

CHAMBER ACTION

1 The Finance & Tax Committee recommends the following:

2
3 **Council/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; specifying uses of certain distributions; providing
13 for future repeal; creating s. 288.1171, F.S.; providing
14 for certification of units of local government owning
15 eligible convention centers by the Office of Tourism,
16 Trade, and Economic Development; requiring the office to
17 adopt specified rules; providing a definition; providing
18 requirements for certification; providing for use of
19 proceeds distributed to units of local government under
20 the act; providing for audits by the Auditor General;
21 authorizing the Auditor General to pursue recovery of
22 certain proceeds; barring certain local governments from
23 receiving future distributions under certain

24 | circumstances; providing for revocation of certification;
25 | providing for future repeal; providing an effective date.

26 |

27 | Be It Enacted by the Legislature of the State of Florida:

28 |

29 | Section 1. Paragraph (d) of subsection (6) of section
30 | 212.20, Florida Statutes, is amended to read:

31 | 212.20 Funds collected, disposition; additional powers of
32 | department; operational expense; refund of taxes adjudicated
33 | unconstitutionally collected.--

34 | (6) Distribution of all proceeds under this chapter and s.
35 | 202.18(1)(b) and (2)(b) shall be as follows:

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

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

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

48 | 3. After the distribution under subparagraphs 1. and 2.,
49 | 8.814 percent of the amount remitted by a sales tax dealer
50 | located within a participating county pursuant to s. 218.61
51 | shall be transferred into the Local Government Half-cent Sales

52 Tax Clearing Trust Fund. Beginning July 1, 2003, the amount to
 53 be transferred pursuant to this subparagraph to the Local
 54 Government Half-cent Sales Tax Clearing Trust Fund shall be
 55 reduced by 0.1 percent, and the department shall distribute this
 56 amount to the Public Employees Relations Commission Trust Fund
 57 less \$5,000 each month, which shall be added to the amount
 58 calculated in subparagraph 4. and distributed accordingly.

59 4. After the distribution under subparagraphs 1., 2., and
 60 3., 0.095 percent shall be transferred to the Local Government
 61 Half-cent Sales Tax Clearing Trust Fund and distributed pursuant
 62 to s. 218.65.

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

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

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80 Revenue Sharing Trust Fund for Municipalities and the former
81 Municipal Financial Assistance Trust Fund in state fiscal year
82 1999-2000, each municipality shall receive an amount
83 proportionate to the amount it was due in state fiscal year
84 1999-2000.

85 7. Of the remaining proceeds:

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

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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108 b. The department shall distribute \$166,667 monthly
 109 pursuant to s. 288.1162 to each applicant that has been
 110 certified as a "facility for a new professional sports
 111 franchise" or a "facility for a retained professional sports
 112 franchise" pursuant to s. 288.1162. Up to \$41,667 shall be
 113 distributed monthly by the department to each applicant that has
 114 been certified as a "facility for a retained spring training
 115 franchise" pursuant to s. 288.1162; however, not more than
 116 \$208,335 may be distributed monthly in the aggregate to all
 117 certified facilities for a retained spring training franchise.
 118 Distributions shall begin 60 days following such certification
 119 and shall continue for not more than 30 years. Nothing contained
 120 in this paragraph shall be construed to allow an applicant
 121 certified pursuant to s. 288.1162 to receive more in
 122 distributions than actually expended by the applicant for the
 123 public purposes provided for in s. 288.1162(6). However, a
 124 certified applicant is entitled to receive distributions up to
 125 the maximum amount allowable and undistributed under this
 126 section for additional renovations and improvements to the
 127 facility for the franchise without additional certification.

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

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

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136 Revenue that the applicant has been certified as the
 137 International Game Fish Association World Center facility
 138 pursuant to s. 288.1169, and the facility is open to the public,
 139 \$83,333 shall be distributed monthly, for up to 168 months, to
 140 the applicant. This distribution is subject to reduction
 141 pursuant to s. 288.1169. A lump sum payment of \$999,996 shall be
 142 made, after certification and before July 1, 2000.

143 e. The department shall distribute monthly to units of
 144 local government that have been certified as owning eligible
 145 convention centers pursuant to s. 288.1171 an amount equal to 50
 146 percent of the proceeds, as defined in this sub-subparagraph,
 147 received and collected in the previous month by the department
 148 under the provisions of this chapter which are generated by such
 149 eligible convention centers and remitted on the sales and use
 150 tax returns of eligible convention centers. Proceeds, for this
 151 sub-subparagraph, are limited to all applicable sales taxes
 152 collected by an eligible convention center for standard services
 153 provided by center staff to users of the center, which include
 154 the following: parking, admission, and ticket sales, food
 155 services, utilities services, space rentals, equipment rentals,
 156 security services, decorating services, business services,
 157 advertising services, communications services, exhibit supply
 158 sales and rentals, locksmith services, and sales of gifts and
 159 sundries. The total distribution to each unit of local
 160 government shall not exceed \$1 million per state fiscal year.
 161 However, total distributions to all units of local government
 162 shall not exceed \$5 million per state fiscal year, and such
 163 distribution shall be limited exclusively to the taxes collected

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164 and remitted under the provisions of this chapter. If
165 collections and remittances of eligible convention centers
166 exceed the \$5 million maximum amount authorized for
167 distribution, the department shall distribute proceeds to each
168 eligible unit of local government using an apportionment factor,
169 the numerator of which is the amount remitted by an eligible
170 convention center and the denominator is the total amount
171 remitted by all eligible convention centers. The apportionment
172 factor for each eligible convention center shall be applied to
173 the \$5 million maximum amount authorized for distribution to
174 determine the amount that shall be distributed to each local
175 government unit. The department shall prescribe forms required
176 to be filed with the department by eligible convention centers.
177 Distributions shall begin 60 days following notification of
178 certification by the Office of Tourism, Trade, and Economic
179 Development pursuant to s. 288.1171. Distributions shall be used
180 solely to encourage and provide economic development for the
181 attraction, recruitment, and retention of corporate headquarters
182 and of high-technology, manufacturing, research and development,
183 entertainment, and tourism industries as designated by the unit
184 of local government by resolution of its governing body, and to
185 assist the eligible convention centers to attract more business
186 and expand their offerings, including developing their own
187 events and shows. This sub-subparagraph is repealed effective
188 June 30, 2008.

189 8. All other proceeds shall remain with the General
190 Revenue Fund.

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191 Section 2. Section 288.1171, Florida Statutes, is created
192 to read:

193 288.1171 Convention centers owned by units of local
194 government; certification as owning eligible convention centers;
195 duties.--

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

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

204 (3) As used in this section, the term "eligible convention
205 center" means a publicly owned facility having exhibition space
206 in excess of 30,000 square feet, the primary function of which
207 is to host meetings, conventions, or trade shows.

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

211 (a) The unit of local government, as defined in s.
212 218.369, owns an eligible convention center.

213 (b) The convention center contains more than 30,000 square
214 feet of exhibit space.

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

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

221 (5) Upon certification of an applicant, the Office of
 222 Tourism, Trade, and Economic Development shall notify the
 223 executive director of the Department of Revenue of such
 224 certification by means of an official letter granting
 225 certification. The Department of Revenue shall not begin
 226 distributing proceeds until 60 days following notice by the
 227 Office of Tourism, Trade, and Economic Development that a unit
 228 of local government has been certified as owning an eligible
 229 convention center.

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

233 (7) A unit of local government certified as owning an
 234 eligible convention center may use proceeds provided pursuant to
 235 s. 212.20(6)(d)7.e. solely to encourage and provide economic
 236 development for the attraction, recruitment, and retention of
 237 corporate headquarters and of high-technology, manufacturing,
 238 research and development, entertainment, and tourism industries
 239 as designated by the unit of local government by resolution of
 240 its governing body, and to assist the eligible convention
 241 centers to attract more business and expand their offerings,
 242 including developing their own events and shows.

243 (8) The Auditor General may audit as provided in s. 11.45
 244 to verify that the distributions under this section have been
 245 expended as required by this section. If the Auditor General
 246 determines that the distributions have not been expended as

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247 required by this section, the Auditor General may pursue
248 recovery of such proceeds and the unit of local government shall
249 be further barred from receiving future distributions of
250 proceeds authorized by this section.

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

253 (10) This section is repealed June 30, 2008.

254 Section 3. This act shall take effect July 1, 2005.