

By the Committee on Commerce, Economic Opportunities, and Consumer Services; and Senators Constantine and Dockery

310-2097-04

1                                   A bill to be entitled  
2           An act relating to economic development  
3           incentives; amending s. 212.20, F.S.; providing  
4           for distribution of a portion of revenues from  
5           the tax on sales, use, and other transactions  
6           to specified units of local government owning  
7           eligible convention centers; creating s.  
8           288.1171, F.S.; providing for certification of  
9           units of local government owning eligible  
10          convention centers by the Office of Tourism,  
11          Trade, and Economic Development; requiring the  
12          office to adopt specified rules; providing a  
13          definition; providing requirements for  
14          certification; providing for use of proceeds  
15          distributed to units of local government under  
16          the act; providing for audits by the Department  
17          of Revenue; providing for revocation of  
18          certification; providing an effective date.

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

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22           Section 1. Paragraph (d) of subsection (6) of section  
23 212.20, Florida Statutes, as amended by section 92 of chapter  
24 2003-402, Laws of Florida, is amended to read:

25           212.20 Funds collected, disposition; additional powers  
26 of department; operational expense; refund of taxes  
27 adjudicated unconstitutionally collected.--

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

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1 (d) 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 Ecosystem Management and Restoration Trust Fund to be used  
13 for water quality improvement and water restoration projects.

14 3. After the distribution under subparagraphs 1. and  
15 2., 8.814 percent of the amount remitted by a sales tax dealer  
16 located within a participating county pursuant to s. 218.61  
17 shall be transferred into the Local Government Half-cent Sales  
18 Tax Clearing Trust Fund. Beginning July 1, 2003, the amount to  
19 be transferred pursuant to this subparagraph to the Local  
20 Government Half-cent Sales Tax Clearing Trust Fund shall be  
21 reduced by 0.1 percent, and the department shall distribute  
22 this amount to the Public Employees Relations Commission Trust  
23 Fund less \$5,000 each month, which shall be added to the  
24 amount calculated in subparagraph 4. and distributed  
25 accordingly.

26 4. After the distribution under subparagraphs 1., 2.,  
27 and 3., 0.095 percent shall be transferred to the Local  
28 Government Half-cent Sales Tax Clearing Trust Fund and  
29 distributed pursuant to s. 218.65.

30 5. After the distributions under subparagraphs 1., 2.,  
31 3., and 4., 2.0440 percent of the available proceeds pursuant

1 to this paragraph shall be transferred monthly to the Revenue  
2 Sharing Trust Fund for Counties pursuant to s. 218.215.

3 6. After the distributions under subparagraphs 1., 2.,  
4 3., and 4., 1.3409 percent of the available proceeds pursuant  
5 to this paragraph shall be transferred monthly to the Revenue  
6 Sharing Trust Fund for Municipalities pursuant to s. 218.215.

7 If the total revenue to be distributed pursuant to this  
8 subparagraph is at least as great as the amount due from the  
9 Revenue Sharing Trust Fund for Municipalities and the  
10 Municipal Financial Assistance Trust Fund in state fiscal year  
11 1999-2000, no municipality shall receive less than the amount  
12 due from the Revenue Sharing Trust Fund for Municipalities and  
13 the Municipal Financial Assistance Trust Fund in state fiscal  
14 year 1999-2000. If the total proceeds to be distributed are  
15 less than the amount received in combination from the Revenue  
16 Sharing Trust Fund for Municipalities and the Municipal  
17 Financial Assistance Trust Fund in state fiscal year  
18 1999-2000, each municipality shall receive an amount  
19 proportionate to the amount it was due in state fiscal year  
20 1999-2000.

21 7. Of the remaining proceeds:

22 a. In each fiscal year, the sum of \$29,915,500 shall  
23 be divided into as many equal parts as there are counties in  
24 the state, and one part shall be distributed to each county.  
25 The distribution among the several counties shall begin each  
26 fiscal year on or before January 5th and shall continue  
27 monthly for a total of 4 months. If a local or special law  
28 required that any moneys accruing to a county in fiscal year  
29 1999-2000 under the then-existing provisions of s. 550.135 be  
30 paid directly to the district school board, special district,  
31 or a municipal government, such payment shall continue until

1 such time that the local or special law is amended or  
2 repealed. The state covenants with holders of bonds or other  
3 instruments of indebtedness issued by local governments,  
4 special districts, or district school boards prior to July 1,  
5 2000, that it is not the intent of this subparagraph to  
6 adversely affect the rights of those holders or relieve local  
7 governments, special districts, or district school boards of  
8 the duty to meet their obligations as a result of previous  
9 pledges or assignments or trusts entered into which obligated  
10 funds received from the distribution to county governments  
11 under then-existing s. 550.135. This distribution specifically  
12 is in lieu of funds distributed under s. 550.135 prior to July  
13 1, 2000.

14         b. The department shall distribute \$166,667 monthly  
15 pursuant to s. 288.1162 to each applicant that has been  
16 certified as a "facility for a new professional sports  
17 franchise" or a "facility for a retained professional sports  
18 franchise" pursuant to s. 288.1162. Up to \$41,667 shall be  
19 distributed monthly by the department to each applicant that  
20 has been certified as a "facility for a retained spring  
21 training franchise" pursuant to s. 288.1162; however, not more  
22 than \$208,335 may be distributed monthly in the aggregate to  
23 all certified facilities for a retained spring training  
24 franchise. Distributions shall begin 60 days following such  
25 certification and shall continue for not more than 30 years.  
26 Nothing contained in this paragraph shall be construed to  
27 allow an applicant certified pursuant to s. 288.1162 to  
28 receive more in distributions than actually expended by the  
29 applicant for the public purposes provided for in s.  
30 288.1162(6). However, a certified applicant is entitled to  
31 receive distributions up to the maximum amount allowable and

1 undistributed under this section for additional renovations  
2 and improvements to the facility for the franchise without  
3 additional certification.

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

10 d. Beginning 30 days after notice by the Office of  
11 Tourism, Trade, and Economic Development to the Department of  
12 Revenue that the applicant has been certified as the  
13 International Game Fish Association World Center facility  
14 pursuant to s. 288.1169, and the facility is open to the  
15 public, \$83,333 shall be distributed monthly, for up to 168  
16 months, to the applicant. This distribution is subject to  
17 reduction pursuant to s. 288.1169. A lump sum payment of  
18 \$999,996 shall be made, after certification and before July 1,  
19 2000.

20 e. The department shall distribute monthly to units of  
21 local government that have been certified as owning eligible  
22 convention centers pursuant to s. 288.1171 an amount equal to  
23 50 percent of the proceeds, as defined in paragraph (5)(a),  
24 received and collected in the previous month by the department  
25 under the provisions of this chapter which are generated by  
26 such eligible convention centers and remitted on the sales and  
27 use tax returns of eligible convention centers. Proceeds, for  
28 purposes of this sub-subparagraph, are further defined as all  
29 applicable sales taxes collected by an eligible center for  
30 standard services provided by center staff to users of the  
31 center, which include the following: parking, admission,

1 ticket sales, food services, electrical or like services,  
2 space rentals, equipment rentals, and security services. The  
3 total distribution to each unit of local government shall not  
4 exceed \$2 million per state fiscal year. However, total  
5 distributions to all units of local governments shall not  
6 exceed \$10 million each state fiscal year, and such  
7 distribution shall be limited exclusively to the taxes  
8 collected and remitted under the provisions of this chapter.  
9 The department shall prescribe forms required to be filed with  
10 the department by eligible convention centers. Distributions  
11 shall begin 60 days following notification of certification by  
12 the Office of Tourism, Trade, and Economic Development  
13 pursuant to s. 288.1171 and shall continue for not more than  
14 30 years. Distributions shall be used solely to encourage and  
15 provide economic development for the attraction, recruitment,  
16 and retention of corporate headquarters and of  
17 high-technology, manufacturing, research and development,  
18 entertainment, and tourism industries as designated by the  
19 unit of local government by resolution of its governing body.

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

22           Section 2. Section 288.1171, Florida Statutes, is  
23 created to read:

24           288.1171 Convention centers owned by units of local  
25 government; certification as owning eligible convention  
26 centers; duties.--

27           (1) The Office of Tourism, Trade, and Economic  
28 Development shall serve as the state agency for screening  
29 applicants for state funding pursuant to s. 212.20(6)(d)7.e.  
30 and for certifying an applicant as owning an eligible  
31 convention center.

1           (2) The Office of Tourism, Trade, and Economic  
2 Development shall adopt rules pursuant to ss. 120.536(1) and  
3 120.54 for the receipt and processing of applications for  
4 funding pursuant to s. 212.20(6)(d)7.e.

5           (3) As used in this section, the term "eligible  
6 convention center" means a publicly owned facility having  
7 exhibition space in excess of 75,000 square feet, the primary  
8 function of which is to host meetings, conventions, or trade  
9 shows.

10           (4) Prior to certifying an applicant as owning an  
11 eligible convention center, the Office of Tourism, Trade, and  
12 Economic Development must determine that:

13           (a) The unit of local government, as defined in s.  
14 218.369, owns an eligible convention center.

15           (b) The convention center contains more than 75,000  
16 square feet of exhibit space.

17           (c) The unit of local government in which the  
18 convention center is located has certified by resolution after  
19 a public hearing that the application serves a public purpose  
20 pursuant to subsection (7).

21           (d) The convention center is located in a county that  
22 is levying a tourist development tax pursuant to s. 125.0104.

23           (5) Upon certification of an applicant, the Office of  
24 Tourism, Trade, and Economic Development shall notify the  
25 executive director of the Department of Revenue of such  
26 certification by means of an official letter granting  
27 certification. The Department of Revenue shall not begin  
28 distributing proceeds until 60 days following notice by the  
29 Office of Tourism, Trade, and Economic Development that a unit  
30 of local government has been certified as owning an eligible  
31 convention center.

1           (6) No applicant previously certified under any  
2 provision of this section who has received proceeds under such  
3 certification shall be eligible for an additional  
4 certification.

5           (7) A unit of local government certified as owning an  
6 eligible convention center may use proceeds provided pursuant  
7 to s. 212.20(6)(d)7.e. solely to encourage and provide  
8 economic development for the attraction, recruitment, and  
9 retention of corporate headquarters and of high-technology,  
10 manufacturing, research and development, entertainment, and  
11 tourism industries as designated by the unit of local  
12 government by resolution of its governing body.

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

21           (9) Failure to use the proceeds as provided in this  
22 section shall be grounds for revoking certification.

23           Section 3. This act shall take effect July 1, 2004.  
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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
COMMITTEE SUBSTITUTE FOR  
Senate Bill 518

The committee substitute differs from the original bill by:  
(1) prescribing the convention center services that may be the  
basis for the rebate of tax proceeds to a local government  
owning an eligible convention center; (2) reducing the total  
distribution each unit of local government may receive to \$2  
million from \$3 million per state fiscal year; (3) providing  
that the total distributions to all units of local government  
may not exceed \$10 million in the aggregate per state fiscal  
year; and (4) providing that the Department of Revenue must  
prescribe forms to be filed with the department by eligible  
convention centers.