

CHAMBER ACTION

1 The Committee on Finance & Tax recommends the following:

2  
3 **Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

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

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

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

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

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

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

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

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

3. After the distribution under subparagraphs 1. and 2., 8.814 percent of the amount remitted by a sales tax dealer located within a participating county pursuant to s. 218.61 shall be transferred into the Local Government Half-cent Sales Tax Clearing Trust Fund. Beginning July 1, 2003, the amount to be transferred pursuant to this subparagraph to the Local Government Half-cent Sales Tax Clearing Trust Fund shall be

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52 | reduced by 0.1 percent, and the department shall distribute this  
 53 | amount to the Public Employees Relations Commission Trust Fund  
 54 | less \$5,000 each month, which shall be added to the amount  
 55 | calculated in subparagraph 4. and distributed accordingly.

56 |         4. After the distribution under subparagraphs 1., 2., and  
 57 | 3., 0.095 percent shall be transferred to the Local Government  
 58 | Half-cent Sales Tax Clearing Trust Fund and distributed pursuant  
 59 | to s. 218.65.

60 |         5. After the distributions under subparagraphs 1., 2., 3.,  
 61 | and 4., 2.0440 percent of the available proceeds pursuant to  
 62 | this paragraph shall be transferred monthly to the Revenue  
 63 | Sharing Trust Fund for Counties pursuant to s. 218.215.

64 |         6. After the distributions under subparagraphs 1., 2., 3.,  
 65 | and 4., 1.3409 percent of the available proceeds pursuant to  
 66 | this paragraph shall be transferred monthly to the Revenue  
 67 | Sharing Trust Fund for Municipalities pursuant to s. 218.215. If  
 68 | the total revenue to be distributed pursuant to this  
 69 | subparagraph is at least as great as the amount due from the  
 70 | Revenue Sharing Trust Fund for Municipalities and the Municipal  
 71 | Financial Assistance Trust Fund in state fiscal year 1999-2000,  
 72 | no municipality shall receive less than the amount due from the  
 73 | Revenue Sharing Trust Fund for Municipalities and the Municipal  
 74 | Financial Assistance Trust Fund in state fiscal year 1999-2000.  
 75 | If the total proceeds to be distributed are less than the amount  
 76 | received in combination from the Revenue Sharing Trust Fund for  
 77 | Municipalities and the Municipal Financial Assistance Trust Fund  
 78 | in state fiscal year 1999-2000, each municipality shall receive

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79 | an amount proportionate to the amount it was due in state fiscal  
80 | year 1999-2000.

81 | 7. Of the remaining proceeds:

82 | a. In each fiscal year, the sum of \$29,915,500 shall be  
83 | divided into as many equal parts as there are counties in the  
84 | state, and one part shall be distributed to each county. The  
85 | distribution among the several counties shall begin each fiscal  
86 | year on or before January 5th and shall continue monthly for a  
87 | total of 4 months. If a local or special law required that any  
88 | moneys accruing to a county in fiscal year 1999-2000 under the  
89 | then-existing provisions of s. 550.135 be paid directly to the  
90 | district school board, special district, or a municipal  
91 | government, such payment shall continue until such time that the  
92 | local or special law is amended or repealed. The state covenants  
93 | with holders of bonds or other instruments of indebtedness  
94 | issued by local governments, special districts, or district  
95 | school boards prior to July 1, 2000, that it is not the intent  
96 | of this subparagraph to adversely affect the rights of those  
97 | holders or relieve local governments, special districts, or  
98 | district school boards of the duty to meet their obligations as  
99 | a result of previous pledges or assignments or trusts entered  
100 | into which obligated funds received from the distribution to  
101 | county governments under then-existing s. 550.135. This  
102 | distribution specifically is in lieu of funds distributed under  
103 | s. 550.135 prior to July 1, 2000.

104 | b. The department shall distribute \$166,667 monthly  
105 | pursuant to s. 288.1162 to each applicant that has been  
106 | certified as a "facility for a new professional sports

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107 franchise" or a "facility for a retained professional sports  
108 franchise" pursuant to s. 288.1162. Up to \$41,667 shall be  
109 distributed monthly by the department to each applicant that has  
110 been certified as a "facility for a retained spring training  
111 franchise" pursuant to s. 288.1162; however, not more than  
112 \$208,335 may be distributed monthly in the aggregate to all  
113 certified facilities for a retained spring training franchise.  
114 Distributions shall begin 60 days following such certification  
115 and shall continue for not more than 30 years. Nothing contained  
116 in this paragraph shall be construed to allow an applicant  
117 certified pursuant to s. 288.1162 to receive more in  
118 distributions than actually expended by the applicant for the  
119 public purposes provided for in s. 288.1162(6). However, a  
120 certified applicant is entitled to receive distributions up to  
121 the maximum amount allowable and undistributed under this  
122 section for additional renovations and improvements to the  
123 facility for the franchise without additional certification.

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

130 d. Beginning 30 days after notice by the Office of  
131 Tourism, Trade, and Economic Development to the Department of  
132 Revenue that the applicant has been certified as the  
133 International Game Fish Association World Center facility  
134 pursuant to s. 288.1169, and the facility is open to the public,

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135 \$83,333 shall be distributed monthly, for up to 168 months, to  
136 the applicant. This distribution is subject to reduction  
137 pursuant to s. 288.1169. A lump sum payment of \$999,996 shall be  
138 made, after certification and before July 1, 2000.

139 e. The department shall distribute monthly to units of  
140 local government that have been certified as owning eligible  
141 convention centers pursuant to s. 288.1171 an amount equal to 50  
142 percent of the proceeds, as defined in paragraph (5)(a),  
143 received and collected in the previous month by the department  
144 under the provisions of this chapter which are generated by such  
145 eligible convention centers and remitted on the sales and use  
146 tax returns of eligible convention centers. Proceeds, for this  
147 sub-subparagraph, are further defined as all applicable sales  
148 taxes collected by an eligible convention center for standard  
149 services provided by center staff to users of the center, which  
150 include the following: parking, admission, ticket sales, food  
151 services, electrical or like services, space rentals, equipment  
152 rentals, and security services. The total distribution to each  
153 unit of local government shall not exceed \$2 million per state  
154 fiscal year. However, total distributions to all units of local  
155 government shall not exceed \$10 million per state fiscal year,  
156 and such distribution shall be limited exclusively to the taxes  
157 collected and remitted under the provisions of this chapter. The  
158 department shall prescribe forms required to be filed with the  
159 department by eligible convention centers. Distributions shall  
160 begin 60 days following notification of certification by the  
161 Office of Tourism, Trade, and Economic Development pursuant to  
162 s. 288.1171 and shall continue for not more than 30 years.

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163 Distributions shall be used solely to encourage and provide  
 164 economic development for the attraction, recruitment, and  
 165 retention of corporate headquarters and of high-technology,  
 166 manufacturing, research and development, entertainment, and  
 167 tourism industries as designated by the unit of local government  
 168 by resolution of its governing body, and to assist the eligible  
 169 convention centers to attract more business and expand their  
 170 offerings, including developing their own events and shows.

171 8. All other proceeds shall remain with the General  
 172 Revenue Fund.

173 Section 2. Section 288.1171, Florida Statutes, is created  
 174 to read:

175 288.1171 Convention centers owned by units of local  
 176 government; certification as owning eligible convention centers;  
 177 duties.--

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

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

186 (3) As used in this section, the term "eligible convention  
 187 center" means a publicly owned facility having exhibition space  
 188 in excess of 60,000 square feet, the primary function of which  
 189 is to host meetings, conventions, or trade shows.

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

193 (a) The unit of local government, as defined in s.  
 194 218.369, owns an eligible convention center.

195 (b) The convention center contains more than 60,000 square  
 196 feet of exhibit space.

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

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

203 (5) Upon certification of an applicant, the Office of  
 204 Tourism, Trade, and Economic Development shall notify the  
 205 executive director of the Department of Revenue of such  
 206 certification by means of an official letter granting  
 207 certification. The Department of Revenue shall not begin  
 208 distributing proceeds until 60 days following notice by the  
 209 Office of Tourism, Trade, and Economic Development that a unit  
 210 of local government has been certified as owning an eligible  
 211 convention center.

212 (6) No applicant previously certified under any provision  
 213 of this section who has received proceeds under such  
 214 certification shall be eligible for an additional certification.

215 (7) A unit of local government certified as owning an  
 216 eligible convention center may use proceeds provided pursuant to  
 217 s. 212.20(6)(d)7.e. solely to encourage and provide economic



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218 development for the attraction, recruitment, and retention of  
219 corporate headquarters and of high-technology, manufacturing,  
220 research and development, entertainment, and tourism industries  
221 as designated by the unit of local government by resolution of  
222 its governing body.

223 (8) The Department of Revenue may audit as provided in s.  
224 213.34 to verify that the distributions pursuant to this section  
225 have been expended as required in this section. Such information  
226 is subject to the confidentiality requirements of chapter 213.  
227 If the Department of Revenue determines that the distributions  
228 have not been expended as required by this section, it may  
229 pursue recovery of such proceeds pursuant to the laws and rules  
230 governing the assessment of taxes.

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

233 Section 3. This act shall take effect July 1, 2004.