

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 999 w/CS Sales and Use Tax/Orange Bowl
SPONSOR(S): Prieguez
TIED BILLS: **IDEN./SIM. BILLS:** SB 1924

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Finance & Tax	24 Y, 0 N w/CS	Overton	Diez-Arguelles
2)			
3)			
4)			
5)			

SUMMARY ANALYSIS

The bill provides that the Department of Revenue shall distribute \$50,000 monthly to each applicant that has been certified as an eligible publicly owned football facility. The distributions shall continue for not more than 30 years. The distributions shall be used solely for the purposes of renovating and modernizing the facility. The only facility that qualifies is the Orange Bowl.

This bill will result in a 2004-05 fiscal year loss to the General Revenue Fund of \$600,000, with an annual recurring loss of \$600,000. There will be a corresponding increase in revenue to local governments.

The Revenue Estimating Conference has estimated that the Orange Bowl and the businesses directly related to the Orange Bowl will collect approximately \$600,000 in state and local sales taxes per year for the next three to five years.

The bill takes effect July 1, 2004.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. EFFECT OF PROPOSED CHANGES:

The bill amends s. 212.20(6)(d), F.S., to direct the Department of Revenue distribute \$50,000 monthly to each applicant that has been certified by the Office of Tourism, Trade, and Economic Development ("OTTED") an eligible publicly owned football facility. The distribution shall begin 60 days after notice to the Department that the applicant has been certified. The distributions shall continue for not more than 30 years. The distributions shall be used solely for the purposes of renovating and modernizing the facility.

The OTTED shall serve as the state agency for screening applicants for state funding and for certifying an applicant as an eligible publicly owned football facility. OTTED shall adopt rules for the receipt and processing of applications for funding.

Prior to certifying an applicant as an eligible publicly owned football facility, the Office of Tourism, Trade, and Economic Development must determine that:

- A municipality owns the football facility.
- The municipality that owns the football facility has been declared in a state of financial emergency within the preceding 10 years pursuant to s. 218.503 and the municipality has had a financial emergencies board established, regardless of whether the board is currently in existence.
- The football team of a private or public university or college is based at the football facility. For the purpose of certification, a football team of a public or private university or college shall be considered based only at the facility at which it plays the majority of games where it is designated the "home" team.

The only facility that can meet the requirements to be an eligible publicly owned football facility is the Orange Bowl.

Upon certification of an applicant, OTTED shall notify the executive director of the Department of Revenue of the certification by means of an official letter granting certification.

The Department of Revenue may audit to verify that the distributions have been expended solely for the purposes of renovating and modernizing the facility. Such information is subject to the confidentiality requirements of chapter 213. If the Department of Revenue determines that the distributions have not been expended as required, it may pursue recovery of such proceeds pursuant to the laws and rules governing the assessment of taxes. Failure to use the proceeds as required shall be grounds for revoking certification.

C. SECTION DIRECTORY:

Section 1. Amends s..

Section 2. Provides that this bill takes effect July 1, 2004.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

This bill will result in a 2004-05 fiscal year loss to the General Revenue Fund of \$600,000, with an annual recurring loss of \$600,000. There will be a corresponding increase in revenue to local governments.

2. Expenditures: None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

This bill will result in a 2004-05 fiscal year loss to the General Revenue Fund of \$600,000, with an annual recurring loss of \$600,000. There will be a corresponding increase in revenue to local governments.

2. Expenditures: None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR: None.

D. FISCAL COMMENTS: The Revenue Estimating Conference has estimated that the Orange Bowl and the businesses directly related to the Orange Bowl will collect approximately \$600,000 in state and local sales taxes per year for the next three to five years.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require municipalities or counties to expend funds, does not reduce their authority to raise revenue, and does not reduce the percentage of a state tax shared with counties or municipalities.

2. Other: None.

B. RULE-MAKING AUTHORITY: OTTED shall adopt rules for the receipt and processing of applications for funding.

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On March 31, 2004 the Committee on Finance & Tax adopted a strike everything amendment. The original bill allowed certain qualified publicly owned football facilities to retain sales tax proceeds generated by the facility to fund renovations of the facility. The only facility that qualified was the Orange Bowl.