

**HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS**

BILL #: HB 231

FINAL HOUSE FLOOR ACTION:

SPONSOR(S): Brodeur

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COMPANION SB 330
BILLS:

GOVERNOR'S ACTION: Approved

SUMMARY ANALYSIS

HB 231 passed the House on April 2, 2014, and subsequently passed the Senate on May 2, 2014. The bill adds the Major League Soccer All-Star Game to the list of events exempted from the sales tax on admissions under s. 212.04, F.S. It also replaces the list of specific NBA All-Star Game-associated events exempted under current law with language that includes all NBA-produced all-star events held at an arena, convention center, municipal facility or other such facility.

The Revenue Estimating Impact Conference met on January 17, 2014 and estimated that this bill would have no revenue impact on state or local government in fiscal year 2014-2015, but would have a negative, indeterminate impact on state and local government revenues thereafter.

The bill was approved by the Governor on May 12, 2014, ch. 2014-29, L.O.F., and will become effective on July 1, 2014.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Present Situation

Professional Sports in Florida

There are nine major professional sports teams based in Florida covering each of the major professional sports leagues; the National Football League (NFL), Major League Baseball (MLB), National Basketball Association (NBA), and National Hockey League (NHL). The oldest major professional sports franchise in the state is the Miami Dolphins (NFL). The Dolphins franchise began play in 1966. The newest major professional sports team in the state is the Tampa Bay Rays (MLB) baseball franchise. The Rays franchise began play in 1998. The Miami Marlins (MLB), Tampa Bay Buccaneers (NFL), Jacksonville Jaguars (NFL), Orlando Magic (NBA), Miami Heat (NBA), Tampa Bay Lightning (NHL), and Florida Panthers (NHL) are all based within the state as well. MLB's Spring Training Grapefruit League is also based in Florida, with 15 teams claiming the state as their second home for preseason training and exhibition games.¹

Beginning in 2015, the state will be home to a tenth major professional sports team when the Orlando City Soccer Club begins play as the 21st Major League Soccer (MLS) franchise.² MLS is the premier professional soccer organization in the United States, having been launched in 1996 and boasting eight franchises currently valued at over \$100 million.³

Florida has hosted the NBA All-Star Game three times, most recently in Orlando in 2012. It hosted the MLS All-Star Game in Orlando in 1998.

Sales Tax on Admissions

Section 212.04, F.S., provides that every person who sells or receives anything of value by way of admissions is exercising a taxable privilege at the rate of six percent. State law provides exemptions to the sales tax on admissions to specified sporting events, including:

- NFL's Pro Bowl or Super Bowl.
- Semifinal or championship games for national collegiate tournaments.
- All-star games of the MLB, NBA, or NHL.
- MLB's Home Run Derby (held in conjunction with the MLB All-Star Game).
- NBA's Rookie Challenge, Celebrity Game, 3-Point Shooting Contest, and Slam Dunk Challenge (held in conjunction with the NBA All-Star Game).

Effect of Proposed Changes

The bill amends s. 212.04, F.S., to add the MLS All-Star Game to the list of events exempted from the sales tax on admissions. The bill also replaces the list of specific NBA all-star events exempted from the tax under current law with language that includes all NBA-produced all-star events held at an arena, convention center, municipal facility or other such facility.

¹ Florida Sports Foundation, *Sports in Florida*

http://www.flasports.com/index.php?option=com_content&view=article&id=97&Itemid=211 (last accessed January 14, 2014).

² Major League Soccer, *Major League Soccer Names Orlando City SC as 21st Franchise, Set for 2015 Debut*, November 19, 2013; <http://www.mlssoccer.com/news/article/2013/11/19/major-league-soccer-names-orlando-city-21st-franchise-set-2015-debut> (last accessed January, 2014).

³ Forbes, *Major League Soccer's Most Valuable Teams* November 20, 2013;

<http://www.forbes.com/sites/chris-smith/2013/11/20/major-league-soccer-s-most-valuable-teams/> (last accessed January 14, 2014).

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Revenue Estimating Impact Conference met on January 17, 2014, and estimated that this bill would have no revenue impact on state revenues in fiscal year 2014-2015, but would have a negative, indeterminate impact on General Revenue and state trust funds thereafter.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The Revenue Estimating Impact Conference met on January 17, 2014, and estimated that this bill would have no revenue impact on local government revenues in fiscal year 2014-2015, but would have a negative, indeterminate impact thereafter.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The Revenue Estimating Impact Conference adopted a negative indeterminate impact except for the first year cash, which is zero. If all-star events were to occur within the next five years, the impact for an MLS All-Star Game would be \$100,000, while an NBA all-star event would also have an impact of \$100,000. Neither NBA franchise, nor the recently awarded MLS franchise has been selected to host future all-star events by their respective league governing bodies as of May 2014. Therefore, the estimated impact is indeterminate.