By Senator Garcia

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A bill to be entitled An act relating to sales tax increment districts; amending s. 212.20, F.S.; providing for the transfer of certain sales tax increment revenues from the General Revenue Fund to the Revenue Sharing Trust Fund for Municipalities; amending s. 218.23, F.S.; providing for a distribution from the Revenue Sharing Trust Fund for Municipalities relating to an increase in sales tax collections over the preceding year to the governing body of an area that receives tax increment revenues pursuant to a designation as a sales tax increment district; amending s. 290.004, F.S.; providing definitions; amending s. 290.0056, F.S.; specifying additional powers of an enterprise zone development agency for areas designated as a sales tax increment district; amending s. 290.007, F.S.; specifying sales tax increment financing as a additional economic development incentive that is available within enterprise zones; creating ss. 290.01351, 290.0136, 290.0137, 290.0138, 290.0139, and 290.01391, F.S.; creating the "Municipal Revitalization Act"; providing legislative intent and purposes; authorizing the creation of sales tax increment districts within enterprise zones; specifying minimum requirements for sales tax increment districts; providing for a review of resolutions to create a sales tax increment district by the Department of Economic Opportunity; providing that the governing body for an enterprise zone where a

sales tax increment district is located is eligible for specified percentage distributions of increased state sales tax collections under certain circumstances; requiring the Department of Revenue to determine the amount of increased sales tax collections to be distributed to each eligible governing body and to transfer the aggregate amount due to all such governing bodies to the Revenue Sharing Trust Fund for Municipalities for distribution; requiring a governing body to deposit tax increment revenues in a separate account; specifying requirements for agreements between a retail development project developer and a governing body for the use of tax increment revenues; authorizing the issuance of bonds secured by tax increment revenues to finance a retail development project; specifying that bonds issued for a retail development project do not constitute debt for certain purposes; specifying requirements for the issuance of bonds; creating a conclusive presumption that the bonds are used for the purposes of a retail development project; 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. 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

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unconstitutionally collected.-

(6) Distribution of all proceeds under this chapter and s. 202.18(1)(b) and (2)(b) shall be 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., 8.814 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., 0.095 percent shall be transferred to the Local Government Halfcent Sales Tax Clearing Trust Fund and distributed pursuant to s. 218.65.
- 4. After the distributions under subparagraphs 1., 2., and 3., 2.0440 percent of the available proceeds shall be transferred monthly to the Revenue Sharing Trust Fund for

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Counties pursuant to s. 218.215.

- 5. After the distributions under subparagraphs 1., 2., and 3., 1.3409 percent of the available proceeds, plus the amount required under s. 290.0138(2), 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 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

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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 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.

b. The department shall distribute \$166,667 monthly pursuant to s. 288.1162 to each applicant certified as a facility for a new or retained professional sports franchise pursuant to s. 288.1162. Up to \$41,667 shall be distributed monthly by the department to each certified applicant as defined in s. 288.11621 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. A certified applicant identified in this sub-subparagraph may not receive more in distributions than expended by the applicant for the public purposes provided for in s. 288.1162(5) or s. 288.11621(3).

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

Section 2. Subsection (3) of section 218.23, Florida Statutes, is amended to read:

- 218.23 Revenue sharing with units of local government.-
- (3) The distribution to a unit of local government under this part is determined by the following formula:
- (a) First, the entitlement of an eligible unit of local government shall be computed on the basis of the apportionment factor provided in s. 218.245, which shall be applied for all eligible units of local government to all receipts available for distribution in the respective revenue sharing trust fund.
- (b) Second, revenue shared with eligible units of local government for any fiscal year shall be adjusted so that no eligible unit of local government receives less funds than its

175 guaranteed entitlement.

- (c) Third, revenues shared with counties for any fiscal year shall be adjusted so that no county receives less funds than its guaranteed entitlement plus the second guaranteed entitlement for counties.
- (d) Fourth, revenue shared with units of local government for any fiscal year shall be adjusted so that no unit of local government receives less funds than its minimum entitlement.
- (e) Fifth, after the adjustments provided in paragraphs (b), (c), and (d), the funds remaining in the respective trust fund for municipalities shall be distributed to the appropriate governing bodies eligible for a distribution under ss. 290.0137 and 290.0138.
- (f) (e) Sixth Fifth, after the adjustments provided in paragraphs (b), (c), and (d), and (e), and after deducting the amount committed to all the units of local government, the funds remaining in the respective trust funds shall be distributed to those eligible units of local government which qualify to receive additional moneys beyond the guaranteed entitlement, on the basis of the additional money of each qualified unit of local government in proportion to the total additional money of all qualified units of local government.
- Section 3. Section 290.004, Florida Statutes, is amended to read:
- 290.004 Definitions relating to Florida Enterprise Zone Act.—As used in ss. 290.001-290.016, the term:
- (1) "Bond" means a bond, note, or other instrument that is issued by the governing body pursuant to s. 290.01391 and secured by tax increment revenues or other security authorized

204 in this chapter.

- (2)(1) "Community investment corporation" means a black business investment corporation, a certified development corporation, a small business investment corporation, or other similar entity incorporated under Florida law that has limited its investment policy to making investments solely in minority business enterprises.
- $\underline{(3)}$  "Department" means the Department of Economic Opportunity.
- $\underline{(4)}$  "Governing body" means the council or other legislative body charged with governing the county or municipality.
- (5) (4) "Minority business enterprise" has the same meaning as provided in s. 288.703.
- (6) "Retail development costs" mean any costs associated with, arising out of, or incurred in connection with:
  - (a) A retail development project;
- (b) The issuance of, or debt service or any other payments in respect of, the bonds, including costs of issuance, capitalized interest, credit enhancement fees, reserve funds, or working capital; or
- (c) The relocation of a business in which the purpose of relocation is to make space for a retail development project.
- (7) "Retail development project" means the establishment of a business pursuant to a development agreement between the governing body and the retail development project developer within a sales tax increment district within an enterprise zone. A business established by a retail development project must be engaged in direct onsite retail sales to consumers or providing

233 unique entertainment attractions, including the following: 234 acquisition, purchasing, construction, reconstruction, 235 improvement, renovation, rehabilitation, restoration, 236 remodeling, repair, remediation, expansion, extension, or the 237 furnishing, equipping, and opening of the business. A retail 238 development project may include restaurants, grocery and 239 specialty food stores, art galleries, and businesses engaged in sales of home furnishings, apparel, and general merchandise 240 goods to specialized customers, or providing a unique 241 2.42 entertainment attraction. A retail development project may not 243 include:

(a) Liquor stores;

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- (b) Adult entertainment establishments or nightclubs;
- (c) Adult book clubs; and
- (d) The relocation of a business to the retail development project from another location within the enterprise zone, unless the relocation involves a significant expansion of the size of the business.
- (8) "Retail development project developer" means a person sponsoring a retail development project.
- (9)(5) "Rural enterprise zone" means an enterprise zone that is nominated by a county having a population of 75,000 or fewer, or a county having a population of 100,000 or fewer which is contiguous to a county having a population of 75,000 or fewer, or by a municipality in such a county, or by such a county and one or more municipalities. An enterprise zone designated in accordance with s. 290.0065(5)(b) is considered to be a rural enterprise zone.
  - (10) "Sales tax increment district" means an area within an

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enterprise zone designated by a governing body to be used by a retail development project.

- $\underline{\text{(11)}}_{\text{(6)}}$  "Small business" has the same meaning as provided in s. 288.703.
- (12) "Tax increment revenues" means the additional sales tax revenues within the area of a sales tax increment district which exceed the amount of sales tax revenues in the base year.

Section 4. Paragraph (a) of subsection (9) of section 290.0056, Florida Statutes, is amended, and present subsections (11) and (12) of that section are redesignated as subsections (12) and (13), respectively, and a new subsection (11) is added to that section, to read:

- 290.0056 Enterprise zone development agency.-
- (9) The following powers and responsibilities shall be performed by the governing body creating the enterprise zone development agency acting as the managing agent of the enterprise zone development agency, or, contingent upon approval by such governing body, such powers and responsibilities shall be performed by the enterprise zone development agency:
- (a) To review, process, and certify applications for state enterprise zone tax incentives pursuant to ss. 212.08(5)(g), (h), and (15); 212.096; 220.181; and 220.182; and 290.0137.
- (11) A governing body that designates a sales tax increment district may also exercise the following additional powers for the purpose of providing local financing for public and private improvements that will foster job growth and enhance the base of retailers within an enterprise zone, unless otherwise prohibited by ordinance:
  - (a) Enter into cooperative contracts and agreements with a

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291 county, municipality, governmental agency, or private entity for 292 services and assistance; 293 (b) Acquire, own, convey, construct, maintain, improve, and 294 manage property and facilities and grant and acquire licenses, 295 easements, and options with respect to such property; 296 (c) Expend incremental sales tax revenues to promote and 297 advertise the commercial advantages of the district in order to 298 attract new businesses and encourage the expansion of existing 299 businesses; 300 (d) Expend incremental sales tax revenues to promote and 301 advertise the district to the public and engage in cooperative 302 advertising programs with businesses located in the district; 303 and 304 (e) Expend incremental sales tax revenues pursuant to a 305 development agreement with a retail development project 306 developer to underwrite retail development costs. 307 Section 5. Subsection (9) is added to section 290.007, 308 Florida Statutes, to read: 309 290.007 State incentives available in enterprise zones.-The 310 following incentives are provided by the state to encourage the revitalization of enterprise zones: 311 312 (9) Tax increment financing within the area of an 313 enterprise zone which is designated as a sales tax increment 314 district. 315 Section 6. Section 290.01351, Florida Statutes, is created 316 to read: 317 290.01351 Municipal Revitalization Act.—Sections 290.01351-318 290.01391 may be cited as the "Municipal Revitalization Act." 319 Section 7. Section 290.0136, Florida Statutes, is created

320 to read:

290.0136 Sales tax increment districts; intent and purpose.

- (1) The Legislature intends to foster the revitalization of counties and municipalities and support job-creating retail development projects within enterprise zones by authorizing the governing bodies of counties and municipalities to designate sales tax increment districts within enterprise zones, subject to the review and approval by the Department of Economic Opportunity.
- governing bodies of an enterprise zone to designate a sales tax increment district, the counties or municipalities may share with the state any annual increase in sales tax collections occasioned by a retail development project and advance the revitalization of such counties and municipalities. Through the sharing of any annual increases in sales tax collections within a sales increment district resulting from the advancement of a retail development project, the Legislature intends to provide local financing for public and private improvements that will foster job growth for the residents of economically distressed areas and enhance the base of local retailers serving residents of the enterprise zones and the surrounding communities.

Section 8. Section 290.0137, Florida Statutes, is created to read:

- 290.0137 Designation of sales tax increment districts; review and approval.—
- (1) Any municipality having a population of at least 250,000 residents which has designated an enterprise zone, or

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all the governing bodies in the case of a county and one or more municipalities having been designated an enterprise zone if the county has a population of at least 750,000 residents, may adopt a resolution designating a sales tax increment district to support the development of a retail development project following a public hearing.

- (2) The resolution creating a sales tax increment redevelopment district, at a minimum, must:
- (a) Include findings that the designation of the sales tax increment district:
- 1. Is essential to the advancement of a retail development project;
- 2. Will provide needed retail amenities within the enterprise zone;
- 3. Will result in the creation of a total of 500 new jobs and at least \$1 million in sales tax increment revenue annually; and
- 4. Will enhance the health and general welfare of the residents of the enterprise zone within the sponsoring municipality or county;
- (b) Fix the geographic boundaries of the sales tax increment district which are necessary to support the advancement of a retail development project;
- (c) Establish the term of the life of the sales tax increment district, which term may not exceed 15 years following the date the sales tax increment district is approved following review by the Department of Economic Opportunity;
- (d) Specify the base year amount of sales tax revenues for the determination of the amount of sales tax increment revenues

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resulting from a retail development project; and

- (e) Authorize staff of the governing body to negotiate a development agreement with the retail development project developer, subject to the approval of the governing body.
- (3) A copy of the resolution adopted by the governing body designating the sales tax increment district shall be transmitted to the Department of Economic Opportunity for its review. The department, in consultation with Enterprise Florida, Inc., shall determine whether the designation of the sales tax increment district complies with the requirements of this chapter.
- (4) Upon determining that the designation by the governing body complies with the requirements of this chapter, the Department of Economic Opportunity shall transmit a copy of the resolution establishing the sales tax increment district to the Department of Revenue.

Section 9. Section 290.0138, Florida Statutes, is created to read:

- 290.0138 Calculation of tax increment revenue contribution to governing body.—
- (1) The governing body of a designated sales tax increment district is eligible for a percentage distribution from the Revenue Sharing Trust Fund for Municipalities of the increased collections of the sales tax revenues realized during any month by the municipality over the same monthly period of the base year, as follows:
- (a) Eighty-five percent of the increased monthly collections of \$85,000 or less.
  - (b) Seventy-five percent of the increased monthly

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dot collections greater than \$85,000 but \$425,000 or less.

- (c) Fifty percent of the increased monthly collections greater than \$425,000 but \$675,000 or less.
- (d) Twenty-five percent of the increased monthly collections greater than \$675,000 but \$1 million or less.
- (2) The specific amount payable to each eligible governing body shall be determined monthly by the Department of Revenue for distribution to the appropriate eligible governing body pursuant to subsection (1). The Department of Revenue shall determine monthly the aggregate amount of sales tax revenue that is required for distribution to an eligible governing body under this section and transfer that amount from the General Revenue Fund to the Revenue Sharing Trust Fund for Municipalities in accordance with s. 212.20(6)(d)5. All amounts transferred to the Revenue Sharing Trust Fund for Municipalities shall be distributed as provided in s. 218.23(3)(e). The total distribution provided to the eligible governing body may not exceed the total tax increment revenue contribution set forth in the retail project development agreement required pursuant to s. 290.0139.
- (3) Each governing body receiving a percentage distribution pursuant to subsection (1) shall establish a separate tax increment revenue account within its general fund for the deposit of the sales tax increment for each sales tax increment district.

Section 10. Section 290.0139, Florida Statutes, is created to read:

- 290.0139 Retail development project agreement.—
- (1) A retail development project developer desiring to use

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tax increment revenues to underwrite retail development costs

must enter into a retail development project agreement with the

governing body of the county or municipality designating a sales

tax increment district. The agreement must set forth:

- (a) The goals and objectives of the retail development
  project;
- (b) Requirements for leasing retail space within the retail development project which will advance the goals and objectives;
- (c) The terms and conditions under which tax increment revenue or bond proceeds will be advanced to pay retail developments costs incurred in the sales tax increment district;
- (d) The total amount of the tax increment revenue to be contributed to pay retail development costs within the sales tax increment district;
- (e) Goals for hiring minority business enterprises to perform construction or operations work, which goal shall equal an amount at least 25 percent of the total amount of tax increment revenue contributed towards the payment of retail development costs within the sales tax increment district;
- (f) Goals for the hiring of enterprise zone residents for the new jobs created by the retail development project, which goal shall equal at least 35 percent of the new jobs created;
- (g) Such matters as may be required in connection with the issuance of bonds to support the retail development project; and
- (h) Such other matters as the governing body designating the sales tax increment district may determine to be necessary and appropriate.
- (2) Tax increment revenues or bond proceeds may not be advanced to pay retail development costs until such time as the

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retail development project is open to the general public.

(3) The governing body may approve a retail project development agreement following a public hearing and the approval must be in the form of a resolution.

Section 11. Section 290.01391, Florida Statutes, is created to read:

290.01391 Issuance of tax increment revenue bonds; use of bond proceeds; funding agreement.—

- (1) A governing body that designates a sales tax increment district may approve a resolution following a public hearing which authorizes tax increment revenues to be used to support the issuance of revenue bonds to finance retail redevelopment costs of a retail development project, including the payment of principal and interest upon any advances for surveys and plans or preliminary loans.
- (2) Bonds issued under this section do not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction and are not subject to any other law or charter relating to the authorization, issuance, or sale of bonds. Bonds issued under this section are declared to be issued for an essential public and governmental purpose, and the interest and income from the bonds are exempt from all taxes, except taxes imposed by chapter 220 on corporations.
- (3) Bonds issued under this section may be issued in one or more series and may bear such date or dates, be payable upon demand or mature at such time or times, bear interest at such rate or rates, be in such denomination or denominations, be in such form either with or without coupon or registered, carry

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such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment at such place or places, be subject to such terms of redemption with or without a premium, be secured in such manner, and have such other characteristics as may be provided by the resolution or ordinance authorizing their issuance. Bonds issued under this section may be sold in such manner, either at public or private sale, and for such price as the designated redevelopment agency may determine will effectuate the purposes of this section.

(4) In any suit, action, or proceeding involving the validity or enforceability of any bond issued under this section, any bond that recites in substance that it has been issued by the governing body in connection with the sales tax increment district for a purpose authorized under this section is conclusively presumed to have been issued for that purpose, and any project financed by the bond is conclusively presumed to have been planned and carried out in accordance with the intended purposes of this section.

Section 12. This act shall take effect July 1, 2012.