

By the Committees on Government Efficiency Appropriations;
Community Affairs; and Senator Constantine

593-2407-06

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; providing
8 limitations; requiring the Department of
9 Revenue to prescribe certain forms; creating s.
10 288.1171, F.S.; providing for certification of
11 units of local government owning eligible
12 convention centers by the Office of Tourism,
13 Trade, and Economic Development; requiring the
14 office to adopt specified rules; providing a
15 definition; providing requirements for
16 certification; providing for use of proceeds
17 distributed to units of local government under
18 the act; providing for revocation of
19 certification; providing an effective date.

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

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23 Section 1. Paragraph (d) of subsection (6) of section
24 212.20, Florida Statutes, 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 former
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 former Municipal Financial Assistance Trust Fund in state
14 fiscal year 1999-2000. If the total proceeds to be distributed
15 are less than the amount received in combination from the
16 Revenue Sharing Trust Fund for Municipalities and the former
17 Municipal 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 herein defined which are received
24 and collected in the previous month by the department under
25 the provisions of this chapter and are generated by such
26 eligible convention centers and remitted on the sales and use
27 tax returns of eligible convention centers. Proceeds, for this
28 sub-subparagraph, are further defined as all applicable sales
29 taxes collected by an eligible convention center for standard
30 services provided by center staff to users of the center,
31 which include the following: parking, admission, ticket sales,

1 food services, utilities services, space rentals, equipment
2 rentals, security services, decorating services, business
3 services, advertising services, communications services,
4 exhibit supply sales and rentals, locksmith services, and
5 sales of gifts and sundries. The total distribution to each
6 unit of local government shall not exceed \$1 million per state
7 fiscal year. However, total distributions to all units of
8 local government shall not exceed \$5 million per state fiscal
9 year, and such distribution shall be limited exclusively to
10 the taxes collected and remitted under the provisions of this
11 chapter. If collections and remittances of eligible convention
12 centers exceed the \$5 million maximum amount authorized for
13 distribution, the department shall distribute proceeds to each
14 eligible unit of local government using an apportionment
15 factor, the numerator of which is the amount remitted by an
16 eligible convention center and the denominator is the total
17 amount remitted by all eligible convention centers. The
18 apportionment factor for each eligible convention center shall
19 be applied to the \$5 million maximum amount authorized for
20 distribution to determine the amount that shall be distributed
21 to each local government unit. The department shall prescribe
22 forms required to be filed with the department by eligible
23 convention centers. Distributions shall begin 60 days
24 following notification of certification by the Office of
25 Tourism, Trade, and Economic Development pursuant to s.
26 288.1171. Distributions shall be used solely to encourage and
27 provide economic development for the attraction, recruitment,
28 and retention of corporate headquarters and of
29 high-technology, manufacturing, research and development,
30 entertainment, and tourism industries as designated by the
31 unit of local government by resolution of its governing body,

1 and to assist the eligible convention centers to attract more
2 business and expand their offerings, including developing
3 their own events and shows. Distributions may not be used to
4 encourage or otherwise provide incentives or payments to
5 existing businesses with offices within this state to relocate
6 those offices to another location within this state. This
7 sub-subparagraph is repealed effective June 30, 2009.

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

10 Section 2. Section 288.1171, Florida Statutes, is
11 created to read:

12 288.1171 Convention centers owned by units of local
13 government; certification as owning eligible convention
14 centers; duties.--

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

20 (2) The Office of Tourism, Trade, and Economic
21 Development shall adopt rules pursuant to ss. 120.536(1) and
22 120.54 for the receipt and processing of applications for
23 funding pursuant to s. 212.20(6)(d)7.e.

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

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

1 (a) The unit of local government, as defined in s.
2 218.369, owns an eligible convention center.

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

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

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

11 (5) Upon certification of an applicant, the Office of
12 Tourism, Trade, and Economic Development shall notify the
13 executive director of the Department of Revenue of such
14 certification by means of an official letter granting
15 certification. The Department of Revenue shall not begin
16 distributing proceeds until 60 days following notice by the
17 Office of Tourism, Trade, and Economic Development that a unit
18 of local government has been certified as owning an eligible
19 convention center.

20 (6) An applicant previously certified under any
21 provision of this section who has received proceeds under such
22 certification is ineligible for an additional certification.

23 (7) A unit of local government certified as owning an
24 eligible convention center may use proceeds provided pursuant
25 to s. 212.20(6)(d)7.e. solely to encourage and provide
26 economic development for the attraction, recruitment, and
27 retention of corporate headquarters and of high-technology,
28 manufacturing, research and development, entertainment, and
29 tourism industries, as designated by the unit of local
30 government by resolution of its governing body, and to assist
31 the eligible convention centers to attract more business and

1 expand their offerings, including developing their own events
2 and shows.

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

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

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

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8 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
9 COMMITTEE SUBSTITUTE FOR
10 CS/SB 350

11 For purposes of qualifying for the sales tax distribution, the
12 committee substitute changes the definition of an "eligible
13 convention center," to decrease the required exhibition space
14 square footage from 60,000 to 30,000.

15 The committee substitute also provides that sales tax
16 distributions to qualified convention centers may not be used
17 to encourage or otherwise provide incentives to existing
18 businesses with offices in Florida to relocate those offices
19 to another location in Florida.
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