

By Representative Johnson

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 (e) 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 (e) 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., 0.065 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. For proceeds received after July 1, 2000, and after
11 the distributions under subparagraphs 1., 2., 3., and 4., 2.25
12 percent of the available proceeds pursuant to this paragraph
13 shall be transferred monthly to the Revenue Sharing Trust Fund
14 for Counties pursuant to s. 218.215.

15 6. For proceeds received after July 1, 2000, and after
16 the distributions under subparagraphs 1., 2., 3., and 4.,
17 1.0715 percent of the available proceeds pursuant to this
18 paragraph shall be transferred monthly to the Revenue Sharing
19 Trust Fund for Municipalities pursuant to s. 218.215. If the
20 total revenue to be distributed pursuant to this subparagraph
21 is at least as great as the amount due from the Revenue
22 Sharing Trust Fund for Municipalities and the Municipal
23 Financial Assistance Trust Fund in state fiscal year
24 1999-2000, no municipality shall receive less than the amount
25 due from the Revenue Sharing Trust Fund for Municipalities and
26 the Municipal Financial Assistance Trust Fund in state fiscal
27 year 1999-2000. If the total proceeds to be distributed are
28 less than the amount received in combination from the Revenue
29 Sharing Trust Fund for Municipalities and the Municipal
30 Financial Assistance Trust Fund in state fiscal year
31 1999-2000, each municipality shall receive an amount

1 proportionate to the amount it was due in state fiscal year
2 1999-2000.

3 7. Of the remaining proceeds:

4 a. Beginning July 1, 2000, and in each fiscal year
5 thereafter, the sum of \$29,915,500 shall be divided into as
6 many equal parts as there are counties in the state, and one
7 part shall be distributed to each county. The distribution
8 among the several counties shall begin each fiscal year on or
9 before January 5th and shall continue monthly for a total of 4
10 months. If a local or special law required that any moneys
11 accruing to a county in fiscal year 1999-2000 under the
12 then-existing provisions of s. 550.135 be paid directly to the
13 district school board, special district, or a municipal
14 government, such payment shall continue until such time that
15 the local or special law is amended or repealed. The state
16 covenants with holders of bonds or other instruments of
17 indebtedness issued by local governments, special districts,
18 or district school boards prior to July 1, 2000, that it is
19 not the intent of this subparagraph to adversely affect the
20 rights of those holders or relieve local governments, special
21 districts, or district school boards of the duty to meet their
22 obligations as a result of previous pledges or assignments or
23 trusts entered into which obligated funds received from the
24 distribution to county governments under then-existing s.
25 550.135. This distribution specifically is in lieu of funds
26 distributed under s. 550.135 prior to July 1, 2000.

27 b. The department shall distribute \$166,667 monthly
28 pursuant to s. 288.1162 to each applicant that has been
29 certified as a "facility for a new professional sports
30 franchise" or a "facility for a retained professional sports
31 franchise" pursuant to s. 288.1162. Up to \$41,667 shall be

1 distributed monthly by the department to each applicant that
2 has been certified as a "facility for a retained spring
3 training franchise" pursuant to s. 288.1162; however, not more
4 than \$208,335 may be distributed monthly in the aggregate to
5 all certified facilities for a retained spring training
6 franchise. Distributions shall begin 60 days following such
7 certification and shall continue for not more than 30 years.
8 Nothing contained in this paragraph shall be construed to
9 allow an applicant certified pursuant to s. 288.1162 to
10 receive more in distributions than actually expended by the
11 applicant for the public purposes provided for in s.
12 288.1162(6). However, a certified applicant is entitled to
13 receive distributions up to the maximum amount allowable and
14 undistributed under this section for additional renovations
15 and improvements to the facility for the franchise without
16 additional certification.

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

23 d. Beginning 30 days after notice by the Office of
24 Tourism, Trade, and Economic Development to the Department of
25 Revenue that the applicant has been certified as the
26 International Game Fish Association World Center facility
27 pursuant to s. 288.1169, and the facility is open to the
28 public, \$83,333 shall be distributed monthly, for up to 168
29 months, to the applicant. This distribution is subject to
30 reduction pursuant to s. 288.1169. A lump sum payment of
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1 \$999,996 shall be made, after certification and before July 1,
2 2000.

3 e. Beginning 12 months after notice by the Office of
4 Tourism, Trade, and Economic Development that an applicant has
5 been certified as a certified sports industry economic
6 development project, a monthly sales tax reimbursement payment
7 in the amount set forth in the notice by the Office of
8 Tourism, Trade, and Economic Development shall be distributed
9 to the applicant until the certification expires or notice is
10 received from the Office of Tourism, Trade, and Economic
11 Development of a change in the applicant's certification
12 status or in the certified monthly payment amount. The amount
13 of the monthly sales tax reimbursement distribution shall be
14 adjusted beginning 30 days after notice by the Office of
15 Tourism, Trade, and Economic Development that the applicant is
16 to receive a reduced or increased sales tax reimbursement
17 payment.

18 8. All other proceeds shall remain with the General
19 Revenue Fund.

20 Section 2. Paragraph (k) of subsection (7) of section
21 213.053, Florida Statutes, is amended to read:

22 213.053 Confidentiality and information sharing.--

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

25 (k) Payment information relative to chapters 199, 201,
26 212, 220, and 221 to the Office of Tourism, Trade, and
27 Economic Development in its administration of the tax refund
28 program for qualified defense contractors authorized by s.
29 288.1045, ~~and~~ the tax refund program for qualified target
30 industry businesses authorized by s. 288.106, and the sales
31

1 tax reimbursement program for certified sports industry
2 economic development projects authorized by s. 288.113.

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

5 288.113 Tax reimbursement program for certified sports
6 industry economic development projects.--

7 (1) LEGISLATIVE FINDINGS AND DECLARATIONS.--The
8 Legislature finds that attracting, retaining, and providing
9 favorable conditions for the growth of certified sports
10 industry economic development projects provides high-quality
11 employment opportunities for residents of the state, increases
12 tourism, and enhances the economic foundations of the state.

13 It is the policy of the state to encourage the growth of
14 high-value-added employment to the economic base by providing
15 a sales tax reimbursement to certified sports industry
16 economic development projects that create new employment
17 opportunities and generate new sales tax dollars by expanding
18 businesses within the state or by bringing new businesses to
19 the state.

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

21 (a) "Certified sports industry economic development
22 project" or "project" means any amateur sports business that
23 develops, operates, or both develops and operates a project
24 that attracts and retains multiyear amateur sporting events
25 that generate new sales taxes for the state, has submitted a
26 properly completed application to the Office of Tourism,
27 Trade, and Economic Development, and has subsequently been
28 certified by that office as a certified sports industry
29 economic development project.

30 (b) "Sales tax reimbursement" means the monthly amount
31 to be distributed through a reimbursement to a certified

1 sports industry economic development project pursuant to s.
2 212.20. Such amount shall be determined by the Office of
3 Tourism, Trade, and Economic Development as provided in this
4 section.

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

6 (a) Any amateur sports business that promotes
7 multiyear amateur sports industry economic development
8 activities in the state may submit to the Office of Tourism,
9 Trade, and Economic Development an application for approval as
10 a certified sports industry economic development project for
11 the purpose of receiving a sales tax reimbursement on new
12 sales taxes generated by increased new business and tourism
13 activity directly attributable to the proposed amateur sports
14 industry economic development project.

15 (b) The number of certified sports industry economic
16 development projects shall not exceed three until June 30,
17 2006, and thereafter only one new certified sports industry
18 economic development project may be certified by the Office of
19 Tourism, Trade, and Economic Development each year.

20 (4) SALES TAX REIMBURSEMENT AND AUTHORIZED
21 AMOUNT.--Pursuant to s. 212.20, each certified sports industry
22 economic development project shall be eligible for a monthly
23 distribution of its sales tax reimbursement in the amount
24 determined by its sales tax reimbursement agreement with the
25 Office of Tourism, Trade, and Economic Development. The
26 amount shall be based on new sales tax revenues generated
27 under chapter 212 by increased new business and tourism
28 activity directly attributable to the project as determined
29 using the sports economic impact model and, subject to other
30 restrictions, returns 50 percent of that amount to the
31 project. The total amount of sales tax reimbursement for all

1 fiscal years estimated for each project shall not exceed 50
2 percent of the cost of the project as determined by the Office
3 of Tourism, Trade, and Economic Development in the
4 certification process set forth in subsection (6). The
5 annualized amount of the monthly distribution shall be
6 calculated by the Office of Tourism, Trade, and Economic
7 Development and specified in the applicant's sales tax
8 reimbursement agreement. Annual payment amounts shall be no
9 less than \$500,000 and no more than \$2 million, unless the
10 Office of Tourism, Trade, and Economic Development reduces
11 payments below \$500,000 under its authority to decertify a
12 project as discussed in subsection (6).

13 (5) AUTHORIZED USE OF SALES TAX REIMBURSEMENT
14 PAYMENTS.--After entering into a sales tax reimbursement
15 agreement under subsection (7), a certified sports industry
16 economic development project may receive a sales tax
17 reimbursement for any of the following:

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

20 (b) Constructing, reconstructing, renovating,
21 furnishing, equipping, or operating the project's facilities
22 or events.

23 (c) 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 project's
26 activities and facilities.

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

29 (6) CERTIFICATION, RECERTIFICATION, AND
30 DECERTIFICATION PROCEDURE.--

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1 (a) The Office of Tourism, Trade, and Economic
2 Development shall establish a certification process by which a
3 proposed amateur sports industry economic development project
4 may be approved by the office as a certified sports industry
5 economic development project that is eligible to receive
6 economic development incentives in the form of a sales tax
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 has:

13 1. Completed an independent analysis or study,
14 verified by the Office of Tourism, Trade, and Economic
15 Development, which demonstrates that the proposed amateur
16 sports industry economic development project will generate a
17 minimum of \$1 million annually in new sales tax revenues over
18 a multiyear period.

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

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

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1 (c) An amateur sports business that has previously
2 been certified under this section and has received a sales tax
3 reimbursement under that certification is ineligible for
4 additional certification.

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

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

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

30 (g) Initial certification for a sales tax
31 reimbursement under this section is valid for 10 years.

1 Subsequent to the initial certification period, the certified
2 sports industry economic development project is eligible for
3 two periods of recertification, each of which is valid for 5
4 years. A project must request recertification 12 months before
5 the expiration of the certificate.

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

11 (i) The Office of Tourism, Trade, and Economic
12 Development shall recertify, before the end of the first
13 10-year period, that the certified sports industry economic
14 development project is operational and that the project is
15 meeting the minimum projections for sales tax revenues as
16 required at the time of original certification. If the project
17 is not recertified during this 10-year review period as
18 meeting the minimum projections, funding shall be adjusted
19 until certification criteria are met. If the project fails to
20 generate annual sales tax revenues pursuant to its sales tax
21 reimbursement agreement with the Office of Tourism, Trade, and
22 Economic Development, the amount of revenues distributed to
23 the project under s. 212.20(6)(f)5.d. shall be reduced to an
24 amount equal to a pro-rata amount of the taxes collected times
25 50 percent. If, for 2 consecutive years, the amount of tax
26 revenues collected falls below a minimum of \$1 million per
27 year, the project may be decertified at the discretion of the
28 Office of Tourism, Trade, and Economic Development. Such a
29 reduction shall remain in effect until the sales tax revenues
30 generated by the project in a 12-month period equal or exceed
31 \$1 million.

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

19 (k) The Office of Tourism, Trade, and Economic
20 Development shall provide written notification to the
21 Department of Revenue of all certifications, recertifications,
22 and decertifications of projects and of the sales tax
23 reimbursement distribution amount each project is entitled to
24 receive.

25 (l) The Office of Tourism, Trade, and Economic
26 Development shall develop rules for the receipt and processing
27 of applications for funding pursuant to s. 212.20.

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

29 (a) In order to qualify for sales tax reimbursement
30 from the state, each certified sports industry economic
31 development project must enter into a written agreement with

1 the Office of Tourism, Trade, and Economic Development which
2 specifies, at a minimum:

3 1. The total number of full-time-equivalent jobs
4 created in or transferred to the state as a direct result of
5 the project, the average wage paid for those jobs, the
6 criteria that will apply to measuring the achievement of these
7 terms during the effective period of the agreement, and a time
8 schedule or plan for when such jobs will be in place and
9 operative in the state.

10 2. The maximum amount of new sales taxes estimated to
11 be generated as a result of the project, the maximum amount of
12 sales tax reimbursement that the project is eligible to
13 receive, and the maximum amount of sales tax reimbursement
14 that the project is requesting.

15 3. The budgets, financing, projections, and cost
16 estimates for the sports activities and projects for which
17 reimbursement is sought.

18 (b) Compliance with the terms and conditions of the
19 sales tax reimbursement agreement is a condition precedent for
20 receiving a sales tax reimbursement each year. The terms and
21 time frame of the agreement shall be commensurate with the
22 duration of the certification period. Failure to comply with
23 the terms and conditions of the sales tax reimbursement
24 agreement shall result in an immediate review by the Office of
25 Tourism, Trade, and Economic Development of the activities of
26 the project.

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

30 (d) Sales tax reimbursement may be provided through
31 direct payment or other means of payment to the certified

1 sports industry economic development project, as determined in
2 the sales tax reimbursement agreement with the approval of the
3 Department of Revenue.

4 (8) ADMINISTRATION.--

5 (a) The Office of Tourism, Trade, and Economic
6 Development may verify information provided in any claim for
7 sales tax reimbursement under this section, including
8 information regarding employment and wage levels or the
9 payment of taxes under chapter 212 to the appropriate agency,
10 including the Department of Revenue, the Department of Labor
11 and Employment Security, or the appropriate local government
12 or authority.

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

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

25 (9) RELATIONSHIP OF SALES TAX REIMBURSEMENTS TO SPORTS
26 INDUSTRY GROWTH; REPORT TO THE LEGISLATURE.--Beginning January
27 1, 2001, the Office of Tourism, Trade, and Economic
28 Development shall maintain records based on information
29 provided on taxpayer applications for certified sports
30 industry economic development projects that receive sales tax
31 reimbursements. These records must include a statement of the

1 percentage of the overall new economic impact generated by
2 certified sports industry economic development projects and
3 the amount of funds annually reimbursed to such projects. In
4 addition, the Office of Tourism, Trade, and Economic
5 Development shall maintain data showing the annual growth in
6 Florida-based amateur sports industry businesses and the
7 number of persons employed and wages paid by such businesses.
8 The Office of Tourism, Trade, and Economic Development shall
9 report this information to the Legislature annually, no later
10 than December 1.

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

13 288.1229 Promotion and development of sports-related
14 industries and amateur athletics; direct-support organization;
15 powers and duties.--

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

19 (a) The promotion and development of the sports
20 industry and related industries for the purpose of improving
21 the economic presence of these industries in Florida.

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

28 (c) The attraction of sports industry economic
29 development projects to this state for the purposes set forth
30 in paragraphs (a) and (b), as well as for the purposes of
31 increasing national and international media promotions and

1 attention, promoting the quality of life in the state, and
2 promoting tourism, which will have a positive effect on
3 expanding the tax base as well as creating new jobs in the
4 state.

5 Section 5. This act shall take effect July 1, 2001.

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8 HOUSE SUMMARY

9
10 Creates a tax reimbursement program for certified sports
11 industry economic development projects. Provides
12 eligibility criteria for amateur sports businesses.
13 Prescribes the terms and amounts of tax reimbursements.
14 Provides procedures for certification, recertification,
15 and decertification of amateur sports businesses.
16 Provides for abating or reducing funding in specified
17 circumstances. Specifies a 20-year maximum certification
18 time for amateur sports businesses. Provides for a tax
19 reimbursement agreement and prescribes terms of the
20 agreement. Provides for annual claims for reimbursement.
21 Provides duties of the Department of Revenue. Requires
22 recordkeeping and submission of an annual report to the
23 Legislature. Provides for the Department of Revenue to
24 distribute sales tax reimbursements to certified
25 projects. Provides that the Office of Tourism, Trade, and
26 Economic Development may authorize a direct-support
27 organization to assist the office in matters related to
28 certified projects. Provides for the creation of new
29 jobs.
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31