

By the Committee on Transportation and Economic Development
Appropriations

606-765A-07

1 A bill to be entitled
2 An act relating to professional sports
3 franchise facilities; creating s. 288.11635,
4 F.S.; requiring the Office of Tourism, Trade,
5 and Economic Development to screen applicants
6 for state funding under s. 212.20(6)(d)7.c. and
7 certify a facility as eligible for funding as a
8 facility for a professional sports franchise;
9 defining terms; requiring the office to adopt
10 rules; providing prerequisites for
11 certification; prohibiting a facility from
12 receiving more than one certification for any
13 professional sports franchise; restricting the
14 use of funds; providing limitations on
15 certifications; authorizing the Department of
16 Revenue to conduct audits in order to verify
17 that funds have been expended as required and
18 to pursue recovery of inappropriately expended
19 funds; amending s. 212.20, F.S.; providing for
20 the amounts to be distributed to certified
21 facilities under the act; providing a timeframe
22 for such distributions; amending s. 288.1169,
23 F.S., relating to the International Game Fish
24 Association World Center; conforming a
25 cross-reference; providing an effective date.

26
27 Be It Enacted by the Legislature of the State of Florida:

28
29 Section 1. Section 288.11635, Florida Statutes, is
30 created to read:

31 288.11635 Professional sports franchise guarantees.--

1 (1) The Office of Tourism, Trade, and Economic
2 Development shall serve as the state agency for screening
3 applicants for state funding pursuant to s. 212.20(6)(d)7.c.
4 and for certifying an applicant as a facility for a
5 professional sports franchise which is eligible for funding
6 pursuant to s. 212.20(6)(d)7.c.

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

8 (a) "Force majeure event" means a flood, fire or other
9 casualty, war, revolution, civil commotion, an act of a public
10 enemy, embargo, act of government in its sovereign capacity,
11 or labor difficulty, including without limitation, a strike,
12 lockout, or any circumstance beyond the reasonable control of
13 the professional sports franchise affected.

14 (b) "League" has the same meaning as provided in s.
15 288.1162.

16 (c) "Professional sports franchise" means a franchise
17 in the National League or the American League of Major League
18 Baseball, the National Basketball Association, the National
19 Football League, or the National Hockey League.

20 (d) "Unit of local government" has the same meaning as
21 provided in s. 218.369.

22 (3) The Office of Tourism, Trade, and Economic
23 Development shall adopt rules for the receipt and processing
24 of applications for funding pursuant to s. 212.20(6)(d)7.c.

25 (4) Before certifying an applicant as a facility for a
26 professional sports franchise which is eligible for funding
27 pursuant to s. 212.20(6)(d)7.c., the Office of Tourism, Trade,
28 and Economic Development must determine that:

29 (a) A unit of local government is responsible for the
30 construction, maintenance, or operation of the professional
31 sports franchise facility or holds title to or a leasehold

1 interest in the property on which the professional sports
2 franchise facility will be located and the person filing on
3 behalf of the applicant is or will be the owner or operator of
4 the professional sports franchise facility.

5 (b) The applicant has a verified copy of the approval
6 from the governing authority of the league in which the
7 professional sports franchise exists or verified evidence that
8 it had a league-authorized location in this state on or before
9 July 1, 2007.

10 (c) The applicant has projections, verified by the
11 Office of Tourism, Trade, and Economic Development, which
12 demonstrate that the professional sports franchise will
13 attract a paid attendance of more than 300,000 annually.

14 (d) The applicant has an independent analysis or
15 study, verified by the Office of Tourism, Trade, and Economic
16 Development, which demonstrates that the amount of the
17 revenues generated by the taxes imposed under chapter 212 with
18 respect to the use and operation of the professional sports
19 franchise facility will equal or exceed \$4 million annually,
20 except that if the professional sports franchise that served
21 as an applicant's basis for certification under this section
22 did not serve as the applicant's basis for certification under
23 s. 288.1162, the verified analysis or study must demonstrate
24 that the amount of such tax revenues will equal or exceed \$2
25 million annually.

26 (e) The municipality or county in which the facility
27 for a professional sports franchise is located has certified
28 by resolution after a public hearing that the application
29 serves a public purpose.

30 (f) The Office of Tourism, Trade, and Economic
31 Development has received a signed agreement for the benefit of

1 and enforceable by the Department of Revenue from the
2 applicant or current owner of the professional sports
3 franchise that formed the basis for the applicant's
4 certification pursuant to this section which guarantees that,
5 if the professional sports franchise ceases playing at least
6 90 percent of its home games in this state, including
7 preseason, regular season, and postseason games, unless the
8 cessation is a result of a force majeure event, the guarantor
9 will pay the Department of Revenue each year thereafter the
10 excess, if any, of the amount distributed pursuant to s.
11 212.20(6)(d)7.c. to the applicant under this section during
12 such year and, if the same professional sports franchise also
13 formed the basis for an applicant's certification pursuant to
14 s. 288.1162, the amount distributed pursuant to s.
15 212.20(6)(d)7.b. to the applicant under s. 288.1162 during
16 such year, over the amount of the revenues generated by the
17 taxes imposed under chapter 212 with respect to the use and
18 operation of the certified facility during such year. Within
19 60 days after the professional sports franchise ceases playing
20 at least 90 percent of its home games in this state, the
21 guarantor shall provide the Department of Revenue with an
22 annuity contract issued by a person authorized to issue such
23 contracts in this state that will secure the guarantor's
24 obligation to make the payments provided in this paragraph.
25 The guarantee of the applicant or current owner of the
26 professional sports franchise shall be returned upon
27 substitution of the guarantee of any successor owner of the
28 applicant or professional sports franchise whose ownership has
29 been approved by the governing authority of the league in
30 which the professional sports franchise exists.
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1 (g) The Office of Tourism, Trade, and Economic
2 Development has received evidence that one or more of the
3 municipality in which the facility for a professional sports
4 franchise is located, the county in which the facility for a
5 professional sports franchise is located, or the applicant and
6 the owner of the professional sports franchise that has served
7 as an applicant's basis for certification under this section
8 or its affiliates have previously contributed funds, or are
9 contractually committed to contribute funds during the next 30
10 years, for the construction or improvement of the facility for
11 a professional sports franchise which, in the aggregate,
12 equals or exceeds \$60 million.

13 (h) The professional sports franchise does not form
14 the basis for any other facility certified under this section
15 for funding pursuant to s. 212.20(6)(d)7.c.

16 (5) An applicant certified as a facility for a
17 professional sports franchise which is certified for funding
18 pursuant to s. 212.20(6)(d)7.c. may use funds provided
19 pursuant to that sub-subparagraph only:

20 (a) For the public purpose of paying for the
21 acquisition, construction, reconstruction, renovation, capital
22 improvement, or maintenance of the facility for a professional
23 sports franchise or any ancillary facilities that support the
24 operations of any such facility, such as parking structures;
25 convention facilities and meeting rooms; retail and concession
26 space; health, fitness, and training facilities; and youth and
27 amateur sports facilities;

28 (b) To pay or pledge for the payment of debt service
29 on, or fund debt service reserve funds, arbitrage rebate
30 obligations, or other amounts payable with respect to, bonds
31 or other indebtedness issued for the acquisition,

1 construction, reconstruction, renovation, or capital
2 improvement of the facility for a professional sports
3 franchise or ancillary facilities; or

4 (c) For reimbursement of costs for the refinancing of
5 bonds or other indebtedness, including the payment of any
6 interest and prepayment premium or penalty thereon, issued for
7 the acquisition, construction, reconstruction, renovation, or
8 capital improvement of the facility for a professional sports
9 franchise or ancillary facilities.

10 (6) The Office of Tourism, Trade, and Economic
11 Development shall notify the Department of Revenue of any
12 facility certified as a facility for a professional sports
13 franchise which is eligible for funding pursuant to s.
14 212.20(6)(d)7.c. The Office of Tourism, Trade, and Economic
15 Development may not certify under this section more than nine
16 facilities as facilities for a professional sports franchise
17 which are eligible for funding pursuant to s. 212.20(6)(d)7.c.

18 (7) The Department of Revenue may conduct audits as
19 provided in s. 213.34 to verify that the distributions made
20 under this section have been expended as required in this
21 section. Such information is subject to the confidentiality
22 requirements of chapter 213. If the Department of Revenue
23 determines that the distributions made under this section have
24 not been expended as required by this section, it may pursue
25 recovery of the funds pursuant to the laws and rules governing
26 the assessment of taxes.

27 Section 2. Paragraph (d) of subsection (6) of section
28 212.20, Florida Statutes, is amended to read:

29 212.20 Funds collected, disposition; additional powers
30 of department; operational expense; refund of taxes
31 adjudicated unconstitutionally collected.--

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

3 (d) The proceeds of all other taxes and fees imposed
4 pursuant to this chapter or remitted pursuant to s.
5 202.18(1)(b) and (2)(b) shall be distributed as follows:

6 1. In any fiscal year, the greater of \$500 million,
7 minus an amount equal to 4.6 percent of the proceeds of the
8 taxes collected pursuant to chapter 201, or 5 percent of all
9 other taxes and fees imposed pursuant to this chapter or
10 remitted pursuant to s. 202.18(1)(b) and (2)(b) shall be
11 deposited in monthly installments into the General Revenue
12 Fund.

13 2. Two-tenths of one percent shall be transferred to
14 the Ecosystem Management and Restoration Trust Fund to be used
15 for water quality improvement and water restoration projects.

16 3. After the distribution under subparagraphs 1. and
17 2., 8.814 percent of the amount remitted by a sales tax dealer
18 located within a participating county pursuant to s. 218.61
19 shall be transferred into the Local Government Half-cent Sales
20 Tax Clearing Trust Fund. Beginning July 1, 2003, the amount to
21 be transferred pursuant to this subparagraph to the Local
22 Government Half-cent Sales Tax Clearing Trust Fund shall be
23 reduced by 0.1 percent, and the department shall distribute
24 this amount to the Public Employees Relations Commission Trust
25 Fund less \$5,000 each month, which shall be added to the
26 amount calculated in subparagraph 4. and distributed
27 accordingly.

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

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

5 6. After the distributions under subparagraphs 1., 2.,
6 3., and 4., 1.3409 percent of the available proceeds pursuant
7 to this paragraph shall be transferred monthly to the Revenue
8 Sharing Trust Fund for Municipalities pursuant to s. 218.215.

9 If the total revenue to be distributed pursuant to this
10 subparagraph is at least as great as the amount due from the
11 Revenue Sharing Trust Fund for Municipalities and the former
12 Municipal Financial Assistance Trust Fund in state fiscal year
13 1999-2000, no municipality shall receive less than the amount
14 due from the Revenue Sharing Trust Fund for Municipalities and
15 the former Municipal Financial Assistance Trust Fund in state
16 fiscal year 1999-2000. If the total proceeds to be distributed
17 are less than the amount received in combination from the
18 Revenue Sharing Trust Fund for Municipalities and the former
19 Municipal Financial Assistance Trust Fund in state fiscal year
20 1999-2000, each municipality shall receive an amount
21 proportionate to the amount it was due in state fiscal year
22 1999-2000.

23 7. Of the remaining proceeds:

24 a. In each fiscal year, the sum of \$29,915,500 shall
25 be divided into as many equal parts as there are counties in
26 the state, and one part shall be distributed to each county.
27 The distribution among the several counties shall begin each
28 fiscal year on or before January 5th and shall continue
29 monthly for a total of 4 months. If a local or special law
30 required that any moneys accruing to a county in fiscal year
31 1999-2000 under the then-existing provisions of s. 550.135 be

1 | paid directly to the district school board, special district,
2 | or a municipal government, such payment shall continue until
3 | such time that the local or special law is amended or
4 | repealed. The state covenants with holders of bonds or other
5 | instruments of indebtedness issued by local governments,
6 | special districts, or district school boards prior to July 1,
7 | 2000, that it is not the intent of this subparagraph to
8 | adversely affect the rights of those holders or relieve local
9 | governments, special districts, or district school boards of
10 | the duty to meet their obligations as a result of previous
11 | pledges or assignments or trusts entered into which obligated
12 | funds received from the distribution to county governments
13 | under then-existing s. 550.135. This distribution
14 | specifically is in lieu of funds distributed under s. 550.135
15 | prior to July 1, 2000.

16 | b. The department shall distribute \$166,667 monthly
17 | pursuant to s. 288.1162 to each applicant that has been
18 | certified as a "facility for a new professional sports
19 | franchise" or a "facility for a retained professional sports
20 | franchise" pursuant to s. 288.1162. Up to \$41,667 shall be
21 | distributed monthly by the department to each applicant that
22 | has been certified as a "facility for a retained spring
23 | training franchise" pursuant to s. 288.1162; however, not more
24 | than \$416,670 may be distributed monthly in the aggregate to
25 | all certified facilities for a retained spring training
26 | franchise. Distributions shall begin 60 days following such
27 | certification and shall continue for not more than 30 years.
28 | Nothing contained in this paragraph shall be construed to
29 | allow an applicant certified pursuant to s. 288.1162 to
30 | receive more in distributions than actually expended by the
31 |

1 applicant for the public purposes provided for in s.
2 288.1162(6).

3 c. The department shall distribute \$166,667 monthly
4 pursuant to s. 288.11635 to each applicant that has been
5 certified pursuant to s. 288.11635. Distributions must begin
6 60 days after such certification and must continue for not
7 more than 30 years. This sub-subparagraph does not allow an
8 applicant certified under s. 288.11635 to receive more in
9 distributions than the applicant actually expended for the
10 public purposes provided for in s. 288.11635(5).

11 ~~d.e.~~ Beginning 30 days after notice by the Office of
12 Tourism, Trade, and Economic Development to the Department of
13 Revenue that an applicant has been certified as the
14 professional golf hall of fame pursuant to s. 288.1168 and is
15 open to the public, \$166,667 shall be distributed monthly, for
16 up to 300 months, to the applicant.

17 ~~e.d.~~ Beginning 30 days after notice by the Office of
18 Tourism, Trade, and Economic Development to the Department of
19 Revenue that the applicant has been certified as the
20 International Game Fish Association World Center facility
21 pursuant to s. 288.1169, and the facility is open to the
22 public, \$83,333 shall be distributed monthly, for up to 168
23 months, to the applicant. This distribution is subject to
24 reduction pursuant to s. 288.1169. A lump sum payment of
25 \$999,996 shall be made, after certification and before July 1,
26 2000.

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

29 Section 3. Subsection (6) of section 288.1169, Florida
30 Statutes, is amended to read:

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1 288.1169 International Game Fish Association World
2 Center facility.--

3 (6) The Department of Commerce must recertify every 10
4 years that the facility is open, that the International Game
5 Fish Association World Center continues to be the only
6 international administrative headquarters, fishing museum, and
7 Hall of Fame in the United States recognized by the
8 International Game Fish Association, and that the project is
9 meeting the minimum projections for attendance or sales tax
10 revenues as required at the time of original certification.
11 If the facility is not recertified during this 10-year review
12 as meeting the minimum projections, then funding will be
13 abated until certification criteria are met. If the project
14 fails to generate \$1 million of annual revenues pursuant to
15 paragraph (2)(e), the distribution of revenues pursuant to s.
16 212.20(6)(d)7.e. ~~s. 212.20(6)(d)7.d.~~ shall be reduced to an
17 amount equal to \$83,333 multiplied by a fraction, the
18 numerator of which is the actual revenues generated and the
19 denominator of which is \$1 million. Such reduction shall
20 remain in effect until revenues generated by the project in a
21 12-month period equal or exceed \$1 million.

22 Section 4. This act shall take effect upon becoming a
23 law.

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SENATE SUMMARY

Requires the Office of Tourism, Trade, and Economic Development to screen applicants for state funding as a facility for a professional sports franchise. Requires that the office adopt rules. Provides prerequisites for certification as a facility for a professional sports franchise. Prohibits a facility from receiving more than one certification. Authorizes the Department of Revenue to conduct audits in order to verify that funds have been expended as required and to pursue recovery of inappropriately expended funds. Specifies the amounts to be distributed to certified facilities. Provides a period for such distributions.