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CHAMBER ACTION

The Committee on Finance & Tax recommends the following:

Committee Substitute

Remove the entire bill and insert:

A bill to be entitled

An act relating to commercial development and capital improvements; amending s. 212.20, F.S.; providing for distribution of a portion of revenues from the tax on sales, use, and other transactions to a motorsports entertainment complex; providing a limit on such distribution; providing that the distribution shall be subject to a specific appropriation in the General Appropriations Act annually; creating s. 288.1170, F.S.; providing definitions; providing for certification of such facility by the Office of Tourism, Trade, and Economic Development of the Executive Office of the Governor; providing requirements for certification; requiring specified notice; providing for annual recertification; providing for use of the funds distributed to a motorsports entertainment complex; providing for audits by the Department of Revenue; providing an effective date.



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29 WHEREAS, it is the finding of the Legislature that Florida
30 has long been the preeminent site in the nation for motorsports
31 racing, and

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

34 WHEREAS, motorsports entertainment is the fastest growing
35 sports industry in the United States, and

36 WHEREAS, as a result of the increased popularity of
37 motorsports racing, many new motorsports facilities are being
38 constructed in other states, and

39 WHEREAS, to continue to attract spectators to sanctioned
40 championship motorsports events, the owner or operator of a
41 motorsports entertainment complex must build additional
42 spectator seating and renovate existing facilities to improve
43 the amenities available to spectators, and

44 WHEREAS, attracting, retaining, and providing favorable
45 conditions for conducting sanctioned championship motorsports
46 events and the continued development of the motorsports
47 entertainment industry in Florida provides skilled-employment
48 opportunities for citizens of this state, and

49 WHEREAS, continued development and improvement of Florida's
50 motorsports entertainment industry is vital to Florida's tourism
51 industry and to state revenues, and

52 WHEREAS, the motorsports entertainment industry is a major
53 contributor to Florida's economic development because of the
54 technology and service businesses that provide goods and
55 services to the industry, and



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56 WHEREAS, the provisions of this act are necessary to
57 protect and strengthen Florida's motorsports entertainment
58 industry, and the purposes to be achieved by this act are
59 predominately public purposes vital to the protection and
60 improvement of Florida's economy, NOW, THEREFORE,

61

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

63

64 Section 1. Paragraph (d) of subsection (6) of section
65 212.20, Florida Statutes, is amended to read:

66 212.20 Funds collected, disposition; additional powers of
67 department; operational expense; refund of taxes adjudicated
68 unconstitutionally collected.--

69 (6) Distribution of all proceeds under this chapter and s.
70 202.18(1)(b) and (2)(b) shall be as follows:

71 (d) The proceeds of all other taxes and fees imposed
72 pursuant to this chapter or remitted pursuant to s. 202.18(1)(b)
73 and (2)(b) shall be distributed as follows:

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

80 2. Two-tenths of one percent shall be transferred to the
81 Ecosystem Management and Restoration Trust Fund to be used for
82 water quality improvement and water restoration projects.



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83 3. After the distribution under subparagraphs 1. and 2.,
84 9.653 percent of the amount remitted by a sales tax dealer
85 located within a participating county pursuant to s. 218.61
86 shall be transferred into the Local Government Half-cent Sales
87 Tax Clearing Trust Fund.

88 4. After the distribution under subparagraphs 1., 2., and
89 3., 0.065 percent shall be transferred to the Local Government
90 Half-cent Sales Tax Clearing Trust Fund and distributed pursuant
91 to s. 218.65.

92 5. For proceeds received after July 1, 2000, and after the
93 distributions under subparagraphs 1., 2., 3., and 4., 2.25
94 percent of the available proceeds pursuant to this paragraph
95 shall be transferred monthly to the Revenue Sharing Trust Fund
96 for Counties pursuant to s. 218.215.

97 6. For proceeds received after July 1, 2000, and after the
98 distributions under subparagraphs 1., 2., 3., and 4., 1.0715
99 percent of the available proceeds pursuant to this paragraph
100 shall be transferred monthly to the Revenue Sharing Trust Fund
101 for Municipalities pursuant to s. 218.215. If the total revenue
102 to be distributed pursuant to this subparagraph is at least as
103 great as the amount due from the Revenue Sharing Trust Fund for
104 Municipalities and the Municipal Financial Assistance Trust Fund
105 in state fiscal year 1999-2000, no municipality shall receive
106 less than the amount due from the Revenue Sharing Trust Fund for
107 Municipalities and the Municipal Financial Assistance Trust Fund
108 in state fiscal year 1999-2000. If the total proceeds to be
109 distributed are less than the amount received in combination
110 from the Revenue Sharing Trust Fund for Municipalities and the



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111 Municipal Financial Assistance Trust Fund in state fiscal year
112 1999-2000, each municipality shall receive an amount
113 proportionate to the amount it was due in state fiscal year
114 1999-2000.

115 7. Of the remaining proceeds:

116 a. Beginning July 1, 2000, and in each fiscal year
117 thereafter, the sum of \$29,915,500 shall be divided into as many
118 equal parts as there are counties in the state, and one part
119 shall be distributed to each county. The distribution among the
120 several counties shall begin each fiscal year on or before
121 January 5th and shall continue monthly for a total of 4 months.
122 If a local or special law required that any moneys accruing to a
123 county in fiscal year 1999-2000 under the then-existing
124 provisions of s. 550.135 be paid directly to the district school
125 board, special district, or a municipal government, such payment
126 shall continue until such time that the local or special law is
127 amended or repealed. The state covenants with holders of bonds
128 or other instruments of indebtedness issued by local
129 governments, special districts, or district school boards prior
130 to July 1, 2000, that it is not the intent of this subparagraph
131 to adversely affect the rights of those holders or relieve local
132 governments, special districts, or district school boards of the
133 duty to meet their obligations as a result of previous pledges
134 or assignments or trusts entered into which obligated funds
135 received from the distribution to county governments under then-
136 existing s. 550.135. This distribution specifically is in lieu
137 of funds distributed under s. 550.135 prior to July 1, 2000.



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138 b. The department shall distribute \$166,667 monthly
139 pursuant to s. 288.1162 to each applicant that has been
140 certified as a "facility for a new professional sports
141 franchise" or a "facility for a retained professional sports
142 franchise" pursuant to s. 288.1162. Up to \$41,667 shall be
143 distributed monthly by the department to each applicant that has
144 been certified as a "facility for a retained spring training
145 franchise" pursuant to s. 288.1162; however, not more than
146 \$208,335 may be distributed monthly in the aggregate to all
147 certified facilities for a retained spring training franchise.
148 Distributions shall begin 60 days following such certification
149 and shall continue for not more than 30 years. Nothing contained
150 in this paragraph shall be construed to allow an applicant
151 certified pursuant to s. 288.1162 to receive more in
152 distributions than actually expended by the applicant for the
153 public purposes provided for in s. 288.1162(6). However, a
154 certified applicant is entitled to receive distributions up to
155 the maximum amount allowable and undistributed under this
156 section for additional renovations and improvements to the
157 facility for the franchise without additional certification.

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

164 d. Beginning 30 days after notice by the Office of
165 Tourism, Trade, and Economic Development to the Department of



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166 Revenue that the applicant has been certified as the
167 International Game Fish Association World Center facility
168 pursuant to s. 288.1169, and the facility is open to the public,
169 \$83,333 shall be distributed monthly, for up to 168 months, to
170 the applicant. This distribution is subject to reduction
171 pursuant to s. 288.1169. A lump sum payment of \$999,996 shall be
172 made, after certification and before July 1, 2000.

173 e. Beginning 30 days after notice by the Office of
174 Tourism, Trade, and Economic Development to the Department of
175 Revenue that the applicant has been certified as a motorsports
176 entertainment complex pursuant to s. 288.1170 and is open to the
177 public, an amount not to exceed \$166,667 shall be distributed
178 monthly to the applicant. However, each fiscal year's total
179 distribution made pursuant to this sub-subparagraph shall not
180 exceed the difference between the state sales taxes collected
181 and remitted pursuant to this chapter by the facility in the
182 previous calendar year and those collected and remitted in
183 calendar year 2000. All distributions made under this sub-
184 subparagraph shall be subject to a specific appropriation in the
185 General Appropriations Act annually.

186 8. All other proceeds shall remain with the General
187 Revenue Fund.

188 Section 2. Section 288.1170, Florida Statutes, is created
189 to read:

190 288.1170 Motorsports entertainment complex; definitions;
191 certification; duties.--

192 (1) As used in this section:



193 (a) "Applicant" means the owner of a motorsports
 194 entertainment complex.

195 (b) "Motorsports entertainment complex" means a closed-
 196 course racing facility, with ancillary grounds and facilities,
 197 which:

198 1. Has not fewer than 70,000 permanent seats for race
 199 patrons.

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

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

203 4. Serves food at the facility during sanctioned
 204 motorsports races.

205 5. Engages in tourism promotion.

206 (c) "Motorsports event" means a motorsports race and its
 207 ancillary activities, which have been sanctioned by a
 208 sanctioning body.

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

211 (e) "Owner" means a unit of local government that owns a
 212 motorsports entertainment complex or owns the land on which the
 213 motorsports entertainment complex is located.

214 (f) "Sanctioning body" means the American Motorcycle
 215 Association (AMA), Championship Auto Racing Teams (CART), Grand
 216 American Road Racing Association(Grand Am), Indy Racing League
 217 (IRL), National Association for Stock Car Auto Racing (NASCAR),
 218 National Hot Rod Association (NHRA), Professional Sportscar
 219 Racing (PSR), Sports Car Club of America (SCCA), United States
 220 Auto Club (USAC), or any successor organization, or any other



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221 nationally recognized governing body of motorsports that
222 establishes an annual schedule of motorsports events and grants
223 rights to conduct such events, has established and administers
224 rules and regulations governing all participants involved in
225 such events and all persons conducting such events, and requires
226 certain liability assurances, including insurance.

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

229 (2) The Office of Tourism, Trade, and Economic Development
230 shall serve as the state agency for screening applicants for
231 state funding pursuant to s. 212.20 and for certifying an
232 applicant as a motorsports entertainment complex. The office
233 shall develop and adopt rules for the receipt and processing of
234 applications for funding pursuant to s. 212.20. The office
235 shall make a determination regarding any application filed by an
236 applicant not later than 120 days after the application is
237 filed.

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

240 (a) A unit of local government holds title to the land on
241 which the motorsports entertainment complex is located or holds
242 title to the motorsports entertainment complex.

243 (b) Seven scheduled days of motorsports events were held
244 at the motorsports entertainment complex in the most recently
245 completed calendar year or seven scheduled days of motorsports
246 events are scheduled to be held at the motorsports entertainment
247 complex in the calendar year which begins after the submission
248 of the application. The applicant shall submit certifications



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249 from the appropriate officials of the relevant sanctioning
250 bodies that such sanctioned motorsports events were or will be
251 held at the motorsports entertainment complex.

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

257 (d) The applicant has an independent analysis or study,
258 verified by the office, which demonstrates that the amount of
259 the revenues generated by the taxes imposed under chapter 212
260 with respect to the use and operation of the motorsports
261 entertainment complex is consistent with the provisions of this
262 act.

263 (e) The municipality in which the motorsports
264 entertainment complex is located, or the county if the
265 motorsports entertainment complex is located in an
266 unincorporated area, has certified by resolution after a public
267 hearing that the application serves a public purpose.

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

270 (4) Upon determining that an applicant meets the
271 requirements of subsection (3), the office shall notify the
272 applicant and the executive director of the Department of
273 Revenue of such certification by means of an official letter
274 granting certification. If the applicant fails to meet the
275 certification requirements of subsection (3), the office shall



276 notify the applicant not later than 10 days following such
277 determination.

278 (5) The office must recertify each year that the
279 motorsports entertainment complex continues to generate
280 sufficient sales tax revenues annually as required pursuant to
281 paragraph (3)(d).

282 (6) No motorsports entertainment complex which has been
283 previously certified under this section and has received funding
284 under such certification shall be eligible for any additional
285 certification.

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

289 (a) Paying for the construction, reconstruction,
290 expansion, or renovation of a motorsports entertainment complex.

291 (b) Paying debt service reserve funds, arbitrage rebate
292 obligations, or other amounts payable with respect to bonds
293 issued for the construction, reconstruction, expansion, or
294 renovation of the motorsports entertainment complex or for the
295 reimbursement of such costs or the refinancing of bonds issued
296 for such purposes.

297 (c) Paying for construction, reconstruction, expansion, or
298 renovation of transportation or other infrastructure
299 improvements related to, necessary for, or appurtenant to the
300 motorsports entertainment complex, including, without
301 limitation, paying debt service reserve funds, arbitrage rebate
302 obligations, or other amounts payable with respect to bonds
303 issued for the construction, reconstruction, expansion, or



304 renovation of such transportation or other infrastructure
 305 improvements, and for the reimbursement of such costs or the
 306 refinancing of bonds issued for such purposes.

307 (d) Paying for programs of advertising and promotion of or
 308 related to the motorsports entertainment complex or the
 309 municipality in which the motorsports entertainment complex is
 310 located, or the county if the motorsports entertainment complex
 311 is located in an unincorporated area, provided such programs of
 312 advertising and promotion are designed to increase paid
 313 attendance at the motorsports entertainment complex or increase
 314 tourism in or promote the economic development of the community
 315 in which the motorsports entertainment complex is located.

316 (8) The Department of Revenue may audit, as provided in s.
 317 213.34, to verify that the distributions pursuant to this
 318 section have been expended as required in this section. Such
 319 information is subject to the confidentiality requirements of
 320 chapter 213. If the Department of Revenue determines that the
 321 distributions pursuant to this section have not been expended as
 322 required by this section, it may pursue recovery of such funds
 323 pursuant to the laws and rules governing the assessment of
 324 taxes.

325 Section 3. This act shall take effect July 1, 2003.