

By Senator Diaz de la Portilla

36-101A-06

1 A bill to be entitled

2 An act relating to commercial development and

3 capital improvements; amending s. 212.20, F.S.;

4 providing for distribution of a portion of

5 revenues from the tax on sales, use, and other

6 transactions to a motorsports entertainment

7 complex; providing a limit on such

8 distributions; creating s. 288.1171, F.S.;

9 providing definitions; providing for the

10 certification of such a facility by the Office

11 of Tourism, Trade, and Economic Development of

12 the Executive Office of the Governor; providing

13 requirements for certification; requiring

14 specified notice; providing for annual

15 recertification; providing for use of the funds

16 distributed to a motorsports entertainment

17 complex; providing for audits by the Department

18 of Revenue; providing an effective date.

19

20 WHEREAS, the Legislature finds that Florida has long

21 been the preeminent site in the nation for motorsports racing,

22 and

23 WHEREAS, motorsports racing has been a major tourist

24 attraction in Florida for nearly 100 years, and

25 WHEREAS, motorsports entertainment is the

26 fastest-growing sports industry in the United States, and

27 WHEREAS, as a result of the increased popularity of

28 motorsports racing, many new motorsports facilities are being

29 constructed in other states, and

30 WHEREAS, to continue to attract spectators to

31 sanctioned championship motorsports events, the owner or

1 operator of a motorsports entertainment complex must build
2 additional spectator seating and renovate existing facilities
3 to improve the amenities available to spectators, and

4 WHEREAS, attracting, retaining, and providing favorable
5 conditions for conducting sanctioned championship motorsports
6 events and the continued development of the motorsports
7 entertainment industry in Florida provides skilled-employment
8 opportunities for citizens of this state, and

9 WHEREAS, continued development and improvement of
10 Florida's motorsports entertainment industry is vital to
11 Florida's tourism industry and to state revenues, and

12 WHEREAS, the motorsports entertainment industry is a
13 major contributor to Florida's economic development because of
14 the technology and service businesses that provide goods and
15 services to the industry, and

16 WHEREAS, the provisions of this act are necessary to
17 protect and strengthen Florida's motorsports entertainment
18 industry, and the purposes to be achieved by this act are
19 predominately public purposes vital to the protection and
20 improvement of Florida's economy, NOW, THEREFORE,

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

23
24 Section 1. Paragraph (d) of subsection (6) of section
25 212.20, Florida Statutes, is amended to read:

26 212.20 Funds collected, disposition; additional powers
27 of department; operational expense; refund of taxes
28 adjudicated unconstitutionally collected.--

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

31

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
12 specifically is in lieu of funds distributed under s. 550.135
13 prior to July 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. Beginning 30 days after notice by the Office of
21 Tourism, Trade, and Economic Development to the Department of
22 Revenue that the applicant has been certified as a motorsports
23 entertainment complex pursuant to s. 288.1170 and is open to
24 the public, an amount not to exceed \$166,667 shall be
25 distributed monthly to the applicant. However, each fiscal
26 year's total distribution made under this sub-subparagraph may
27 not exceed the difference between the state sales taxes
28 collected and remitted under this chapter by the facility in
29 the previous calendar year and those collected and remitted in
30 calendar year 2000. Distributions must continue for 30 years.
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1 8. All other proceeds shall remain with the General
2 Revenue Fund.

3 Section 2. Section 288.1171, Florida Statutes, is
4 created to read:

5 288.1171 Motorsports entertainment complex;
6 definitions; certification; duties.--

7 (1) As used in this section, the term:

8 (a) "Applicant" means the owner of a motorsports
9 entertainment complex.

10 (b) "Motorsports entertainment complex" means a
11 closed-course racing facility, with ancillary grounds and
12 facilities, which:

13 1. Has not fewer than 65,000 permanent seats for race
14 patrons.

15 2. Has not fewer than 7 scheduled days of motorsports
16 events each calendar year.

17 3. Has paid admissions of at least 125,000 annually.

18 4. Serves food at the facility during sanctioned
19 motorsports races.

20 5. Engages in tourism promotion.

21 (c) "Motorsports event" means a motorsports race and
22 its ancillary activities, which have been sanctioned by a
23 sanctioning body.

24 (d) "Office" means the Office of Tourism, Trade, and
25 Economic Development of the Executive Office of the Governor.

26 (e) "Owner" means a unit of local government which
27 owns a motorsports entertainment complex or owns the land on
28 which the motorsports entertainment complex is located.

29 (f) "Sanctioning body" means the American Motorcycle
30 Association (AMA), Championship Auto Racing Teams (CART),
31 Grand American Road Racing Association (Grand Am), Indy Racing

1 League (IRL), National Association for Stock Car Auto Racing
2 (NASCAR), National Hot Rod Association (NHRA), Professional
3 Sportscar Racing (PSR), Sports Car Club of America (SCCA),
4 United States Auto Club (USAC), or any successor organization,
5 or any other nationally recognized governing body of
6 motorsports which establishes an annual schedule of
7 motorsports events and grants rights to conduct such events,
8 has established and administers rules and regulations
9 governing all participants involved in such events and all
10 persons conducting such events, and requires certain liability
11 assurances, including insurance.

12 (g) "Unit of local government" has the meaning
13 ascribed in s. 218.369.

14 (2) The Office of Tourism, Trade, and Economic
15 Development shall serve as the state agency for screening
16 applicants for state funding under s. 212.20 and for
17 certifying an applicant as a motorsports entertainment
18 complex. The office shall develop and adopt rules for the
19 receipt and processing of applications for funding under s.
20 212.20. The office shall make a determination regarding any
21 application filed by an applicant not later than 120 days
22 after the application is filed.

23 (3) Before certifying an applicant as a motorsports
24 entertainment complex, the office must determine that:

25 (a) A unit of local government holds title to the land
26 on which the motorsports entertainment complex is located or
27 holds title to the motorsports entertainment complex.

28 (b) Seven scheduled days of motorsports events were
29 held at the motorsports entertainment complex in the most
30 recently completed calendar year or 7 scheduled days of
31 motorsports events are scheduled to be held at the motorsports

1 entertainment complex in the calendar year that begins after
2 the submission of the application. The applicant shall submit
3 certifications from the appropriate officials of the relevant
4 sanctioning bodies that such sanctioned motorsports events
5 were or will be held at the motorsports entertainment complex.

6 (c) The applicant can provide a certification by a
7 nationally recognized, independent certified public accounting
8 firm that the motorsports entertainment complex will attract,
9 or in the most recently completed calendar year has attracted,
10 paid attendance of at least 125,000 annually.

11 (d) The applicant can provide a certification by a
12 nationally recognized, independent certified public accounting
13 firm that the amount of the revenues generated by the taxes
14 imposed under chapter 212 with respect to the use and
15 operation of the motorsports entertainment complex will equal
16 or exceed \$1 million annually.

17 (e) The municipality in which the motorsports
18 entertainment complex is located, or the county if the
19 motorsports entertainment complex is located in an
20 unincorporated area, has certified by resolution after a
21 public hearing that the application serves a public purpose.

22 (f) The motorsports entertainment complex is located
23 in a county defined in s. 125.011(1).

24 (4) Upon determining that an applicant meets the
25 requirements of subsection (3), the office shall notify the
26 applicant and the executive director of the Department of
27 Revenue of such certification by means of an official letter
28 granting certification. If the applicant fails to meet the
29 certification requirements of subsection (3), the office shall
30 notify the applicant not later than 10 days following such
31 determination.

1 (5) The office must recertify each year that the
2 motorsports entertainment complex continues to generate
3 sufficient sales tax revenues annually as required pursuant to
4 paragraph (3)(d).

5 (6) A motorsports entertainment complex that has been
6 previously certified under this section and has received
7 funding under such certification is ineligible for any
8 additional certification.

9 (7) An applicant certified as a motorsports
10 entertainment complex may use funds provided pursuant to s.
11 212.20 only for the following public purposes:

12 (a) Paying for the construction, reconstruction,
13 expansion, or renovation of a motorsports entertainment
14 complex.

15 (b) Paying debt service reserve funds, arbitrage
16 rebate obligations, or other amounts payable with respect to
17 bonds issued for the construction, reconstruction, expansion,
18 or renovation of the motorsports entertainment complex or for
19 the reimbursement of such costs or the refinancing of bonds
20 issued for such purposes.

21 (c) Paying for construction, reconstruction,
22 expansion, or renovation of transportation or other
23 infrastructure improvements related to, necessary for, or
24 appurtenant to the motorsports entertainment complex,
25 including, without limitation, paying debt service reserve
26 funds, arbitrage rebate obligations, or other amounts payable
27 with respect to bonds issued for the construction,
28 reconstruction, expansion, or renovation of such
29 transportation or other infrastructure improvements, and for
30 the reimbursement of such costs or the refinancing of bonds
31 issued for such purposes.

1 (d) Paying for programs of advertising and promotion
2 of or related to the motorsports entertainment complex or the
3 municipality in which the motorsports entertainment complex is
4 located, or the county if the motorsports entertainment
5 complex is located in an unincorporated area, if such programs
6 of advertising and promotion are designed to increase paid
7 attendance at the motorsports entertainment complex or
8 increase tourism in or promote the economic development of the
9 community in which the motorsports entertainment complex is
10 located.

11 (8) The Department of Revenue may audit, as provided
12 in s. 213.34, to verify that the distributions pursuant to
13 this section have been expended as required in this section.
14 Such information is subject to the confidentiality
15 requirements of chapter 213. If the Department of Revenue
16 determines that the distributions pursuant to this section
17 have not been expended as required by this section, it may
18 pursue recovery of such funds pursuant to the laws and rules
19 governing the assessment of taxes.

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

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23 SENATE SUMMARY

24 Provides for the distribution of a portion of revenues
25 from the tax on sales, use, and other transactions to a
26 motorsports entertainment complex. Provides limitations
27 on the amount of such distributions. Defines terms,
28 including "motorsports entertainment complex" and
29 "motorsports event." Provides for the Office of Tourism,
30 Trade, and Economic Development to certify such a
31 facility. Provides requirements for certification.
 Requires specified notice. Provides for annual
 recertification. Provides for the uses of funds
 distributed to a motorsports entertainment complex.
 Provides for audits by the Department of Revenue.