 years not to exceed 20.

6 (d) Sales tax reimbursement may be provided through
7 direct payment or other means of payment to the certified
8 sports industry economic development project, as determined in
9 the sales tax reimbursement agreement with the approval of the
10 Department of Revenue.

11 (8) ADMINISTRATION.--

12 (a) The Office of Tourism, Trade, and Economic
13 Development may verify information provided in any claim for
14 sales tax reimbursement under this section, including
15 information regarding employment and wage levels or the
16 payment of taxes under chapter 212 to the appropriate agency,
17 including the Department of Revenue, the Department of Labor
18 and Employment Security, or the appropriate local government
19 or authority.

20 (b) To facilitate the process of monitoring and
21 auditing applications made under this program, the Office of
22 Tourism, Trade, and Economic Development may request
23 information necessary for determining a project's compliance
24 with this section from the Department of Revenue, the
25 Department of Labor and Employment Security, or any local
26 government or authority. These governmental entities shall
27 provide assistance in the areas within their scope of
28 responsibilities.

29 (c) The Department of Revenue may audit as provided in
30 s. 213.34 to verify that the distributions pursuant to this
31 section have been expended as required in this section.

1 (9) RELATIONSHIP OF SALES TAX REIMBURSEMENTS TO SPORTS
2 INDUSTRY GROWTH; REPORT TO THE LEGISLATURE.--Beginning January
3 1, 2001, the Office of Tourism, Trade, and Economic
4 Development shall maintain records based on information
5 provided on taxpayer applications for certified sports
6 industry economic development projects that receive sales tax
7 reimbursements. These records must include a statement of the
8 percentage of the overall new economic impact generated by
9 certified sports industry economic development projects and
10 the amount of funds annually reimbursed to such projects. In
11 addition, the Office of Tourism, Trade, and Economic
12 Development shall maintain data showing the annual growth in
13 Florida-based amateur sports industry businesses and the
14 number of persons employed and wages paid by such businesses.
15 The Office of Tourism, Trade, and Economic Development shall
16 report this information to the Legislature annually, no later
17 than December 1.

18 Section 4. Subsection (1) of section 288.1229, Florida
19 Statutes, is amended to read:

20 288.1229 Promotion and development of sports-related
21 industries and amateur athletics; direct-support organization;
22 powers and duties.--

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

26 (a) The promotion and development of the sports
27 industry and related industries for the purpose of improving
28 the economic presence of these industries in Florida.

29 (b) The promotion of amateur athletic participation
30 for the citizens of Florida and the promotion of Florida as a
31 host for national and international amateur athletic

1 competitions for the purpose of encouraging and increasing the
2 direct and ancillary economic benefits of amateur athletic
3 events and competitions.

4 (c) The attraction of sports industry economic
5 development projects to this state for the purposes set forth
6 in paragraphs (a) and (b), as well as for the purposes of
7 increasing national and international media promotions and
8 attention, promoting the quality of life in the state, and
9 promoting tourism, which will have a positive effect on
10 expanding the tax base as well as creating new jobs in the
11 state.

12 Section 5. This act shall take effect July 1, 2000.
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1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 SB 2074

4 Committee Substitute for Senate Bill 2074 differs from the
5 original bill in the following ways:

6 -Provides that no project may be certified if the project is
7 located in Florida prior to the effective date of this act;

8 -Limits the number of projects to no more than three per year;
9 however, only one project may be certified per year from July
10 1, 2000, to June 30, 2005;

11 -Requires that beginning 12 months, rather than 30 days, after
12 notice by the Office of Tourism, Trade, and Economic
13 Development (OTTED) that an applicant has been certified as a
14 certified sports economic development project, a monthly sales
15 tax reimbursement payment in the amount set forth by OTTED
16 shall be distributed to the applicant;

17 -Specifies that the tax reimbursement program relates only to
18 "amateur" sports businesses and projects;

19 -Requires OTTED to notify the Department of Revenue (DOR)
20 regarding any change in status or reimbursement level of a
21 project;

22 -Clarifies what taxes would be taken into consideration as the
23 basis of a project's reimbursement amount;

24 -Amends s. 213.053, F.S., to provide for sharing of
25 information specific to the tax reimbursement authorized under
26 the legislation with OTTED; and

27 -Deletes references to rulemaking for DOR.

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