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CHAMBER ACTION

1 The Economic Development, Trade & Banking Committee recommends
2 the following:

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4 **Council/Committee Substitute**

5 Remove the entire bill and insert:

6 A bill to be entitled

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

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24 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, 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 former
71 Municipal Financial Assistance Trust Fund in state fiscal year
72 1999-2000, no municipality shall receive less than the amount
73 due from the Revenue Sharing Trust Fund for Municipalities and
74 the former Municipal Financial Assistance Trust Fund in state
75 fiscal year 1999-2000. If the total proceeds to be distributed
76 are less than the amount received in combination from the
77 Revenue Sharing Trust Fund for Municipalities and the former
78 Municipal Financial Assistance Trust Fund in state fiscal year
79 1999-2000, each municipality shall receive an amount

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80 proportionate to the amount it was due in state fiscal year
81 1999-2000.

82 7. Of the remaining proceeds:

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

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

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

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

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

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

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

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164 distribution, the department shall distribute proceeds to each
165 eligible unit of local government using an apportionment factor,
166 the numerator of which is the amount remitted by an eligible
167 convention center and the denominator of which is the total
168 amount remitted by all eligible convention centers. The
169 apportionment factor for each eligible convention center shall
170 be applied to the \$5-million maximum amount authorized for
171 distribution to determine the amount that shall be distributed
172 to each local government unit. The department shall prescribe
173 forms required to be filed with the department by eligible
174 convention centers. Distributions shall begin 60 days following
175 notification of certification by the Office of Tourism, Trade,
176 and Economic Development pursuant to s. 288.1171. Distributions
177 shall be used solely to encourage and provide economic
178 development for the attraction, recruitment, and retention of
179 corporate headquarters and of high-technology, manufacturing,
180 research-and-development, entertainment, and tourism industries
181 as designated by the unit of local government by resolution of
182 its governing body, and to assist the eligible convention
183 centers to attract more business and expand their offerings,
184 including developing their own events and shows. This sub-
185 paragraph is repealed June 30, 2009.

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

188 Section 2. Section 288.1171, Florida Statutes, is created
189 to read:

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190 288.1171 Convention centers owned by units of local
191 government; certification as owning eligible convention centers;
192 duties.--

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

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

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

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

208 (a) The unit of local government, as defined in s.
209 218.369, owns an eligible convention center.

210 (b) The convention center contains more than 60,000 square
211 feet of exhibition space.

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

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

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

227 (6) An applicant previously certified under any provision
228 of this section who has received proceeds under such
229 certification is not eligible for an additional certification.

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

240 (8) Failure to use the proceeds as provided in this
241 section shall be grounds for revoking certification.

242 (9) This section is repealed June 30, 2009.

243 Section 3. This act shall take effect July 1, 2006.