

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 Committee on Appropriations

BILL: CS/SB 1306

INTRODUCER: Commerce and Tourism Committee and Senator Montford

SUBJECT: Economic Programs

DATE: April 28, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Askey</u>	<u>McKay</u>	<u>CM</u>	Fav/CS
2.	<u>Pitts</u>	<u>Hansen</u>	<u>AP</u>	Pre-meeting
3.	_____	_____	<u>RC</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1306 establishes the Florida Sports Foundation as a direct-support organization within the Department of Economic Opportunity (DEO). Additionally the bill updates law to reflect the foundation's current operations and organizational structure. Currently, the foundation serves as the Enterprise Florida, Inc. (EFI), Division of Sports Industry Development.

The bill requires the Office of Program Policy and Government Accountability to report on the Microfinance Loan Program and the Microfinance Guarantee Program by January 15, 2018.

The bill will increase the Department of Highway Safety and Motor Vehicles' expenditures minimally for the costs of shifting the administration of the Florida Sports Foundation's license plates from EFI to DEO.

The bill is effective July 1, 2017.

II. Present Situation:

Florida Sports Foundation

The Florida Sports Foundation (FSF) was a direct-support organization of the Office of Tourism Trade and Economic Development, prior to the governmental reorganization that created the

Department of Economic Opportunity (DEO) and restructured Enterprise Florida, Inc., (EFI).¹ The FSF serves as the official sports promotion and development organization for the state and currently is housed within EFI as the Division of Sports Industry Development. The FSF's mission is to:

- Assist communities in the state with securing, hosting and retaining, sporting events that generate economic impact and sports-tourism for the state;
- Provide Floridians opportunities to participate in the Sunshine State Games and Florida Senior Games;
- Serve as the state's leading source for sports-tourism research and information;
- Assist in the promotion of targeted leisure sport industries in the state; and
- Assist national and state governing bodies to promote amateur sports development through the Sunshine State Games and hosting events in the state.

The primary activities of the FSF are operating a grant program that offers grants to local and regional sports commissions to assist in conducting professional, college, and amateur sporting events and sponsoring the Florida Senior Games and the Sunshine State Games. In its most recent report, the Legislature's Office of Economic and Demographic Research reported a return on investment of 5.61 for the FSF grant program.² The FSF operates on an annual appropriation of less than \$5 million. A majority of the appropriation is money from specialty license plate revenues, but the FSF also receives private contributions.

The FSF board of directors consists of 20 members representing various sports industry interests across the state. Entities represented include sports commissions, professional sports franchises, and private companies.³

Microfinance Programs

The state has two separate microfinance programs, the Microfinance Loan Program⁴ and the Microfinance Guarantee Program.⁵ The loan program is designed to make short-term, fixed-rate microloans for business management training, business development training, and technical assistance to entrepreneurs and newly established or growing small businesses for startup costs, working capital, and the acquisition of materials, supplies, furniture, fixtures, and equipment. The intent of the program is to enable entrepreneurs and small businesses to access private financing after completing the program. The guarantee program is intended to stimulate access to credit for entrepreneurs and small businesses by providing targeted guarantees to their loans. These programs are currently not included in the list of economic development programs that must be analyzed by EDR and OPPAGA.

¹ Chapter 2011-142, L.O.F.

² Office of Economic and Demographic Research, *Return on Investment for the Florida Sports Foundation Grants and Related Programs*, Jan 6, 2015. Available at: <http://edr.state.fl.us/Content/returnoninvestment/SportsGrantsandPrograms.pdf>, (last visited April 10, 2017)(on file with the Commerce and Tourism Committee).

³ See generally, *Florida Sports Foundation Board of Directors*, available at <http://www.flasports.com/about-us/boardofdirectors/>, (last visited April 12, 2017).

⁴ Section 288.9934, F.S.

⁵ Section 288.9935, F.S.

III. Effect of Proposed Changes:

Florida Sports Foundation

The bill moves the Florida Sports Foundation (FSF) from EFI to the DEO. To that end, the bill revives, readopts, and amends s. 288.1229, F.S. to reflect current FSF operations by:

- Requiring the FSF board of directors to include 20 members appointed by the Governor and include:
 - Ten members representing Major League Baseball, the National Basketball Association, the National Football League, the Arena Football League, the National Hockey League, and Major League Soccer franchises in the state;
 - Two representatives of the Florida Sports Commission;
 - One representative of the boating and fishing industries;
 - One representative of the golf industry;
 - One representative of Major League Baseball spring training;
 - One representative of the auto racing industry; and
 - Four-at-large appointments;
- Permitting the FSF access to department resources approved by the DEO;
- Directing the FSF to administer the Florida Senior Games; and
- Removing dated language from the section.

Additionally, the bill amends statutory responsibilities for the DEO to contract with the FSF to promote the sports industry and participation by amateurs in athletic competitions. The bill requires the FSF to operate under contract with DEO, as a direct-support organization, by July 1, 2017.

The bill clarifies that the FSF will serve as the entity to oversee the annual use fees raised from various sports-related specialty license plates, instead of EFI. The bill removes a requirement that certain proceeds from the sale of professional sports team license plates are to be used to promote education programs related to physical activity and nutrition, in partnership with the Department of Education and the Department of Health.

Required Reporting on Microfinance Programs

The bill amends s. 288.9377, F.S., to require OPPAGA, in addition to EDR, to evaluate the Microfinance Loan Program and Microfinance Guarantee Program. Because multiple reports (e.g., the reports described above) are due January 1, 2018, the bill changes the submission date for these reports to January 15, 2018. This report is not included in the recurring review cycle and s. 288.9937, F.S., expires January 31, 2018.

Effective Date

The bill has an effective date of July 1, 2017.

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:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill will have an insignificant fiscal impact on the Department of Highway Safety and Motor Vehicles related to the expense the department will incur for shifting the administration of license plates from EFI to the FSF.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill does not address the removal of EFI responsibilities related to sports development in sections 288.92 and 288.11621, F.S.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 20.60, and 320.08058.

This bill revives, readopts, and amends section 288.1229 of the Florida Statutes.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Commerce and Tourism April 17, 2017:

The CS requires the Office of Program Policy and Government Accountability to report on the Microfinance Loan Program and the Microfinance Guarantee Program by January 15, 2018.

- B. **Amendments:**

None.