

By Senator Garcia

39-332A-01

See HB 289

1 A bill to be entitled
2 An act relating to commercial development and
3 capital improvements; amending s. 212.20, F.S.;
4 providing for distribution of a portion of
5 revenues from the tax on sales, use, and other
6 transactions to a motorsports entertainment
7 complex; creating s. 288.1170, F.S.; providing
8 definitions; providing for certification of
9 such facility by the Office of Tourism, Trade,
10 and Economic Development of the Executive
11 Office of the Governor; providing requirements
12 for certification; requiring specified notice;
13 providing for annual recertification; providing
14 for use of the funds distributed to a
15 motorsports entertainment complex; providing
16 for audits by the Department of Revenue;
17 providing an effective date.

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19 WHEREAS, it is the finding of the Legislature that
20 Florida has long been the preeminent site in the nation for
21 motorsports racing, and

22 WHEREAS, motorsports racing has been a major tourist
23 attraction in Florida for nearly 100 years, and

24 WHEREAS, motorsports entertainment is the fastest
25 growing sports industry in the United States, and

26 WHEREAS, as a result of the increased popularity of
27 motorsports racing, many new motorsports facilities are being
28 constructed in other states, and

29 WHEREAS, to continue to attract spectators to
30 sanctioned championship motorsports events, the owner or
31 operator of a motorsports entertainment complex must build

1 additional spectator seating and renovate existing facilities
2 to improve the amenities available to spectators, and

3 WHEREAS, attracting, retaining, and providing favorable
4 conditions for conducting sanctioned championship motorsports
5 events and the continued development of the motorsports
6 entertainment industry in Florida provides skilled-employment
7 opportunities for citizens of this state, and

8 WHEREAS, continued development and improvement of
9 Florida's motorsports entertainment industry is vital to
10 Florida's tourism industry and to state revenues, and

11 WHEREAS, the motorsports entertainment industry is a
12 major contributor to Florida's economic development because of
13 the technology and service businesses that provide goods and
14 services to the industry, and

15 WHEREAS, the provisions of this act are necessary to
16 protect and strengthen Florida's motorsports entertainment
17 industry, and the purposes to be achieved by this act are
18 predominately public purposes vital to the protection and
19 improvement of Florida's economy, NOW, THEREFORE,

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

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23 Section 1. If section 35 of chapter 2000-260, Laws of
24 Florida, is repealed by section 58 of that chapter, paragraph
25 (e) of subsection (6) of section 212.20, Florida Statutes, is
26 amended to read:

27 212.20 Funds collected, disposition; additional powers
28 of department; operational expense; refund of taxes
29 adjudicated unconstitutionally collected.--

30 (6) Distribution of all proceeds under this chapter
31 shall be as follows:

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

25 6. For proceeds received after July 1, 2000, and after
26 the distributions under subparagraphs 1., 2., 3., and 4.,
27 1.0715 percent of the available proceeds pursuant to this
28 paragraph shall be transferred monthly to the Revenue Sharing
29 Trust Fund for Municipalities pursuant to s. 218.215. If the
30 total revenue to be distributed pursuant to this subparagraph
31 is at least as great as the amount due from the Revenue

1 Sharing Trust Fund for Municipalities and the Municipal
2 Financial Assistance Trust Fund in state fiscal year
3 1999-2000, no municipality shall receive less than the amount
4 due from the Revenue Sharing Trust Fund for Municipalities and
5 the Municipal Financial Assistance Trust Fund in state fiscal
6 year 1999-2000. If the total proceeds to be distributed are
7 less than the amount received in combination from the Revenue
8 Sharing Trust Fund for Municipalities and the Municipal
9 Financial Assistance Trust Fund in state fiscal year
10 1999-2000, each municipality shall receive an amount
11 proportionate to the amount it was due in state fiscal year
12 1999-2000.

13 7. Of the remaining proceeds:

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

1 obligations as a result of previous pledges or assignments or
2 trusts entered into which obligated funds received from the
3 distribution to county governments under then-existing s.
4 550.135. This distribution specifically is in lieu of funds
5 distributed under s. 550.135 prior to July 1, 2000.

6 b. The department shall distribute \$166,667 monthly
7 pursuant to s. 288.1162 to each applicant that has been
8 certified as a "facility for a new professional sports
9 franchise" or a "facility for a retained professional sports
10 franchise" pursuant to s. 288.1162. Up to \$41,667 shall be
11 distributed monthly by the department to each applicant that
12 has been certified as a "facility for a retained spring
13 training franchise" pursuant to s. 288.1162; however, not more
14 than \$208,335 may be distributed monthly in the aggregate to
15 all certified facilities for a retained spring training
16 franchise. Distributions shall begin 60 days following such
17 certification and shall continue for not more than 30 years.
18 Nothing contained in this paragraph shall be construed to
19 allow an applicant certified pursuant to s. 288.1162 to
20 receive more in distributions than actually expended by the
21 applicant for the public purposes provided for in s.
22 288.1162(6). However, a certified applicant is entitled to
23 receive distributions up to the maximum amount allowable and
24 undistributed under this section for additional renovations
25 and improvements to the facility for the franchise without
26 additional certification.

27 c. 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. Beginning 30 days after notice by the Office of
4 Tourism, Trade, and Economic Development to the Department of
5 Revenue that the applicant has been certified as the
6 International Game Fish Association World Center facility
7 pursuant to s. 288.1169, and the facility is open to the
8 public, \$83,333 shall be distributed monthly, for up to 168
9 months, to the applicant. This distribution is subject to
10 reduction pursuant to s. 288.1169. A lump sum payment of
11 \$999,996 shall be made, after certification and before July 1,
12 2000.

13 e. Beginning 30 days after notice by the Office of
14 Tourism, Trade, and Economic Development to the Department of
15 Revenue that the applicant has been certified as a motorsports
16 entertainment complex pursuant to s. 288.1170 and is open to
17 the public, an amount not to exceed \$166,667 shall be
18 distributed monthly to the applicant. Distributions shall
19 continue for 30 years.

20 8. All other proceeds shall remain with the General
21 Revenue Fund.

22 Section 2. If section 35 of chapter 2000-260, Laws of
23 Florida, is not repealed by section 58 of that chapter,
24 paragraph (e) of subsection (6) of section 212.20, Florida
25 Statutes, is amended to read:

26 212.20 Funds collected, disposition; additional powers
27 of department; operational expense; refund of taxes
28 adjudicated unconstitutionally collected.--

29 (6) Distribution of all proceeds under this chapter
30 and s. 202.18(1)(b) and (2)(b) shall be as follows:

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1 (e) The proceeds of all other taxes and fees imposed
2 pursuant to this chapter or remitted pursuant to s.

3 202.18(1)(b) and (2)(b) shall be distributed as follows:

4 1. In any fiscal year, the greater of \$500 million,
5 minus an amount equal to 4.6 percent of the proceeds of the
6 taxes collected pursuant to chapter 201, or 5 percent of all
7 other taxes and fees imposed pursuant to this chapter or
8 remitted pursuant to s. 202.18(1)(b) and (2)(b) shall be
9 deposited in monthly installments into the General Revenue
10 Fund.

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

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

18 4. After the distribution under subparagraphs 1., 2.,
19 and 3., 0.065 percent shall be transferred to the Local
20 Government Half-cent Sales Tax Clearing Trust Fund and
21 distributed pursuant to s. 218.65.

22 5. For proceeds received after July 1, 2000, and after
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31 Trust Fund for Municipalities pursuant to s. 218.215. If the

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5 1999-2000, no municipality shall receive less than the amount
6 due from the Revenue Sharing Trust Fund for Municipalities and
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8 year 1999-2000. If the total proceeds to be distributed are
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11 Financial Assistance Trust Fund in state fiscal year
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27 the local or special law is amended or repealed. The state
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29 indebtedness issued by local governments, special districts,
30 or district school boards prior to July 1, 2000, that it is
31 not the intent of this subparagraph to adversely affect the

1 rights of those holders or relieve local governments, special
2 districts, or district school boards of the duty to meet their
3 obligations as a result of previous pledges or assignments or
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6 550.135. This distribution specifically is in lieu of funds
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8 b. The department shall distribute \$166,667 monthly
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21 allow an applicant certified pursuant to s. 288.1162 to
22 receive more in distributions than actually expended by the
23 applicant for the public purposes provided for in s.
24 288.1162(6). However, a certified applicant is entitled to
25 receive distributions up to the maximum amount allowable and
26 undistributed under this section for additional renovations
27 and improvements to the facility for the franchise without
28 additional certification.

29 c. Beginning 30 days after notice by the Office of
30 Tourism, Trade, and Economic Development to the Department of
31 Revenue that an applicant has been certified as the

1 professional golf hall of fame pursuant to s. 288.1168 and is
2 open to the public, \$166,667 shall be distributed monthly, for
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10 months, to the applicant. This distribution is subject to
11 reduction pursuant to s. 288.1169. A lump sum payment of
12 \$999,996 shall be made, after certification and before July 1,
13 2000.

14 e. Beginning 30 days after notice by the Office of
15 Tourism, Trade, and Economic Development to the Department of
16 Revenue that the applicant has been certified as a motorsports
17 entertainment complex pursuant to s. 288.1170 and is open to
18 the public, an amount not to exceed \$166,667 shall be
19 distributed monthly to the applicant. Distributions shall
20 continue for 30 years.

21 8. All other proceeds shall remain with the General
22 Revenue Fund.

23 Section 3. Section 288.1170, Florida Statutes, is
24 created to read:

25 288.1170 Motorsports entertainment complex;
26 definitions; certification; duties.--

27 (1) As used in this section, the term:

28 (a) "Applicant" means the owner of a motorsports
29 entertainment complex.

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1 (b) "Motorsports entertainment complex" means a
2 closed-course racing facility, with ancillary grounds and
3 facilities, which:

4 1. Has not fewer than 70,000 permanent seats for race
5 patrons.

6 2. Has not fewer than 7 scheduled days of motorsports
7 events each calendar year.

8 3. Has paid admissions of more than 200,000 annually.

9 4. Serves food at the facility during sanctioned
10 motorsports races.

11 5. Engages in tourism promotion.

12 (c) "Motorsports event" means a motorsports race and
13 its ancillary activities, which have been sanctioned by a
14 sanctioning body.

15 (d) "Office" means the Office of Tourism, Trade, and
16 Economic Development of the Executive Office of the Governor.

17 (e) "Owner" means a person who owns or operates a
18 motorsports entertainment complex, or a person who leases a
19 motorsports entertainment complex or the land on which a
20 motorsports entertainment complex is located from the Federal
21 Government, the state, or a county, municipality, or special
22 district, and operates the motorsports entertainment complex.

23 (f) "Sanctioning body" means the American Motorcycle
24 Association (AMA), Championship Auto Racing Teams (CART),
25 Grand American Road Racing Association (Grand Am), Indy Racing
26 League (IRL), National Association for Stock Car Auto Racing
27 (NASCAR), National Hot Rod Association (NHRA), Professional
28 Sportscar Racing (PSR), Sports Car Club of America (SCCA),
29 United States Auto Club (USAC), or any successor organization,
30 or any other nationally recognized governing body of
31 motorsports that establishes an annual schedule of motorsports

1 events and grants rights to conduct such events, has
2 established and administers rules and regulations governing
3 all participants involved in such events and all persons
4 conducting such events, and requires certain liability
5 assurances, including insurance.

6 (g) "Unit of local government" has the meaning
7 ascribed in s. 218.369.

8 (2) The Office of Tourism, Trade, and Economic
9 Development shall serve as the state agency for screening
10 applicants for state funding pursuant to s. 212.20 and for
11 certifying an applicant as a motorsports entertainment
12 complex. The office shall develop and adopt rules for the
13 receipt and processing of applications for funding pursuant to
14 s. 212.20. The office shall make a determination regarding
15 any application filed by an applicant not later than 120 days
16 after the application is filed.

17 (3) Prior to certifying an applicant as a motorsports
18 entertainment complex, the office must determine that:

19 (a) A unit of local government holds title to the land
20 on which the motorsports entertainment complex is located,
21 holds title to the motorsports entertainment complex, or is
22 responsible for the construction, management, and operation of
23 the motorsports entertainment complex.

24 (b) Seven scheduled days of motorsports events were
25 held at the motorsports entertainment complex in the most
26 recently completed calendar year or seven scheduled days of
27 motorsports events are scheduled to be held at the motorsports
28 entertainment complex in the calendar year which begins after
29 the submission of the application. The applicant shall submit
30 certifications from the appropriate officials of the relevant

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1 sanctioning bodies that such sanctioned motorsports events
2 were or will be held at the motorsports entertainment complex.

3 (c) The applicant has an independent analysis or
4 study, verified by the office, which demonstrates that the
5 motorsports entertainment complex will attract, or in the most
6 recently completed calendar year has attracted, paid
7 attendance of more than 200,000 annually.

8 (d) The applicant has an independent analysis or
9 study, verified by the office, which demonstrates that the
10 amount of the revenues generated by the taxes imposed under
11 chapter 212 with respect to the use and operation of the
12 motorsports entertainment complex is consistent with the
13 provisions of this act.

14 (e) The municipality in which the motorsports
15 entertainment complex is located, or the county if the
16 motorsports entertainment complex is located in an
17 unincorporated area, has certified by resolution after a
18 public hearing that the application serves a public purpose.

19 (f) The motorsports entertainment complex is located
20 in a county defined in s. 125.011(1).

21 (4) Upon determining that an applicant meets the
22 requirements of subsection (3), the office shall notify the
23 applicant and the executive director of the Department of
24 Revenue of such certification by means of an official letter
25 granting certification. If the applicant fails to meet the
26 certification requirements of subsection (3), the office shall
27 notify the applicant not later than 10 days following such
28 determination.

29 (5) The office must recertify each year that the
30 motorsports entertainment complex continues to generate
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1 sufficient sales tax revenues annually as required pursuant to
2 paragraph (3)(d).

3 (6) No motorsports entertainment complex which has
4 been previously certified under this section and has received
5 funding under such certification shall be eligible for any
6 additional certification.

7 (7) An applicant certified as a motorsports
8 entertainment complex may use funds provided pursuant to s.
9 212.20 only for the following public purposes:

10 (a) Paying for the construction, reconstruction,
11 expansion, or renovation of a motorsports entertainment
12 complex.

13 (b) Paying debt service reserve funds, arbitrage
14 rebate obligations, or other amounts payable with respect to
15 bonds issued for the construction, reconstruction, expansion,
16 or renovation of the motorsports entertainment complex or for
17 the reimbursement of such costs or the refinancing of bonds
18 issued for such purposes.

19 (c) Paying for construction, reconstruction,
20 expansion, or renovation of transportation or other
21 infrastructure improvements related to, necessary for, or
22 appurtenant to the motorsports entertainment complex,
23 including, without limitation, paying debt service reserve
24 funds, arbitrage rebate obligations, or other amounts payable
25 with respect to bonds issued for the construction,
26 reconstruction, expansion, or renovation of such
27 transportation or other infrastructure improvements, and for
28 the reimbursement of such costs or the refinancing of bonds
29 issued for such purposes.

30 (d) Paying for programs of advertising and promotion
31 of or related to the motorsports entertainment complex or the

1 municipality in which the motorsports entertainment complex is
2 located, or the county if the motorsports entertainment
3 complex is located in an unincorporated area, provided such
4 programs of advertising and promotion are designed to increase
5 paid attendance at the motorsports entertainment complex or
6 increase tourism in or promote the economic development of the
7 community in which the motorsports entertainment complex is
8 located.

9 (8) The Department of Revenue may audit, as provided
10 in s. 213.34, to verify that the distributions pursuant to
11 this section have been expended as required in this section.
12 Such information is subject to the confidentiality
13 requirements of chapter 213. If the Department of Revenue
14 determines that the distributions pursuant to this section
15 have not been expended as required by this section, it may
16 pursue recovery of such funds pursuant to the laws and rules
17 governing the assessment of taxes.

18 Section 4. This act shall take effect July 1, 2001.

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21 LEGISLATIVE SUMMARY

22 Provides for distribution of a portion of revenues from
23 the tax on sales, use, and other transactions to finance
24 motorsports entertainment complexes. Defines "motorsports
25 entertainment complex" and other terms for purposes of
26 the act. Provides for certification of a motorsports
27 entertainment complex by the Office of Tourism, Trade,
28 and Economic Development of the Executive Office of the
29 Governor. Provides requirements for certification.
30 Requires specified notice. Provides for the use of funds
31 distributed to a motorsports entertainment complex.
Provides for annual recertification. Provides for audits
by the Department of Revenue.