

**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 Commerce and Tourism

BILL: SB 414

INTRODUCER: Senator Lee

SUBJECT: Sports Development

DATE: February 8, 2019      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Anderson	McKay	CM	<b>Pre-meeting</b>
2.			ATD	
3.			AP	

**I. Summary:**

SB 236 repeals the Sports Development program created in 2014, in s. 288.11625, F.S., which thus far has not been funded by the Legislature. The bill also repeals law related to program funding and reporting requirements.

The bill takes effect July 1, 2019.

**II. Present Situation:**

**Professional Sports in Florida**

Florida is home to 10 teams currently competing in the five major professional sports leagues. The oldest major professional sports team in the state is the Miami Dolphins football franchise of the National Football League (NFL), founded in 1966 as part of the now-defunct American Football League. Orlando City Soccer Club began playing in the Major League Soccer (MLS) in 2015.<sup>1</sup> Below is a summary table of information on major professional sports franchises in Florida:

Franchise	Sport	League	Year Founded	Facility	Facility Opened	County
Miami Dolphins	Football	NFL	1966	Hard Rock Stadium (previously Sun Life Stadium)	1987	Miami-Dade

<sup>1</sup> Inter Miami CF is an expansion team in MLS due to begin play in 2020. See <https://www.prosoccerusa.com/mls/expansion/miami/inter-miami-fort-lauderdale-stadium-training-facility-lockhart-beckham-mcdonough/> (last visited February 8, 2019).

Tampa Bay Buccaneers	Football	NFL	1976	Raymond James Stadium	1998	Hillsborough
Miami Heat	Basketball	NBA	1988	American Airlines Arena	1999	Miami-Dade
Orlando Magic	Basketball	NBA	1989	Amway Center	2010	Orange
Tampa Bay Lightning	Hockey	NHL	1992	Amalie Arena (previously Tampa Bay Times Forum)	1996	Hillsborough
Florida Panthers	Hockey	NHL	1993	BB&T Center	1998	Broward
Miami Marlins	Baseball	MLB	1993	Marlins Park	2012	Miami-Dade
Jacksonville Jaguars	Football	NFL	1995	TIAA Field (previously EverBank Field)	1995	Duval
Tampa Bay Rays	Baseball	MLB	1998	Tropicana Field	1990, occupied by Rays since 1998	Pinellas
Orlando City Soccer Club	Soccer	MLS	2015	Orlando City Stadium	2017	Orange

In addition to the 10 major professional sports teams, Florida is also home to the MLB's Spring Training Grapefruit League, with 15 teams holding preseason training and exhibition games in the state.<sup>2</sup>

## State Incentives for Professional Sports Franchises

### *Professional Sports Franchise Program*

The Professional Sports Franchise program provides the procedure by which professional sports franchises in Florida may be certified to receive state sales and use tax revenue to pay for the construction or renovation of a facility for a new or retained professional sports franchise.<sup>3</sup> Local governments, non-profit, and for-profit entities may apply to the program. Approved applicants are eligible to receive annual payments totaling \$2,000,004 from the state for not more than 30 years.<sup>4</sup> The Department of Revenue (DOR) disburses the payments. The program is limited to eight certified facilities at one time.<sup>5</sup>

Currently, there are eight certified new or retained professional sports franchise facilities in Florida receiving distributions under the program. The facilities and the payment distribution for each are as follows:

<sup>2</sup> For general information related to professional sports in Florida, see Florida Sports Foundation at <http://www.flasports.com/> (last visited February 8, 2019).

<sup>3</sup> Section 288.1162, F.S.

<sup>4</sup> Section 212.20(6)(d)6.b., F.S.

<sup>5</sup> Section 288.1162(6), F.S.

Facility name	Certified entity	Franchise	First Payment	Contract Expiration	Total payments as of February 2019
Hard Rock Stadium (previously Sun Life Stadium)	Dolphins Stadium/ South Florida Stadium	Florida (Miami) Marlins <sup>6</sup>	06/1994	06/2023	\$51,333,436
TIAA Field (previously EverBank Field)	City of Jacksonville	Jacksonville Jaguars	06/1994	05/2024	\$49,500,099
Tropicana Field	City of St. Petersburg	Tampa Bay Rays	07/1995	06/2025	\$47,333,428
Amelie Arena (previously Tampa Bay Times Forum)	Tampa Bay Sports Authority	Tampa Bay Lightning	09/1995	08/2025	\$47,000,094
BB&T Center	Broward County	Florida Panthers	08/1996	07/2026	\$45,166,757
Raymond James Stadium	Hillsborough County	Tampa Bay Buccaneers	01/1997	12/2026	\$44,333,422
American Airlines Arena	BPL, LTD	Miami Heat	03/1998	03/2028	\$41,833,417
Amway Center	City of Orlando	Orlando Magic	02/2008	01/2038	\$22,166,711

(Information from the Department of Revenue)<sup>7</sup>

### ***Sports Development Program***

In 2014, the Legislature created the Sports Development program to authorize distributions of state sales and use tax revenue to fund professional sports franchise facilities, up to an annual cap of \$13 million for all certified applicants.<sup>8</sup> Applicants are evaluated and recommended by the Department of Economic Opportunity (DEO), and distributions must be approved by the Legislature. A facility cannot be a participant of this program while receiving any distributions under another state sports facility program. Distributed funds are used for the construction or improvement of a professional sports facility. The maximum annual distribution for a single facility is \$3 million, and distributions can be made for up to 30 years for a potential maximum amount of \$90 million per certified applicant. No funding has been approved by the Legislature for this program.

The professional sport franchises that can participate in the program include the National Football League, the National Hockey League, the National Basketball League, Major and Minor

<sup>6</sup> The Marlins franchise relocated from Sun Life Stadium to Marlins Park for the 2012 baseball season.

<sup>7</sup> Department of Revenue, *Professional Sports Franchise distributions by Fiscal Year*, (February 1, 2019) (on file with the Senate Commerce and Tourism Committee).

<sup>8</sup> Sections 212.20(6)(d)6.f. and 288.11625, F.S.

League Baseball, Major League Soccer, the North American Soccer League, the Professional Rodeo Cowboys Association, and a promoter or host of a signature event administered by the Breeders' Cup Limited or the National Association of Stock Car Auto Racing (NASCAR).<sup>9</sup> In 2015 and 2016, three applicants were recommended by the DEO but distributions were not approved by the Legislature in either year.<sup>10</sup> The DEO did not receive any applications for funding during the 2018 application period.<sup>11</sup>

### ***Reports***

Reports on both programs conducted by the Office of Program Policy Analysis and Government Accountability (OPPAGA) and the Office of Economic and Demographic Research (EDR) are required every three years, according to a timetable set forth in statute.<sup>12</sup> The Sports Development program in s. 288.11625, F.S. was scheduled for its first report on January 1, 2018, but was not evaluated in the EDR report because it has never been funded or implemented.<sup>13</sup> The OPPAGA report noted that no funds have been issued through the Sports Development Program.<sup>14</sup>

### **Sales and Use Tax**

Chapter 212, F.S., contains the state's statutory provisions authorizing the levy and collection of Florida's sales and use tax, as well as the exemptions and credits applicable to certain items or uses under specified circumstances. A six percent sales and use tax is levied on tangible personal property and a limited number of services. Additionally, s. 212.20, F.S., contains statutory direction for the schedule of distributions approved pursuant to ss. 288.1162 and 288.11625, F.S.

### **Local Government Half-cent Sales Tax Program**

The Local Government Half-cent Sales Tax Program is the largest source of state-shared revenue received by local governments. The program provides ad valorem and utility tax relief, in addition to providing eligible local governments revenues for local programs.<sup>15</sup> A local government may also pledge funds from the program for payment of principal and interest on any capital project.<sup>16</sup> Local Government Half-cent Sales Tax Program funds received by a county may be allocated for the purposes of ss. 288.1162 and 288.11625, F.S.

---

<sup>9</sup> Section 288.11625(3)(g), F.S.

<sup>10</sup> The facilities that were recommended include the Jacksonville Jaguars' EverBank Field (now known as TIAA Field), the Miami Dolphins' Hard Rock Stadium, and the Daytona International Speedway. See Law360, 3 *Florida Stadiums Clear Hurdle to Renovation Tax Funds*, <https://www.law360.com/articles/754061/3-florida-stadiums-clear-hurdle-to-renovation-tax-funds>, (last visited February 8, 2019).

<sup>11</sup> Letter from Ken Lawson, Executive Director, Department of Economic Opportunity, to President Galvano, President of the Florida Senate, and to Jose Oliva, Speaker of the Florida House (February 1, 2019) (on file with the Senate Committee on Commerce and Tourism).

<sup>12</sup> Section 288.0001, F.S.

<sup>13</sup> See <http://edr.state.fl.us/content/returnoninvestment/SportsGrantsandPrograms2018.pdf> (last visited February 8, 2019).

<sup>14</sup> Office of Program Policy Analysis and Government Accountability, *Florida Economic Development Program Evaluations – Year 5, Report No. 17-14, page 45*, (December 28, 2017), available at: <http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1713rpt.pdf> (last visited February 8, 2019).

<sup>15</sup> Office of Economic and Demographic Research, *2018 Local Government Financial Information Handbook*, (September 2018), available at: <http://edr.state.fl.us/Content/local-government/reports/lghih18.pdf>, (last visited on February 8, 2019).

<sup>16</sup> Section 218.64, F.S.

**III. Effect of Proposed Changes:**

SB 236 repeals s. 288.11625, F.S., the Sports Development program. The bill removes the ability of a qualified applicant to receive state funding for the construction, reconstruction, renovation, or improvement of professional sports facilities under the program.

The bill also amends:

- Section 212.20(6)(d)6.f., F.S., repealing language directing the Department of Revenue to make distributions related to s. 288.11625, F.S.;
- Section 212.205, F.S., amending language to reflect the repeal of s. 212.20(6)(d)6.f., F.S.;
- Sections 218.64(2) and 218.64(3)(c), F.S., repealing language authorizing the use of local government half-cent sales tax revenue relating to s. 288.11625, F.S.; and
- Section 288.0001(2)(c), F.S., repealing language directing the OPPAGA and the EDR to provide an analysis of the program under s. 288.11625, F.S., every three years.

The bill takes effect July 1, 2019.

**IV. Constitutional Issues:****A. Municipality/County Mandates Restrictions:**

None.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**D. State Tax or Fee Increases:**

None.

**E. Other Constitutional Issues:**

None.

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

Indeterminate. No state funding was authorized and no applicants were ever approved by the Legislature under the program being repealed.

C. Government Sector Impact:

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 212.20, 212.205, 218.64, and 288.0001.

This bill repeals section 288.11625 of the Florida Statutes.

**IX. Additional Information:**

A. Committee Substitute – Statement of Changes:

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

None.

B. Amendments:

None.