

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	_____	(Y/N)
ADOPTED AS AMENDED	_____	(Y/N)
ADOPTED W/O OBJECTION	_____	(Y/N)
FAILED TO ADOPT	_____	(Y/N)
WITHDRAWN	_____	(Y/N)
OTHER		

1 Committee/Subcommittee hearing bill: Appropriations Committee
 2 Representative Patronis offered the following:

4 **Amendment**

5 Remove everything after the enacting clause and insert:

6 Section 1. Paragraph (d) of subsection (6) of section
 7 212.20, Florida Statutes, is amended to read:

8 212.20 Funds collected, disposition; additional powers of
 9 department; operational expense; refund of taxes adjudicated
 10 unconstitutionally collected.—

11 (6) Distribution of all proceeds under this chapter and s.
 12 202.18(1)(b) and (2)(b) shall be as follows:

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

16 1. In any fiscal year, the greater of \$500 million, minus
 17 an amount equal to 4.6 percent of the proceeds of the taxes

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18 collected pursuant to chapter 201, or 5.2 percent of all other
19 taxes and fees imposed pursuant to this chapter or remitted
20 pursuant to s. 202.18(1)(b) and (2)(b) shall be deposited in
21 monthly installments into the General Revenue Fund.

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

32 3. After the distribution under subparagraphs 1. and 2.,
33 0.095 percent shall be transferred to the Local Government Half-
34 cent Sales Tax Clearing Trust Fund and distributed pursuant to
35 s. 218.65.

36 4. After the distributions under subparagraphs 1., 2., and
37 3., 2.0440 percent of the available proceeds shall be
38 transferred monthly to the Revenue Sharing Trust Fund for
39 Counties pursuant to s. 218.215.

40 5. After the distributions under subparagraphs 1., 2., and
41 3., 1.3409 percent of the available proceeds shall be
42 transferred monthly to the Revenue Sharing Trust Fund for
43 Municipalities pursuant to s. 218.215. If the total revenue to

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44 be distributed pursuant to this subparagraph is at least as
45 great as the amount due from the Revenue Sharing Trust Fund for
46 Municipalities and the former Municipal Financial Assistance
47 Trust Fund in state fiscal year 1999-2000, no municipality shall
48 receive less than the amount due from the Revenue Sharing Trust
49 Fund for Municipalities and the former Municipal Financial
50 Assistance Trust Fund in state fiscal year 1999-2000. If the
51 total proceeds to be distributed are less than the amount
52 received in combination from the Revenue Sharing Trust Fund for
53 Municipalities and the former Municipal Financial Assistance
54 Trust Fund in state fiscal year 1999-2000, each municipality
55 shall receive an amount proportionate to the amount it was due
56 in state fiscal year 1999-2000.

57 6. Of the remaining proceeds:

58 a. In each fiscal year, the sum of \$29,915,500 shall be
59 divided into as many equal parts as there are counties in the
60 state, and one part shall be distributed to each county. The
61 distribution among the several counties must begin each fiscal
62 year on or before January 5th and continue monthly for a total
63 of 4 months. If a local or special law required that any moneys
64 accruing to a county in fiscal year 1999-2000 under the then-
65 existing provisions of s. 550.135 be paid directly to the
66 district school board, special district, or a municipal
67 government, such payment must continue until the local or
68 special law is amended or repealed. The state covenants with
69 holders of bonds or other instruments of indebtedness issued by

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70 local governments, special districts, or district school boards
71 before July 1, 2000, that it is not the intent of this
72 subparagraph to adversely affect the rights of those holders or
73 relieve local governments, special districts, or district school
74 boards of the duty to meet their obligations as a result of
75 previous pledges or assignments or trusts entered into which
76 obligated funds received from the distribution to county
77 governments under then-existing s. 550.135. This distribution
78 specifically is in lieu of funds distributed under s. 550.135
79 before July 1, 2000.

80 b. The department shall distribute \$166,667 monthly
81 pursuant to s. 288.1162 to each applicant certified as a
82 facility for a new or retained professional sports franchise
83 pursuant to s. 288.1162. Up to \$41,667 shall be distributed
84 monthly by the department to each certified applicant as defined
85 in s. 288.11621 for a facility for a spring training franchise.
86 However, not more than \$416,670 may be distributed monthly in
87 the aggregate to all certified applicants for facilities for
88 spring training franchises. Distributions begin 60 days after
89 such certification and continue for not more than 30 years,
90 except as otherwise provided in s. 288.11621. A certified
91 applicant identified in this sub-subparagraph may not receive
92 more in distributions than expended by the applicant for the
93 public purposes provided for in s. 288.1162(5) or s.
94 288.11621(3).

95 c. Beginning 30 days after notice by the Department of

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96 Economic Opportunity to the Department of Revenue that an
97 applicant has been certified as the professional golf hall of
98 fame pursuant to s. 288.1168 and is open to the public, \$166,667
99 shall be distributed monthly, for up to 300 months, to the
100 applicant.

101 d. Beginning 30 days after notice by the Department of
102 Economic Opportunity to the Department of Revenue that the
103 applicant has been certified as the International Game Fish
104 Association World Center facility pursuant to s. 288.1169, and
105 the facility is open to the public, \$83,333 shall be distributed
106 monthly, for up to 168 months, to the applicant. This
107 distribution is subject to reduction pursuant to s. 288.1169. A
108 lump sum payment of \$999,996 shall be made, after certification
109 and before July 1, 2000.

110 e. The department shall distribute up to \$55,555 monthly
111 to each certified applicant as defined in s. 288.11631 for a
112 facility used by a single spring training franchise, or up to
113 \$111,110 monthly to each certified applicant as defined in s.
114 288.11631 for a facility used by more than one spring training
115 franchise. Monthly distributions begin 60 days after such
116 certification or July 1, 2016, whichever is later, and continue
117 for not more than 30 years, except as otherwise provided in s.
118 288.11631. A certified applicant identified in this sub-
119 subparagraph may not receive more in distributions than expended
120 by the applicant for the public purposes provided in s.
121 288.11631(3).

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122 f. Beginning 60 days after notice by the Department of
123 Economic Opportunity to the Department of Revenue that an
124 applicant has been approved by the Legislature, enacted by
125 general law approved by the Governor, and certified by the
126 Department of Economic Opportunity under s. 288.11625, the
127 department shall distribute each month an amount equal to one-
128 twelfth the annual distribution amount certified by the
129 Department of Economic Opportunity for the applicant. The
130 department may not distribute more than \$12 million annually to
131 all applicants approved by the Legislature and certified by the
132 Department of Economic Opportunity pursuant to s. 288.11625.

133 7. All other proceeds must remain in the General Revenue
134 Fund.

135 Section 2. Subsections (2) and (3) of section 218.64,
136 Florida Statutes, are amended to read:

137 218.64 Local government half-cent sales tax; uses;
138 limitations.-

139 (2) Municipalities shall expend their portions of the
140 local government half-cent sales tax only for municipality-wide
141 programs, for reimbursing the state as required by a contract
142 pursuant to s. 288.11625(6), or for municipality-wide property
143 tax or municipal utility tax relief. All utility tax rate
144 reductions afforded by participation in the local government
145 half-cent sales tax shall be applied uniformly across all types
146 of taxed utility services.

147 (3) Subject to ordinances enacted by the majority of the

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148 members of the county governing authority and by the majority of
149 the members of the governing authorities of municipalities
150 representing at least 50 percent of the municipal population of
151 such county, counties may use up to \$2 million annually of the
152 local government half-cent sales tax allocated to that county
153 for funding for any of the following purposes ~~applicants~~:

154 (a) Funding a certified applicant as a facility for a new
155 or retained professional sports franchise under s. 288.1162 or a
156 certified applicant as defined in s. 288.11621 for a facility
157 for a spring training franchise. It is the Legislature's intent
158 that the provisions of s. 288.1162, including, but not limited
159 to, the evaluation process by the Department of Economic
160 Opportunity except for the limitation on the number of certified
161 applicants or facilities as provided in that section and the
162 restrictions set forth in s. 288.1162(8), shall apply to an
163 applicant's facility to be funded by local government as
164 provided in this subsection.

165 (b) Funding a certified applicant as a "motorsport
166 entertainment complex," as provided for in s. 288.1171. Funding
167 for each franchise or motorsport complex shall begin 60 days
168 after certification and shall continue for not more than 30
169 years.

170 (c) Reimbursing the state as required by a contract
171 pursuant to s. 288.11625(6).

172 Section 3. Paragraph (b) of subsection (2) of section
173 288.0001, Florida Statutes, is amended to read:

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174 288.0001 Economic Development Programs Evaluation.—The
175 Office of Economic and Demographic Research and the Office of
176 Program Policy Analysis and Government Accountability (OPPAGA)
177 shall develop and present to the Governor, the President of the
178 Senate, the Speaker of the House of Representatives, and the
179 chairs of the legislative appropriations committees the Economic
180 Development Programs Evaluation.

181 (2) The Office of Economic and Demographic Research and
182 OPPAGA shall provide a detailed analysis of economic development
183 programs as provided in the following schedule:

184 (b) By January 1, 2015, and every 3 years thereafter, an
185 analysis of the following:

186 1. The entertainment industry financial incentive program
187 established under s. 288.1254.

188 2. The entertainment industry sales tax exemption program
189 established under s. 288.1258.

190 3. The ~~VISIT~~ Florida Tourism Industry Marketing
191 Corporation and its programs established or funded under ss.
192 288.122, 288.1226, 288.12265, and 288.124.

193 4. The Florida Sports Foundation and related programs
194 established under ss. 288.1162, 288.11621, 288.11625, 288.1166,
195 288.1167, 288.1168, 288.1169, and 288.1171.

196 Section 4. Section 288.11625, Florida Statutes, is created
197 to read:

198 288.11625 Professional sports facility incentive program.—

199 (1) PURPOSE.—There is created within the department the

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200 professional sports facility incentive program. The purpose of
201 the program is to provide for distributions of state funding to
202 applicants under s. 212.20(6)(d)6.f. for the public purpose of
203 constructing, reconstructing, renovating, or improving a
204 facility.

205 (2) DEFINITIONS.—As used in this section, the term:

206 (a) "Beneficiary" means a professional sports franchise of
207 the National Football League, the National Hockey League, the
208 National Basketball Association, the National League or the
209 American League of Major League Baseball, the National
210 Association of Professional Baseball Leagues, Major League
211 Soccer, or the North American Soccer League, the Professional
212 Rodeo Cowboy Association, the National Association for Stock Car
213 Auto Racing, or other nationally recognized professional sports
214 association that occupies or uses a facility as the facility's
215 primary tenant. A beneficiary may also be an applicant under
216 this section.

217 (b) "Facility" means a facility used primarily to host
218 games or events held by a beneficiary. The term does not include
219 any portion of a facility used for transient lodging. The term
220 also does not include a Major League Baseball spring training
221 facility, a facility certified under s. 288.1168, or a facility
222 certified under s. 288.1169.

223 (c) "Project" means the proposed construction,
224 reconstruction, renovation, or improvement of a facility or the
225 proposed acquisition of land to construct a new facility.

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226 (d) "State sales taxes generated by sales at the facility"
227 means state sales taxes imposed under chapter 212 and generated
228 by admissions to the facility, by parking on property owned or
229 controlled by the beneficiary or the applicant, or by sales made
230 by vendors at the facility.

231 (3) APPLICATION PROCESS.—

232 (a) To apply for a distribution of state funds under s.
233 212.20(6)(d)6.f., an applicant must:

234 1. Be a unit of local government, as defined in s.
235 218.369, that is responsible for construction, management, or
236 operation of a facility; or

237 2. If not a unit of local government, be another entity
238 responsible for construction, management, or operation of a
239 facility, in which case, a unit of local government must hold
240 title to the property on which the facility is or will be
241 located.

242 (b) The annual application period is June 1 through
243 November 1.

244 (c) The department shall establish procedures and
245 application forms deemed necessary pursuant to the requirements
246 of this section. The department may notify an applicant of any
247 incomplete or additional required information necessary for the
248 department to evaluate the application.

249 (d) Each application shall include an independent analysis
250 prepared by a certified public accountant licensed in this state
251 that demonstrates:

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252 1. The average annual amount of state sales taxes
253 generated by sales at the facility during the 36-month period
254 immediately before the beginning of the application period,
255 which shall be known as the "baseline amount."

256 2. The expected amount of new incremental state sales
257 taxes generated by sales at the facility in excess of the
258 baseline amount to be generated annually as a result of the
259 project.

260 (e) Each application may include a statement describing
261 the positive economic impact the project is expected to have on
262 the state.

263 (f) Within 60 days after receipt of a completed
264 application, the department shall evaluate the application as
265 provided in subsection (4) and notify the applicant in writing
266 of the department's decision to recommend legislative approval
267 of the application or to deny the application.

268 (4) EVALUATION PROCESS.—

269 (a) Before recommending an applicant for a distribution of
270 state funds under s. 212.20(6)(d)6.f., the department shall
271 verify:

272 1. That the applicant or beneficiary is responsible for
273 construction, reconstruction, renovation, or improvement of the
274 facility.

275 2. If the applicant is also the beneficiary, that a unit
276 of local government holds title to the property on which the
277 facility and project are or will be located.

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278 3. If the applicant is a unit of local government within
279 whose jurisdiction the facility is or will be located, that the
280 unit of local government has an exclusive intent agreement to
281 negotiate in this state with the beneficiary.

282 4. That the unit of local government, within whose
283 jurisdiction the facility is or will be located, supports the
284 application for state funds. Such support must be verified by
285 adoption, after a public hearing, of a resolution that the
286 project serves a public purpose.

287 5. That the applicant or beneficiary has not previously
288 defaulted or failed to meet any statutory requirement of a
289 previous state-administered sports-related program under this
290 chapter.

291 6. That the applicant or beneficiary has sufficiently
292 demonstrated a commitment to employ residents of this state,
293 contract with Florida-based firms, and purchase locally
294 available building materials to the greatest extent practicable.

295 7. If the applicant is a unit of local government, that
296 the applicant has a certified copy of a signed agreement with a
297 beneficiary for use of the facility. If the applicant is a
298 beneficiary, the beneficiary must enter into an agreement with
299 the department. The applicant or beneficiary's agreement must
300 require the following:

301 a. If, before expiration of the agreement, the beneficiary
302 relocates to another venue or no longer occupies or uses the
303 facility as the facility's primary tenant, the beneficiary shall

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304 reimburse the state for state funds distributed under this
305 section, plus a 5-percent penalty.

306 b. The beneficiary shall pay for signage or advertising
307 within the facility. The signage or advertising shall be placed
308 in a prominent location as close to the field of play or
309 competition as is practicable, shall be displayed consistent
310 with signage or advertising in the same location and be of like
311 value, and shall feature Florida advertising approved by the
312 Florida Tourism Industry Marketing Corporation.

313 8. That the total project cost is greater than \$100
314 million and more than one-half of the funds used to pay for the
315 project are from private sources.

316 9. The independent analysis submitted by the applicant
317 pursuant to paragraph (3) (d). The department shall consult with
318 the Department of Revenue or the Office of Economic and
319 Demographic Research to verify the independent analysis. Such
320 consultation may include the development of a standard
321 calculation for estimating new incremental state sales taxes
322 generated by sales at the facility and adjustments to
323 distributions.

324 (b) By February 1 of each year, as part of its annual
325 report submitted pursuant to paragraph (10) (a), the department
326 shall submit to the Governor, the President of the Senate, and
327 the Speaker of the House of Representatives an evaluation of
328 each application received during the application period.

329 (c) The department shall include a list of all

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330 applications the department recommends to receive a distribution
331 of state funds, ranked in order of projects most likely to
332 produce a significant positive economic impact within the state
333 based on the following criteria:

334 1. The ability to provide a positive return on the state's
335 investment.

336 2. The proposed use of state funds.

337 3. The length of time that a beneficiary has agreed to use
338 the facility.

339 4. The percentage of total project funds provided by the
340 applicant, the percentage of total project funds provided by the
341 beneficiary, and the total amount of private or in-kind
342 contributions to the project.

343 5. The number and type of signature events that the
344 facility is likely to attract during the duration of the
345 agreement with the beneficiary. For purposes of this
346 subparagraph, the term "signature event" means a sporting event
347 that creates a significant positive economic impact within the
348 state, as determined by the department, and enhances the status
349 of the state as a premier sports tourism destination. Such
350 events may include, but are not limited to:

351 a. National Football League Super Bowls.

352 b. College Football Playoff games.

353 c. College football bowl games.

354 d. Professional sports all-star games.

355 e. International sporting events and tournaments.

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- 356 f. Professional motorsports events.
- 357 6. The anticipated increase in average annual ticket sales
358 and attendance at the facility due to the project.
- 359 7. The potential to attract out-of-state visitors to the
360 facility.
- 361 8. The multiuse capabilities of the facility.
- 362 9. The facility's projected employment of residents of
363 this state, contracts with Florida-based firms, and purchases of
364 locally available building materials.
- 365 10. The amount of positive advertising or media coverage
366 that the facility generates.
- 367 11. The estimate by an independent certified public
368 accountant licensed in this state of the amount of new
369 incremental state sales taxes that the facility is expected to
370 generate annually as a result of the project provided pursuant
371 to subparagraph (3) (d)2.
- 372 12. The size and scope of the project and number of
373 temporary and permanent jobs that will be created as a direct
374 result of the facility improvement.
- 375 (c) The department may certify no more than one
376 distribution under this section for any applicant, facility, or
377 beneficiary at a time.
- 378 (5) LEGISLATIVE APPROVAL.—
- 379 (a) In order for an applicant to receive a distribution of
380 state funds under s. 212.20 (6) (d) 6.f., its application must be
381 approved by the Legislature, enacted by general law approved by

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382 the Governor in the manner provided in s. 8, Art. III of the
383 State Constitution.

384 (b) An applicant whose application is received by the
385 department but not approved by the Legislature may reapply and
386 update any information in the original application as required
387 by the department.

388 (6) CERTIFICATION AND CONTRACT.-

389 (a) To be certified by the department to receive a
390 distribution of state funds under s. 212.20(6)(d)6.f., an
391 applicant whose application is approved by the Legislature must
392 enter into a contract with the department that:

393 1. Specifies the terms of the state's investment.

394 2. States the criteria that the applicant must meet in
395 order to become and remain certified.

396 3. States that the applicant is subject to decertification
397 by the department or by the Legislature.

398 4. Requires the applicant to submit the independent
399 analyses required under paragraphs (3)(d) and (7)(c).

400 5. Specifies information that the applicant must report to
401 the department.

402 6. Requires the applicant to reimburse the state in the
403 manner prescribed in paragraph (9)(c).

404 7. Includes any other provisions deemed prudent by the
405 department.

406 (b) An application by a unit of local government which is
407 approved by the Legislature, enacted by general law approved by

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408 the Governor, and subsequently certified by the department
409 remains certified for the duration of the beneficiary's
410 agreement with the applicant or for 30 years, whichever is less,
411 if the certified applicant has an agreement with a beneficiary
412 at the time of initial certification by the department.

413 (c) An application by a beneficiary which is approved by
414 the Legislature, enacted by general law approved by the
415 Governor, and subsequently certified by the department remains
416 certified for the duration of the beneficiary's agreement with
417 the unit of local government that owns the underlying property
418 or for 30 years, whichever is less, if the certified applicant
419 has an agreement with the unit of local government at the time
420 of initial certification by the department.

421 (d) An applicant that is certified under this section does
422 not require legislative approval in any subsequent year in order
423 to continue to receive distributions of state funding authorized
424 pursuant to that certification.

425 (7) DISTRIBUTIONS.—

426 (a) The Department of Revenue shall begin distributions
427 within 60 days after notification of initial certification by
428 the department.

429 (b) The department shall determine the amount of each
430 annual distribution to be disbursed to a certified applicant
431 based on the estimate of the amount of new incremental state
432 sales taxes that the facility is expected to generate as a
433 result of the project provided pursuant to subparagraph (3)(d)2.

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434 However, a certified applicant may not receive an annual
435 distribution amount under this paragraph that exceeds 75 percent
436 of the estimated new incremental state sales taxes generated by
437 sales at the facility or \$2 million, whichever is less.

438 (c) Beginning 12 months following certification, and for
439 each year an applicant remains certified by the department, a
440 certified applicant shall submit to the department an analysis
441 prepared by an independent certified public accountant licensed
442 in this state demonstrating the actual amount of new incremental
443 state sales taxes generated by sales at the facility over the
444 previous 12-month period. The department shall verify the
445 analysis. The department may consult with the Department of
446 Revenue to verify the analysis.

447 (d) The department may not certify new distributions for
448 additional certified applicants if total distributions for all
449 certified applicants equal or exceed \$12 million in any 12-month
450 period.

451 (8) USE OF FUNDS.—A certified applicant may only use state
452 funds distributed under this section for the following purposes:

453 (a) Constructing, reconstructing, renovating, or improving
454 a facility or reimbursing such costs.

455 (b) Paying or pledging the payment of debt service on, or
456 to fund debt service reserve funds, arbitrage rebate
457 obligations, or other amounts payable with respect thereto;
458 bonds issued for the construction or renovation of such
459 facility; or for the reimbursement of such costs or the

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460 refinancing of bonds issued for such purposes.

461 (9) REPAYMENT OF DISTRIBUTIONS.—

462 (a) If a beneficiary breaks the terms of its agreement
463 with a certified applicant and relocates to another venue or no
464 longer occupies or uses the facility as the facility's primary
465 tenant, the beneficiary shall reimburse the state for state
466 funds that have been distributed, plus a 5-percent penalty.

467 (b) If the department determines that a certified
468 applicant has submitted information or made a representation
469 that is false, misleading, deceptive, or otherwise untrue, the
470 department shall decertify the certified applicant and direct
471 the Department of Revenue to halt distributions. The certified
472 applicant shall reimburse the state for state funds that have
473 been distributed, plus a 5-percent penalty.

474 (c) Beginning 24 months after the first annual
475 distribution has been disbursed, a certified applicant shall
476 reimburse the state in an amount equal to each subsequent annual
477 distribution less 75 percent of the actual new incremental state
478 sales taxes generated by sales at the facility each year that an
479 applicant is certified, plus a 5 percent penalty. Such
480 reimbursements must be submitted to the Department of Revenue no
481 later than 60 days following the certified applicant's final
482 annual distribution as determined by the certified applicant's
483 contract with the department.

484 (d) If a certified applicant is unable or unwilling to
485 reimburse the state as required by paragraphs (b) or (c), the

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486 department may place a lien on the certified applicant's
487 facility. If the applicant is a municipality or county, it may
488 reimburse the state using local government half-cent sales tax
489 distributions as provided in s. 218.64(3). Reimbursements shall
490 be sent to the Department of Revenue for deposit into the
491 General Revenue Fund.

492 (10) REPORTS.—

493 (a) By February 1 of each year, the department shall
494 submit an annual report to the Governor, the President of the
495 Senate, and the Speaker of the House of Representatives. The
496 report shall include evaluations of each application received by
497 the department during the application period, the department's
498 ranking of recommended applications submitted for legislative
499 approval under paragraph (4) (b), and any other information
500 required to be submitted pursuant to this subsection.

501 (b) On or before November 1 of each year, a certified
502 applicant approved to receive state funds under this section
503 shall submit to the department any information required by the
504 department. The department shall summarize this information for
505 inclusion in its annual report submitted under paragraph (a).

506 (c) Every 3 years after the first month that a certified
507 applicant receives a monthly distribution, the department shall
508 verify that the applicant is meeting the program requirements.
509 If the applicant is not meeting program requirements, the
510 department shall notify the Governor, the President of the
511 Senate, and the Speaker of the House of Representatives of the

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512 requirements not being met and shall recommend future action as
513 part of the department's annual report submitted under paragraph
514 (a). The department shall consider any extenuating circumstances
515 that may have prevented the applicant from meeting the program
516 requirements, such as a force majeure event or a significant
517 economic downturn.

518 (11) AUDITS.—Every 5 years beginning in 2020, the Auditor
519 General shall conduct audits pursuant to s. 11.45 to verify the
520 independent analyses required under paragraph (7)(c), and to
521 verify that distributions were expended in accordance with this
522 section. The Auditor General shall report the findings to the
523 department. If the Auditor General determines that a
524 distribution was not expended in accordance with this section,
525 the Auditor General shall notify the Department of Revenue,
526 which may pursue recovery of the distribution under the laws and
527 rules that govern the assessment of taxes.

528 (12) HALTING OF DISTRIBUTIONS.— A certified applicant may
529 request to halt future distributions by providing the department
530 with written notice at least 20 days before the next monthly
531 distribution payment. Upon receiving such notice, the department
532 shall immediately notify the Department of Revenue to halt
533 future payments.

534 (13) RULEMAKING.—The department may adopt rules to
535 administer this section.

536 Section 5. This act shall take effect July 1, 2014.

537