Florida Senate - 2001

By Senator Bronson

	18-720-01	See HB
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	
б	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	
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CODING:Words stricken are deletions; words <u>underlined</u> are additions.

SB 864

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.	
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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 shall be transferred into the Local Government Half-cent Sales 4 5 Tax Clearing Trust Fund. б 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 percent of the available proceeds pursuant to this paragraph 12 13 shall be transferred monthly to the Revenue Sharing Trust Fund for Counties pursuant to s. 218.215. 14 6. For proceeds received after July 1, 2000, and after 15 the distributions under subparagraphs 1., 2., 3., and 4., 16 17 1.0715 percent of the available proceeds pursuant to this paragraph shall be transferred monthly to the Revenue Sharing 18 19 Trust Fund for Municipalities pursuant to s. 218.215. If the total revenue to be distributed pursuant to this subparagraph 20 is at least as great as the amount due from the Revenue 21 Sharing Trust Fund for Municipalities and the Municipal 22 Financial Assistance Trust Fund in state fiscal year 23 24 1999-2000, no municipality shall receive less than the amount 25 due from the Revenue Sharing Trust Fund for Municipalities and the Municipal Financial Assistance Trust Fund in state fiscal 26 year 1999-2000. If the total proceeds to be distributed are 27 less than the amount received in combination from the Revenue 28 29 Sharing Trust Fund for Municipalities and the Municipal Financial Assistance Trust Fund in state fiscal year 30 31 1999-2000, each municipality shall receive an amount

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

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7. Of the remaining proceeds:

Beginning July 1, 2000, and in each fiscal year 4 а. 5 thereafter, the sum of \$29,915,500 shall be divided into as б 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 then-existing provisions of s. 550.135 be paid directly to the 12 district school board, special district, or a municipal 13 14 government, such payment shall continue until such time that the local or special law is amended or repealed. 15 The state covenants with holders of bonds or other instruments of 16 17 indebtedness issued by local governments, special districts, or district school boards prior to July 1, 2000, that it is 18 19 not the intent of this subparagraph to adversely affect the 20 rights of those holders or relieve local governments, special districts, or district school boards of the duty to meet their 21 obligations as a result of previous pledges or assignments or 22 trusts entered into which obligated funds received from the 23 24 distribution to county governments under then-existing s. 25 550.135. This distribution specifically is in lieu of funds distributed under s. 550.135 prior to July 1, 2000. 26 27 The department shall distribute \$166,667 monthly b. 28 pursuant to s. 288.1162 to each applicant that has been 29 certified as a "facility for a new professional sports franchise" or a "facility for a retained professional sports 30 31 franchise" pursuant to s. 288.1162. Up to \$41,667 shall be

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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 б franchise. Distributions shall begin 60 days following such 7 certification and shall continue for not more than 30 years. Nothing contained in this paragraph shall be construed to 8 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. 288.1162(6). However, a certified applicant is entitled to 12 13 receive distributions up to the maximum amount allowable and undistributed under this section for additional renovations 14 and improvements to the facility for the franchise without 15 additional certification. 16 17 с. 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.

Beginning 30 days after notice by the Office of 23 d. 24 Tourism, Trade, and Economic Development to the Department of 25 Revenue that the applicant has been certified as the International Game Fish Association World Center facility 26 pursuant to s. 288.1169, and the facility is open to the 27 28 public, \$83,333 shall be distributed monthly, for up to 168 29 months, to the applicant. This distribution is subject to reduction pursuant to s. 288.1169. A lump sum payment of 30 31

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\$999,996 shall be made, after certification and before July 1, 1 2 2000. 3 e. Beginning 12 months after notice by the Office of Tourism, Trade, and Economic Development that an applicant has 4 5 been certified as a certified sports industry economic б 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 status or in the certified monthly payment amount. The amount 12 of the monthly sales tax reimbursement distribution shall be 13 adjusted beginning 30 days after notice by the Office of 14 15 Tourism, Trade, and Economic Development that the applicant is to receive a reduced or increased sales tax reimbursement 16 17 payment. 8. All other proceeds shall remain with the General 18 19 Revenue Fund. Section 2. Paragraph (k) of subsection (7) of section 20 21 213.053, Florida Statutes, is amended to read: 213.053 Confidentiality and information sharing .--22 (7) Notwithstanding any other provision of this 23 24 section, the department may provide: (k) Payment information relative to chapters 199, 201, 25 212, 220, and 221 to the Office of Tourism, Trade, and 26 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 industry businesses authorized by s. 288.106, and the sales 30 31

1 tax reimbursement program for certified sports industry economic development projects authorized by s. 288.113. 2 3 Section 3. Section 288.113, Florida Statutes, is created to read: 4 5 288.113 Tax reimbursement program for certified sports б 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 tourism, and enhances the economic foundations of the state. 12 It is the policy of the state to encourage the growth of 13 high-value-added employment to the economic base by providing 14 a sales tax reimbursement to certified sports industry 15 economic development projects that create new employment 16 17 opportunities and generate new sales tax dollars by expanding 18 businesses within the state or by bringing new businesses to 19 the state. (2) DEFINITIONS.--As used in this section: 20 "Certified sports industry economic development 21 (a) project" or "project" means any amateur sports business that 22 develops, operates, or both develops and operates a project 23 24 that attracts and retains multiyear amateur sporting events 25 that generate new sales taxes for the state, has submitted a properly completed application to the Office of Tourism, 26 27 Trade, and Economic Development, and has subsequently been certified by that office as a certified sports industry 28 29 economic development project. 30 (b) "Sales tax reimbursement" means the monthly amount 31 to be distributed through a reimbursement to a certified

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sports industry economic development project pursuant to s. 1 212.20. Such amount shall be determined by the Office of 2 3 Tourism, Trade, and Economic Development as provided in this 4 section. 5 AMATEUR SPORTS BUSINESS ELIGIBLE TO APPLY .--(3) б Any amateur sports business that promotes (a) multiyear amateur sports industry economic development 7 8 activities in the state may submit to the Office of Tourism, Trade, and Economic Development an application for approval as 9 10 a certified sports industry economic development project for 11 the purpose of receiving a sales tax reimbursement on new sales taxes generated by increased new business and tourism 12 activity directly attributable to the proposed amateur sports 13 14 industry economic development project. The number of certified sports industry economic 15 (b) development projects shall not exceed three until June 30, 16 2006, and thereafter only one new certified sports industry 17 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 economic development project shall be eligible for a monthly 22 distribution of its sales tax reimbursement in the amount 23 24 determined by its sales tax reimbursement agreement with the 25 Office of Tourism, Trade, and Economic Development. The amount shall be based on new sales tax revenues generated 26 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

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1 fiscal years estimated for each project shall not exceed 50 percent of the cost of the project as determined by the Office 2 3 of Tourism, Trade, and Economic Development in the certification process set forth in subsection (6). 4 The 5 annualized amount of the monthly distribution shall be б 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 less than \$500,000 and no more than \$2 million, unless the 9 Office of Tourism, Trade, and Economic Development reduces 10 11 payments below \$500,000 under its authority to decertify a project as discussed in subsection (6). 12 (5) AUTHORIZED USE OF SALES TAX REIMBURSEMENT 13 PAYMENTS.--After entering into a sales tax reimbursement 14 agreement under subsection (7), a certified sports industry 15 economic development project may receive a sales tax 16 17 reimbursement for any of the following: Developing and implementing any component of the 18 (a) 19 project's sports events and activities. (b) Constructing, reconstructing, renovating, 20 21 furnishing, equipping, or operating the project's facilities 22 or events. (c) Pledging payments or debt service on, or funding, 23 debt service reserve funds, arbitrage rebate obligations, or 24 25 other amounts payable with respect to bonds for the project's activities and facilities. 26 27 Paying the cost of relocating the project's (d) 28 corporate headquarters into the state. CERTIFICATION, RECERTIFICATION, AND 29 (6) 30 DECERTIFICATION PROCEDURE .--31

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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	levelopment 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.	
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1 Subsequent to the initial certification period, the certified sports industry economic development project is eligible for 2 3 two periods of recertification, each of which is valid for 5 years. A project must request recertification 12 months before 4 5 the expiration of the certificate. (h) A certified sports industry economic development б 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 Development shall recertify, before the end of the first 12 10-year period, that the certified sports industry economic 13 development project is operational and that the project is 14 meeting the minimum projections for sales tax revenues as 15 required at the time of original certification. If the project 16 17 is not recertified during this 10-year review period as meeting the minimum projections, funding shall be adjusted 18 19 until certification criteria are met. If the project fails to generate annual sales tax revenues pursuant to its sales tax 20 21 reimbursement agreement with the Office of Tourism, Trade, and Economic Development, the amount of revenues distributed to 22 the project under s. 212.20(6)(f)5.d. shall be reduced to an 23 24 amount equal to a pro-rata amount of the taxes collected times 50 percent. If, for 2 consecutive years, the amount of tax 25 revenues collected falls below a minimum of \$1 million per 26 27 year, the project may be decertified at the discretion of the Office of Tourism, Trade, and Economic Development. Such a 28 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	roject 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	(1) 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	
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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 created in or transferred to the state as a direct result of 4 5 the project, the average wage paid for those jobs, the б 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 operative in the state. 9 10 2. The maximum amount of new sales taxes estimated to 11 be generated as a result of the project, the maximum amount of sales tax reimbursement that the project is eligible to 12 receive, and the maximum amount of sales tax reimbursement 13 14 that the project is requesting. The budgets, financing, projections, and cost 15 3. estimates for the sports activities and projects for which 16 17 reimbursement is sought. (b) Compliance with the terms and conditions of the 18 19 sales tax reimbursement agreement is a condition precedent for receiving a sales tax reimbursement each year. The terms and 20 21 time frame of the agreement shall be commensurate with the duration of the certification period. Failure to comply with 22 the terms and conditions of the sales tax reimbursement 23 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 The sales tax reimbursement shall not exceed 50 (C) 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 14

1 sports industry economic development project, as determined in the sales tax reimbursement agreement with the approval of the 2 3 Department of Revenue. 4 (8) ADMINISTRATION.--5 The Office of Tourism, Trade, and Economic (a) б 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 payment of taxes under chapter 212 to the appropriate agency, 9 10 including the Department of Revenue, the Department of Labor 11 and Employment Security, or the appropriate local government 12 or authority. 13 To facilitate the process of monitoring and (b) auditing applications made under this program, the Office of 14 Tourism, Trade, and Economic Development may request 15 information necessary for determining a project's compliance 16 17 with this section from the Department of Revenue, the Department of Labor and Employment Security, or any local 18 19 government or authority. These governmental entities shall provide assistance in the areas within their scope of 20 21 responsibilities. 22 The Department of Revenue may audit as provided in (C) s. 213.34 to verify that the distributions pursuant to this 23 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 Development shall maintain records based on information 28 29 provided on taxpayer applications for certified sports 30 industry economic development projects that receive sales tax reimbursements. These records must include a statement of the 31

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1 percentage of the overall new economic impact generated by certified sports industry economic development projects and 2 3 the amount of funds annually reimbursed to such projects. In addition, the Office of Tourism, Trade, and Economic 4 5 Development shall maintain data showing the annual growth in б 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 report this information to the Legislature annually, no later 9 10 than December 1. 11 Section 4. Subsection (1) of section 288.1229, Florida Statutes, is amended to read: 12 13 288.1229 Promotion and development of sports-related industries and amateur athletics; direct-support organization; 14 15 powers and duties. --(1) The Office of Tourism, Trade, and Economic 16 17 Development may authorize a direct-support organization to assist the office in: 18 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. (b) The promotion of amateur athletic participation 22 for the citizens of Florida and the promotion of Florida as a 23 24 host for national and international amateur athletic competitions for the purpose of encouraging and increasing the 25 direct and ancillary economic benefits of amateur athletic 26 27 events and competitions. 28 The attraction of sports industry economic (C) 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 16

attention, promoting the quality of life in the state, and promoting tourism, which will have a positive effect on expanding the tax base as well as creating new jobs in the state. Section 5. This act shall take effect July 1, 2001. б HOUSE SUMMARY Creates a tax reimbursement program for certified sports Creates a tax reimbursement program for certified sport industry economic development projects. Provides eligibility criteria for amateur sports businesses. Prescribes the terms and amounts of tax reimbursements. Provides procedures for certification, recertification, and decertification of amateur sports businesses. Provides for abating or reducing funding in specified circumstances. Specifies a 20-year maximum certification time for amateur sports businesses. Provides for a tax time for amateur sports businesses. 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. Requires 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 certified projects. Provides for the creation of new certified projects. Provides for the creation of new jobs.