

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Commerce Committee

BILL: SB 2322

INTRODUCER: Senator Alexander and others

SUBJECT: Sales Tax/International Game Fish Association World Center

DATE: March 19, 2008

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Rogers	Cooper	CM	Favorable
2.			FT	
3.			GA	
4.			TA	
5.				
6.				

I. Summary:

Currently, s. 212.20(6)(d)7.d., F.S., provides for a monthly distribution of \$83,333 to the International Game Fish Association World Center, which is located in Dania Beach. This distribution was limited to a period of 100 months in the original 1996 legislation. In 2000, language was amended to provide for a one-time distribution and to extend the distribution to 168 months (14 years). This bill extends the duration from the current 168 months to 288 months (24 years). This would increase the total amount of tax distributions for this purpose by \$10 million, or \$1 million per year for 10 years.

This bill amends s. 212.20 of the Florida Statutes.

II. Present Situation:

Several incentive programs are available to attract, recruit, and retain businesses in Florida. The majority of the programs are coordinated and administered by the Office of Tourism, Trade, and Economic Development (OTTED) and Enterprise Florida, Inc. (EFI).

Incentives for Tourism and Sports Facilities

Chapter 212, F.S., governs taxes on sales, use, and other transactions. Section 212.20, F.S., governs the distribution of some of those funds collected by the Department of Revenue (DOR). Several provisions within s. 212.20, F.S., provide economic assistance to certain economic sectors.

Since 2000, the International Game Fish Association World Center facility¹ has received funding distributions from DOR. Other examples include facilities for retained spring training franchises;² the Professional Golf Hall of Fame facility;³ and certified facilities for new or retained professional sports franchises.⁴ Recipients receive a fixed monthly distribution of sales tax revenues set by statute for a fixed number of years:

- The International Game Fish Association World Center facility: \$83,333 monthly (\$1 million annually) for up to 14 years, totaling a maximum of \$14 million;
- A facility for a new/retained professional sports franchise: \$166,667 monthly (\$2 million annually) for no more than 30 years, totaling a maximum of \$60 million;
- A facility for a retained spring training franchise: up to \$41,667 monthly (\$500,000 annually) for no more than 30 years, totaling a maximum of \$15 million; and
- The Professional Golf Hall of Fame: \$167,667 monthly (\$2.012 million annually) for up to 25 years, totaling a maximum of \$50 million.

Section 212.20(6)(d)7.d., F.S., provides for a distribution of tax proceeds by the Department of Revenue in the amount of \$83,333 to the certified International Game Fish Association World Center Facility for up to 168 months. This distribution is subject to reduction pursuant to s. 288.1169, F.S. The statute also provided for a lump sum payment of \$999,996 to be distributed after the applicant was certified.

Section 288.1169, F.S., provides for a certification of the International Game Fish Association World Center facility. Prior to the certification, the former Department of Commerce, which is now OTTED and its public/private partners, was required to determine the following:

- The International Game Fish Association World Center is the only fishing museum, Hall of Fame, and international administrative headquarters in the United States recognized by the International Game Fish Association, and that one or more private sector concerns have committed to donate to the International Game Fish Association land upon which the International Game Fish Association World Center will operate.
- International Game Fish Association is a not-for-profit Florida corporation that has contracted to construct and operate the facility.
- The municipality in which the facility is located, or the county if the facility is located in an unincorporated area, has certified by resolution after a public hearing that the facility serves a public purpose.
- There are existing projections that the International Game Fish Association World Center facility and the collocated facilities of private sector concerns will attract an attendance of more than 1.8 million annually.

¹ Section 212.20(6)(d)7.d., F.S., using criteria set out in s. 288.1169(2), F.S.

² Section 212.20(6)(d)7.b., F.S., using criteria set out in s. 288.1162(5), F.S.

³ Section 212.20(6)(d)7.c., F.S., using criteria set out in s. 288.1168(2), F.S.

⁴ Section 212.20(6)(d)7.b., F.S., using criteria set out in s. 288.1162(4), F.S.

- There is an independent analysis or study, using methodology approved by the Department of Revenue, which demonstrates that the amount of the revenues generated by the taxes imposed under ch. 212, F.S., with respect to the use and operation of the project will exceed \$1 million annually.
- There are existing projections that the project will attract more than 300,000 persons annually who are not residents of the state.
- The applicant has submitted an agreement to provide \$500,000 annually in national and international media promotion of the facility, at the then-current commercial rates, during the period of time that the facility receives funds pursuant to s. 212.20, F.S. Failure on the part of the applicant to annually provide the advertising as provided in this paragraph shall result in the termination of the funding as provided in s. 212.20, F.S. The applicant can discharge its obligation under this paragraph by contracting with other persons, including private sector concerns who participate in the project.
- Documentation exists that demonstrates that the applicant has provided, and is capable of providing, or has financial or other commitments to provide, more than one-half of the cost incurred or related to the improvements and the development of the facility.
- The application is signed by senior officials of the International Game Fish Association and is notarized according to Florida law providing for penalties for falsification.

Additionally, the recipient may only use the funds to pay for costs related to the construction, reconstruction, renovation, promotion, or operation of the facility.

Section 288.1169(6), F.S., requires that OTTED recertify the facility every 10 years. The facility is scheduled to be recertified in 2010.

III. Effect of Proposed Changes:

Section 1 amends s. 212.20(6)(d)7.d., F.S., providing that the monthly distribution to the International Game Fish Association World Center will be extended from the current duration of 168 months (14 years) to 288 months (24 years). This increases the total amount of tax distributions for this purpose by \$10 million, or \$1 million per year for 10 years.

Section 2 provides an effective date of July 1, 2008.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

This bill would extend the monthly sales tax distributions to the International Game Fish Association World Center from the current duration of 168 months (14 years) to 288 months (24 years). This would be a loss of up to \$1 million annually to the General Revenue Fund for 10 years, for a maximum of \$10 million.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The Department of Revenue states that this bill creates an insignificant operational impact.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.