HB 1369 2020

1 A bill to be entitled 2 An act relating to sports franchises and facilities; 3 amending s. 125.0104, F.S.; deleting provisions authorizing a county to impose a specified tax for 4 5 debt service on bonds relating to sports franchise 6 facilities and professional sports franchises; 7 prohibiting revenues generated by specified county 8 taxes to be used for sports franchises after a certain 9 date; amending s. 125.35, F.S.; prohibiting a county from leasing specified professional sports franchise facilities; prohibiting revenues generated by convention development taxes to be used for sports franchises after a certain date; s. 212.0305, F.S.; 13 prohibiting revenues collected after a specified date 15 to be used for sports franchise activities; amending 16 s. 212.205, F.S.; conforming a cross-reference; 17 amending s. 212.20, F.S.; conforming provisions to changes made by the act; removing a provision that 18 19 distributes specified sales tax revenues to certain applicants; amending s. 218.64, F.S.; conforming 20 21 provisions to changes made by the act; amending s. 288.0001, F.S.; deleting a provision requiring the 22 23 Office of Economic and Demographic Research and the Office of Program Policy Analysis and Government 24 25 Accountability to provide an analysis regarding a

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sports development program; repealing ss. 288.1162, 288.11621, 288.11625, 288.11631, and 288.1171, F.S., relating to professional sports franchises and their duties, spring training baseball franchises, sports development, and the retention of Major League Baseball spring training baseball franchises, respectively; creating s. 288.11633, F.S.; prohibiting the lease of public lands for certain purposes related to sports franchises and their facilities; requiring the lease of a facility on public lands for certain purposes to be at fair market value; requiring a sports franchise to repay specified debt incurred by a local government related to construction of facilities; defining the terms "facility," "fair market value, " and "sports franchise"; providing applicability; providing an effective date.

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Be It Enacted by the Legislature of the State of Florida:

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Section 1. Paragraphs (1) and (n) of subsection (3) of section 125.0104, Florida Statutes, are amended, and a new paragraph (f) is added to subsection (5) of that section, to read:

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125.0104 Tourist development tax; procedure for levying; authorized uses; referendum; enforcement.—

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(3) TAXABLE PRIVILEGES; EXEMPTIONS; LEVY; RATE.-

- (1) In addition to any other tax which is imposed pursuant to this section, a county may impose up to an additional 1-percent tax on the exercise of the privilege described in paragraph (a) by majority vote of the governing board of the county in order to:
- 1. Pay the debt service on bonds issued to finance the construction, reconstruction, or renovation of a professional sports franchise facility, or the acquisition, construction, reconstruction, or renovation of a retained spring training franchise facility, either publicly owned and operated, or publicly owned and operated by the owner of a professional sports franchise or other lessee with sufficient expertise or financial capability to operate such facility, and to pay the planning and design costs incurred prior to the issuance of such bonds.
- 1.2. Pay the debt service on bonds issued to finance the construction, reconstruction, or renovation of a convention center, and to pay the planning and design costs incurred prior to the issuance of such bonds.
- 2.3. Pay the operation and maintenance costs of a convention center for a period of up to 10 years. Only counties that have elected to levy the tax for the purposes authorized in subparagraph 1. subparagraph 2. may use the tax for the purposes enumerated in this subparagraph. Any county that elects to levy

the tax for the purposes authorized in <u>subparagraph 1.</u>

subparagraph 2. after July 1, 2000, may use the proceeds of the tax to pay the operation and maintenance costs of a convention center for the life of the bonds.

3.4. Promote and advertise tourism in the State of Florida and nationally and internationally; however, if tax revenues are expended for an activity, service, venue, or event, the activity, service, venue, or event shall have as one of its main purposes the attraction of tourists as evidenced by the promotion of the activity, service, venue, or event to tourists.

The provision of paragraph (b) which prohibits any county authorized to levy a convention development tax pursuant to s. 212.0305 from levying more than the 2-percent tax authorized by this section, and the provisions of paragraphs (4)(a)-(d), shall not apply to the additional tax authorized in this paragraph. The effective date of the levy and imposition of the tax authorized under this paragraph shall be the first day of the second month following approval of the ordinance by the governing board or the first day of any subsequent month as may be specified in the ordinance. A certified copy of such ordinance shall be furnished by the county to the Department of Revenue within 10 days after approval of such ordinance.

(n) In addition to any other tax that is imposed under this section, a county that has imposed the tax under paragraph

(1) may impose an additional tax that is no greater than 1 percent on the exercise of the privilege described in paragraph
(a) by a majority plus one vote of the membership of the board of county commissioners in order to:

1. Pay the debt service on bonds issued to finance:

a. The construction, reconstruction, or renovation of a facility either publicly owned and operated, or publicly owned and operated by the owner of a professional sports franchise or other lessee with sufficient expertise or financial capability to operate such facility, and to pay the planning and design costs incurred prior to the issuance of such bonds for a new professional sports franchise as defined in s. 288.1162.

b. The acquisition, construction, reconstruction, or renovation of a facility either publicly owned and operated, or publicly owned and operated by the owner of a professional sports franchise or other lessee with sufficient expertise or financial capability to operate such facility, and to pay the planning and design costs incurred prior to the issuance of such bonds for a retained spring training franchise.

2. promote and advertise tourism in the State of Florida and nationally and internationally; however, if tax revenues are expended for an activity, service, venue, or event, the activity, service, venue, or event shall have as one of its main purposes the attraction of tourists as evidenced by the promotion of the activity, service, venue, or event to tourists.

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127 A county that imposes the tax authorized in this paragraph may 128 not expend any ad valorem tax revenues for the acquisition, 129 construction, reconstruction, or renovation of a facility for 130 which tax revenues are used pursuant to subparagraph 1. The 131 provision of paragraph (b) which prohibits any county authorized 132 to levy a convention development tax pursuant to s. 212.0305 133 from levying more than the 2-percent tax authorized by this 134 section shall not apply to the additional tax authorized by this paragraph in counties which levy convention development taxes 135 136 pursuant to s. 212.0305(4)(a). Subsection (4) does not apply to 137 the adoption of the additional tax authorized in this paragraph. The effective date of the levy and imposition of the tax 138 139 authorized under this paragraph is the first day of the second 140 month following approval of the ordinance by the board of county commissioners or the first day of any subsequent month specified 141 142 in the ordinance. A certified copy of such ordinance shall be

(5) AUTHORIZED USES OF REVENUE.

days after approval of the ordinance.

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(f) Beginning July 1, 2020, revenues collected pursuant to this section may not be used to acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate, finance, refinance, make debt service payments for, or be used as collateral, pledge, or capital contribution for any project or

furnished by the county to the Department of Revenue within 10

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151	business arrangement involving a facility that is or will be
152	used by a sports franchise as defined in s. 288.11633. Nothing
153	in this paragraph impairs or affects the obligations or terms of
154	any lawful contract entered into before July 1, 2020.
155	Section 2. Paragraph (b) of subsection (1) of section
156	125.35, Florida Statutes, is amended to read:
157	125.35 County authorized to sell real and personal
158	property and to lease real property
159	(1)
160	(b) Notwithstanding paragraph (a), under terms and
161	conditions negotiated by the board, the board of county
162	commissioners may:
163	1. Negotiate the lease of an airport or seaport facility;
164	<u>or</u>
165	2. Modify or extend an existing lease of real property for
166	an additional term not to exceed 25 years, where the improved
167	value of the lease has an appraised value in excess of \$20
168	million <u>.; or</u>
169	3. Lease a professional sports franchise facility financed
170	by revenues received pursuant to s. 125.0104 or s. 212.20 which
171	may include commercial development that is ancillary to the
172	sports facility if the ancillary development property is part of
173	or contiguous to the professional sports franchise facility. The
174	board's authority to lease the above described ancillary

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franchise facility lease applies only if at the time the board 176 177 leases the ancillary commercial development, the professional 178 sports franchise facility lease has been in effect for at least 179 10 years and such lease has at least an additional 10 years 180 remaining in the lease term. 181 Section 3. Subsection (6) is added to section 212.0305, 182 Florida Statutes, to read: 183 212.0305 Convention development taxes; intent; administration; authorization; use of proceeds.-184 185 (6) Beginning July 1, 2020, revenues collected pursuant to this section may not be used to acquire, construct, extend, 186 187 enlarge, remodel, repair, improve, maintain, operate, finance, 188 refinance, make debt service payments for, or be used as 189 collateral, pledge, or capital contribution for any project or 190 business arrangement involving a facility that is or will be 191 used by a sports franchise as defined in s. 288.11633. Nothing 192 in this subsection impairs or affects the obligations or terms 193 of any lawful contract entered into before July 1, 2020. 194 Section 4. Section 212.205, Florida Statutes, is amended 195 to read: 196 212.205 Sales tax distribution reporting.—By March 15 of 197 each year, each person who received a distribution pursuant to 198 s. 212.20(6)(d)6.b.-e. s. 212.20(6)(d)6.b.-f. in the preceding calendar year shall report to the Office of Economic and 199 200 Demographic Research the following information:

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(1) An itemized accounting of all expenditures of the funds distributed in the preceding calendar year, including amounts spent on debt service.

- (2) A statement indicating what portion of the distributed funds have been pledged for debt service.
- (3) The original principal amount and current debt service schedule of any bonds or other borrowing for which the distributed funds have been pledged for debt service.
- Section 5. Paragraph (d) of subsection (6) of section 212.20, Florida Statutes, is amended to read:
- 212.20 Funds collected, disposition; additional powers of department; operational expense; refund of taxes adjudicated unconstitutionally collected.—
- (6) Distribution of all proceeds under this chapter and ss. 202.18(1)(b) and (2)(b) and 203.01(1)(a)3. is as follows:
- (d) The proceeds of all other taxes and fees imposed pursuant to this chapter or remitted pursuant to s. 202.18(1)(b) and (2)(b) shall be distributed as follows:
- 1. In any fiscal year, the greater of \$500 million, minus an amount equal to 4.6 percent of the proceeds of the taxes collected pursuant to chapter 201, or 5.2 percent of all other taxes and fees imposed pursuant to this chapter or remitted pursuant to s. 202.18(1)(b) and (2)(b) shall be deposited in monthly installments into the General Revenue Fund.
 - 2. After the distribution under subparagraph 1., 8.9744

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

- 3. After the distribution under subparagraphs 1. and 2., 0.0966 percent shall be transferred to the Local Government Half-cent Sales Tax Clearing Trust Fund and distributed pursuant to s. 218.65.
- 4. After the distributions under subparagraphs 1., 2., and 3., 2.0810 percent of the available proceeds shall be transferred monthly to the Revenue Sharing Trust Fund for Counties pursuant to s. 218.215.
- 5. After the distributions under subparagraphs 1., 2., and 3., 1.3653 percent of the available proceeds shall be transferred monthly to the Revenue Sharing Trust Fund for Municipalities pursuant to s. 218.215. If the total revenue to be distributed pursuant to this subparagraph is at least as great as the amount due from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000, no municipality shall

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receive less than the amount due from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000. If the total proceeds to be distributed are less than the amount received in combination from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000, each municipality shall receive an amount proportionate to the amount it was due in state fiscal year 1999-2000.

6. Of the remaining proceeds:

a. In each fiscal year, the sum of \$29,915,500 shall be divided into as many equal parts as there are counties in the state, and one part shall be distributed to each county. The distribution among the several counties must begin each fiscal year on or before January 5th and continue monthly for a total of 4 months. If a local or special law required that any moneys accruing to a county in fiscal year 1999-2000 under the then-existing provisions of s. 550.135 be paid directly to the district school board, special district, or a municipal government, such payment must continue until the local or special law is amended or repealed. The state covenants with holders of bonds or other instruments of indebtedness issued by local governments, special districts, or district school boards before July 1, 2000, that it is not the intent of this subparagraph to adversely affect the rights of those holders or

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relieve local governments, special districts, or district school boards of the duty to meet their obligations as a result of previous pledges or assignments or trusts entered into which obligated funds received from the distribution to county governments under then-existing s. 550.135. This distribution specifically is in lieu of funds distributed under s. 550.135 before July 1, 2000.

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- The department shall distribute \$166,667 monthly to each applicant certified before July 1, 2020, as a facility for a new or retained professional sports franchise pursuant to s. 288.1162, Florida Statutes 2019. Up to \$41,667 shall be distributed monthly by the department to each applicant that was certified before July 1, 2020, as a certified applicant as defined in s. 288.11621, Florida Statutes 2019 for a facility for a spring training franchise. However, not more than \$416,670 may be distributed monthly in the aggregate to all certified applicants for facilities for spring training franchises. Distributions begin 60 days after such certification and continue for not more than 30 years, except as otherwise provided in s. 288.11621, Florida Statutes 2019. A certified applicant identified in this sub-subparagraph may not receive more in distributions than expended by the applicant for the public purposes provided in s. 288.1162(5) or s. 288.11621(3), Florida Statutes 2019.
 - c. Beginning 30 days after notice by the Department of

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

- d. Beginning 30 days after notice by the Department of Economic Opportunity to the Department of Revenue that the applicant has been certified as the International Game Fish Association World Center facility pursuant to s. 288.1169, and the facility is open to the public, \$83,333 shall be distributed monthly, for up to 168 months, to the applicant. This distribution is subject to reduction pursuant to s. 288.1169. A lump sum payment of \$999,996 shall be made after certification and before July 1, 2000.
- e. The department shall distribute up to \$83,333 monthly to each applicant that was certified before July 1, 2020, as a certified applicant as defined in s. 288.11631, Florida Statutes 2019 for a facility used by a single spring training franchise, or up to \$166,667 monthly to each applicant that was certified before July 1, 2020, as a certified applicant as defined in s. 288.11631, Florida Statutes 2019 for a facility used by more than one spring training franchise. Monthly distributions begin 60 days after such certification or July 1, 2016, whichever is later, and continue for not more than 20 years to each applicant that was certified before July 1, 2020, as a certified applicant

as defined in s. 288.11631, Florida Statutes 2019 for a facility used by a single spring training franchise or not more than 25 years to each applicant that was certified before July 1, 2020, as a certified applicant as defined in s. 288.11631, Florida Statutes 2019 for a facility used by more than one spring training franchise. A certified applicant identified in this sub-subparagraph may not receive more in distributions than expended by the applicant for the public purposes provided in s. 288.11631(3), Florida Statutes 2019.

f. Beginning 45 days after notice by the Department of Economic Opportunity to the Department of Revenue that an applicant has been approved by the Legislature and certified by the Department of Economic Opportunity under s. 288.11625 or upon a date specified by the Department of Economic Opportunity as provided under s. 288.11625(6)(d), the department shall distribute each month an amount equal to one-twelfth of the annual distribution amount certified by the Department of Economic Opportunity for the applicant. The department may not distribute more than \$7 million in the 2014-2015 fiscal year or more than \$13 million annually thereafter under this subsubparagraph.

<u>f.g.</u> Beginning December 1, 2015, and ending June 30, 2016, the department shall distribute \$26,286 monthly to the State

Transportation Trust Fund. Beginning July 1, 2016, the department shall distribute \$15,333 monthly to the State

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351 Transportation Trust Fund.

- 7. All other proceeds must remain in the General Revenue Fund.
- Section 6. Subsections (2) and (3) of section 218.64, Florida Statutes, are amended to read:
 - 218.64 Local government half-cent sales tax; uses; limitations.—
 - (2) Municipalities shall expend their portions of the local government half-cent sales tax only for municipality-wide programs, for reimbursing the state as required pursuant to s. 288.11625, or for municipality-wide property tax or municipal utility tax relief. All utility tax rate reductions afforded by participation in the local government half-cent sales tax shall be applied uniformly across all types of taxed utility services.
 - (3) Subject to ordinances enacted by the majority of the members of the county governing authority and by the majority of the members of the governing authorities of municipalities representing at least 50 percent of the municipal population of such county, counties may use up to \$3 million annually of the local government half-cent sales tax allocated to that county if the money provides funds for any of the following purposes:
 - (a) Funding an a certified applicant that was certified before July 1, 2020, as a facility for a new or retained professional sports franchise under s. 288.1162, Florida

 Statutes 2019 or an applicant that was certified before July 1,

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2020, as a certified applicant as defined in s. 288.11621, Florida Statutes 2019 for a facility for a spring training franchise. It is the Legislature's intent that the provisions of s. 288.1162, Florida Statutes 2019, including, but not limited to, the evaluation process by the Department of Economic Opportunity except for the limitation on the number of certified applicants or facilities as provided in that section and the restrictions set forth in s. 288.1162(8), Florida Statutes 2019, shall apply to an application that was submitted for a facility before July 1, 2020, applicant's facility to be funded by local government as provided in this subsection.

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

(c) Reimbursing the state as required under s. 288.11625.

Section 7. Paragraphs (b) and (e) of subsection (2) of section 288.0001, Florida Statutes, are amended to read:

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

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401	Development	Programs	Evaluation
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- (2) The Office of Economic and Demographic Research and OPPAGA shall provide a detailed analysis of economic development programs as provided in the following schedule:
- (b) By January 1, 2015, and every 3 years thereafter, an analysis of the following:
- 1. The entertainment industry financial incentive program established under s. 288.1254.
- 2. The entertainment industry sales tax exemption program established under s. 288.1258.
- 3. VISIT Florida and its programs established or funded under ss. 288.122, 288.1226, 288.12265, and 288.124.
- 4. The Florida Sports Foundation and related programs established under ss. 288.1162, 288.11621, 288.1166, 288.1167, 288.1168, 288.1169, and under former ss. 288.1162 and 288.11621 and 288.1171.
- (e) Beginning January 1, 2018, and every 3 years thereafter, an analysis of the Sports Development Program established under s. 288.11625.
- Section 8. <u>Sections 288.1162, 288.11621, 288.11625,</u>
 421 288.11631, and 288.1171, Florida Statutes, are repealed.
- Section 9. Section 288.11633, Florida Statutes, is created to read:
- 424 <u>288.11633 Sports franchise facilities; lease or sale of</u> 425 public land.—

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426	(1) Notwithstanding any other provision of law:						
427	(a) A sports franchise may not construct, reconstruct,						
428	renovate, or improve a facility on land leased from the state or						
429	a political subdivision thereof.						
430	(b) A lease of a facility on public land owned by the						
431	state or a political subdivision to a sports franchise must be						
432	at fair market value.						
433	(c) A sale of public land owned by the state or a						
434	political subdivision for a sports franchise to construct,						
435	reconstruct, renovate, or improve a facility on such land must						
436	be at fair market value.						
437	(d) A facility that is owned, operated, or leased by a						
438	sports franchise does not serve a tax-exempt purpose and is not						
439	exempt from taxation.						
440	(2) On or after July 1, 2020, a contract or agreement, or						
441	a renewal of or an amendment to an existing contract or						
442	agreement, entered into between the state or a political						
443	subdivision and a sports franchise to fund the construction,						
444	reconstruction, renovation, or improvement of a facility must						
445	include a provision that requires the sports franchise to pay						
446	any outstanding debt incurred by the state or political						

subdivision to fund such construction, reconstruction,

renovation, or improvement if the sports franchise permanently

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For purposes of this section, the term:

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discontinues use of the facility.

(3)

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	(a)	"Facility	' means a	stadium,	arena,	or other	structure
used	by a	sports fra	anchise t	o host ga	mes or	events, o	r any
dire	ctly 1	related pro	operty or	structur	e, incl	uding pra	ctice
faci	lities	s, offices	, restaur	ants, con	cession	s, retail	or lodging
faci	lities	s, onsite a	and offsi	te parkin	g lots,	garages,	and other
prope	erties	5 .					

- (b) "Fair market value" means a negotiated price of at least the average of the values contained in two independent appraisals, performed by appraisers approved pursuant to s. 253.025(8).
- (c) "Sports franchise" means a person or persons, sole proprietorship, corporation, limited liability company, partnership, or association that has been granted the contractual right to own or operate a professional sports team, or host a professional sporting event, in a specified location.
- (4) Nothing in this section impairs any lawful contract entered into before July 1, 2020, without the consent of the parties.

Section 10. All applications for certification pending pursuant to s. 288.1162, s. 288.11621, s. 288.11625, s. 288.11631, or 288.1171, Florida Statutes, on July 1, 2020, are rescinded. Applicants or projects that were certified before July 1, 2020, and that continue to meet the criteria in effect before July 1, 2020, remain in full force and effect. In addition, any existing contracts or agreements authorized under

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any of these programs continue in full force and effect in accordance with the statutory requirements in effect when the contract or agreement was executed or last modified. However, no further modifications, extensions, or waivers may be made or granted relating to such contracts or agreements except computations by the Department of Revenue of the income generated by or arising out of any qualifying project.

Section 11. This act shall take effect July 1, 2020.

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