

FOR CONSIDERATION By the Committee on Transportation and Economic Development Appropriations

606-765-07

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, within 60 days
9 thereafter the guarantor will provide to the Department of
10 Revenue an annuity contract issued by a person authorized to
11 issue such contracts in this state which will pay the
12 Department of Revenue each year thereafter 125 percent of the
13 amount distributed pursuant to s. 212.20(6)(d)7.c. to the
14 applicant under this section during such year or, if the same
15 professional sports franchise also formed the basis for an
16 applicant's certification pursuant to s. 288.1162, 125 percent
17 of the amount distributed pursuant to s. 212.20(6)(d)7.b. to
18 the applicant under s. 288.1162 during such year. The
19 guarantee of the current owner of the professional sports
20 franchise shall be returned upon substitution of the guarantee
21 of any successor owner of the professional sports franchise
22 whose ownership has been approved by the governing authority
23 of the league in which the professional sports franchise
24 exists.

25 (g) The Office of Tourism, Trade, and Economic
26 Development has received evidence that one or more of the
27 municipalities in or near which the facility for a
28 professional sports franchise is located, the county in which
29 the facility for a professional sports franchise is located,
30 the applicant, and the owner of the professional sports
31 franchise that has served as an applicant's basis for

1 certification under this section or its affiliates have
2 previously contributed funds, or are contractually committed
3 to contribute funds during the next 30 years, for the
4 construction or improvement of the facility for a professional
5 sports franchise which, in the aggregate, equals or exceeds
6 \$60 million.

7
8 A professional sports franchise may form the basis for only
9 one facility certified under this section for funding pursuant
10 to s. 212.20(6)(d)7.c.

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

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

23 (b) To pay or pledge for the payment of debt service
24 on, or fund debt service reserve funds, arbitrage rebate
25 obligations, or other amounts payable with respect to, bonds
26 or other indebtedness issued for the acquisition,
27 construction, reconstruction, renovation, or capital
28 improvement of the facility for a professional sports
29 franchise or ancillary facilities; or

30 (c) For reimbursement of costs for the refinancing of
31 bonds or other indebtedness, including the payment of any

1 interest and prepayment premium or penalty thereon, issued for
2 the acquisition, construction, reconstruction, renovation, or
3 capital improvement of the facility for a professional sports
4 franchise or ancillary facilities.

5 (6) The Office of Tourism, Trade, and Economic
6 Development shall notify the Department of Revenue of any
7 facility certified as a facility for a professional sports
8 franchise which is eligible for funding pursuant to s.
9 212.20(6)(d)7.c. The Office of Tourism, Trade, and Economic
10 Development may not certify under this section more than nine
11 facilities as facilities for a professional sports franchise
12 which are eligible for funding pursuant to s. 212.20(6)(d)7.c.

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

22 Section 2. Paragraph (d) of subsection (6) of section
23 212.20, Florida Statutes, is amended to read:

24 212.20 Funds collected, disposition; additional powers
25 of department; operational expense; refund of taxes
26 adjudicated unconstitutionally collected.--

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

29 (d) The proceeds of all other taxes and fees imposed
30 pursuant to this chapter or remitted pursuant to s.
31 202.18(1)(b) and (2)(b) shall be distributed as follows:

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

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

11 3. After the distribution under subparagraphs 1. and
12 2., 8.814 percent of the amount remitted by a sales tax dealer
13 located within a participating county pursuant to s. 218.61
14 shall be transferred into the Local Government Half-cent Sales
15 Tax Clearing Trust Fund. Beginning July 1, 2003, the amount to
16 be transferred pursuant to this subparagraph to the Local
17 Government Half-cent Sales Tax Clearing Trust Fund shall be
18 reduced by 0.1 percent, and the department shall distribute
19 this amount to the Public Employees Relations Commission Trust
20 Fund less \$5,000 each month, which shall be added to the
21 amount calculated in subparagraph 4. and distributed
22 accordingly.

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

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

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1 6. After the distributions under subparagraphs 1., 2.,
2 3., and 4., 1.3409 percent of the available proceeds pursuant
3 to this paragraph shall be transferred monthly to the Revenue
4 Sharing Trust Fund for Municipalities pursuant to s. 218.215.
5 If the total revenue to be distributed pursuant to this
6 subparagraph is at least as great as the amount due from the
7 Revenue Sharing Trust Fund for Municipalities and the former
8 Municipal Financial Assistance Trust Fund in state fiscal year
9 1999-2000, no municipality shall receive less than the amount
10 due from the Revenue Sharing Trust Fund for Municipalities and
11 the former Municipal Financial Assistance Trust Fund in state
12 fiscal year 1999-2000. If the total proceeds to be distributed
13 are less than the amount received in combination from the
14 Revenue Sharing Trust Fund for Municipalities and the former
15 Municipal Financial Assistance Trust Fund in state fiscal year
16 1999-2000, each municipality shall receive an amount
17 proportionate to the amount it was due in state fiscal year
18 1999-2000.

19 7. Of the remaining proceeds:

20 a. In each fiscal year, the sum of \$29,915,500 shall
21 be divided into as many equal parts as there are counties in
22 the state, and one part shall be distributed to each county.
23 The distribution among the several counties shall begin each
24 fiscal year on or before January 5th and shall continue
25 monthly for a total of 4 months. If a local or special law
26 required that any moneys accruing to a county in fiscal year
27 1999-2000 under the then-existing provisions of s. 550.135 be
28 paid directly to the district school board, special district,
29 or a municipal government, such payment shall continue until
30 such time that the local or special law is amended or
31 repealed. The state covenants with holders of bonds or other

1 | instruments of indebtedness issued by local governments,
2 | special districts, or district school boards prior to July 1,
3 | 2000, that it is not the intent of this subparagraph to
4 | adversely affect the rights of those holders or relieve local
5 | governments, special districts, or district school boards of
6 | the duty to meet their obligations as a result of previous
7 | pledges or assignments or trusts entered into which obligated
8 | funds received from the distribution to county governments
9 | under then-existing s. 550.135. This distribution
10 | specifically is in lieu of funds distributed under s. 550.135
11 | prior to July 1, 2000.

12 | b. The department shall distribute \$166,667 monthly
13 | pursuant to s. 288.1162 to each applicant that has been
14 | certified as a "facility for a new professional sports
15 | franchise" or a "facility for a retained professional sports
16 | franchise" pursuant to s. 288.1162. Up to \$41,667 shall be
17 | distributed monthly by the department to each applicant that
18 | has been certified as a "facility for a retained spring
19 | training franchise" pursuant to s. 288.1162; however, not more
20 | than \$416,670 may be distributed monthly in the aggregate to
21 | all certified facilities for a retained spring training
22 | franchise. Distributions shall begin 60 days following such
23 | certification and shall continue for not more than 30 years.
24 | Nothing contained in this paragraph shall be construed to
25 | allow an applicant certified pursuant to s. 288.1162 to
26 | receive more in distributions than actually expended by the
27 | applicant for the public purposes provided for in s.
28 | 288.1162(6).

29 | c. The department shall distribute \$166,667 monthly
30 | pursuant to s. 288.11635 to each applicant that has been
31 | certified pursuant to s. 288.11635. Distributions must begin

1 60 days after such certification and must continue for not
2 more than 30 years. This sub-subparagraph does not allow an
3 applicant certified under s. 288.11635 to receive more in
4 distributions than the applicant actually expended for the
5 public purposes provided for in s. 288.11635(5).

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

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

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

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

26 288.1169 International Game Fish Association World
27 Center facility.--

28 (6) The Department of Commerce must recertify every 10
29 years that the facility is open, that the International Game
30 Fish Association World Center continues to be the only
31 international administrative headquarters, fishing museum, and

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

16 Section 4. This act shall take effect upon becoming a
17 law.

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20 SENATE SUMMARY

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