

By the Committee on Commerce and Consumer Services; and  
Senator Diaz de la Portilla

577-2061-06

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 use of the

15          funds distributed to a motorsports

16          entertainment complex; providing for audits by

17          the Department of Revenue; providing an

18          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:

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 state  
26 fiscal year's total distribution made under this  
27 sub-subparagraph may not exceed the difference between the  
28 state sales taxes collected and remitted under this chapter by  
29 the certified applicant in the previous calendar year and  
30 those collected and remitted in calendar year 2000.  
31 Distributions must continue for 30 years.

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 events.

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) A motorsports entertainment complex that has been  
2 previously certified under this section and has received  
3 funding under such certification is ineligible for any  
4 additional certification.

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

8           (a) Paying for the construction, reconstruction,  
9 expansion, or renovation of a motorsports entertainment  
10 complex.

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

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

28           (d) Paying for programs of advertising and promotion  
29 of or related to the motorsports entertainment complex or the  
30 municipality in which the motorsports entertainment complex is  
31 located, or the county if the motorsports entertainment

1 complex is located in an unincorporated area, if such programs  
2 of advertising and promotion are designed to increase paid  
3 attendance at the motorsports entertainment complex or  
4 increase tourism in or promote the economic development of the  
5 community in which the motorsports entertainment complex is  
6 located.

7 (7) The Department of Revenue may audit, as provided  
8 in s. 213.34, to verify that the distributions pursuant to  
9 this section have been expended as required in this section.

10 Such information is subject to the confidentiality  
11 requirements of chapter 213. If the Department of Revenue  
12 determines that the distributions pursuant to certification  
13 under this section have not been expended as required by this  
14 section, it may pursue recovery of such funds pursuant to the  
15 laws and rules governing the assessment of taxes.

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

17  
18 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
19 COMMITTEE SUBSTITUTE FOR  
20 Senate Bill 494

21 The committee substitute differs from the bill in that it does  
22 not require the Office of Tourism, Trade, and Economic  
23 Development to annually recertify the motorsports complex and  
24 verify that it continues to generate at least \$1 million in  
25 sales tax revenue annually.  
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