

**SB 306 by Braynon (CO-INTRODUCERS) Abruzzo; (Similar to H 0165) Professional Sports Facilities**

207262	A	S	FAV	AFT, Hukill	Before L.48:	03/06 12:57 PM
773844	A	S	FAV	AFT, Margolis	Delete L.59 - 92:	03/06 12:57 PM
523570	A	S	FAV	AFT, Margolis	Delete L.391 - 409:	03/06 12:57 PM

The Florida Senate  
**COMMITTEE MEETING EXPANDED AGENDA**  
 APPROPRIATIONS SUBCOMMITTEE ON FINANCE AND  
 TAX  
 Senator Hukill, Chair  
 Senator Ring, Vice Chair

**MEETING DATE:** Wednesday, March 6, 2013  
**TIME:** 10:30 a.m.—12:30 p.m.  
**PLACE:** Mallory Horne Committee Room, 37 Senate Office Building

**MEMBERS:** Senator Hukill, Chair; Senator Ring, Vice Chair; Senators Abruzzo, Altman, Brandes, Clemens, Diaz de la Portilla, Evers, Gardiner, Margolis, Sachs, and Simmons

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	<b>SB 306</b> Braynon (Similar H 165, Compare H 555, H 721, CS/CS/S 336, S 922)	Professional Sports Facilities; Providing that tourist development tax revenues may also be used to pay the debt service on bonds that finance the renovation of a professional sports facility that is publicly owned, or that is on land publicly owned, which is publicly operated or operated by the owner of a professional sports franchise or other lessee; requiring private contributions to the professional sports facility as a condition for the use of tourist development taxes; authorizing the use of certain tax revenues to pay for operation and maintenance costs of the renovated facility; prohibiting the Department of Economic Opportunity from certifying more than one professional sports franchise renovation facility, etc.	CM 02/05/2013 Favorable AFT 03/06/2013 AP RC
2	Presentations regarding space industry activities in Florida Space Florida SpaceX		
3	Continuation of Review of Economic Development Tax Incentives		
4	Other Related Meeting Documents		



to be deposited in the county’s tourist development trust fund. The REC has not yet reviewed the impact of the corporate tax deduction for international banking facilities.

The bill substantially amends the following sections of the Florida Statutes: 125.0104, 212.20, 218.64, 220.153, 220.62, 220.63, 288.1162, and 288.11621

**II. Present Situation:**

**Professional Sports in Florida**

Florida currently has 9 major professional sports teams. The oldest major professional sports team in the state is the Miami Dolphins football franchise of the National Football League (NFL). The Dolphins franchise began in 1966 as an expansion team as part of the now-defunct American Football League. The newest major professional sports team in the state is the Tampa Bay Rays baseball franchise of Major League Baseball (MLB). The Rays franchise began in 1998. 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	Sun Life Stadium	1987	Miami-Dade
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	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	EverBank Field	1995	Duval
Tampa Bay Rays	Baseball	MLB	1998	Tropicana Field	1990, occupied by Rays since 1998	Pinellas

In addition to the nine major professional sports teams, Florida is also home to 33 Minor League franchises in various sports and three Arena Football League teams. MLB’s Spring Training Grapefruit League is also based in Florida, with 15 teams claiming the state as their second home for preseason training and exhibition games.

## State Incentives for Professional Sports Teams

Section 288.1162, F.S., provides the procedure by which professional sports franchises in Florida may be certified to receive state funding for the purpose of paying for the acquisition, construction, reconstruction, or renovation of a facility for a new or retained professional sports franchise. Local governments, non-profit, and for-profit entities may apply to the program.

The Department of Economic Opportunity (DEO) is responsible for screening and certifying applicants for state funding. Applicants qualifying as new professional sports franchises must be a professional sports franchise that was not based in Florida prior to April 1, 1987. Applicants qualifying as retained professional sports franchises must have had a league-authorized location in the state on or before December 31, 1976, and be continuously located at the location. The number of certified professional sports franchises, both new and retained, is limited to eight total franchises.

For both new and retained franchises, DEO must confirm and verify that:

- A local government is responsible for the construction, management, or operation of the professional sports franchise facility, or holds title to the property where the facility is located;
- The applicant has a verified copy of a signed agreement with a new professional sports franchise for at least 10 years, or for 20 years in the case of a retained franchise;
- The applicant has a verified copy of the approval by the governing body of the NFL, MLB, National Hockey League, or National Basketball League authorizing the location of a new franchise in the state after April 1, 1987, for new professional sports franchises, or verified evidence of a league-authorized location in the state on or before December 31, 1976, for a retained professional sports franchise;
- The applicant has projections demonstrating a paid annual attendance of over 300,000 annually;
- The applicant has an independent analysis demonstrating that the amount of sales taxes generated by the use or operation of the franchise's facility will generate \$2 million annually;
- The city where the franchise's facility is located, or the county if the facility is in an unincorporated area, has certified by resolution after a public hearing that the applicant franchise serves a public purpose; and
- The applicant has demonstrated that it has provided or is capable of providing financial or other commitments of more than one-half of the costs incurred or related to the improvement or development of the franchise's facility.

Any applicant who meets the above mentioned criteria as verified by DEO is eligible to receive monthly payments from the state of \$166,667 for not more than 30 years,<sup>1</sup> for an annual payment totaling \$2,000,004. The Department of Revenue disburses the payments.

Further, payments may only be used for the public purposes of paying for the acquisition, construction, reconstruction, or renovation of a facility for a new or retained professional sports franchise; reimbursing associated costs for such activities; paying or pledging payments of debt

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<sup>1</sup> Section 212.20(6)(d)6.b., F.S.

service on bonds issued for such activities; funding debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect to bonds issued for such activities; or refinancing the bonds. The state may only pursue recovery of funds if the Auditor General finds that the distributions were not expended as required by statute.

No facility may be certified more than once, and no sports franchise can be the basis for more than one certification unless the previous certification was withdrawn by the facility or invalidated by DEO before any funds were disbursed under s. 212.20(6)(d), F.S.

As of January 8, 2013, there were eight certified new or retained professional sports franchise facilities in Florida. The facilities and the payment distribution for each are listed below:<sup>2</sup>

Facility name	Certified entity	Franchise	First Payment	Final Payment	Total payments to date
Sun Life Stadium	Dolphins Stadium/ South Florida Stadium	Florida (Miami) Marlins <sup>3</sup>	06/94	06/2023	\$39,166,745
Everbank Field	City of Jacksonville	Jacksonville Jaguars	06/94	05/2024	\$37,333,408
Tropicana Field	City of St. Petersburg	Tampa Bay Rays	06/95	06/2025	\$35,166,737
Tampa Bay Times Forum	Tampa Sports Authority	Tampa Bay Lightning	09/95	08/2025	\$34,833,403
BB&T Center	Broward County	Florida Panthers	08/96	07/2026	\$33,000,066
Raymond James Stadium	Hillsborough County	Tampa Bay Buccaneers	01/97	12/2026	\$32,166,731
American Airlines Arena	BPL, LTD	Miami Heat	03/98	03/2028	\$29,666,726
Amway Center	City of Orlando	Orlando Magic	02/08	01/2038	\$10,000,020

**Tourist Development Tax**

Section 125.0104, F.S., authorizes the levy of five separate local option taxes on rental charges subject to the transient rentals tax under s. 212.03, F.S., to be used in various ways to promote tourism within the county. The authorized uses of each local option tax vary according to the particular levy.<sup>4</sup>

<sup>2</sup> DEO, *Professional Sports Franchises*, (January 8, 2013), (on file with the Commerce and Tourism Committee).

<sup>3</sup> The Marlins franchise relocated from Sun Life Stadium to Marlins Park for the 2012 baseball season.

<sup>4</sup> Florida Revenue Estimating Conference, “2012 Florida Tax Handbook.”

- The tourist development tax may be levied at the rate of 1 or 2 percent.<sup>5</sup> Currently, 62 counties levy this tax at 2 percent; all 67 counties are eligible to levy this tax.<sup>6</sup> Revenue from this tax may be bonded to finance certain facilities and projects, including financing revenue bonds. This tax may only be levied after the ordinance is approved by a majority of voters in a referendum.
- An additional tourist development tax of 1 percent may be levied.<sup>7</sup> Currently 45 counties levy this tax and only 57 counties are currently eligible to levy this tax. Revenue from this tax may be bonded to finance certain facilities and projects, but may not be used for certain debt service or refinancing unless approved by an extraordinary vote of the governing board. This tax may only be levied after the ordinance is approved by a majority of voters in a referendum.
- A professional sports franchise facility tax may be levied up to an additional 1 percent.<sup>8</sup> Currently 36 counties levy this additional tax and all 67 counties are eligible to levy this tax. Revenue can be used to pay debt service on bonds for the construction or renovation of professional sports franchise facilities, spring training facilities of professional sports franchises, and convention centers, and to promote and advertise tourism.
- A high tourism impact tax may be levied at an additional 1 percent.<sup>9</sup> Five counties are eligible to levy this tax (Broward, Monroe, Orange, Osceola, and Walton). Of these five counties, Monroe, Orange, and Osceola levy this additional tax. Revenue from this tax may be bonded to finance certain facilities and projects, including financing revenue bonds.
- An additional professional sports franchise facility tax no greater than 1 percent may be imposed by a county that has already levied the professional sports franchise facility tax.<sup>10</sup> Out of 65 counties that levy a professional sports facility tax, 20 levy an additional professional sports franchise facility tax. Revenue can be used to pay debt service on bonds for the construction or renovation of professional sports franchise facilities, spring training facilities of professional sports franchises, and to promote and advertise tourism. Miami-Dade and Volusia counties may not levy the additional 1 percent professional sports franchise facility tax.<sup>11 12</sup>

“Local option tourist taxes are significant revenue sources to Florida’s county governments and represent important funding mechanisms for a variety of tourism-related expenditures such as beach and shoreline maintenance, construction of convention centers and professional sports franchise facilities, and tourism promotion.”<sup>13</sup> Generally, the revenues from these levies may be used for capital construction, maintenance, and promotion of tourist-related facilities, tourism

<sup>5</sup> Section 125.0104(3)(c), F.S.

<sup>6</sup> Information related to the number of counties levying the taxes is from the Office of Economic and Demographic Research, “2013 Local Option Tourist/Food and Beverage/Tax Rates in Florida’s Counties,” <http://edr.state.fl.us/Content/local-government/data/county-municipal/2013LOTTates.pdf> (last visited January 24, 2013).

<sup>7</sup> Section 125.0104(3)(d), F.S.

<sup>8</sup> Section 125.0104(3)(l), F.S.

<sup>9</sup> Section 125.0104(3)(m), F.S.

<sup>10</sup> Section 125.0104(3)(n), F.S.

<sup>11</sup> Section 212.0305(4)(b), F.S.

<sup>12</sup> Section 125.0104(3)(b), F.S.

<sup>13</sup> Florida Legislative Committee on Intergovernmental Relations, Issue Brief: Utilization of Local Option Tourist Taxes by Florida Counties in Fiscal Year 2009-10 (December 2009), available at <http://edr.state.fl.us/Content/local-government/reports/localopttourist09.pdf> (last visited on January 24, 2013).

promotion, and beach and shoreline maintenance. Tourist-related facilities include convention centers, sports stadiums and arenas, coliseums, auditoriums, aquariums, and museums that are publically owned and operated within the area that the tax is levied. Tax revenues may also be used to promote zoos.

The local taxes on rental charges are required to be remitted to the Department of Revenue, unless a county has adopted an ordinance providing for local collection and administration of the tax.<sup>14</sup>

In counties that have plans for tourist development that include the acquisition, construction, extension, enlargement, remodeling, repair, or improvement of a publicly owned and operated convention center, sports stadium, sports arena, coliseum, auditorium, aquarium, or a museum that is publicly owned and operated or owned and operated by a not-for-profit organization, the ordinance levying the tourist development tax automatically expires upon the later of two circumstances:

- The retirement of all bonds issued by the county for financing the acquisition, construction, extension, enlargement, remodeling, repair, or improvement of a publicly owned and operated convention center, sports stadium, sports arena, coliseum, auditorium, aquarium, or a museum that is publicly owned and operated or owned and operated by a not-for-profit organization; or
- The expiration of any agreement by the county for the operation or maintenance, or both, of a publicly owned and operated convention center, sports stadium, sports arena, coliseum, auditorium, or museum.

### **Convention Development Taxes**

Section 212.0305, F.S., authorizes Duval, Miami-Dade and Volusia counties to levy a convention development tax on transient rental transactions. Three of the five available levies are applicable to only separate taxing districts within Volusia County. The levies may be authorized by adoption of an ordinance by the county's governing body. Revenues may generally be used for capital construction of convention centers and other tourist-related facilities as well as tourism promotion.<sup>15</sup>

Only Duval County meets the requirements to levy the 2 percent convention development tax on the total charged consideration for transient rentals under s. 212.0305(4)(a), F.S., which applies to counties operating under a government consolidated with one or more municipalities in the county. Proceeds from the tax may be used for the following purposes:

- To promote and advertise tourism (only for municipalities of more than 10,000 population);
- To extend, enlarge, and improve existing publicly owned convention centers in the county;
- To construct a multipurpose convention/coliseum/exhibition center or the maximum components thereof as funds permit in the county; and/or

<sup>14</sup> Also known as "self-administering."

<sup>15</sup> Office of Economic and Demographic Research, *2012 Local Government Financial Information Handbook*, (October 2012), available at: <http://edr.state.fl.us/Content/local-government/reports/lgfih12.pdf>, (last visited on January 28, 2013).

- To acquire, construct, extend, enlarge, remodel, repair, improve, or maintain one or more convention centers, stadiums, exhibition halls, arenas, coliseums, or auditoriums.

Miami-Dade County is the only county meeting the requirements of s. 212.0305(4)(b), F.S., authorizing a charter county as defined in s.125.011(1), F.S., to levy the charter county convention development tax. The tax is a 3 percent tax on the total consideration charged for transient rental transactions. The county must notify each municipality of projects to be developed, and each municipality must designate an authority with the power to approve the concept, location, and design of the facilities or improvements to be developed. The governing board of any municipality within Miami-Dade County that levies the Municipal Resort Tax<sup>16</sup> may adopt a resolution prohibiting the imposition of the convention development tax within the municipality's jurisdiction. Should a municipality adopt such a resolution, no convention development taxes collected by the county may be expended within the municipality. Proceeds from the tax may be used only in the following manner:

- Two-thirds of the proceeds shall be used to extend, enlarge, and improve the largest existing publicly owned convention center in the county;
- One-third of the proceeds shall be used to construct a new multipurpose convention/coliseum/exhibition center/stadium or the maximum components thereof, as funds permit in the most populous municipality in the county;
- After completion of any project on the largest existing publicly owned convention center in the county, tax revenues and accrued interest may be used to acquire, construct, extend, enlarge, remodel, repair, improve, plan for, operate, manage, or maintain one or more convention centers, stadiums, exhibition halls, arenas, coliseums, auditoriums, or golf courses, and may be used to acquire and construct an intercity light rail system;<sup>17</sup> and
- After the completion of any convention project in the most populous municipality in the county, tax revenues and accrued interest may be used to operate the authority designated by the municipality with the powers to approve the concept, location, and design of the convention facilities, or for maintenance on one or more convention facilities, golf courses, related buildings or parking facilities within the most populous municipality in the county.

Volusia County is the only county authorized to levy three separate special district convention development taxes. The county levies the special district convention development tax, the special convention development tax, and the subcounty convention district tax, as authorized by ss. 212.0305(4)(c)-(e) and 212.03055, F.S., on the total consideration charged for transient rentals. The combined effect of the three separate taxing districts is a countywide tax of 3 percent.<sup>18</sup> For each levy, the county may designate or appoint an authority to administer or disburse the tax proceeds. Proceeds from the tax, including any accrued interest is to be used in the following manner:

- To promote and advertise tourism; and

<sup>16</sup> Chapter 67-930, L.O.F.

<sup>17</sup> The light rail system must be used to transport persons to and from the largest publicly owned convention center to hotels north of the convention center, and to and from the downtown area of the most populous municipality within the county as determined by the county.

<sup>18</sup> *Supra* note 13 at pages 125 and 240.

- To fund convention bureaus, tourist bureaus, tourist information centers, and news bureaus.

The local taxes on transient rental charges are required to be remitted to the Department of Revenue, unless a county has adopted an ordinance providing for local collection and administration of the tax.

### **International Banking Facility Corporate Income Tax Deduction**

Section 220.63(5), F.S., provides a corporate income tax deduction for income from international banking activities. The qualifying international banking facility income generally includes income generated from loans to foreign persons, deposits with foreign banks or other international banking facilities, and foreign exchange trading or hedging transactions. Florida's deduction was created as an incentive for U.S. banks to locate their international banking offices within Florida.

At the time the deduction was adopted, federal interstate banking restrictions ensured that international banking facilities that were subject to Florida's corporate income tax had physical facilities in Florida. In 1994, federal interstate banking restrictions were largely repealed due to changes in federal law. Because of the change in interstate banking restrictions, banks can currently take the deduction even if their interstate banking facility is located in another state.

### **III. Effect of Proposed Changes:**

**Section 1** amends s. 125.0104, F.S., to allow counties to use the proceeds of the additional 1 percent professional sports franchise facility tourist development tax for the purposes of paying debt service on bonds issued to finance the renovation of a professional sports franchise facility. The bill provides that funds generated by the tax may also be used to pay planning and design costs incurred prior to bond issuance, and to pay for operation and maintenance costs of the facility. This is an expansion of the eligible uses of the already-existing additional professional sports franchise facility tourist development tax. In order to be eligible for the expanded uses, a facility must:

- Have a total renovation cost of over \$300 million, including permitting, architectural, and engineering fees, of which a majority must be paid for by the ownership of the professional sports franchise or by other private sources, exclusive of in-kind contributions; and
- Be publicly owned, or be located on land that is publicly owned and be publicly operated or operated by the professional sports franchise or another lessee with expertise or financial capability to operate the facility.

This section also allows charter counties that levy the charter county convention development tax (Miami-Dade County) to levy the additional 1 percent professional sports franchise facility tourist development tax. The county must receive referendum approval in order to levy and use the additional 1 percent sports franchise facility tourist development tax. Current law prohibits Miami-Dade County from levying the additional tax.

**Section 2** amends s. 212.20, F.S., to authorize the Department of Revenue to distribute \$250,000 per month to any certified "professional sports franchise renovation facility." This is a new

designation not present in current law. Distributions may only continue for up to 30 years, as under current law.

**Section 3** amends s. 218.64, F.S., to correct a cross-reference to s. 288.1162, F.S.

**Section 4** amends s. 220.153, F.S., to delete a cross-reference to “international banking facility.”

**Section 5** amends s. 220.62(3) and (5) to repeal the definition of the terms “international banking facility” and “foreign person.”

**Section 6** amends s. 220.63, F.S., to repeal the corporate tax deduction for international banking facilities.

**Section 7** amends s. 288.1162, F.S., relating to professional sports franchises. The bill creates a new classification under this section, allowing for a facility to receive certification as a “professional sports franchise renovation facility.” DEO may only certify one facility as a “professional sports franchise renovation facility.” A “professional sports franchise renovation facility” may also be previously certified as a new or retained professional sports franchise by DEO. In order to be certified, a facility must:

- Be a continuously league-authorized location for a professional sports franchise for 20 years or more;
- Have a county, municipality, or other public entity that is responsible for the construction, management, or operation of the facility, or hold the title to the property on which the facility is located;
- Have a verified copy of a lease agreement with a professional sports franchise to use the facility for at least the next 20 years;
- Provide an independent analysis demonstrating sales taxes generated by the facility will equal or exceed \$3 million annually;
- Have the county or municipality in which the facility is located certify a resolution after a public hearing that the application for certification serves a public purpose; and
- Demonstrate that the renovation costs will exceed \$300 million, including permitting, architectural, and engineering fees, and that a majority of the costs will be paid for by the ownership group of the franchise or other private sources.

The certified “professional sports franchise renovation facility” is required to use any funds provided by the Department of Revenue under s. 212.20, F.S., to pay “for the public purpose of renovating the facility only to pay or pledge for the debt service on, or to fund debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect to bonds issued for the renovation of the facility or for reimbursement of the costs or the refinancing of bonds issued for that purpose.”

**Section 8** amends s. 288.11621, F.S., to correct a cross-reference to s. 288.1162, F.S.

**Section 9** provides an effective date of July 1, 2013.

**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:**

The REC estimates that the section of the bill authorizing a sales tax distribution for a professional sports franchise renovation facility will decrease General Revenue by \$2.5 million in FY2013-14, with a recurring negative \$3.0 million impact to General Revenue.

Additionally, the bill allows a county that currently levies the charter county convention development tax (Miami-Dade County) to also levy an additional 1 percent professional sports franchise facility tourist development tax. For the additional levy, the REC adopted a positive, indeterminate impact since it is dependent on a local ordinance passed by a super majority vote. If the tax was levied by the local government, it would generate approximately \$11.0 million annually.

The REC has not yet estimated the impact of repealing the corporate tax deduction for international banking facilities. Staff estimates that repealing the deduction will increase revenues deposited into the General Revenue Fund by approximately \$10.8 million annually.

**B. Private Sector Impact:**

The bill would allow for the increase of taxes imposed on transient rentals on individuals staying at such establishments in the county by 1 percent.

**C. Government Sector Impact:**

The bill is not expected to significantly increase resource demands on the Department of Economic Opportunity or the Department of Revenue.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:**

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

**Recommended CS by Appropriations Subcommittee on Finance and Tax on  
March 6, 2013:**

The CS does the following:

- Requires referendum approval to levy and use the additional 1% sports facilities tourist development tax for the renovation of a professional sports facility.
- Increases the required cost of renovation of a professional sports facility from more than \$250 million to more than \$300 million.
- Repeals the corporate income tax deduction for “international banking facilities.”
- Makes minor clarifying changes.

- B. **Amendments:**

None.



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LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
03/06/2013	.	
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Appropriations Subcommittee on Finance and Tax (Hukill)  
recommended the following:

**Senate Amendment (with title amendment)**

Before line 48  
insert:

Section 1. Subsection (2) of section 220.153, Florida  
Statutes, is amended to read:

220.153 Apportionment by sales factor.—

(2) APPORTIONMENT OF TAXES; ELIGIBILITY.—A taxpayer, not  
including a financial organization as defined in s. 220.15(6) or  
a bank, savings association, ~~international banking facility,~~ or  
banking organization as defined in s. 220.62, doing business  
within and without this state, who applies and demonstrates to



13 the Department of Economic Opportunity that, within a 2-year  
14 period beginning on or after July 1, 2011, it has made qualified  
15 capital expenditures equal to or exceeding \$250 million may  
16 apportion its adjusted federal income solely by the sales factor  
17 set forth in s. 220.15(5), commencing in the taxable year that  
18 the Department of Economic Opportunity approves the application,  
19 but not before a taxable year that begins on or after January 1,  
20 2013. Once approved, a taxpayer may elect to apportion its  
21 adjusted federal income for any taxable year using the method  
22 provided under this section or the method provided under s.  
23 220.15.

24 Section 2. Subsections (3) and (5) of section 220.62,  
25 Florida Statutes, are repealed.

26 Section 3. Subsection (5) of section 220.63, Florida  
27 Statutes, is repealed.

28  
29 ===== T I T L E A M E N D M E N T =====

30 And the title is amended as follows:

31 Delete line 2

32 and insert:

33 An act relating to economic development; amending s.  
34 220.153, F.S.; conforming a cross-reference; repealing  
35 s. 220.62(3) and (5), F.S., relating to the definition  
36 of the terms "international banking facility" and  
37 "foreign person" in the income tax code; repealing s.  
38 220.63(5), F.S., relating to an income tax deduction  
39 for international banking facilities;



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LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
03/06/2013	.	
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Appropriations Subcommittee on Finance and Tax (Margolis)  
recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 59 - 92

and insert:

commissioners, or as otherwise provided in this paragraph,  
in order to:

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

a. The construction, reconstruction, or renovation of a  
facility that is ~~either~~ publicly owned and operated, or is  
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



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13 planning and design costs incurred before ~~prior to~~ the issuance  
14 of such bonds for a new professional sports franchise as defined  
15 in s. 288.1162.

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

23 2. Pay the debt service on bonds issued to finance the  
24 renovation of a professional sports franchise facility that is  
25 publicly owned or located on land that is publicly owned and  
26 that is publicly operated or operated by the owner of a  
27 professional sports franchise or other lessee who has sufficient  
28 expertise or financial capability to operate the facility, and  
29 to pay the planning and design costs incurred before the  
30 issuance of such bonds for the renovated professional sports  
31 facility. The cost to renovate the facility must be more than  
32 \$300 million, including permitting, architectural, and  
33 engineering fees, and at least a majority of the total  
34 construction cost, exclusive of in-kind contributions, must be  
35 paid for by the ownership group of the professional sports  
36 franchise or other private sources. Tax revenues available to  
37 pay debt service on bonds may be used to pay for operation and  
38 maintenance costs of the facility. A county levying the tax for  
39 the purposes specified in this subparagraph may do so only by a  
40 majority-plus-one vote of the membership of the board of county  
41 commissioners and after approval of the proposal by a majority



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42 vote of the electors voting in a referendum. Referendum approval  
43 of the proposal may be in an election held before or after the  
44 effective date of this act. The referendum ballot must include a  
45 brief description of the proposal and the following question:

46 FOR the Proposal

47 AGAINST the Proposal

48  
49 ===== T I T L E A M E N D M E N T =====

50 And the title is amended as follows:

51 Delete line 16

52 and insert:

53 maintenance costs of the renovated facility; requiring  
54 a majority-plus-one vote of the membership of the  
55 board of county commissioners to levy a tax for  
56 renovation of a sports franchise facility after  
57 approval by a majority of the electors voting in a  
58 referendum to approve the proposal; authorizing the  
59 referendum to be held before or after the effective  
60 date of this act; providing requirements for the  
61 referendum ballot; providing



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LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
03/06/2013	.	
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Appropriations Subcommittee on Finance and Tax (Margolis)  
recommended the following:

**Senate Amendment**

Delete lines 391 - 409  
and insert:  
renovate the facility will be more than \$300 million, including  
permitting, architectural, and engineering fees, and that at  
least a majority of the total construction cost, exclusive of  
in-kind contributions, will be paid for by the ownership group  
of the professional sports franchise or other private sources.

(6)~~(5)~~ An applicant certified as a facility for a new or  
retained professional sports franchise may use funds provided  
under s. 212.20 only for the public purpose of paying for the



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13 acquisition, construction, reconstruction, or renovation of a  
14 facility for a new or retained professional sports franchise to  
15 pay or pledge for the payment of debt service on, or to fund  
16 debt service reserve funds, arbitrage rebate obligations, or  
17 other amounts payable with respect to, bonds issued for the  
18 acquisition, construction, reconstruction, or renovation of such  
19 facility or for the reimbursement of such costs or the  
20 refinancing of bonds issued for such purposes. An applicant  
21 certified as a professional sports franchise renovation facility  
22 may use funds provided under s. 212.20 only for the public  
23 purpose of renovating the facility to pay or pledge for the debt

By Senator Braynon

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1 A bill to be entitled  
 2 An act relating to professional sports facilities;  
 3 amending s. 125.0104, F.S.; providing that tourist  
 4 development tax revenues may also be used to pay the  
 5 debt service on bonds that finance the renovation of a  
 6 professional sports facility that is publicly owned,  
 7 or that is on land publicly owned, which is publicly  
 8 operated or operated by the owner of a professional  
 9 sports franchise or other lessee; requiring that the  
 10 renovation costs exceed a specified amount; allowing  
 11 certain fees and costs to be included in the cost for  
 12 renovation; requiring private contributions to the  
 13 professional sports facility as a condition for the  
 14 use of tourist development taxes; authorizing the use  
 15 of certain tax revenues to pay for operation and  
 16 maintenance costs of the renovated facility; providing  
 17 for nonapplication of the prohibition against levying  
 18 such tax in certain cities and towns under certain  
 19 conditions; restricting certain counties from levying  
 20 the tax; providing for controlling application  
 21 notwithstanding conflicting provisions; authorizing  
 22 the use of tourist development tax revenues for  
 23 financing the renovation of a professional sports  
 24 franchise facility; amending s. 212.20, F.S.;  
 25 authorizing a tax rebate for a renovated professional  
 26 sports facility; conforming a cross-reference;  
 27 amending s. 218.64, F.S.; conforming a cross-  
 28 reference; amending s. 288.1162, F.S.; authorizing a  
 29 professional sports franchise renovation facility to

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**CODING:** Words ~~stricken~~ are deletions; words underlined are additions.

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30 apply for certain state funds; defining the term  
 31 "professional sports franchise renovation facility";  
 32 authorizing a professional sports franchise renovation  
 33 facility to receive additional funding; requiring the  
 34 Department of Economic Opportunity to make a  
 35 determination that certain criteria are met before  
 36 certifying a professional sports franchise renovation  
 37 facility; limiting the use of certain funds by a  
 38 professional sports franchise renovation facility;  
 39 prohibiting the department from certifying more than  
 40 one professional sports franchise renovation facility;  
 41 clarifying that the limitations for certification  
 42 apply to new or retained professional sports franchise  
 43 facilities; amending s. 288.11621, F.S.; conforming a  
 44 cross-reference; providing an effective date.

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

48 Section 1. Paragraph (n) of subsection (3) and paragraph  
 49 (a) of subsection (5) of section 125.0104, Florida Statutes, are  
 50 amended to read:  
 51 125.0104 Tourist development tax; procedure for levying;  
 52 authorized uses; referendum; enforcement.—  
 53 (3) TAXABLE PRIVILEGES; EXEMPTIONS; LEVY; RATE.—  
 54 (n) In addition to any other tax that is imposed under this  
 55 section, a county that has imposed the tax under paragraph (1)  
 56 may impose an additional tax that is no greater than 1 percent  
 57 on the exercise of the privilege described in paragraph (a) by a  
 58 majority plus one vote of the membership of the board of county

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59 commissioners in order to:

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

61 a. The construction, reconstruction, or renovation of a  
62 facility ~~that is either~~ publicly owned and operated, or is  
63 publicly owned and operated by the owner of a professional  
64 sports franchise or other lessee with sufficient expertise or  
65 financial capability to operate such facility, and to pay the  
66 planning and design costs incurred before ~~prior to~~ the issuance  
67 of such bonds for a new professional sports franchise as defined  
68 in s. 288.1162.

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

76 2. Pay the debt service on bonds issued to finance the  
77 renovation of a professional sports franchise facility that is  
78 publicly owned or located on land that is publicly owned and  
79 that is publicly operated or operated by the owner of a  
80 professional sports franchise or other lessee who has sufficient  
81 expertise or financial capability to operate the facility, and  
82 to pay the planning and design costs incurred before the  
83 issuance of such bonds for the renovated professional sports  
84 facility. The cost to renovate the facility must be more than  
85 \$250 million, including permitting, architectural, and  
86 engineering fees, and at least a majority of the total  
87 construction cost, exclusive of in-kind contributions, must be

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88 paid for by the ownership group of the professional sports  
89 franchise or other private sources. Tax revenues available to  
90 pay debt service on bonds may be used to pay for operation and  
91 maintenance costs of a facility funded pursuant to this  
92 subparagraph.

93 3.2- Promote and advertise tourism in this ~~the~~ state ~~of~~  
94 ~~Florida~~ and nationally and internationally; however, if tax  
95 revenues are expended for an activity, service, venue, or event,  
96 the activity, service, venue, or event must ~~shall~~ have as one of  
97 its main purposes the attraction of tourists as evidenced by the  
98 promotion of the activity, service, venue, or event to tourists.

99  
100 A county that imposes the tax authorized in this paragraph may  
101 not expend any ad valorem tax revenues for the acquisition,  
102 expansion, construction, reconstruction, or renovation of a  
103 facility for which tax revenues are used pursuant to  
104 subparagraph 1. The provision of paragraph (b) which prohibits  
105 any county authorized to levy a convention development tax  
106 pursuant to s. 212.0305 from levying more than the 2 percent ~~2-~~  
107 ~~percent~~ tax authorized by this section does ~~shall~~ not apply to  
108 the additional tax authorized by this paragraph in counties that  
109 ~~which~~ levy convention development taxes pursuant to s.  
110 212.0305(4) (a) or (b). Subsection (4) does not apply to the  
111 adoption of the additional tax authorized in this paragraph. The  
112 effective date of the levy and imposition of the tax authorized  
113 under this paragraph is the first day of the second month  
114 following approval of the ordinance by the board of county  
115 commissioners or the first day of any subsequent month specified  
116 in the ordinance. A certified copy of such ordinance must ~~shall~~

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117 be furnished by the county to the Department of Revenue within  
118 10 days after approval of the ordinance.

119 (5) AUTHORIZED USES OF REVENUE.—

120 (a) All tax revenues received pursuant to this section by a  
121 county imposing the tourist development tax ~~must shall~~ be used  
122 by that county for the following purposes only:

123 1. To acquire, construct, extend, enlarge, remodel, repair,  
124 improve, maintain, operate, or promote one or more publicly  
125 owned and operated convention centers, sports stadiums, sports  
126 arenas, coliseums, auditoriums, aquariums, or museums that are  
127 publicly owned and operated or owned and operated by not-for-  
128 profit organizations and open to the public, within the  
129 boundaries of the county or subcounty special taxing district in  
130 which the tax is levied. Tax revenues received pursuant to this  
131 section may also be used for promotion of zoological parks that  
132 are publicly owned and operated or owned and operated by not-  
133 for-profit organizations and open to the public. However, these  
134 purposes may be implemented through service contracts and leases  
135 with lessees with sufficient expertise or financial capability  
136 to operate such facilities;

137 2. To promote and advertise tourism in this ~~the~~ state ~~of~~  
138 ~~Florida~~ and nationally and internationally; however, if tax  
139 revenues are expended for an activity, service, venue, or event,  
140 the activity, service, venue, or event ~~must shall~~ have as one of  
141 its main purposes the attraction of tourists as evidenced by the  
142 promotion of the activity, service, venue, or event to tourists;

143 3. To fund convention bureaus, tourist bureaus, tourist  
144 information centers, and news bureaus as county agencies or by  
145 contract with the chambers of commerce or similar associations

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146 in the county, which may include any indirect administrative  
147 costs for services performed by the county on behalf of the  
148 promotion agency; ~~or~~

149 4. To finance beach park facilities or beach improvement,  
150 maintenance, renourishment, restoration, and erosion control,  
151 including shoreline protection, enhancement, cleanup, or  
152 restoration of inland lakes and rivers to which there is public  
153 access as those uses relate to the physical preservation of the  
154 beach, shoreline, or inland lake or river. However, any funds  
155 identified by a county as the local matching source for beach  
156 renourishment, restoration, or erosion control projects included  
157 in the long-range budget plan of the state's Beach Management  
158 Plan, pursuant to s. 161.091, or funds contractually obligated  
159 by a county in the financial plan for a federally authorized  
160 shore protection project may not be used or loaned for any other  
161 purpose. In counties of less than 100,000 population, no more  
162 than 10 percent of the revenues from the tourist development tax  
163 may be used for beach park facilities; ~~or-~~

164 5. For other uses specifically allowed under subsection  
165 (3).

166 Section 2. Paragraph (d) of subsection (6) of section  
167 212.20, Florida Statutes, is amended to read:

168 212.20 Funds collected, disposition; additional powers of  
169 department; operational expense; refund of taxes adjudicated  
170 unconstitutionally collected.—

171 (6) Distribution of all proceeds under this chapter and s.  
172 202.18(1)(b) and (2)(b) shall be as follows:

173 (d) The proceeds of all other taxes and fees imposed  
174 pursuant to this chapter or remitted pursuant to s. 202.18(1)(b)

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175 and (2) (b) ~~must shall~~ be distributed as follows:

176 1. In any fiscal year, the greater of \$500 million, minus  
177 an amount equal to 4.6 percent of the proceeds of the taxes  
178 collected pursuant to chapter 201, or 5.2 percent of all other  
179 taxes and fees imposed pursuant to this chapter or remitted  
180 pursuant to s. 202.18(1) (b) and (2) (b) ~~must shall~~ be deposited  
181 in monthly installments into the General Revenue Fund.

182 2. After the distribution under subparagraph 1., 8.814  
183 percent of the amount remitted by a sales tax dealer located  
184 within a participating county pursuant to s. 218.61 ~~must shall~~  
185 be transferred into the Local Government Half-cent Sales Tax  
186 Clearing Trust Fund. Beginning July 1, 2003, the amount to be  
187 transferred ~~must shall~~ be reduced by 0.1 percent, and the  
188 department shall distribute this amount to the Public Employees  
189 Relations Commission Trust Fund less \$5,000 each month, which  
190 ~~must shall~~ be added to the amount calculated in subparagraph 3.  
191 and distributed accordingly.

192 3. After the distribution under subparagraphs 1. and 2.,  
193 0.095 percent ~~must shall~~ be transferred to the Local Government  
194 Half-cent Sales Tax Clearing Trust Fund and distributed pursuant  
195 to s. 218.65.

196 4. After the distributions under subparagraphs 1., 2., and  
197 3., 2.0440 percent of the available proceeds ~~must shall~~ be  
198 transferred monthly to the Revenue Sharing Trust Fund for  
199 Counties pursuant to s. 218.215.

200 5. After the distributions under subparagraphs 1., 2., and  
201 3., 1.3409 percent of the available proceeds ~~must shall~~ be  
202 transferred monthly to the Revenue Sharing Trust Fund for  
203 Municipalities pursuant to s. 218.215. If the total revenue to

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204 be distributed pursuant to this subparagraph is at least as  
205 great as the amount due from the Revenue Sharing Trust Fund for  
206 Municipalities and the former Municipal Financial Assistance  
207 Trust Fund in state fiscal year 1999-2000, a ~~no~~ municipality may  
208 ~~not shall~~ receive less than the amount due from the Revenue  
209 Sharing Trust Fund for Municipalities and the former Municipal  
210 Financial Assistance Trust Fund in state fiscal year 1999-2000.  
211 If the total proceeds to be distributed are less than the amount  
212 received in combination from the Revenue Sharing Trust Fund for  
213 Municipalities and the former Municipal Financial Assistance  
214 Trust Fund in state fiscal year 1999-2000, each municipality  
215 shall receive an amount proportionate to the amount it was due  
216 in state fiscal year 1999-2000.

217 6. Of the remaining proceeds:

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

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

240 b. The department shall, pursuant to s. 288.1162,  
 241 distribute \$166,667 monthly ~~pursuant to s. 288.1162~~ to each  
 242 applicant certified as a facility for a new or retained  
 243 professional sports franchise and distribute \$250,000 monthly to  
 244 an applicant certified as a professional sports franchise  
 245 renovation facility pursuant to s. 288.1162. Up to \$41,667 must  
 246 ~~shall~~ be distributed monthly by the department to each certified  
 247 applicant as defined in s. 288.11621 for a facility for a spring  
 248 training franchise. However, not more than \$416,670 may be  
 249 distributed monthly in the aggregate to all certified applicants  
 250 for facilities for spring training franchises. Distributions  
 251 begin 60 days after such certification and continue for not more  
 252 than 30 years, except as otherwise provided in s. 288.11621. A  
 253 certified applicant identified in this sub-subparagraph may not  
 254 receive more in distributions than expended by the applicant for  
 255 the public purposes provided for in s. 288.1162 ~~288.1162(5)~~ or  
 256 s. 288.11621(3).

257 c. Beginning 30 days after notice by the Department of  
 258 Economic Opportunity to the Department of Revenue that an  
 259 applicant has been certified as the professional golf hall of  
 260 fame pursuant to s. 288.1168 and is open to the public, \$166,667  
 261 must shall be distributed monthly, for up to 300 months, to the

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 262 applicant.  
 263 d. Beginning 30 days after notice by the Department of  
 264 Economic Opportunity to the Department of Revenue that the  
 265 applicant has been certified as the International Game Fish  
 266 Association World Center facility pursuant to s. 288.1169, and  
 267 the facility is open to the public, \$83,333 must shall be  
 268 distributed monthly, for up to 168 months, to the applicant.  
 269 This distribution is subject to reduction pursuant to s.  
 270 288.1169. A lump sum payment of \$999,996 must shall be made,  
 271 after certification and before July 1, 2000.

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

274 Section 3. Paragraph (a) of subsection (3) of section  
 275 218.64, Florida Statutes, is amended to read:

276 218.64 Local government half-cent sales tax; uses;  
 277 limitations.—

278 (3) Subject to ordinances enacted by the majority of the  
 279 members of the county governing authority and by the majority of  
 280 the members of the governing authorities of municipalities  
 281 representing at least 50 percent of the municipal population of  
 282 such county, counties may use up to \$2 million annually of the  
 283 local government half-cent sales tax allocated to that county  
 284 for funding for any of the following applicants:

285 (a) A certified applicant as a facility for a new or  
 286 retained professional sports franchise under s. 288.1162 or a  
 287 certified applicant as defined in s. 288.11621 for a facility  
 288 for a spring training franchise. It is the Legislature's intent  
 289 that the provisions of s. 288.1162, including, but not limited  
 290 to, the evaluation process by the Department of Economic

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 291 Opportunity except for the limitation on the number of certified  
 292 applicants or facilities as provided in that section and the  
 293 restrictions set forth in s. ~~288.1162(9)~~ ~~288.1162(8)~~, shall  
 294 apply to an applicant's facility to be funded by local  
 295 government as provided in this subsection.

296 Section 4. Section 288.1162, Florida Statutes, is amended  
 297 to read:

298 288.1162 Professional sports franchises; duties.—

299 (1) The department shall serve as the state agency for  
 300 screening applicants for state funding under s. 212.20 and for  
 301 certifying an applicant as a facility for a new or retained  
 302 professional sports franchise or a professional sports franchise  
 303 renovation facility.

304 (2) The department shall develop rules for the receipt and  
 305 processing of applications for funding under s. 212.20.

306 (3) As used in this section, the term:

307 (a) "New professional sports franchise" means a  
 308 professional sports franchise that was not based in this state  
 309 before April 1, 1987.

310 (b) "Professional sports franchise renovation facility"  
 311 means a sports facility that has continuously been a league-  
 312 authorized location for a professional sports franchise for 20  
 313 years or more and that otherwise meets the requirements for  
 314 certification of such a facility pursuant to this section.

315 ~~(c)~~ ~~(b)~~ "Retained professional sports franchise" means a  
 316 professional sports franchise that has had a league-authorized  
 317 location in this state on or before December 31, 1976, and has  
 318 continuously remained at that location, and has never been  
 319 located at a facility that has been previously certified under

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 320 any provision of this section.

321 (4) Before certifying an applicant as a facility for a new  
 322 or retained professional sports franchise, the department must  
 323 determine that:

324 (a) A "unit of local government" as defined in s. 218.369  
 325 is responsible for the construction, management, or operation of  
 326 the professional sports franchise facility or holds title to the  
 327 property on which the professional sports franchise facility is  
 328 located.

329 (b) The applicant has a verified copy of a signed agreement  
 330 with a new professional sports franchise for the use of the  
 331 facility for a term of at least 10 years, or in the case of a  
 332 retained professional sports franchise, an agreement for use of  
 333 the facility for a term of at least 20 years.

334 (c) The applicant has a verified copy of the approval from  
 335 the governing authority of the league in which the new  
 336 professional sports franchise exists authorizing the location of  
 337 the professional sports franchise in this state after April 1,  
 338 1987, or in the case of a retained professional sports  
 339 franchise, verified evidence that it has had a league-authorized  
 340 location in this state on or before December 31, 1976. As used  
 341 in this section, the term "league" means the National League or  
 342 the American League of Major League Baseball, the National  
 343 Basketball Association, the National Football League, or the  
 344 National Hockey League.

345 (d) The applicant has projections, verified by the  
 346 department, which demonstrate that the new or retained  
 347 professional sports franchise will attract a paid attendance of  
 348 more than 300,000 annually.

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349 (e) The applicant has an independent analysis or study,  
 350 verified by the department, which demonstrates that the amount  
 351 of the revenues generated by the taxes imposed under chapter 212  
 352 with respect to the use and operation of the professional sports  
 353 franchise facility will equal or exceed \$2 million annually.

354 (f) The municipality in which the facility for a new or  
 355 retained professional sports franchise is located, or the county  
 356 if the facility for a new or retained professional sports  
 357 franchise is located in an unincorporated area, has certified by  
 358 resolution after a public hearing that the application serves a  
 359 public purpose.

360 (g) The applicant has demonstrated that it has provided, is  
 361 capable of providing, or has financial or other commitments to  
 362 provide more than one-half of the costs incurred or related to  
 363 the improvement and development of the facility.

364 (h) An applicant previously certified as a new or retained  
 365 professional sports facility under ~~any provision of~~ this section  
 366 who has received funding under such certification is not  
 367 eligible for an additional certification except as a  
 368 professional sports franchise renovation facility.

369 (5) Before certifying an applicant as a professional sports  
 370 franchise renovation facility, the department shall determine  
 371 that the following requirements are met:

372 (a) A county, municipality, or other public entity is  
 373 responsible for the construction, management, or operation of  
 374 the professional sports franchise facility or holds title to the  
 375 property on which the professional sports franchise facility is  
 376 located.

377 (b) The applicant has a verified copy of a signed agreement

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378 with a professional sports franchise for the use of the facility  
 379 for a term of at least the next 20 years.

380 (c) The applicant has an independent analysis or study,  
 381 verified by the department, which demonstrates that the amount  
 382 of the revenues generated by the taxes imposed under chapter 212  
 383 with respect to the use and operation of the renovated  
 384 professional sports franchise facility will equal or exceed \$3  
 385 million annually.

386 (d) The county or municipality in which the professional  
 387 sports franchise renovation facility is located has certified by  
 388 resolution after a public hearing that the application serves a  
 389 public purpose.

390 (e) The applicant has demonstrated that the cost to  
 391 renovate the facility will be more than \$250 million, including  
 392 permitting, architectural, and engineering fees, and that at  
 393 least a majority of the total construction cost, exclusive of  
 394 in-kind contributions, will be paid for by the ownership group  
 395 of the professional sports franchise or other private sources.

396 (6)(5) An applicant certified as a facility for a new or  
 397 retained professional sports franchise may use funds provided  
 398 under s. 212.20 only for the public purpose of paying for the  
 399 acquisition, construction, reconstruction, or renovation of a  
 400 facility for a new or retained professional sports franchise to  
 401 pay or pledge for the payment of debt service on, or to fund  
 402 debt service reserve funds, arbitrage rebate obligations, or  
 403 other amounts payable with respect to, bonds issued for the  
 404 acquisition, construction, reconstruction, or renovation of such  
 405 facility or for the reimbursement of such costs or the  
 406 refinancing of bonds issued for such purposes. An applicant

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 407 certified as a professional sports franchise renovation facility  
 408 may use funds provided under s. 212.20 for the public purpose of  
 409 renovating the facility only to pay or pledge for the debt  
 410 service on, or to fund debt service reserve funds, arbitrage  
 411 rebate obligations, or other amounts payable with respect to  
 412 bonds issued for the renovation of the facility or for the  
 413 reimbursement of the costs or the refinancing of bonds issued  
 414 for that purpose.

415 ~~(7)(6)~~ The department shall notify the Department of  
 416 Revenue of any facility certified as a facility qualified  
 417 pursuant to this section for a new or retained professional  
 418 sports franchise. The department shall certify no more than  
 419 eight facilities as facilities for a new professional sports  
 420 franchise or as facilities for a retained professional sports  
 421 franchise, including in the total any facilities certified by  
 422 the former Department of Commerce before July 1, 1996. The  
 423 department may not certify more than one facility as a  
 424 professional sports franchise renovation may make no more than  
 425 one certification for any facility.

426 ~~(8)(7)~~ The Auditor General may conduct audits as provided  
 427 in s. 11.45 to verify that the distributions under this section  
 428 are expended as required in this section. If the Auditor General  
 429 determines that the distributions under this section are not  
 430 expended as required by this section, the Auditor General shall  
 431 notify the Department of Revenue, which may pursue recovery of  
 432 the funds under the laws and rules governing the assessment of  
 433 taxes.

434 ~~(9)(8)~~ For new or retained professional sport franchise  
 435 facilities, an applicant is not qualified for certification

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 436 under this section if the franchise formed the basis for a  
 437 previous certification, unless the previous certification was  
 438 withdrawn by the facility or invalidated by the department or  
 439 the former Department of Commerce before any funds were  
 440 distributed under s. 212.20. This subsection does not disqualify  
 441 an applicant if the previous certification occurred between May  
 442 23, 1993, and May 25, 1993; however, any funds to be distributed  
 443 under s. 212.20 for the second certification must shall be  
 444 offset by the amount distributed to the previous certified  
 445 facility. Distribution of funds for the second certification may  
 446 shall not be made until all amounts payable for the first  
 447 certification are distributed.

448 Section 5. Paragraph (c) of subsection (1) of section  
 449 288.11621, Florida Statutes, is amended to read:

450 288.11621 Spring training baseball franchises.—

451 (1) DEFINITIONS.—As used in this section, the term:

452 (c) "Certified applicant" means a facility for a spring  
 453 training franchise that was certified before July 1, 2010, under  
 454 s. 288.1162 ~~288.1162(5)~~, Florida Statutes 2009, or a unit of  
 455 local government that is certified under this section.

456 Section 6. This act shall take effect July 1, 2013.



# Company Update

## Current and Future Benefits to Florida

March 6, 2013

Stephanie Bednarek  
Manager for Government Affairs

# SpaceX Overview

- Founded in 2002 with the singular goal of providing highly reliable, low-cost space transportation for both cargo and crew
- Over 3000 employees and growing
- Primary launch site at Cape Canaveral AFS, FL
- Manufacturing and production facilities in Hawthorne (Los Angeles), California
- 1000-acre propulsion and structural test facility in central Texas
- Developing launch site at Vandenberg AFB, CA
- Offices in Washington, D.C., Chantilly, VA, and Houston, TX
- Commercial launch site nearing selection



SLC-40, Cape Canaveral



Hawthorne (Los Angeles) Headquarters



Central Texas



SLC-4, Vandenberg

# SpaceX Transportation Systems



Falcon 1



Falcon 9



Falcon Heavy



Dragon Spacecraft

# Recent Mission Highlights



Became first privately-owned company to send a spacecraft to supply cargo to the ISS. Have delivered cargo to the ISS three times in under a year.

Primary objectives:

- Conduct a safe approach, berthing, cargo transfer, and cargo return to Earth



# Business Overview



- Privately owned company
- Over \$4B in backlog orders
- Profitable
- Diverse customer base
  - >50 Falcon 9/Heavy missions sold
  - ~35% US Government
  - ~65% Commercial
- Customers include USG, Canadian, Taiwanese and Argentinean governments and the Big 2 Telecom operators and many regionals including Israel, Hong Kong, Mexico and Thailand and a few constellations: Iridium and Orbcomm
- Open pricing policy: [www.spacex.com](http://www.spacex.com)

# The World Launch Market

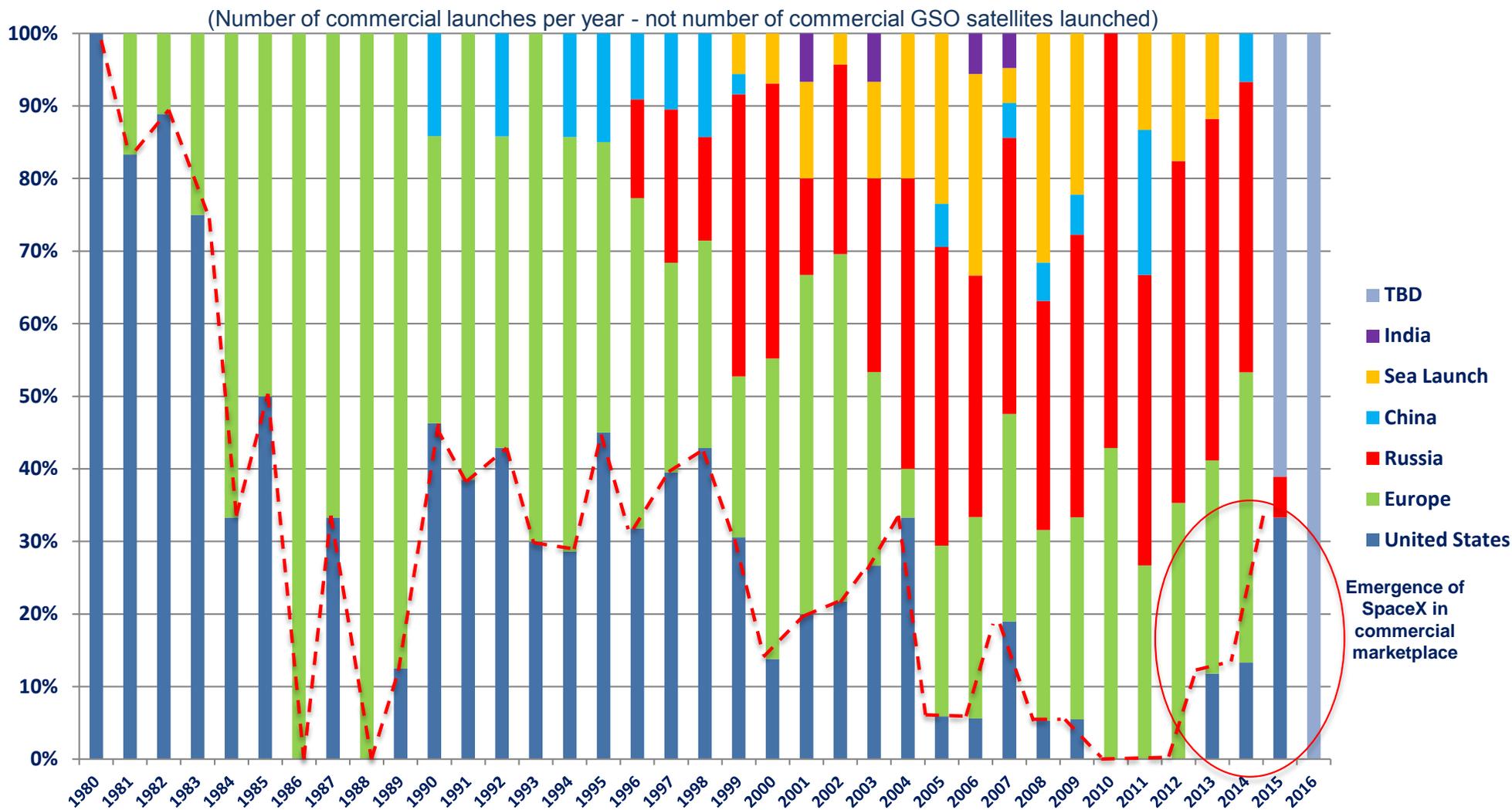
- The commercial market is larger and more stable than it was in the early 2000s
  - NASA is relying on SpaceX and others to service the International Space Station
  - Iridium, Orbcomm and Globalstar are launching their Next Gen systems
  - Demand for bandwidth exceeds capacity—no change in sight
- Our International friends and foes are getting really good at space launch
  - The commercial market has largely moved overseas
  - US Domestic launchers (SpaceX excluded) have been left behind due to non-competitive pricing
  - The Chinese are enhancing their space and space launch capabilities and launch, on average, nearly 20 EELV-class missions per year
  - Outstanding mission success demonstrated by International competitors

**Because of this change in environment, the Air Force is taking the opportunity for bold action.**

**...Enter Competition for US National Security Space Launch**

# The Decline and Recovery of American Commercial Geosynchronous Space Launch Services Competitiveness

The true measure of American space launch services competitiveness is commercial launch market share, which has drastically declined over the past 30 years. But thanks to the entry of SpaceX into the GSO marketplace American competitiveness is experiencing a robust recovery



Excludes GSO comsats launches on national domestic launchers with launch services not open to competition; 2014 and beyond launch count numbers based on 2012 FAA COMSTAC GSO Comsat 10-yr Forecast report

# SpaceX 2013 Priorities

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**SpaceX vision is to develop a family of launch vehicles which will ultimately reduce the cost and increase the reliability of space access by a factor of 10.**

## Robust Business Growth Plan:

- NASA Space Station Resupply: Commercial Resupply Services (CRS)
- NASA Commercial Crew Integrated Capability (CCiCap) and NASA Certification Products Contract (CPC)
- United States Air Force and National Security Space Payloads: Evolved Expendable Launch Vehicle Program (EELV)
- NASA Science and Exploration: NASA Launch Services
- Domestic and international commercial launch services—bringing launch business back to the United States

# Commercial Crew



In August 2012, SpaceX was named by NASA as one of three companies to begin development of a commercial crew spacecraft.

Many of the commercial crew contract milestones take place in Florida.



March 2013



© SpaceX



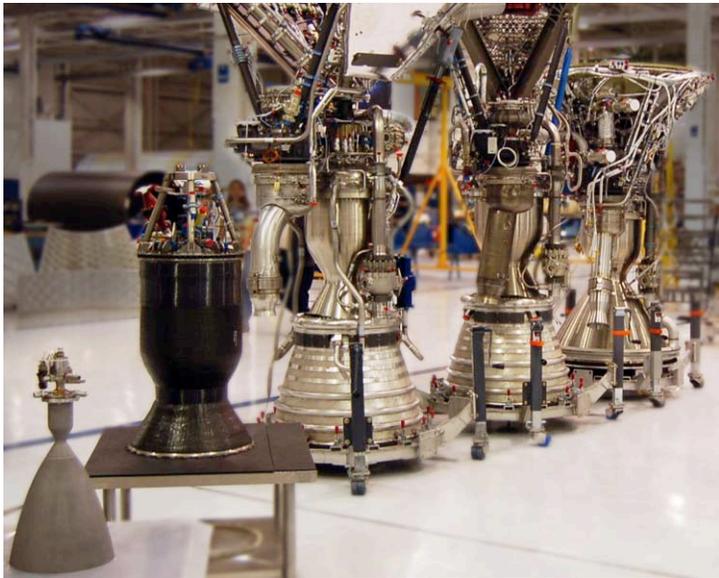
Page 9

# Falcon Heavy

- 53 metric tons to Low Earth Orbit (LEO)
- On the order of 20 MT to Geosynchronous Transfer Orbit (GTO)
- The biggest launcher to fly since the Saturn Moon rocket
- Could be used for a Mars robotic and/or sample return mission
- Will be built in 2013 and arrive at launch pad in the second half of the year
- Will launch from Cape Canaveral and Vandenberg launch sites



# SpaceX Hawthorne Headquarters



# SpaceX Rocket Development Facility



- Central – Texas: McGregor:
- All structural and propulsion testing including development, qualification and acceptance.
- Facilities:
  - Merlin test stand (1C and 1D)
  - Merlin-Vac test stand
  - Kestrel test stand
  - Draco and SuperDraco test stands
  - Horizontal test stand
  - F9 structural test stand
  - F9 multiengine test stand
  - F9 integration hangar
  - Dragon structural test stand
  - Blockhouse
  - Offices



The site has averaged more than one test per day since opening in 2003

# SpaceX Cape Canaveral Launch Site

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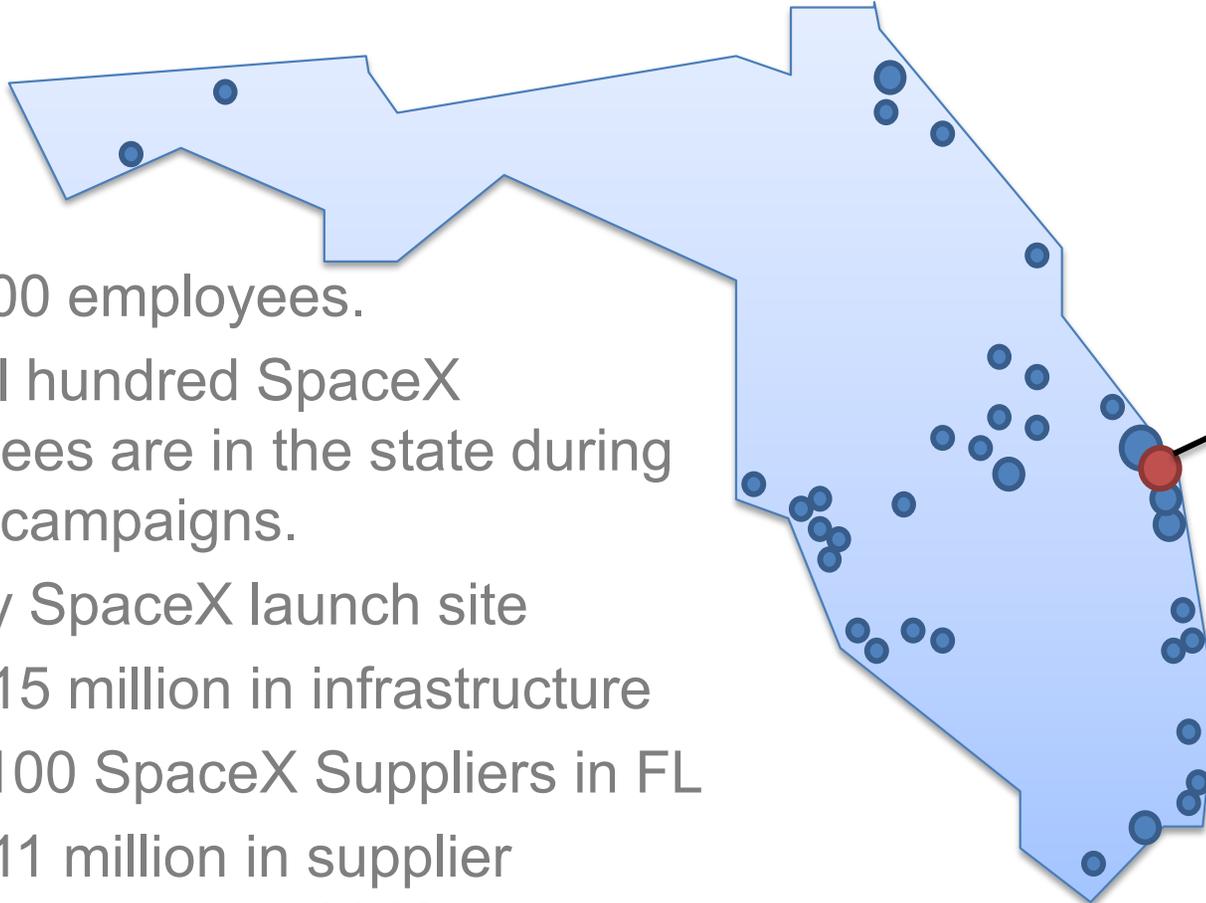
# SpaceX Cape Canaveral SLC-40 Facilities



- Located inside Cape Canaveral Air Force Station (CCAFS).
- Legacy Titan IV launch site.
- South of space shuttle sites.
- Between Delta IV and Atlas V sites.
- Supported 5 consecutive successful Falcon 9 launches
- New facilities include:
  - Payload Processing Hangar
  - Hangar X
- SpaceX launch control center located just outside CCAFS south gate.



# SpaceX's Growing Florida Presence

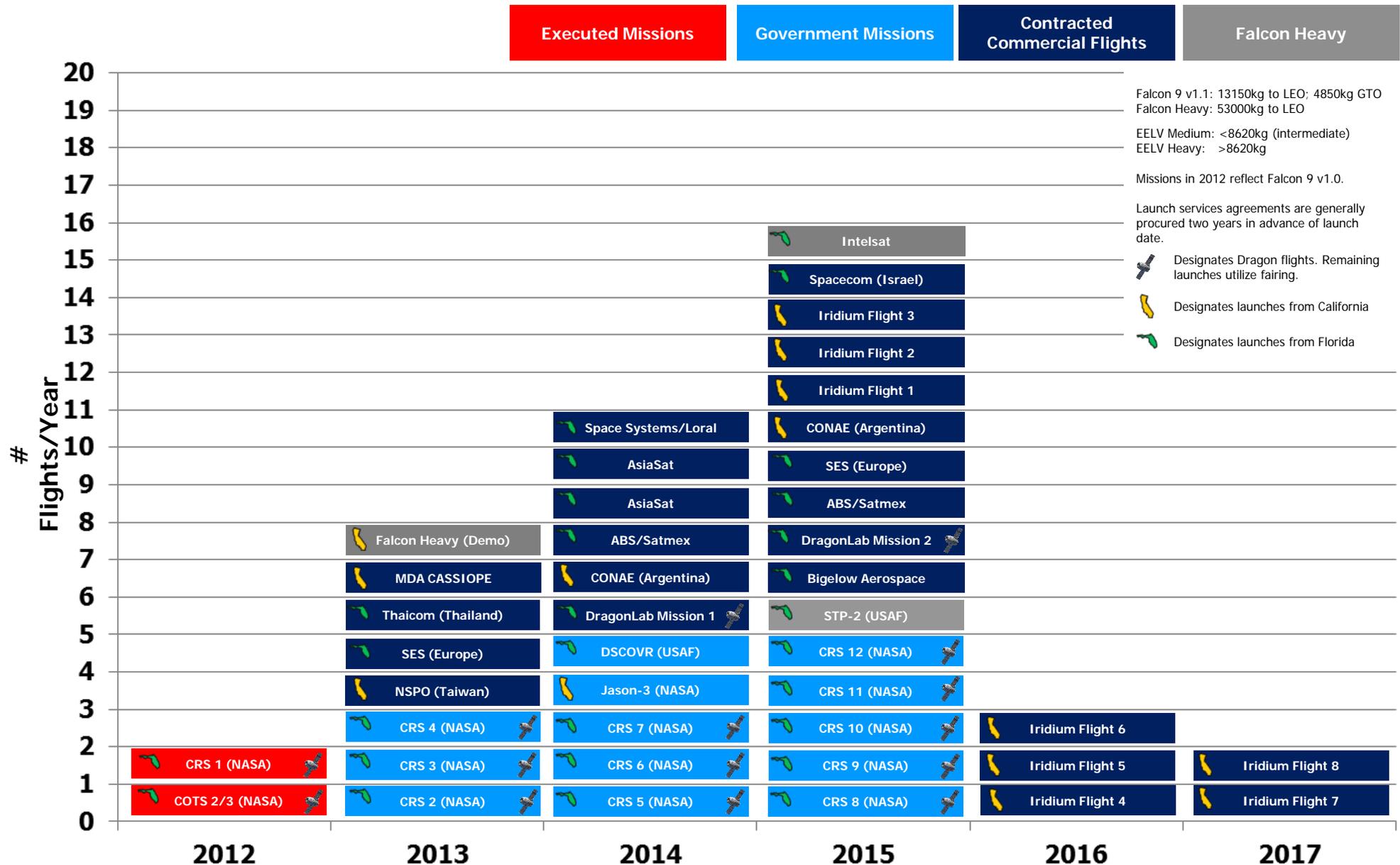


**SpaceX Space Launch Complex 40**  
Cape Canaveral Air Force Station

- Over 100 employees.
- Several hundred SpaceX employees are in the state during launch campaigns.
- Primary SpaceX launch site
- Over \$15 million in infrastructure
- About 100 SpaceX Suppliers in FL
- Over \$11 million in supplier purchase orders in 2012.
- Unmanned launches alone attract an estimated 40,000 tourists.

**As SpaceX continues to compete for and win government and commercial launch services contracts, our flight rate from Cape Canaveral will increase up to twelve launches per year.**

# SpaceX Public Manifest



# SpaceX in Florida

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- Critical investment focus areas to expand in Florida
  - Enhanced throughput to meet commitments and accelerate market share capture
    - Key enabler: infrastructure and facility investment
  - Shorten the supply chain from factory to launch pad
    - Key enabler: Recovery and refurbishment capability in Florida
  - Reduced launch operations timeline—max efficiency process from hardware arrival to launch—drive toward aircraft type turn times
    - Key enabler: More responsive Range interfaces, and upgraded pad infrastructure to reduce roll-out, fueling, and launch timelines
  - Marketing and sales support to increase customer base and reduce launch overhead in Florida
    - Key enabler: shared marketing initiatives, outreach, business incentives, insurance/finance incentives
- Additional launch site search
  - SpaceX will need an additional launch site to support our robust manifest.
  - SpaceX is investigating opportunities to utilize Launch Complex 39A (Shuttle)
  - We are working with Space Florida on a potential commercial site in Shiloh
    - Key enabler: Booster recovery approval, ability to operate outside of CCAFS jurisdiction, land acquisition through NASA excess government asset, EIS response
- Where Florida can help:
  - Continued support for Space Florida—key partner in growing our business in Florida
  - Support Florida Transportation budget for Space Infrastructure
  - Communicate support for the Commercial Crew Program to Members of Congress

The background of the slide features a photograph of a SpaceX Falcon Heavy rocket launching. The rocket is on the left side, ascending vertically with a large plume of fire and smoke at its base. The sky is a clear, bright blue, and a bright sun is positioned in the upper right quadrant, creating a prominent starburst lens flare effect that radiates across the entire scene. The SpaceX logo is overlaid at the top center in a white, stylized font.

# SPACEX

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**APPROPRIATIONS SUBCOMMITTEE ON  
FINANCE AND TAX  
COMMITTEE MEETING  
MARCH 6, 2013**

**REVIEW OF SELECTED ECONOMIC DEVELOPMENT  
TAX INCENTIVES**

# REVIEW OF SELECTED ECONOMIC DEVELOPMENT TAX INCENTIVES

<b>1. INTERNATIONAL BANKING FACILITY INCOME DEDUCTION ADDITIONAL INFORMATION</b>	<b>PAGE 1</b>
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# **INTERNATIONAL BANKING FACILITY INCOME DEDUCTION**

Section 220.63(5), F.S.

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## **INCENTIVE:**

- Income from international banking activities is not subject to Florida Corporate Income Tax.
- Although the statute is more detailed, qualifying income generally includes income derived from:
  - loans to foreign persons,
  - deposits with foreign banks or other international banking facilities; and
  - foreign exchange trading or hedging transactions.

## **PURPOSE:**

- To encourage banks that engage in international banking activities to locate their physical facilities in Florida.
- Note: At the time this deduction was adopted, federal banking laws were such that Florida's deduction was restricted to Florida banks that had international banking facilities. Because of changes to federal law, a bank paying tax in Florida can take advantage of the deduction even if the international banking facility is located in another state.

## **QUALIFYING REQUIREMENTS:**

- The deduction applies only to income from international banking activities. International banking accounts must be segregated from other banking organization accounts.

## **APPROVAL / OVERSIGHT / LIMITATIONS:**

- No prior approval necessary.
- DOR reviews deductions through its normal auditing procedures.

## **SIGNIFICANT HISTORY:**

- 1981 – Created.
- 1994 – Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 allowed interstate branch banking throughout the U.S., except in states that passed laws to prohibit it.

## **FISCAL IMPACT:**

- \$10.8 Million per year

**ADDITIONAL INFORMATION:**

- The international banking facility deduction was created during an expansion of U.S. banks into international banking, apparently pursuant to increased authority granted by the federal Edge Act of 1919. See 12 U.S.C. ss. 611-631.
- The initial intent of the federal authority was directed at U.S. banks being permitted to conduct more activities outside of the U.S.
- U.S. banks taking advantage of this authority had discretion in choosing the location of their facilities for managing these accounts. Florida's deduction was created in an apparent attempt to have these facilities located in Florida.

## **SINGLE SALES FACTOR APPORTIONMENT**

Sections 220.153, F.S.

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### **INCENTIVE:**

- Allows a multi-state corporation to use single sales factor apportionment to determine its Florida corporate taxable income.
- Typically, Florida uses a 3-factor formula to determine taxable income. The use of a single sales factor apportionment formula benefits corporations with a large percentage of sales to out-of-state customers.

### **PURPOSE:**

- To encourage capital investment in Florida.

### **SIGNIFICANT HISTORY:**

- 2011 – created.

### **QUALIFYING REQUIREMENTS:**

- The company must declare a 2-year period for measuring its capital investment in Florida, and then within that 2-year period invest at least \$250 million into Florida real property, fixtures, and equipment.
- Expenditures to acquire an existing business and expenditures in excess of \$125 million for land or buildings do not qualify.
- There is no requirement that the company demonstrate that the incentive caused it to make the investment in Florida.

### **APPROVAL / OVERSIGHT / LIMITATIONS:**

- DEO reviews and approves the qualifying capital expenditures.
- DOR oversees the use of apportionment factors through its normal auditing procedures.
- The first year during which single sales factor appointment could be used is a taxable year beginning on or after January 1, 2013.

### **FISCAL IMPACT:**

- \$7.6 Million, beginning in 2013-2014, as originally estimated by the Revenue Estimating Conference in 2011.
- To date, 5 companies have filed notices of intent to begin their 2-year measurement period. One of the 5 companies has completed its \$250 million investment.

**ADDITIONAL INFORMATION:**

<b>Program Participants</b>	
<b>1</b>	CSX
<b>2</b>	Publix
<b>3</b>	NextEra Energy
<b>4</b>	Mosaic
<b>5</b>	(Confidential due to nature of project)

## **RESEARCH & DEVELOPMENT TAX CREDIT**

Section 220.196, F.S.

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### **INCENTIVE:**

- Provides a credit against Corporate Income Tax for increasing research and development expenses in Florida. The credit is equal to 10 percent of the annual increase. Florida's credit is based on a similar federal credit.

### **PURPOSE:**

- To encourage research and development activities within Florida.

### **QUALIFYING REQUIREMENTS:**

- Companies must increase their qualifying research expenses in Florida over their average qualifying research expenses in Florida during the 4 immediately preceding years.
- The company must qualify for and receive the federal research and development credit.

### **APPROVAL / OVERSIGHT / LIMITATIONS:**

- No prior approval necessary.
- Department of Revenue oversees through its normal auditing procedures.
- For companies that have not existed for 4 years, the credit amount is reduced 25 percent for each year that the business did not exist.
- Total credits may not exceed \$9 million per calendar year.

### **SIGNIFICANT HISTORY:**

- 2011 – created.

### **FISCAL IMPACT:**

- \$9 Million per year, as originally estimated by the Revenue Estimating Conference in 2011.

## **CAPITAL INVESTMENT TAX CREDIT**

Section 220.191, F.S.

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### **INCENTIVE:**

- Corporate Income Tax credits and/or Insurance Premium Tax credits are provided to high-impact sector and qualified target industry companies, as well as corporate headquarters, if they invest significant capital (\$25 million or more) within Florida.
  
- High-impact sectors have evolved over time, but currently include:
  - Transportation Equipment (Aviation/Aerospace),
  - Silicon Technology,
  - Information Technology,
  - Life Sciences,
  - Financial Services,
  - Corporate Headquarters, and
  - Clean Energy.
  
- Qualified Target Industry business sectors include:
  - All High-impact sectors, and
  - Homeland Security and Defense.

### **PURPOSE:**

- To encourage qualifying companies to locate or expand physical facilities in Florida.

**QUALIFYING REQUIREMENTS:**

<b>CURRENT CAPITAL INVESTMENT TAX CREDIT QUALIFYING PROJECT TYPES</b>					
	<b>High-Impact Tier 1</b>	<b>High-Impact Tier 2</b>	<b>High-Impact Tier 3</b>	<b>Target Industry</b>	<b>Headquarters</b>
<b>Investment Required</b>	\$25 Million	\$50 Million	\$100 Million	\$100 Million	\$250 Million
<b>Taxes that the Credit can be Applied Against</b>	Corporate Income Tax or Insurance Premium	Corporate Income Tax or Insurance Premium	Corporate Income Tax or Insurance Premium	Corporate Income Tax or Insurance Premium	Corporate Income Tax
<b>Jobs Requirement</b>	100 New Jobs	100 New Jobs	100 New Jobs	100 New, 900 New or Retained	1,500 New
<b>Annual Credit Amount</b>	5% of Eligible Costs	5% of Eligible Costs	5% of Eligible Costs	50% of increased tax liability arising out of the project	Lesser of \$15 million or 5% of Eligible Costs
<b>Annual Credit Limit</b>	50% of tax arising out of project	75% of tax arising out of project	100% of tax arising out of project	50% of increased tax liability arising out of project	\$15 million per year
<b>Credit Period</b>	20 years	20 Years	20 Years	5 years	20 years
<b>Credit Carryover</b>	None	None	Amounts not used within the 20-yr period can be taken between years 21 and 30	None	Annual unused amounts can be carried forward within the 20-yr period
<b>Disproportionately Affected County Waiver</b>	Between 7/1/11 and 6/30/14, the high impact sector requirement is waived for any business that relocates all or a portion of its out-of-state business to Bay, Escambia, Franklin, Gulf, Okaloosa, Santa Rosa, Walton or Wakulla County.			N/A	N/A
<b>Taxpayer Permitted to Transfer Credit?</b>	Generally no. However, if a project establishes a new solar panel manufacturing facility and generates at least 400 jobs within 6 months of commencing operations and pays those jobs at least \$50,000 average annual salary, it may transfer its permissible credit to another business.				

**APPROVAL / OVERSIGHT / LIMITATIONS:**

- Businesses must apply and have their projects pre-approved through DEO.
- After credit is awarded, DEO reviews businesses annually to ensure continuing requirements are satisfied.
- DOR oversees credit use through DOR's normal auditing procedures.
- Taxpayer is only permitted to offset the income generated from the qualifying project.
- Taxpayer can only offset a set percentage of its income from the qualifying project.
- Except for certain projects, unused credits expire at the end of each year.

**SIGNIFICANT HISTORY:**

- 1998 – Capital Investment Tax Credit (CITC) was created for high-impact sectors. High-impact sectors included Aviation/Aerospace, Automotive, and Silicon Technology. The credit only applied against Florida's Corporate Income Tax.
- 1999 – CITC was amended to allow the credit to apply to insurance premium tax.
- 1999 – DEO expanded high-impact sectors to include Information Technology.
- 2002 – DEO expanded high-impact sectors to include Life Sciences.
- 2003 – CITC was amended to temporarily allow financial services businesses to qualify for the CITC through June 30, 2004.
- 2004 – DEO expanded high-impact sectors to include Financial Services.
- 2005 – CITC was expanded to allow target industry businesses to qualify.
- 2006 – CITC was expanded to allow corporate headquarters to qualify.
- 2006 – DEO expanded high-impact sectors to include corporate headquarters.
- 2008 – CITC was amended to allow certain solar projects to transfer the credits.
- 2008 – DEO expanded high-impact sectors to include clean energy.
- 2011 – CITC was amended to allow certain tax credits to be used outside of the normal 20-year period following commencement of operations.
- 2011 – High-impact sector requirement was temporarily waived from 7/1/2011 through 6/30/2014, for Bay, Escambia, Franklin, Gulf, Okaloosa, Santa Rosa, Walton, and Wakulla counties, due to the significant impacts from the Deepwater Horizon oil spill.

**FISCAL IMPACT:**

The following information is valid as of December 2012:

Number of Applicants recommended from Enterprise Florida, Inc.	24
Number of Applicants Certified by DEO to Participate	23
Amount of Credit Initially Certified	\$2.6 billion
Number of Projects Completed and Audited	5
Number of Completed Projects Taking Credit	5
Amount of Credit Taken	\$90.2 million
Amount of Credit Taken in 2011	\$5.6 million

**ADDITIONAL INFORMATION:**

<b>Active CITC Participants (as of March 3, 2013)</b>			
	<b>Company</b>	<b>Investment</b>	<b>Location</b>
<b>1</b>	Bellsouth Telecommunications, Inc.	\$127m	Statewide
<b>2</b>	Chase (dba Pricing, Billing & Commerce Solutions)	\$82.8m	Hillsborough
<b>3</b>	Chico's FAS, Inc.	unconfirmed	Lee
<b>4</b>	Chromalloy Castings	unconfirmed	Hillsborough
<b>5</b>	Cox Target Media	unconfirmed	Pinellas
<b>6</b>	Darden Restaurants, Inc.	\$150.1m	Orange
<b>7</b>	Embraer Aircraft Holdings	unconfirmed	Brevard
<b>8</b>	Harris Corporation.	unconfirmed	Brevard
<b>9</b>	Jabil Circuit, Inc.	unconfirmed	Pinellas
<b>10</b>	Lockheed Martin Astronautics	\$356m	Brevard
<b>11</b>	Lockheed Martin Missiles and Fire Control	unconfirmed	Orange
<b>12</b>	Nabi Biopharmaceuticals	unconfirmed	Broward
<b>13</b>	Nipro Diagnostics, Inc.	\$38.9m	Broward
<b>14</b>	Planar Energy Devices, Inc.	unconfirmed	Alachua
<b>15</b>	SAFT Industrial Battery Group	unconfirmed	Duval
<b>16</b>	T. Rowe Price Associates, Inc.	unconfirmed	Pasco
<b>17</b>	The Boeing Company	unconfirmed	Brevard
<b>18</b>	The Depository Trust & Clearing Corporation	\$35.7m	Hillsborough
<b>19</b>	UBS AG	unconfirmed	Dade
<b>20</b>	Verizon Corporate Resources Group, LLC	unconfirmed	Seminole

## **NEW MARKETS TAX CREDIT**

Sections 288.9916, F.S.

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### **INCENTIVE:**

- Corporate Income Tax credits or Insurance Premium Tax credits equal to 39 percent of qualified investments in Community Development Entities (CDEs). The CDEs use qualified investments to fund projects in low-income communities. Florida's program is related to a similar federal government program.

### **PURPOSE:**

- To encourage capital investment in low-income communities.

### **QUALIFYING REQUIREMENTS:**

- The investor must make a qualifying investment in a CDE.
- The CDE must be certified under the federal New Markets Tax Program.
- CDEs must use these funds to invest in qualifying businesses in low-income communities. These investments are typically made in the form of loans.

### **APPROVAL / OVERSIGHT / LIMITATIONS:**

- DEO reviews projects and approves credit allocations.
- DOR reviews credit use through its normal auditing procedures.
- The 39 percent credit must be taken in portions spread over 5 taxable years.
- A qualifying business may not receive more than \$10 million in qualifying investments under the entire program.
- The total amount of annual credits that may be awarded to CDEs is \$33.6 million per state fiscal year, and the total amount of credits that may be awarded for all years of the program is \$163.8 million.
- The New Markets Development Program expires December 31, 2022.

### **SIGNIFICANT HISTORY:**

- 2000 -- The federal New Markets Tax Program was created by the Community Renewal Tax Relief Act.
- 2009 -- Florida created its New Markets Development Program, with an annual cap on credits of \$20 million, and a total program credit limit of \$97.5 million.
- 2012 -- The credit limits were raised to \$33.6 million per year and \$163.8 million for the life of the program, and some clarifying amendments were made.

**FISCAL IMPACT:**

- \$33.6 million per year; \$163.8 million over the life of the program.
- To date, \$163.8 million has been allocated.

**ADDITIONAL INFORMATION:**

<b>PARTICIPATING COMMUNITY DEVELOPMENT ENTITIES</b>	
<b>1</b>	Whitney New Market Fund, LLC
<b>2</b>	Urban Development Fund, LLC
<b>3</b>	Stonehenge Community Development, LLC
<b>4</b>	USBCDE Sub-CDE LXV, LLC
<b>5</b>	Enhanced Community Development, LLC
<b>6</b>	Advantage-BizCapital BIDCO I, LLC
<b>7</b>	Advantage- Southeast Community Development Fund V, LLC

<b>QUALIFIED LOW-INCOME COMMUNITY BUSINESSES RECEIVING INVESTMENTS</b>			
	<b>BUSINESS</b>	<b>LOCATION</b>	<b>USE OF INVESTMENT</b>
<b>1</b>	Cocoa Expo Sports	Cocoa	Construct Facility
<b>2</b>	Agri-Source Fuels, LLC	Dade City	Facility Expansion & Working Capital
<b>3</b>			
<b>4</b>			
<b>5</b>	Halifax Media Holdings & Halifax Media Acquisition	Daytona Beach	Media Acquisitions & Working Capital
<b>6</b>			
<b>7</b>	Contego Services Group, LLC	Fort Lauderdale	Working Capital
<b>8</b>	Patriot Risk Management	Fort Lauderdale	Employees
<b>9</b>	Harlem Heights	Fort Myers	Construct a Community Arts & Education Center
<b>10</b>	Coppert Art, LLC & Tropical Imports by Damar, LLC	Fort Pierce	Refinance & Working Capital
<b>11</b>	Prioria Robotics, Inc.	Gainesville	Working Capital for Contracts to provide UAVs
<b>12</b>			
<b>13</b>	Second Campbell Associates, LLC	Homestead	Create a Training Facility for a Restaurant Chain
<b>14</b>	Basic Products, LLC (Jerome Brown BBQ)	Jacksonville	Facility Renovations, New Equipment, Inventory & Working Capital
<b>15</b>	Litmark, Inc.	Jacksonville	Purchase Realty
<b>16</b>			
<b>17</b>	Lake Montessori by Weston, Inc.	Leesburg	Purchase Business & Working Capital
<b>18</b>	Advanced Footcare, Inc.	Miami	Purchase & Improve Realty
<b>19</b>	Sunburst Farms, Inc.	Miami	Corporate Headquarters & Warehouse Facilities

20	Summit Aerospace Holdings, LLC	Miami	Employees & Inventory
21	Aspira of Florida	Miami	Purchase & Renovate a Middle School
22	International Cruise Food and Hotel Supplies Inc.	Miami	Improve Operations
23			
24	Atlas Paper Mills, LLC	Miami	Refinance / Working Capital
25	University Plaza Properties, LLC	Miami	Construct Nursing Facility & Working Capital
26	Florida Trading Import & Export, Inc. (American Spice Trading Co., Inc.)	Miami	Refinance, New Equipment, Inventory & Working Capital
27	DCR Engineering Services, Inc.	Mulberry	Business Expansion & New Employees
28	ABC's of Learning and Growing, Inc.	North Lauderdale	Improve Operations
29			
30			
31	Okeechobee Funeral Home	Okeechobee	Purchase Realty
32	Orlando Telephone Company	Orlando	Operating Facility Investment
33	Harvill's Produce Company, Inc.	Orlando	Refinance and Improve Realty
34			
35	Orlando Historic Aloft Hotel	Orlando	Construct Facility
36	ESP Management of Florida, Inc.	Orlando	Refinance
37	Community Maritime Park Associates, Inc.	Pensacola	Construct Facility
38	BN Bio-Fuels, LLC	Riviera Beach	Construct a Bio-Fuel Facility
39	SunnyLand Solar, Inc.	Tallahassee	Construct Manufacturing Facility
40	Solar Distributors of America	Tallahassee	Construct commercial solar array, establish Headquarters & Working Capital
41	SolarSink, LLC	Tallahassee	Establish Manufacturing Facility
42	Manna Pro Products Florida	Tampa	Refinance & Working Capital
43	Glazer Children's Museum	Tampa	Finance Facility & Working Capital
44	Tampa Bay History Center	Tampa	Working Capital & Facility Improvements
45	Tampa Bay Arena, L.P.	Tampa	Facility Renovation
46	Drug Abuse Comprehensive Coordinating Office Properties, Inc.	Tampa	Construct Facility

## **URBAN HIGH-CRIME AREA JOB TAX CREDIT**

Sections 212.097 and 220.1895, F.S.

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### **INCENTIVE:**

- Provides a credit of \$500 to \$2,000 per qualified job against either Sales Tax or Corporate Income Tax for creating new jobs within designated urban areas nominated by local governments and qualified by the Department of Economic Opportunity as high-crime areas.

### **PURPOSE:**

- To encourage the creation of jobs in urban areas of Florida.<sup>1</sup>

### **QUALIFYING REQUIREMENTS:**

- “Qualified high-crime areas” were nominated by local governments and ranked by DEO based on:
  - Arrest rates for violent crimes and other crimes such as drug sales, drug possession, prostitution, vandalism, and civil disturbances
  - Reported crime volume and rate of specific property crimes
  - Percentage of reported index crimes that are violent in nature
  - Overall index crime volume for the area, and
  - Overall index crime rate for the geographic area
- Rankings are based on comparisons to other nominated areas, not to the community as a whole.
- Qualified high-crime areas are designated in 3 tiers, with tier one containing the highest crime areas. Available credits per job created are higher in higher-crime tiers.
- An area that has been designated as a federal Empowerment Zone is also considered a qualified high-crime area.
- Eligible businesses include sole proprietorships, firms, partnerships, and corporations predominantly engaged in:
  - Agriculture, forestry and fishing
  - Manufacturing
  - Retail
  - Public warehousing and storage
  - Hotels and other lodging places
  - Research and development
  - Motion picture production and allied services

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<sup>1</sup> *State of Florida Job Creation Plan*, pg. 34.

- Public golf courses
- Amusement parks
- Targeted industries eligible for the targeted industry business tax refund
- Call centers or similar customer service operations that service a multistate or international market
- A qualified employee must work for an eligible business at least 36 hours per week for at least 3 months.
- A new business with at least 10 employees in a tier one area is eligible for tax credits; tiers two and three require 20 and 30 new employees, respectively.
- An existing business within a tier one area must add at least 5 employees; existing businesses in tiers two and three must add 10 and 15 more employees, respectively.
- To be eligible for this credit, an existing business's number of eligible employees as of one year before the application date must be at least as great as the number of qualified employees on January 1, 2009, or on the application date on which a credit was based for any previous application.
- A new or existing business will receive an additional \$500 credit for any qualified employee who is a welfare transition program participant.

**APPROVAL / OVERSIGHT / LIMITATIONS:**

- The Department of Economic Opportunity must approve all applications for this credit.
- The maximum credit amount that may be approved during any calendar year is \$5 million, and \$1 million is reserved for tier-one areas.
- Up to 15 high-crime areas are authorized by Florida Statutes but only 13 applications were submitted by local governments. These areas have not changed since the program's original application period in 1998.
- A municipality, or a county and one or more municipalities together, may not nominate more than one high-crime area. This limitation does not apply to Miami-Dade County.
- The size of a designated area is limited to 20 square miles in a community having more than 150,000 persons, and in smaller communities the allowable size is smaller. The designated area may consist of up to 3 noncontiguous parcels.

**SIGNIFICANT HISTORY:**

- Created in 1997.
- In 2001 qualified target industry businesses and motion picture production and allied services were added to the list of eligible businesses.
- In 2012, dates for the reference period number of employees for existing businesses applying for the credit for a second time or more were changed so that when a business is applying for the second time or more, the number of qualified employees the business has at the time must be no lower than the number of qualified employees that the employer had on January 1, 2009, or on the date of its previous application for this credit. The change also allowed a business to reapply for credits that had been disallowed under the law as it existed at the time of application, but would have been allowed under the law as amended.

**FISCAL IMPACT:**

- 13 Urban High-Crime Areas have been designated by DEO based on nominations by local governments.
- \$2.5 m in credits were approved in 2012.
- \$21.9 m in credits have been approved since the program's inception.

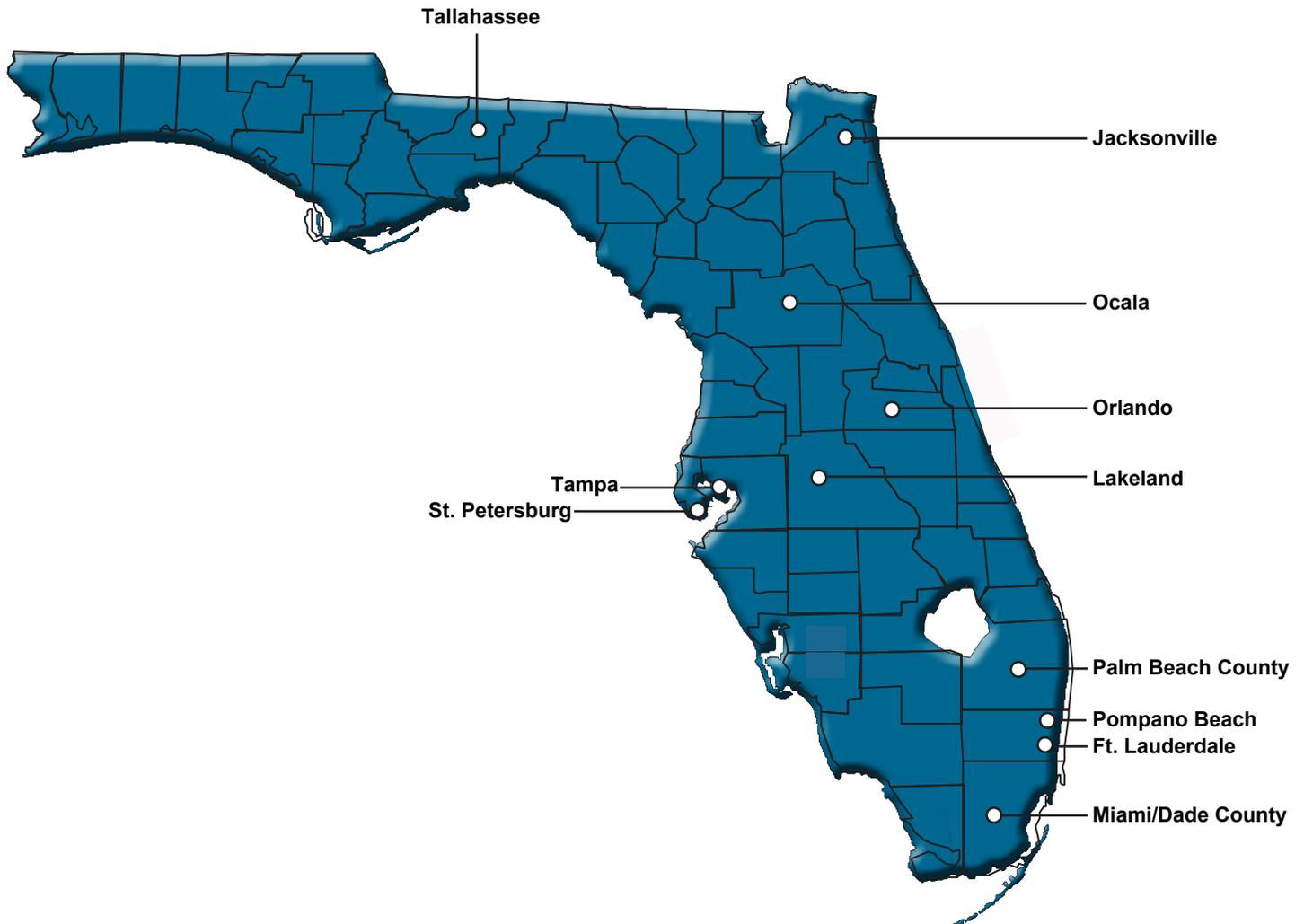
**ADDITIONAL INFORMATION:**

- Under this program the credit is based on the creation of new jobs; there is no ongoing obligation for the state to provide credits in the future. Job creation is measured over a 12-month period, and any change to the program could be crafted to allow any eligible business to receive credits for jobs created during its current 12-month measurement period.
- 46 percent (\$10.1 million) of the credits approved under this program have gone to hotel projects, and 2 companies—Universal City Development Partners, Ltd., and UCF Hotel Venture—have received 80 percent of those credits.
- Retail or distribution projects have received \$6.2 million in credits, and a handful of large businesses—Wal-Mart, Home Depot, Winn Dixie, Publix, Target, Lowes, and IKEA—account for \$5.6 million.
- Mail order fulfillment centers have received credits worth \$2.5 million.
- Auto dealers have received \$1 million in credits.
- Credits have been received by projects located in 11 Urban High Crime Areas, but 91 percent of credits have gone to 4 areas, namely, Orlando (48 percent), Miami-Dade (20 percent), Palm Beach (13 percent), and Jacksonville (11 percent).

- 76 percent of credits approved have gone to businesses that serve a predominantly local or regional market (retail and auto dealers) or could not easily locate elsewhere (hotels).

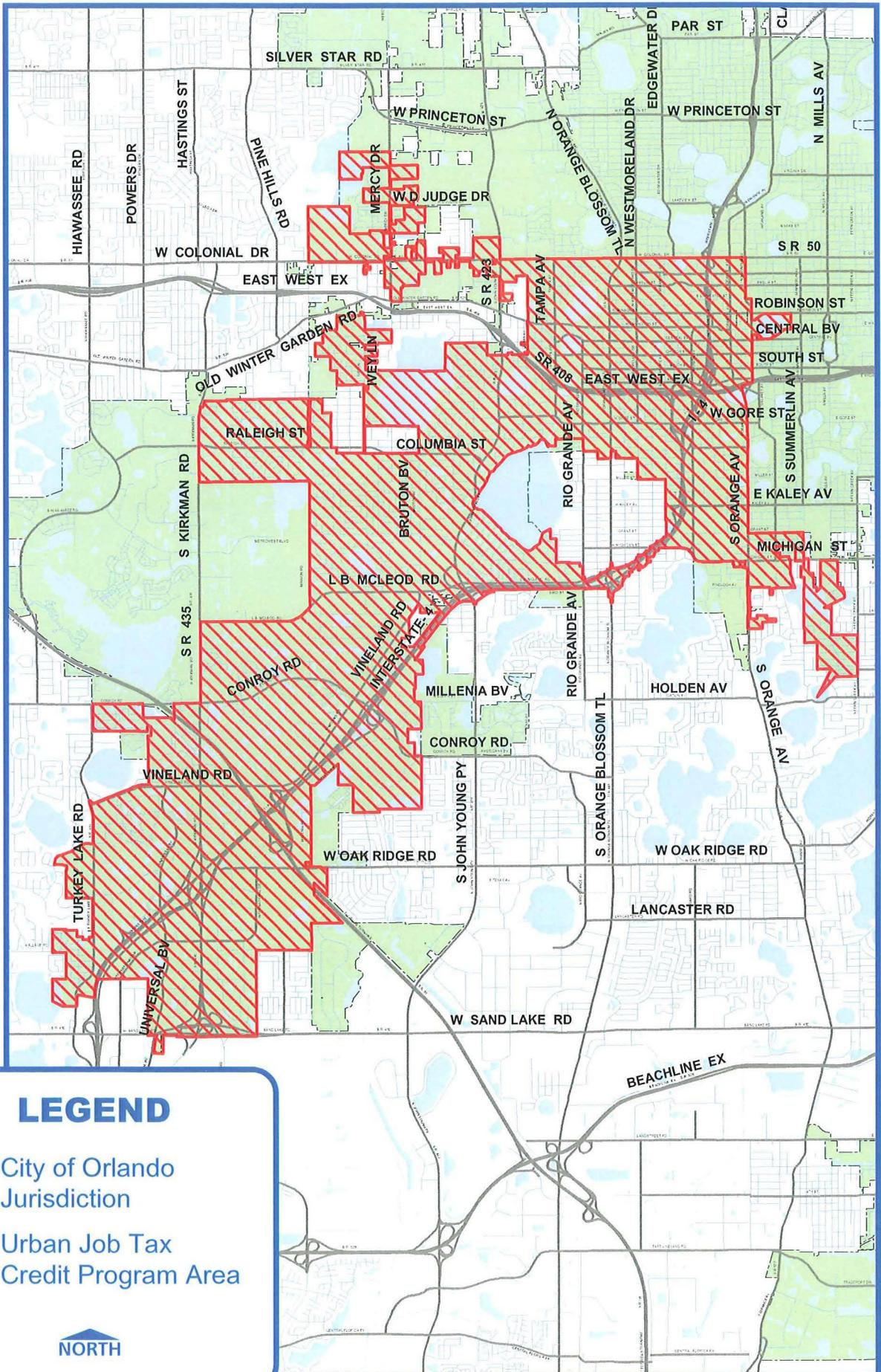
# FLORIDA URBAN JOB TAX CREDIT PROGRAM

Effective January 2013



**Florida Department of Economic Opportunity  
Division of Community Development  
107 East Madison Street; MSC 160  
Tallahassee, Florida 32399**

# Urban Job Tax Credit Program Area



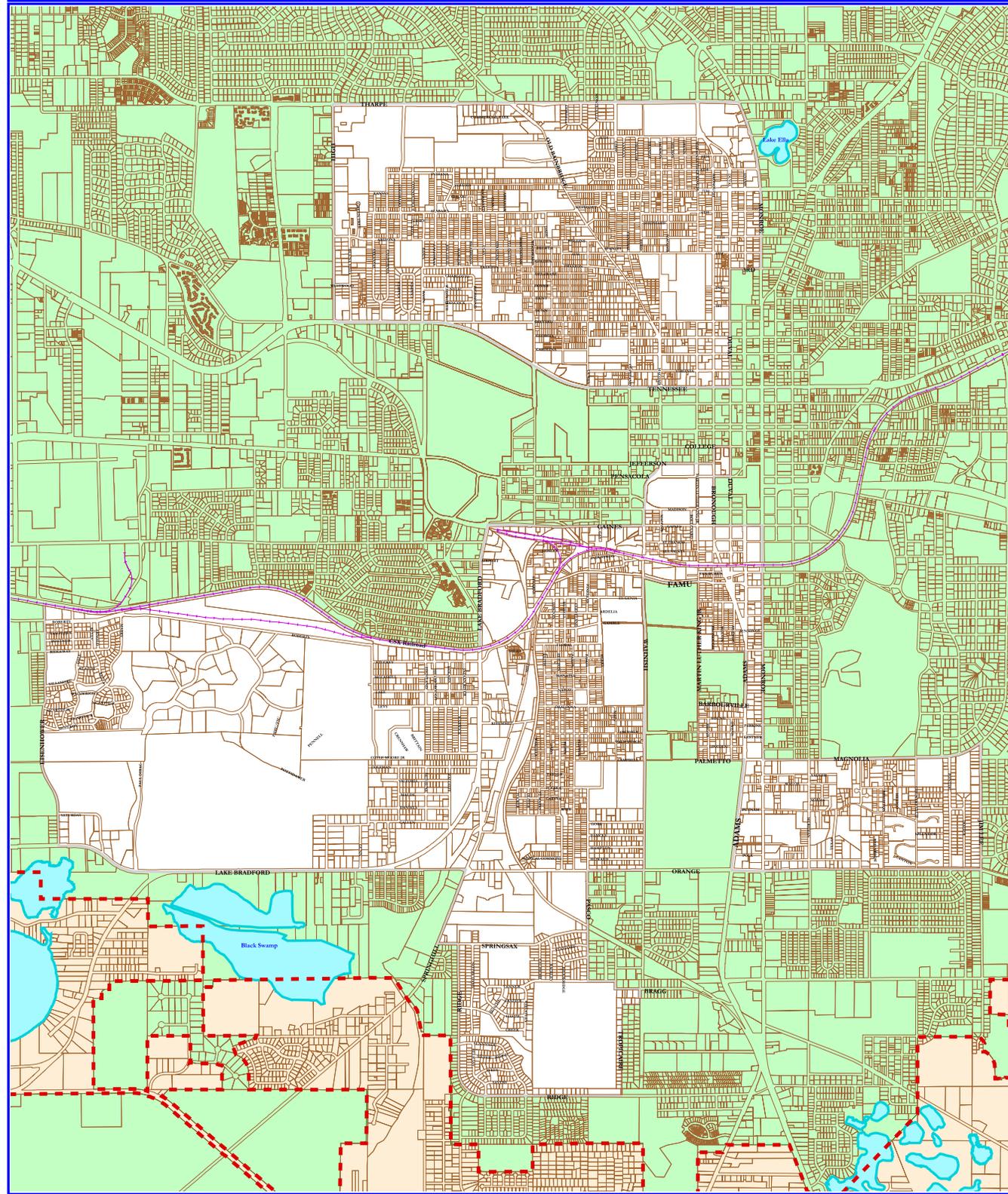
## LEGEND

-  City of Orlando Jurisdiction
-  Urban Job Tax Credit Program Area

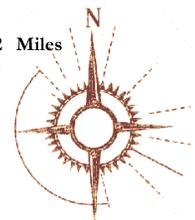


# City of Tallahassee

## Urban Job Tax Credit Program Area



-  City Limits
-  Lakes
-  Railroad
-  Parcels
-  UJTCP Area
-  Leon County



## **RURAL JOB TAX CREDIT**

Sections 212.098 and 220.1895, F.S.

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### **INCENTIVE:**

- Provides a credit of \$1,000 to \$1,500 per qualified job against either Sales Tax or Corporate Income Tax for creating new jobs in rural counties.

### **PURPOSE:**

- To encourage meaningful employment opportunities that will improve the quality of life of those employed and to encourage economic expansion of new and existing businesses in rural areas of Florida.<sup>2</sup>

### **QUALIFYING REQUIREMENTS:**

- A “Qualified Rural Area” is any area that is:
  - Within a Rural Area of Critical Economic concern;
  - A county with a population of fewer than 75,000; or
  - A county with a population of 125,000 or fewer that is contiguous to a county with a population of fewer than 75,000.
- Eligible businesses include sole proprietorships, firms, partnerships, and corporations predominantly engaged in:
  - Agriculture, forestry and fishing
  - Manufacturing
  - Public warehousing and storage
  - Hotels and other lodging places
  - Motion picture production and allied services
  - Public golf courses
  - Amusement parks
  - Targeted industries eligible for the targeted industry business tax refund
  - Call centers or similar customer service operations that service a multistate or international market
- A qualified employee must work for an eligible business at least 36 hours per week for at least 3 months.
- A new business with at least 10 employees is eligible for tax credits.
- An existing business with fewer than 50 employees must increase employment by at least 20 percent; and existing business with more than 50 employees must add at least 10 employees.

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<sup>2</sup> *State of Florida Job Creation Plan*, pg. 36.

- For existing businesses, the number of qualified employees required for the credit is measured against the number of qualified employees the business had one year prior to application for the credit.
- A new or existing business will receive an addition \$500 credit for any qualified employee who is a welfare transition program participant.

**APPROVAL / OVERSIGHT / LIMITATIONS:**

- The Department of Economic Opportunity must approve all applications for this credit.
- The maximum credit amount available to any one business in a single year is \$500,000.
- The maximum credit amount that may be approved during any calendar year is \$5 million.

**SIGNIFICANT HISTORY:**

- Created in 1997.
- In 2001 qualified target industry businesses and motion picture production and allied services were added to the list of eligible businesses, and total tax credits available to a business in any one calendar year were limited to \$500,000.

**FISCAL IMPACT:**

- 32 rural counties, 3 cities, and one rural area qualify for the program.
- \$0.2 m in credits were approved in 2012.
- \$4.5 m in credits have been approved since the program's inception.

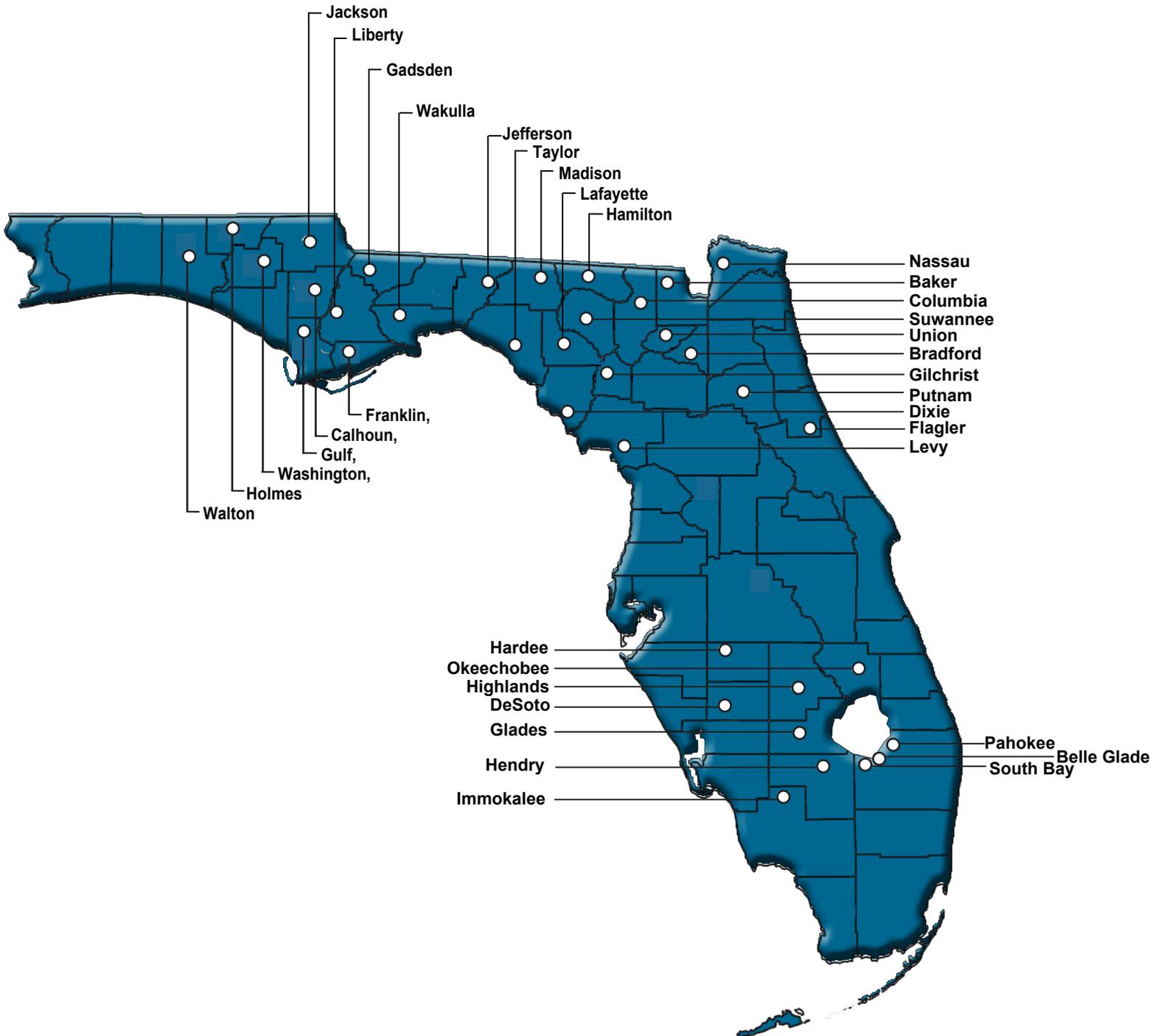
**ADDITIONAL INFORMATION:**

- Under this program the credit is based on the creation of new jobs; there is no ongoing obligation for the state to provide credits in the future. Job creation is measured over a 12 month period, and any change to the program could be crafted to allow any eligible business to receive credits for jobs created during its current 12-month measurement period.
- 64 applicants, representing 4,714 jobs, have been funded by this program since its inception.
- The largest single industry by number of projects is hospitality, with 24 projects and 915 jobs.
- The greatest number of credited jobs—1,490—was created in distribution centers for major retailers.
- Other industries that have received credits under this program are:
  - Food processing (980 jobs),
  - Manufacturing (420 jobs),

- Transportation and related services (332 jobs),
  - Construction and construction materials (271 jobs),
  - Business services (256 jobs), and
  - Real estate development (31 jobs).
- Projects located in 20 counties have received credits under this program.

# FLORIDA RURAL JOB TAX CREDIT PROGRAM

Effective January 2013



**Florida Department of Economic Opportunity**  
**Division of Community Development**  
**107 East Madison Street; MSC 160**  
**Tallahassee, Florida 32399**

## FLORIDA BROWNFIELDS REDEVELOPMENT ACT

Sections 220.1845, 212.08(5)(o), 288.107, and 376.77-376.85, F.S.

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### INCENTIVE:

- Florida's Brownfields Redevelopment Program offers 3 incentives for cleaning up and developing brownfield areas.
- **Voluntary Cleanup Tax Credits** are transferable corporate income tax credits for 50% of the cost of site rehabilitation, with an additional 25% credit when cleanup is complete. These credits are available to projects that are executed under a Brownfield Site Rehabilitation agreement with DEP, and are limited to \$500,000 per project per year and \$5 million annually.
- **Building Materials Sales Tax Refunds** are available in brownfield areas for construction of housing projects that set aside at least 20% of the units for low-income and moderate income persons, or mixed-use projects that set aside at least 20% of the square footage for housing reserved for low-income and moderate-income persons.
- **Brownfield Redevelopment Bonus Refund**, a tax refund of up to \$2,500 for each new job created by a pre-approved business in a brownfield area. The business must create at least 10 new jobs and satisfy other criteria, and the total amount of money available for refunds for a given year is subject to appropriation.

### PURPOSE:

- To encourage cleanup and development of sites that are “abandoned, idled, or underused properties where expansion or redevelopment is complicated by actual or perceived environmental contamination.”<sup>3</sup>
- The program provides incentives to rehabilitate contaminated sites, and develop “brownfield areas” which are contiguous areas of one or more brownfield sites, **some of which may not be contaminated**. A brownfield site is real property, the expansion, redevelopment, or reuse of which may be complicated by actual **or perceived** environmental contamination. There are no objective criteria for designating brownfield sites or brownfield areas.

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<sup>3</sup> Office of Program Policy Analysis and Government Accountability Report No. 11-15, “Over 600 Brownfield Acres Cleaned Up; Businesses Tax Advantage of Program Incentives,” p. 1.

**QUALIFYING REQUIREMENTS:**

- A local government may designate a brownfield area by resolution.
- Voluntary Cleanup Tax Credits are 50 percent of the costs of voluntary cleanup activity that is integral to site rehabilitation in the previous year. An additional 25 percent of total cleanup costs is available in the final year of cleanup. This credit is also available for cleanup of a drycleaning-solvent contaminated site.
- Building materials sales tax refunds are available for housing projects and mixed use projects in brownfield areas if at least 20 percent of the project is set aside for low-income and moderate-income persons.
- Brownfield Redevelopment Bonus Refund, a tax refund of up to \$2,500 for each new job created by a pre-approved business in a brownfield area, is limited to a qualified target industry business, or a business that provides benefits to its employees and that can demonstrate a fixed capital investment of at least \$2 million in mixed-use business activities or at least \$500,000 in brownfield areas that do not require site cleanup. At least 10 new full-time permanent jobs must be created, and the actual amount of the refund is 20 percent of the average annual wage for the jobs created.

**APPROVAL / OVERSIGHT / LIMITATIONS:**

- Voluntary Cleanup Tax Credits require a Site Rehabilitation Agreement between the responsible party and either the Department of Environmental Protection (DEP) or a county with authorized program authority and DEP must authorize the credits.
- Voluntary Cleanup Tax Credits for any project are limited to \$500,000 per year, and the total amount of tax credits that may be granted under this program is limited to \$5 million annually. As of June 30, 2012, there was a backlog for unissued credits of \$13.6 million.
- The Department of Revenue also oversees these tax credits and building materials sales tax refunds through its normal auditing procedures.
- Brownfield Redevelopment Bonus Refunds require a recommendation by resolution of the governing board of the county or municipality that certain types of businesses be approved by the Department of Economic Opportunity.
- The total amount of bonus refunds approved in any fiscal year is limited by the amount appropriated to the Economic Development Incentives Account for this purpose.

**SIGNIFICANT HISTORY:**

- Created in 1997 as a voluntary program in which a local government may designate a brownfield area by resolution.

- In 2000 additional types of businesses were made eligible for the Brownfield Redevelopment Bonus Refund, and in 2009 the minimum investment required to qualify for the bonus refund was reduced for investments in brownfield areas that do not require site cleanup.
- In 2011 the annual authorization for the Voluntary Cleanup Tax Credit was increased from \$2 million to \$5 million.

#### **FISCAL IMPACT:**

- As of June 30, 2012, brownfield areas have been designated in 43 counties. There are 312 designated areas covering 226,948 acres.
- The extent of property subject to cleanup is much smaller--167 brownfield site rehabilitation agreements have been executed covering 3,642 acres. This equals 1.6% of total brownfield areas.
- Rehabilitation has been completed on 54 sites, totaling 812 acres, or 22% of the area covered by rehabilitation agreements.
- Voluntary Cleanup Tax Credits--\$5 million annually, \$20.5 million credits issued since program began through FY 2011-12. As of June 30, 2012, there was a backlog for unissued credits of \$13.6 million.
- Building Materials Sales Tax Refunds— \$1.2 m in FY 2011-12, \$7.0 m since FY 2005-06.
- Brownfield Redevelopment Bonus Refund--\$8.0 m through FY 2011-12.

#### **ADDITIONAL INFORMATION:**

- Maps of all brownfield sites and areas can be viewed on the DEP website: <http://ca.dep.state.fl.us/mapdirect/?focus=brnfls>
- Some local governments have designated brownfield areas that are far larger than actual brownfield sites; others have limited the brownfield area designations.
- There are advantages to expansive brownfield areas because it is easier to initiate a site rehabilitation agreement for voluntary cleanup in a designated brownfield area.
- The Legislature could limit Brownfield Redevelopment Bonus Refunds and building materials sales tax refunds to actual brownfield sites and locations within a limited distance of these sites.
- The attached maps show where brownfield areas are located in the state and details of brownfield areas and sites in parts of Miami-Dade County and the cities of Orlando and Tampa.

- 42 projects have been **approved** for Brownfield Redevelopment Bonus incentive payments worth \$12.8 million (\$1 million was for a project that was subsequently terminated).<sup>4</sup>
- 15 projects have **received** Brownfield Redevelopment Bonus incentive payments of \$2.2 million.
- The single largest business type to receive bonus incentives is retail, with 16 projects. Other recipients include manufacturing (10 projects), wholesale distributors (4 projects), restaurants (3 projects), hotels and call centers (2 projects each), and recycling and smelting (1 project each).

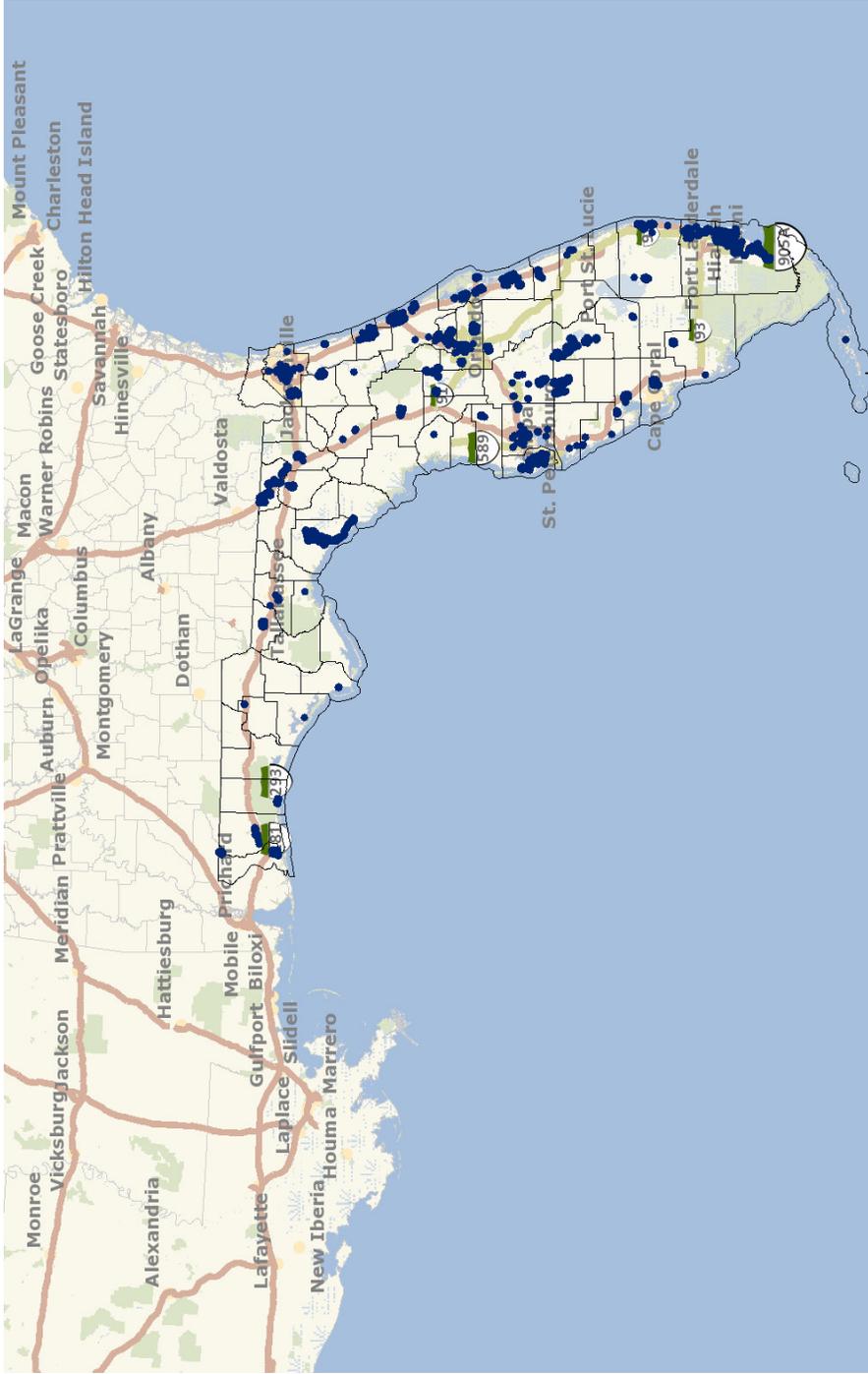
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<sup>4</sup> Department of Economic Opportunity Economic Development Incentives Portal, Report Generated on 03/03/13



# Map Direct: Brownfields

32°53'37.6118", -93°32'23.6683"



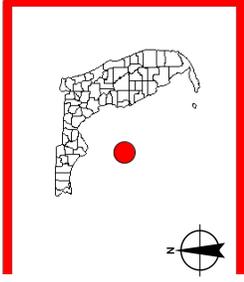
33°2'40.4608", -77°8'2.1555"



22°15'30.2177", -92°09'18.8977"



22°23'43.5616", -77°46'18.1223"



Scale 1:8,277,092

Satellite Photo

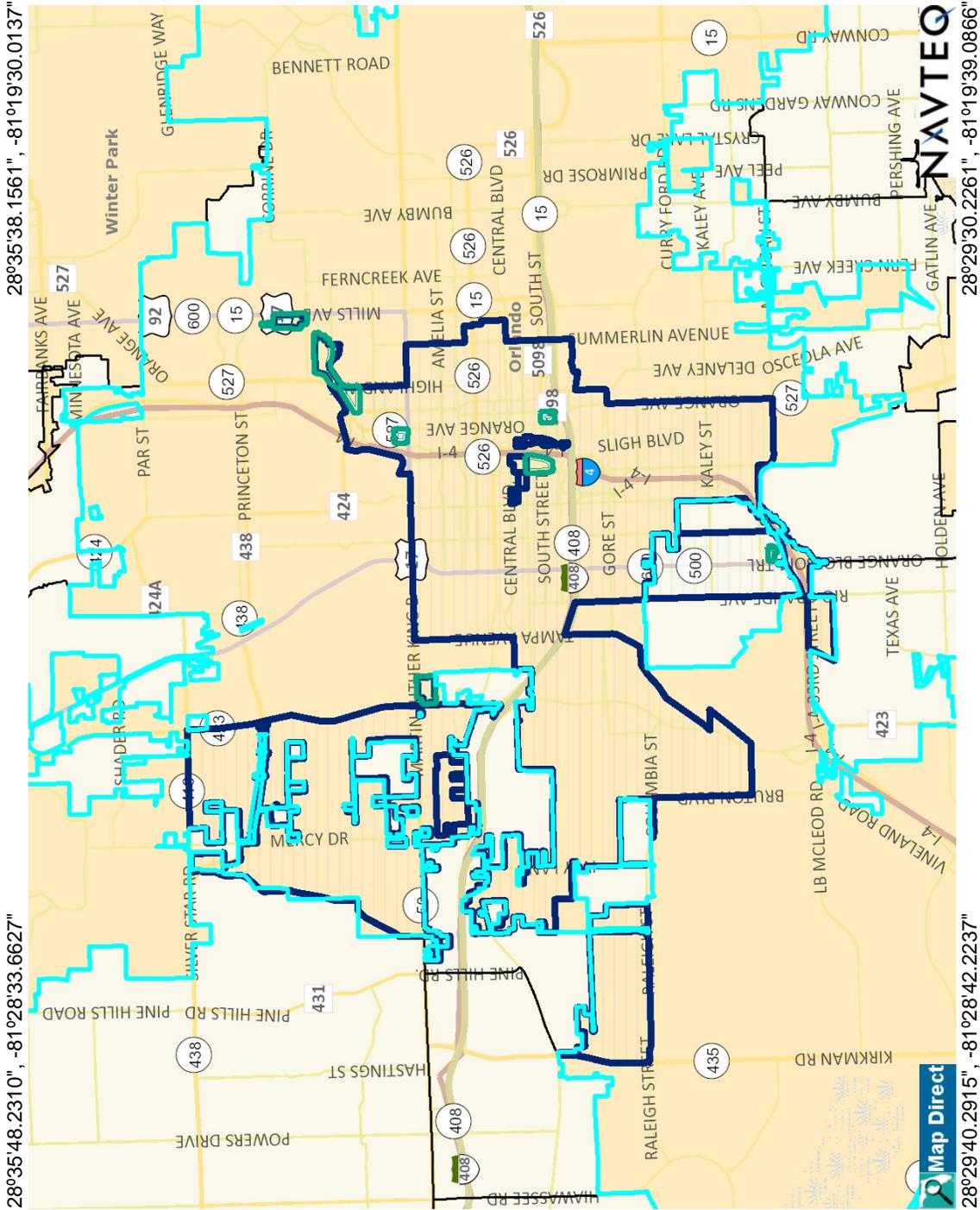
Counties

Brownfield Areas



Florida Department of Environmental Protection Disclaimer: This map created in Map Direct on Mon, 4 Mar 2013 14:32:39 UTC is intended for display purposes only. It was created using data from different sources collected at different scales, with different levels of accuracy, or for different purposes. The road data is provided as a service to the user and is not intended for a navigational purpose, satisfactory quality and non-infringement. YOU SHOULD THEREFORE VERIFY ANY INFORMATION OBTAINED FROM THIS SITE BEFORE ACTING ON IT.

# Map Direct: Brownfields



Scale 1:79,461

- Aerial Imagery 2004-2009
- TIGER 2010 Places
- Counties
- Aerial Imagery Flight Dates 2004-2009
- Brownfield Sites
- Brownfield Areas



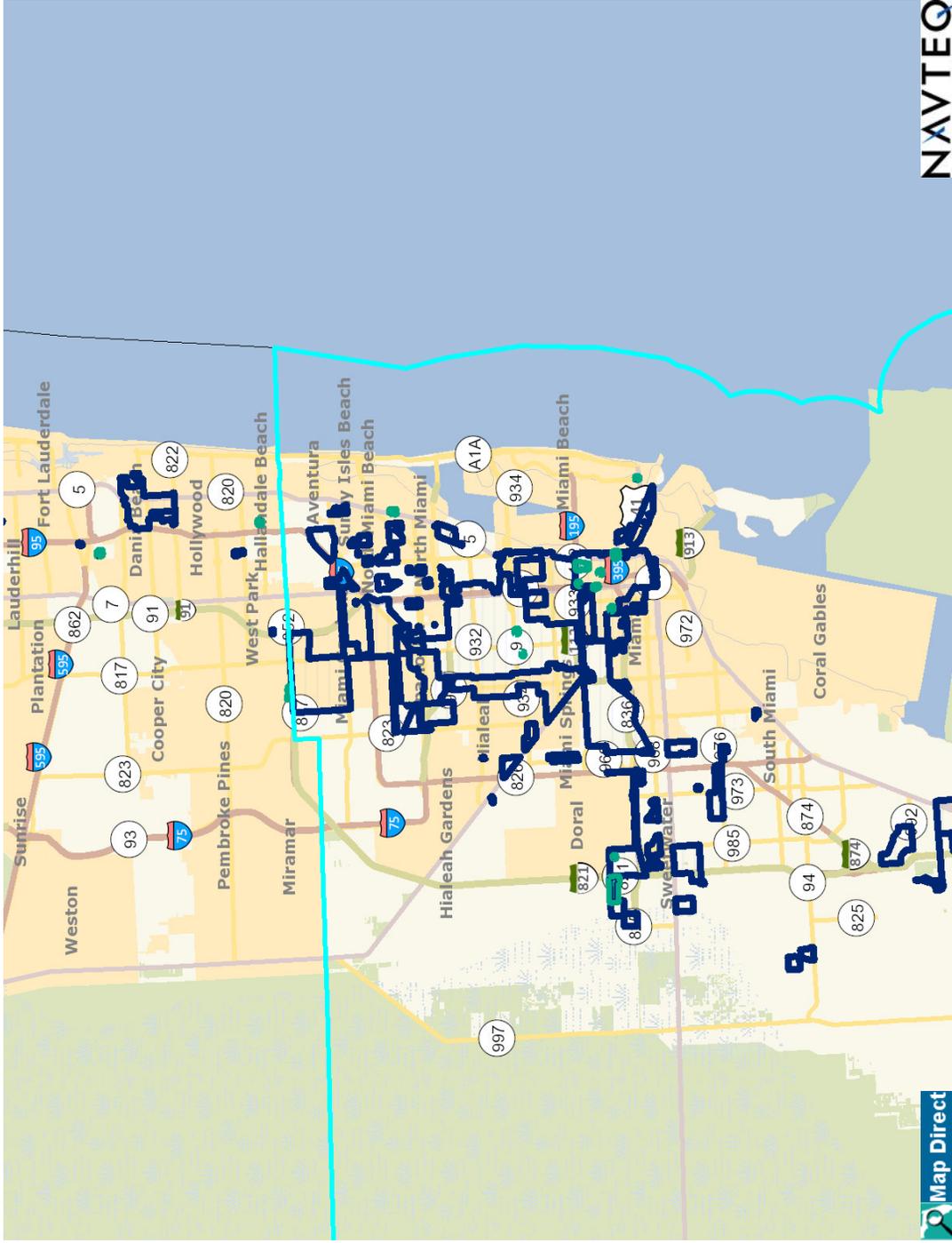
Florida Department of Environmental Protection Disclaimer: This map created in Map Direct on Mon, 4 Mar 2013 15:10:37 UTC is intended for display purposes only. It was created using data from different sources collected at different scales, with different levels of accuracy, or for differing purposes. The user assumes all responsibility for the accuracy of any information displayed on this map. The user should not rely on this map for any purpose, satisfactory quality and non-infringement. YOU SHOULD THEREFORE VERIFY ANY INFORMATION OBTAINED FROM THIS SITE BEFORE ACTING ON IT.



# Map Direct: Brownfields

26°08'27.9585", -80°36'0.6570"

26°07'11.5231", -79°49'52.7811"



25°36'30.2758", -80°36'59.1585"

25°35'14.1766", -79°51'4.4944"



Scale 1:413,855

Aerial Imagery 2004-2009

Counties



Aerial Imagery Flight Dates  
2004-2009



Brownfield Sites

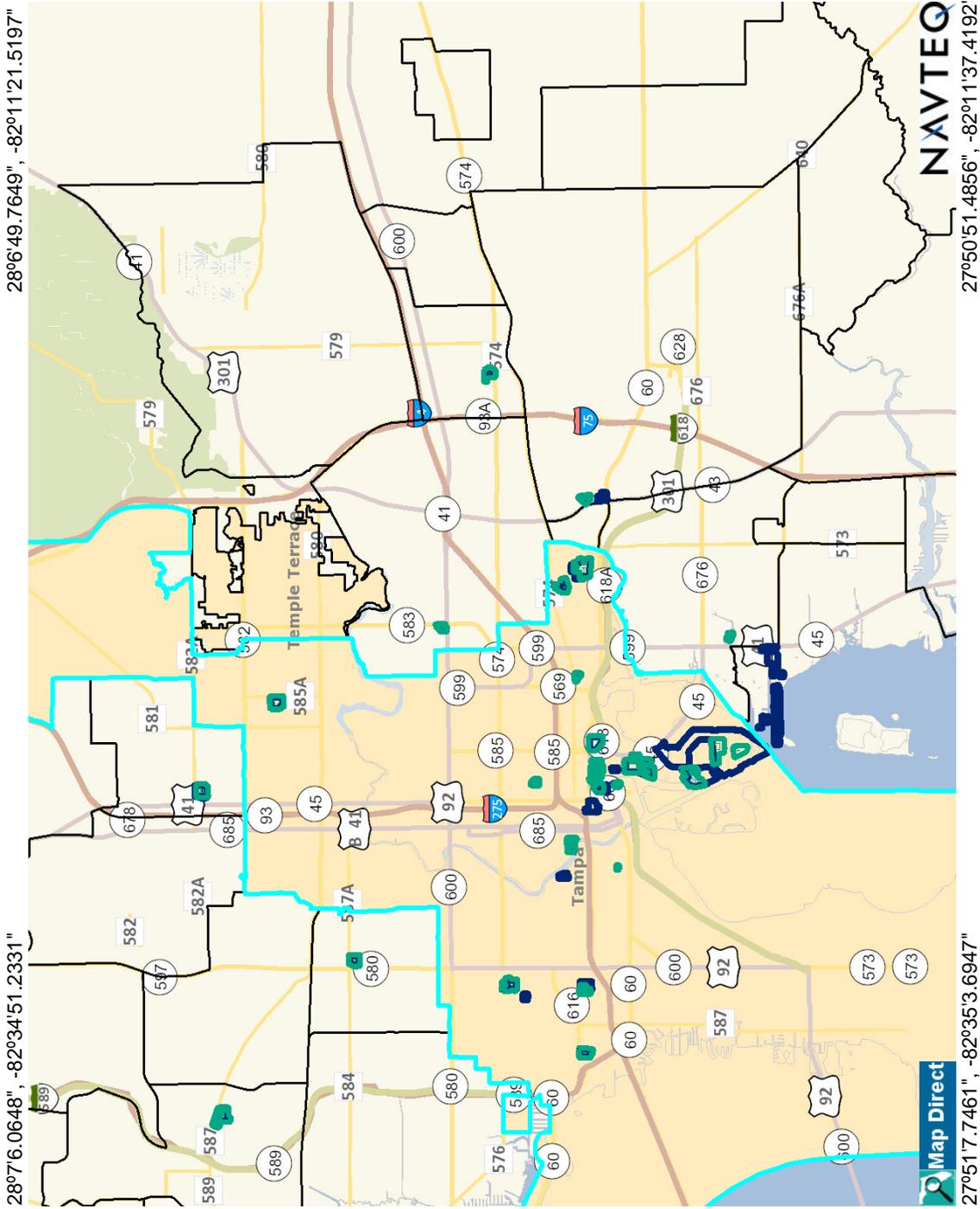


Brownfield Areas



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# Map Direct: Brownfields



28°06'49.7649", -82°01'21.5197"

28°07'6.0648", -82°34'51.2331"

27°51'7.7461", -82°35'3.6947"

27°50'51.4856", -82°01'37.4192"



Scale 1:206,928

Aerial Imagery 2004-2009

TIGER 2010 Places

Counties

Aerial Imagery Flight Dates 2004-2009

Brownfield Sites

Brownfield Areas

Florida Department of Environmental Protection Disclaimer: This map created in Map Direct on Mon, 4 Mar 2013 15:04:04 UTC is intended for display purposes only. It was created using data from different sources collected at different scales, with different levels of accuracy, or for different purposes. The user assumes all responsibility for the accuracy of the information displayed on this map. The user should verify the information for their intended purpose, satisfactory quality and non-infringement. YOU SHOULD THEREFORE VERIFY ANY INFORMATION OBTAINED FROM THIS SITE BEFORE ACTING ON IT.

# **FLORIDA EMPLOYEES' SALARY INSURANCE PREMIUM TAX CREDIT**

Section 624.509(5), F.S.

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## **INCENTIVE:**

- This statute provides a credit against the insurance premium tax equal to 15 percent of the amount paid by an insurer in salaries to employees located or based within Florida.

## **PURPOSE:**

- To encourage insurance companies to locate employees in Florida.

## **QUALIFYING REQUIREMENTS:**

- Employees of the insurance company, or employees of an affiliated group of corporations who perform insurance-related activities, must be located or based within Florida to qualify for the credit.

## **APPROVAL / OVERSIGHT / LIMITATIONS:**

- "Salaries" does not include amounts paid as commissions, and "employees" does not include independent contractors or persons required to hold a license under the Florida Insurance Code (including insurance agents), except for adjusters, managing general agents, and service representatives.
- The sum of the salary credit and the credit for Florida corporate income taxes paid cannot exceed 65 percent of the premium tax due after deducting the taxes paid under s. 175.101 and s. 185.08, F.S., (Municipal Firefighters' Pension Fund and Municipal Police Retirement Fund Credits) and any assessments under s. 440.51, F.S.(Workers Compensation Assessments Credits).

## **SIGNIFICANT HISTORY:**

- In 1949, the Legislature provided an insurance premium tax exemption for insurers that maintained their home offices in Florida.
- In 1953 it reduced premium taxes of a foreign insurance company incorporated under the laws of another state or foreign country, if the company owned and substantially occupied any building in the state as a regional home office.

- In 1985, the U.S. Supreme Court ruled in *Metropolitan Life Insurance Company v. Ward* that a domestic preference provision in Alabama's insurance tax law similar to the preference provision in Florida at the time violated the Equal Protection Clause.
- Florida and other states looked for ways to provide tax breaks to their domestic insurance companies that would pass constitutional muster, and in 1987 the Florida Legislature responded by repealing its own domestic preference provision and replacing it with a Florida Employees' Salary Credit.
- Chapter 87- 99, L.O.F, provided a credit against the net insurance premium tax equal to 10 percent of the amount paid by an insurer in salaries to employees located or based within Florida.
- The salary credit was increased to 15 percent by ch. 88-206, L.O.F, which also increased the amount of credit granted for corporate income taxes and Florida employees' salaries.

#### **FISCAL IMPACT:**

- In 2011, \$219.8 m in Florida employees' salary credit was taken against the insurance premium tax.

#### **ADDITIONAL INFORMATION:**

- Since 2006, the actual salary credits **taken** have ranged from \$202 million in 2006 to \$234.4 million in 2010.
- Total salary credits **available** have ranged from \$312.3 million in 2007 to \$399.1 million in 2008. Some credits are unused because the total amount of combined salary and corporate income tax credits that can be taken is capped at 65 percent of premium tax due after deductions.
- According to research done by NCSL, Arkansas is the only other state that provides an across-the-board salary credit against insurance premium tax. Several states allow premium tax credits for creating new jobs under programs meant to encourage job creation.
- Citizens Insurance is subject to the insurance premium tax laws, including the credit for employees' salaries. This credit is available to any insurance company with employees located in Florida, up to 65 percent of its net premium tax.

## FLORIDA ENTERPRISE ZONE PROGRAM

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### **PURPOSE:**

- The Florida Enterprise Zone Program was created in 1982 to encourage economic development in economically distressed areas of the state by providing incentives and inducing private investment.

**INCENTIVES:** The Florida Enterprise Zone Program includes a variety of tax incentives available to qualified businesses.

- **Enterprise Zone Jobs Tax Credit – Sales and Use Tax (s. 212.096, F.S.) or Corporate Income Tax (s. 220.181, F.S.)**

Businesses located in an enterprise zone can receive sales tax or corporate income tax credits for wages paid to new employees who have been employed for at least three months and are residents of a Florida enterprise zone. The amount of the credit is limited to 20% of monthly wages, or 30% of monthly wages if at least 20 percent of all full-time employees are enterprise zone residents. For rural enterprise zones, the credit is limited to 30% of monthly wages, or 45% of monthly wages if at least 20 percent of all full-time employees are enterprise zone residents. The qualified business may receive the credit for up to 24 months.

- **Enterprise Zone Property Tax Credit - Corporate Income Tax (s. 220.182, F.S.)**

New or expanded businesses located in an enterprise zone can receive corporate income tax credits for property taxes paid in Florida. To qualify, a business must hire 5 or more additional full-time employees. The amount of the credit is limited to \$25,000 per business, or \$50,000 if at least 20 percent of full-time employees are enterprise zone residents. The qualified business may receive the credit for up to 5 years.

- **Sales Tax Refund for Building Materials Used in an Enterprise Zone (s. 212.08(5)(g), F.S.)**

A refund is available for sales taxes paid on the purchase of building materials used to rehabilitate real property located in an enterprise zone. The amount of the refund is limited to \$5,000 per parcel of property, or \$10,000 if at least 20 percent of full-time employees are enterprise zone residents. The refund is limited to one per parcel of property.

- **Sales Tax Refund for Business Machinery and Equipment Used in an Enterprise Zone (s. 212.08(5)(h), F.S.)**

A refund is available for sales taxes paid on the purchase of certain business property, (e.g., tangible personal property such as office equipment, warehouse equipment, and some industrial machinery and equipment). The minimum purchase price of equipment is \$5,000 per unit. The amount of the refund is limited to \$5,000, or \$10,000 if at least 20 percent of full-time employees are enterprise zone residents.

- **Sales Tax Exemption for Electrical Energy Used in an Enterprise Zone (s.212.08(15), F.S.)**

Qualified businesses located in an enterprise zone are eligible for a sales tax exemption on their electricity purchases if the municipality in which they are located has enacted an ordinance providing an exemption from municipal utility tax. The sales tax exemption is 50 percent or 100 percent if at least 20 percent of full-time employees are enterprise zone residents. The qualified business may receive the exemption for up to 5 years.

#### **QUALIFYING REQUIREMENTS:**

- Sections 290.001-290.016, F.S., authorize the creation of enterprise zones and establish criteria and goals for the program. Prior to submitting an application for an enterprise zone, a local governed body must determine that an area:
  - Has pervasive poverty, unemployment, physical deterioration, and economic disinvestment;
  - Needs rehabilitation or redevelopment for the public health, safety, and welfare of the residents in the county or municipality; and
  - Can be revitalized through the inducement of the private sector.
- An enterprise zone is subject to the following mileage limitations:
  - Up to 20 square miles for a rural enterprise zone or for communities with a population of 150,000 or more.
  - Up to 10 square miles for communities with a population between 50,000 and 150,000.
  - Up to 5 square miles for communities with a population between 20,000 and 50,000.
  - Up to 3 square miles for communities with a population less than 20,000.

**APPROVAL / OVERSIGHT / LIMITATIONS:**

- The Department of Economic Opportunity is responsible for approving applications for enterprise zones, and also approves changes to the boundaries of an enterprise zone. As part of the application process for an enterprise zone, the county or municipality in which the designation will be located is also responsible for creating an Enterprise Zone Development Agency and an enterprise zone development plan.

**SIGNIFICANT HISTORY:**

- Created in 1982 and revised several times since.
- There are currently 65 enterprise zones.
- The Florida Enterprise Zone Program is repealed December 31, 2015.

**FISCAL IMPACT:**

**Enterprise zone incentives (\$ claimed)**

<b>Category</b>	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>	<b>FY 08-09</b>	<b>FY 09-10</b>	<b>FY 10-11</b>	<b>FY 11-12</b>
Jobs Credit - Sales Tax	6,777,250	6,087,843	5,732,605	5,227,245	5,683,252	757,739	865,560
Jobs Credit – Corporate Tax	4,253,621	5,919,236	5,507,311	5,072,555	4,348,031	4,956,598	4,455,624
Property Tax Credits	1,267,999	2,291,961	2,184,036	1,910,708	1,384,668	1,994,562	1,022,199
Building Materials Refunds	7,415,711	18,855,129	25,665,025	30,994,860	54,012,915	13,590,376	2,462,136
Business Equipment Refunds	2,940,864	1,771,396	1,269,955	1,139,066	1,035,562	679,440	1,228,479
Electric Energy Exemption	778,090	793,179	606	1,007,007	1,138,054	972,185	900,476
<b>Total all zones</b>	<b>23,433,535</b>	<b>35,718,744</b>	<b>40,359,538</b>	<b>45,351,441</b>	<b>67,602,482</b>	<b>22,950,900</b>	<b>10,934,474</b>

**ADDITIONAL INFORMATION:**

**OPPAGA Report No. 11-01 (January 2011)**

- Other states’ enterprise zone programs are similar to Florida’s.
- Research in Florida and other states has found mixed results regarding program effectiveness.
- Low program participation limited progress towards meeting major legislative goals.
- EZ coordinators rated program performance and incentives as moderately effective.
- EZ coordinators suggested program improvements (e.g., reducing incentive thresholds).

The Legislature could consider several options to modify the Enterprise Zone Program:

- Modify program eligibility requirements to encourage participation.
- Target program incentives to encourage job creation.
- Implement a one-year program moratorium.
- Abolish the program.
- Allow the program to sunset on December 31, 2015.

A copy of the OPPAGA report can be found here:

[www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1101rpt.pdf](http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1101rpt.pdf)

### **Florida Enterprise Zone Program Annual Reports**

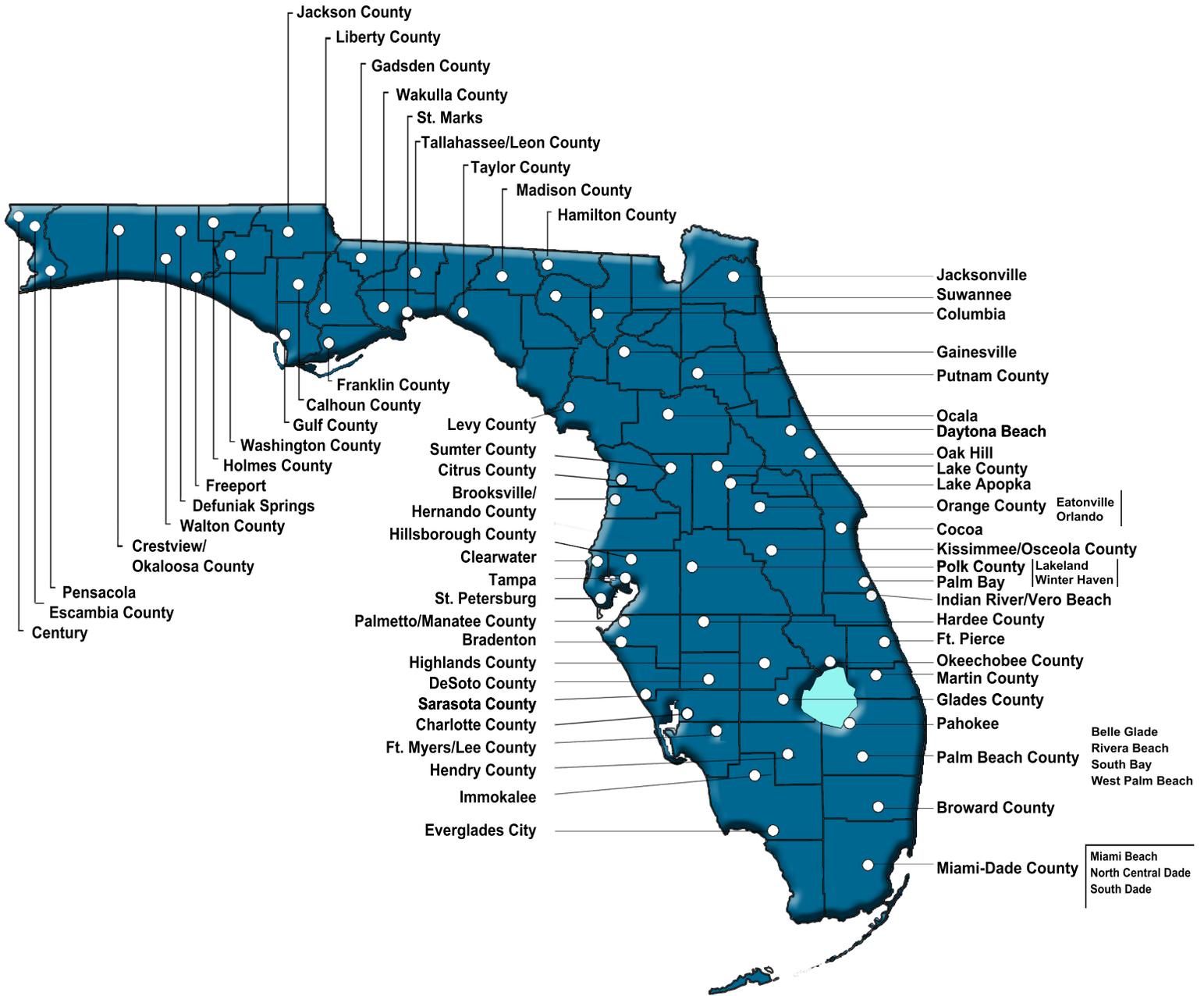
By March 1<sup>st</sup> of each year, the Department of Economic Opportunity submits a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives. Each year's annual report is based on information provided by the local Enterprise Zone Development Agencies and the Florida Department of Revenue. The purpose of the reports is to examine the impact of the program and monitor the use of state and local incentives.

#### **Summary: FY 05-06 to FY 11-12**

<b>Category</b>	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>	<b>FY 08-09</b>	<b>FY 09-10</b>	<b>FY 10-11</b>	<b>FY 11-12</b>	<b>Total</b>
Businesses Moved into or Created	3,324	4,976	2,719	3,104	7,559	4,103	4,500	30,285
Jobs Created	12,490	11,456	9,600	9,073	6,784	11,559	11,602	72,564
State Incentives Claimed	\$23.43m	\$35.72m	\$40.36m	\$45.35m	\$67.60m	\$22.95m	\$10.93m	\$246.34m
Number of Zones	55	56	56	56	59	59	63	

# FLORIDA ENTERPRISE ZONES

EFFECTIVE JANUARY 1, 2013



Florida Department of Economic Opportunity  
 Division of Community Development  
 107 East Madison Street; MSC 160  
 Tallahassee, Florida 32399  
[www.floridaenterprisezone.com](http://www.floridaenterprisezone.com)

# ENTERTAINMENT INDUSTRY FINANCIAL INCENTIVE PROGRAM

Sections 288.1254, F.S.

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## **INCENTIVE:**

- Transferable Corporate Income Tax credits and/or Sales and Use Tax credits are provided to companies that produce films, commercials, music videos, television shows, video games, etc. within Florida.

## **PURPOSE:**

- To encourage the use of Florida as a site for filming, for the digital production of films, and to sustain the workforce and infrastructure for film, digital media, and entertainment production.

## **QUALIFYING REQUIREMENTS:**

- Productions that qualify include motion pictures, television programs, digital effects and animation sequences, commercials, music videos, industrial/educational films, telenovelas, game shows, and digital media projects (video games, animations, interactive websites, etc.)
- 60 percent of the production cast and certain crew positions must be filled by Florida residents (75 percent for digital media projects).
- The project cannot include obscene content.
- The credit is calculated based upon qualifying expenditures. Qualifying expenditures include:
  - Goods and services, purchased or leased from a supplier in Florida, and
  - Salary or wage payments to Florida residents (\$400,000 per person limit).

<b>Entertainment Industry Financial Incentive Program</b>			
<b>FY 2010/11 – 2015/16</b>	<b>\$296 million</b>		
<b>Queue</b>	<b>General Production</b>	<b>Commercials and Music Videos</b>	<b>Independent and Emerging Media</b>
<b>Credit Allocation</b>	94% \$284 million	3% \$8.9 million	3% \$8.9 million
<b>Required Expenses</b>	\$625,000	\$500,000	\$100,000
<b>Credit Calculation</b>	20% of Expenses	20% of Expenses	20% of Expenses
<b>Bonus Credits</b>	15% Film Students 5% Qual. Prod. Facility 5% Off-season 5% Underutilized region 5% Family-friendly	5% family-friendly	5% family-friendly
<b>Maximum Credit</b>	30% \$8 million per project	25% \$500,000 per project	25% \$125,000 per project
<b>Internal Allocation Limit</b>	No greater than 45% of credits awarded after 4/1/2012 can go to high-impact television	None	None
<b>Credit Carryforwards</b>	5 years	5 years	5 years
<b>Credit Transfers</b>	Transferable	Transferable	Transferable

**APPROVAL / OVERSIGHT / LIMITATIONS:**

- Applicants must apply to DEO to determine if their project qualifies.
- DEO certifies credit amount after production is completed.
- DOR oversees credit use through DOR's normal auditing procedures.
- Anecdotal evidence suggests that credits are sold at 85-98% of their value.

**SIGNIFICANT HISTORY:**

- 2003 – Florida created the Entertainment Industry Financial Incentive Program. Initially, the program was structured as a reimbursement program, rather than a tax credit program. Qualifying projects could earn payments based on expenses.
- 2005 – The program was expanded to cover more types of projects and to remove time restraints (prior to 2005, certain projects had to have minimum airtimes).
- 2007 – The program was substantially reworded and amended to bring it up to date to industry practices.
- 2009 – The program was amended to increase the queue allocation for independent Florida filmmakers and to allow excess amounts to flow to digital media projects.
- 2010 – The program was substantially rewritten and changed into a tax credit program. Tax credits were allocated for FY 2010-11 through FY 2014-15, totaling \$242 million.
- 2011 – The program was amended to limit the allocation of credits to television series, provide additional credits for certain activities, and permit limited transfers of credits.
- 2012 – The program was amended to add an additional year of allocations of \$42 million (FY 2015-16), and to delay the television series limitations that were passed in 2011.

**FISCAL IMPACT:**

<b>FISCAL YEAR</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<b>ANNUAL</b>	\$53.5m	\$74.5m	\$42m	\$42m	\$42m	\$42m
<b>TOTAL</b>	\$296 million					

<b>TOP 5 CREDIT ALLOCATION CATEGORIES AND PERCENT OF TOTAL CREDIT ALLOCATIONS</b>		
<b>HIGH-IMPACT TELEVISION SERIES</b>	\$118.6m	40.6%
<b>VIDEO GAMES</b>	\$56.8m	19.4%
<b>MOTION PICTURES</b>	\$47.5m	16.3%
<b>TELENOVELA TELEVISION SERIES</b>	\$26.4m	9.0%
<b>OTHER (INCLUDES 13 CATEGORIES, EACH CLAIMING LESS THAN 3.4% OF TOTAL CREDIT)</b>	\$43.0m	14.7%

## **QUALIFIED PRODUCTION COMPANY SALES TAX EXEMPTION**

Sections 288.1258, 212.031(1)(a)9. and 212.08(5)(f), F.S.

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### **INCENTIVES:**

- A purchase or lease of motion picture and sound recording equipment is exempt from sales tax. The exemption may include a building and its structural components when they are closely related to the motion picture or sound recording equipment.
- A lease of property that is used as an integral part of a motion picture is exempt from the sales tax on commercial rentals.

### **PURPOSE:**

- To encourage commercial filming and recording activities in Florida

### **QUALIFYING REQUIREMENTS:**

- The exemption is for companies that produce motion pictures, television programs, commercials, music videos and sound recordings.

### **APPROVAL / OVERSIGHT / LIMITATIONS:**

- Production companies apply to DOR for a certificate of exemption.
- DEO ultimately approves the applicants.

### **SIGNIFICANT HISTORY:**

- 1983 – Created sales tax exemption, which would be obtained by a refund through the Department of Revenue.
- 2000 – Restructured the program to create oversight of production companies by the Office of Film and Entertainment.

### **FISCAL IMPACT:**

- \$30.1 million

## INTERCOMPANY TRANSACTIONS

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### **1. A Corporation's State Income Tax Liability**

#### *a. Tax Rate*

Forty-seven states and the District of Columbia impose a corporate income tax. The rates vary between 1 and 12 percent. The states that do not impose a tax are Nevada, South Dakota, Washington, and Wyoming. Texas and Ohio could be said not to have income taxes, but they do have similar tax burdens that are not measured on income.

#### *b. Type of Income*

Some states have a unique definition of "income." For instance, Delaware does not impose tax on income from intangible assets.

#### *c. Consolidated Filing / Separate Return Filing*

Many modern businesses are not made up of a single corporation doing business one state, but rather consist of many commonly-owned corporations doing business in many states. Some states permit separate filing by each individual corporation. However, as of 2010, twenty-two states required all related corporations to join in a single return (often referred to as a "combined report"). These combined reporting states then determine what their share of the total "corporate family" income is through their apportionment formula.

All southeastern states are "separate return" states. Additionally, some states throughout the Midwest and Northeast remain separate return states.

Separate return states are especially susceptible to the techniques described below.

### **2. Use of Intercompany Transactions**

#### *a. Basics*

When a business transaction crosses state lines, it has the potential to "shift" income from one state to the other. For example, if a business in Florida buys a product from a business in Alabama, the Alabama business will have an item of income, while the Florida company will have a business expense (less income).

Some businesses use this “shifting” feature of multi-state transactions to move income to a no-tax or lower-tax state. By creating a subsidiary in a no-tax or lower-tax state and having that subsidiary conduct business with related corporations, a business can “shift” income to the no-tax or lower-tax state.

*b. Leases*

*i. Intangible Holding Companies*

Intangible Holding Companies are probably the most well-known method for using intercompany transactions to lower taxes. The basic structure is to create a holding company in a state that either does not have a tax or does not tax income from intangible assets. The main business then transfers its intangible assets (usually a trademark) to the holding company. The holding company then charges its related companies in other states a fee for the use of the intangible asset in the other state. In paying for the use of the intangible, the companies that are located in states that impose taxes (in-state companies) are creating business expenses.

This technique was involved in the recent case reported in Florida.

*ii. Real Estate Investment Trusts*

Real Estate Investment Trusts use the same type of structure, but rather than lease payments for an intangible asset, the in-state companies pay rent for the use of realty. The rental payments are made to a Real Estate Investment Trust that then pays out dividends to a company located in a no-tax state. By doing this, the in-state companies create a rental expense.

This technique is not effective in Florida due to Florida’s sales tax on commercial rents.

*c. Transfer Pricing Issues*

Related companies can also be used to reduce income through the use of inflated pricing. When a company calculates its income from the sale of a product, the income generally is the sales price of the item minus all of the costs of producing it.

The purchaser of a product can insert a related company between itself and a supplier in an effort to inflate the price it pays for supplies. For instance, a Florida company purchasing supplies could have the supplier sell the product to a related company in a low-tax or no-tax state. The related company could then inflate the price of the product when selling it to the Florida company. By doing so, the Florida company reduces its income because of the higher cost of goods.

*d. Loans*

Related companies can be established in no-tax states to make loans. In paying the interest on the loan, the in-state company creates an interest deduction.

*e. Management Fees*

Related companies can be established to provide management services. In paying for the management services, the in-state company creates a regular business expense.

**3. Methods to Impose Tax**

*a. Add-Back Statute*

A legislative approach to address these techniques is to require the Florida company to disregard or “add-back” the business expense for the payment to the related subsidiary.

In 2009, the Senate Committee on Finance and Taxation considered and passed a bill that contained an add-back provision. It addressed payments to related companies for intangible assets, interest, and management fees.

*b. Impose Tax on “Out-of-State” Company*

*i. Nexus*

A state could attempt address these related-company issues by attempting to subject the no-tax state subsidiary to tax. The primary obstacle to overcome is the Commerce Clause requirements of the federal Constitution. The U.S. Supreme Court has interpreted the Commerce Clause to require that a company must have a sufficient presence within the taxing state to support taxation. The Court has not provided a lot of guidance on what presence is sufficient in the context of income taxes. Oftentimes, these related companies will not have employees or a location within the state.

*ii. Litigation Has Mixed Results*

States that have attempted to impose tax have had varying results:

Toys-R-Us.....Taxable. South Carolina (1993)  
SYL, Inc.....Not Taxable. Maryland (1999)  
Lane Bryant.....Not Taxable. New Jersey (2003)  
Autozone.....Not Taxable. Louisiana (2004)  
KFC.....Taxable. Iowa (2010)  
Conagra Brands, Inc.....Not Taxable. West Virginia (2012)

*c. Consolidated Reporting (“Combined Reporting”)*

The approach taken by 22 states is to require all related companies to join in a single return. With this approach, all of the income of every related corporation is included; the state just uses its apportionment factor to determine the portion of the combined income that is subject to tax.

## **SELECTED SALES TAX EXEMPTIONS FOR INDUSTRIAL MACHINERY AND EQUIPMENT**

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Generally, the sale at retail of tangible personal property, including industrial machinery and equipment, is subject to sales tax. Currently, there are several sales tax exemptions for machinery and equipment available to eligible businesses under specified conditions. These exemptions generally apply to manufacturing, defense and space activities.

### **PURPOSE:**

- To encourage manufacturing, defense, and space activities within Florida.

### **INCENTIVES:**

- Industrial Machinery and Equipment for New and Expanding Businesses or for Spaceports (s. 212.08(5)(b), F.S.)
- Industrial Machinery and Equipment Used in Semiconductor, Defense or Space Technology Production (s. 212.08(5)(j), F.S.)
- Research and Development Costs (ss. 212.052 and 212.08(18), F.S.)
- Repair Parts, Materials and Labor Charges for Industrial Machinery and Equipment (s. 212.08(7)(xx), F.S.)

## INDUSTRIAL MACHINERY AND EQUIPMENT FOR NEW AND EXPANDING BUSINESSES OR FOR SPACEPORTS

Section 212.08(5)(b), F.S.

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### INCENTIVE:

- Industrial machinery and equipment purchased for exclusive use by a **new** business in spaceport activities or for use in a new business that manufactures, processes, compounds, or produces for sales items of tangible personal property at a fixed location in this state are exempt from sales and use tax.
- Industrial machinery and equipment purchased for exclusive use by an **expanding** facility engaged in spaceport activities or used in an expanding manufacturing facility that manufactures, processes, compounds, or produces for sales items of tangible personal property at a fixed location in this state are exempt from sales and use tax if the items are used to increase the productive output of a facility by at least 5%.

### PURPOSE:

- To encourage manufacturing and spaceport activities within Florida.

### QUALIFYING REQUIREMENTS:

- To qualify, the business must be new or increase production at the facility by at least 5% over the previous 12 month period.
- “Industrial machinery and equipment” is defined as tangible personal property or other property that has a depreciable life of 3 years or more and that is used as an integral part in the **manufacturing, processing, compounding, or production** of tangible personal property for sale or is exclusively used in spaceport activities.
- This exemption does not apply to machinery and equipment purchased by electric utilities, communications companies, oil or gas exploration or production, publishing firms that do not export at least 50% of their finished product out of state, or hotels and restaurants.
- “Spaceport activities” means activities directed or sponsored by Space Florida on spaceport territory.

### APPROVAL / OVERSIGHT / LIMITATIONS:

- To receive these exemptions, a qualifying business must apply to the Department of Revenue for a temporary tax exemption permit.

**SIGNIFICANT HISTORY:**

- Created in 1978 and amended several times since.
- When the exemption was enacted in 1978, it applied to sales tax in excess of \$100,000. This threshold was reduced to \$50,000 in 1996. In 1999, the exemption was extended to included machinery and equipment used for phosphate and other solid mineral severance. In 2006, the \$50,000 tax threshold for expanding manufacturing businesses was eliminated. In 2012, the productive output requirement for expanding businesses was lowered from 10% to 5%.

**FISCAL IMPACT:**

\$41.7m per state fiscal year

# INDUSTRIAL MACHINERY AND EQUIPMENT USED IN SEMICONDUCTOR, DEFENSE OR SPACE TECHNOLOGY PRODUCTION

Section 212.08(5)(j), F.S.

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## INCENTIVE:

- Industrial machinery and equipment used in **semiconductor** facilities to manufacture, process, compound or produce semiconductor products for sale or for use by these facilities is exempt from sales and use tax.
- Industrial machinery and equipment used in **defense or space technology** facilities to *design*, manufacture, *assemble*, process, compound or produce defense or space technology products for sale or for use by these facilities is exempt from sales and use tax.

## PURPOSE:

- To encourage the development of defense and space technology facilities within Florida.

## QUALIFYING REQUIREMENTS:

- The facilities must be certified by the Department of Economic Opportunity and the certification is valid for 2 years. A business may renew the certification biennially.

## APPROVAL / OVERSIGHT / LIMITATIONS:

- The Department of Economic Opportunity is responsible for processing applications and certifying businesses.

## SIGNIFICANT HISTORY:

- Created in 2000 to provide a full exemption for industrial M&E used in semiconductor facilities and a 25% exemption for industrial M&E used in defense or space technology facilities. A business using the exemption was required to apply for certification each year.
- In 2006, the exemption for industrial M&E used in defense or space technology facilities was increased to 100% and the certification was extended to 2 years. The definition of “space technology products” was expanded to include space flight vehicles and components of space technology products. The exemption was also extended to include M&E used to “design” or “assemble” defense or space technology products.

**FISCAL IMPACT:**

\$4.5m per state fiscal year

## **RESEARCH AND DEVELOPMENT COSTS**

Sections 212.052 and 212.08(18), F.S.

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### **INCENTIVE:**

- Tangible personal property manufactured, produced, compounded, processed or fabricated for use directly or solely in research or development, and machinery and equipment used predominately for research and development is exempt from sales and use tax.

### **PURPOSE:**

- To encourage research and development activities within Florida.

### **QUALIFYING REQUIREMENTS:**

- “Machinery and equipment” includes, but is not limited to, molds, dies, machine tooling, other appurtenances or accessories to machinery and equipment, testing and measuring equipment, test beds, computers, and software.
- Must use machinery and equipment for research and development purposes at least 50% of the time, however, there is no requirement that machinery and equipment have a depreciable life of 3 years or more.
- Purchasers must provide an affidavit to seller stating the machinery and equipment will be used for research and development.

### **APPROVAL / OVERSIGHT / LIMITATIONS:**

- The Department of Revenue oversees through its normal auditing procedures.

### **SIGNIFICANT HISTORY:**

- Enacted in 2006.

### **FISCAL IMPACT:**

\$46.8m per state fiscal year

## **REPAIR PARTS, MATERIALS AND LABOR CHARGES FOR INDUSTRIAL MACHINERY AND EQUIPMENT**

Section 212.08(7)(xx), F.S.

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### **INCENTIVE:**

- Parts, materials and labor charges for the repair of industrial machinery and equipment are exempt from sales and use tax.

### **PURPOSE:**

- To encourage manufacturing activities within Florida.

### **QUALIFYING REQUIREMENTS:**

- The exemption is available to those industries classified under specified Standard Industrial Classification (SIC) Industry Major Group Numbers provided in statute. These classifications generally include mining, construction, and manufacturing industries.
- Purchasers must provide an exemption certificate to the seller stating that the repair parts, materials and labor charges will be used for the repair of machinery and equipment.

### **APPROVAL / OVERSIGHT / LIMITATIONS:**

- The Department of Revenue oversees through its normal auditing procedures.

### **SIGNIFICANT HISTORY:**

- Enacted in 1999. This exemption was phased in over a 4-year period. Starting July 1, 1999, only 25% of the charges for repair parts and labor were exempt. The exemption increased by 25% on July 1 of each year until it reached 100% on July 1, 2002.

### **FISCAL IMPACT:**

\$10.3m per state fiscal year

## ENERGY ECONOMIC ZONE PILOT PROGRAM

Section 377.809, F.S.

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### **PURPOSE:**

- The Florida Energy Economic Zone Pilot Program was created in 2009 to help communities cultivate green economic development, encourage renewable electric energy generation, and promote product manufacturing that contributes to energy conservation and green jobs.

**INCENTIVES:** All incentives and benefits provided for enterprise zones are available to the energy economic zones. However, the total amount of incentives is limited to \$300,000 annually for each zone.

- **Enterprise Zone Jobs Tax Credit – Sales and Use Tax (s. 212.096, F.S.) or Corporate Income Tax (s. 220.181, F.S.)**

Businesses located in an enterprise zone can receive sales tax or corporate income tax credits for wages paid to new employees who have been employed for at least three months and are residents of a Florida enterprise zone. The amount of the credit is limited to 20% of monthly wages, or 30% of monthly wages if at least 20 percent of all full-time employees are enterprise zone residents. For rural enterprise zones, the credit is limited to 30% of monthly wages, or 45% of monthly wages if at least 20 percent of all full-time employees are enterprise zone residents. The qualified business may receive the credit for up to 24 months.

- **Enterprise Zone Property Tax Credit - Corporate Income Tax (s. 220.182, F.S.)**

New or expanded businesses located in an enterprise zone can receive corporate income tax credits for property taxes paid in Florida. To qualify, a business must hire 5 or more additional full-time employees. The amount of the credit is limited to \$25,000 per business, or \$50,000 if at least 20 percent of full-time employees are enterprise zone residents. The qualified business may receive the credit for up to 5 years.

- **Sales Tax Refund for Building Materials Used in an Enterprise Zone (s. 212.08(5)(g), F.S.)**

A refund is available for sales taxes paid on the purchase of building materials used to rehabilitate real property located in an enterprise zone. The amount of the refund is limited to \$5,000 per parcel of property, or \$10,000 if at least 20 percent of full-time employees are enterprise zone residents. The refund is limited to one per parcel of property.

- **Sales Tax Refund for Business Machinery and Equipment Used in an Enterprise Zone (s. 212.08(5)(h), F.S.)**

A refund is available for sales taxes paid on the purchase of certain business property, (e.g., tangible personal property such as office equipment, warehouse equipment, and some industrial machinery and equipment). The minimum purchase price of equipment is \$5,000 per unit. The amount of the refund is limited to \$5,000, or \$10,000 if at least 20 percent of full-time employees are enterprise zone residents.

- **Sales Tax Exemption for Electrical Energy Used in an Enterprise Zone (s.212.08(15), F.S.)**

Qualified businesses located in an enterprise zone are eligible for a sales tax exemption on their electricity purchases if the municipality in which they are located has enacted an ordinance providing an exemption from municipal utility tax. The sales tax exemption is 50 percent or 100 percent if at least 20 percent of full-time employees are enterprise zone residents. The qualified business may receive the exemption for up to 5 years.

- **Sales Tax Exemption for Machinery and Equipment used in the Production of Renewable Energy (s. 212.08(5)(c), F.S.)**

The purchase of machinery and equipment used in the production of renewable energy is exempt from sales and use tax.

#### **QUALIFYING REQUIREMENTS:**

- The incentives and benefits are available to energy economic zones designated before July 1, 2010.
- By March 1, 2012, each local governing body with jurisdiction over an energy economic zone, must by local ordinance, establish the boundary of the energy economic zones, specify applicable energy-efficiency standards and determine the eligibility criteria for the application of state and local incentives and benefits.

**APPROVAL / OVERSIGHT / LIMITATIONS:**

- The Department of Economic Opportunity, Department of Transportation and the Department of Agriculture and Consumer Services provide technical assistance to designated communities.
- The governing body of an energy economic zone is responsible for allocating the incentives and verifying that businesses are eligible.
- The Department of Economic Opportunity must submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by February 15, 2015, evaluating whether the pilot program has demonstrated success.

**SIGNIFICANT HISTORY:**

- Created in 2009 and revised in 2011 to include tax incentives.
- There are currently two designated Energy Economic Zone Pilot Program Communities located in the City of Miami Beach and Sarasota County.

**FISCAL IMPACT:**

\$300,000 per energy economic zone in any state fiscal year

## INCENTIVES SPECIFIC TO SPACEFLIGHT ACTIVITY

Since the creation of Spaceport Florida in 1989, the state has pursued space-related businesses as part of its economic development policy.

- The Spaceport Florida Authority Act included tax exemptions for rocket fuel as well as orbital space facilities, space propulsion systems, space vehicles, satellites, space stations, and tangible personal property placed or used on any of these devices.
- In 2000, an exemption was created for renting or leasing property used or occupied predominantly for space flight business purposes.
- In 2011, spaceflight business tax credits were created to attract launch, payload, research and development, and other space business to Florida. For a spaceflight business meeting job creation and other criteria, nontransferable corporate income tax credits can be used to offset up to 50 percent of the business's corporate income tax liability and transferable credits may be sold in an amount equal to the business's net operating loss.
  - The credits in this program are limited to tax returns filed on or after October 1, 2015, and no credit may be approved after October 1, 2017.
  - The maximum amount of nontransferable credit that may be approved under this program is \$3 million, and the maximum amount of transferable credit is \$7 million.
- Spaceflight activity is also eligible for many other tax incentives relating to machinery and equipment purchases.

## **SPACEPORT TAX EXEMPTIONS**

Sections 206.42 and 212.08(16), F.S.

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### **INCENTIVE:**

- Provides tax exemptions for:
  - Rocket fuel, defined as fuel being produced for and sold and exclusively used for space flight, from sales tax and the tax on aviation fuel;
  - Any orbital space facility, space propulsion system, or space vehicle, satellite, or station of any kind possessing space flight capacity, including the components thereof; and
  - Tangible personal property placed on or used aboard any orbital space facility, space propulsion system, or space vehicle, satellite, or station of any kind, irrespective of whether such tangible personal property is returned to this state for subsequent use, storage, or consumption in any manner.

### **PURPOSE:**

- These exemptions were enacted as part of the Spaceport Florida Authority Act, and the purpose of that act was to:
  - (P)rovide a unified direction for space-related economic growth and educational development, to ensure a stable and dynamic economic climate, to attract and maintain space-related businesses suitable to the state, and to further the coordination and development of Florida's economy.<sup>5</sup>

### **QUALIFYING REQUIREMENTS:**

- In order to qualify for any of these exemptions, a transaction must meet the statutory criteria, as cited above.

### **APPROVAL / OVERSIGHT / LIMITATIONS:**

- The Department of Revenue's normal oversight of tax exemption claims applies to these exemptions.

### **SIGNIFICANT HISTORY:**

- Created in 1989.

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<sup>5</sup> Chapter 89-300, L.O.F., sec. 2.

**FISCAL IMPACT:**

- The Florida Tax Handbook reports that the exemption for satellites or other space vehicles reduces sales tax revenue by \$70.6 million annually,<sup>6</sup> but this estimate has not been examined closely in recent years.

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<sup>6</sup>2012 Florida Tax Handbook, p. 159.

## **SALES TAX EXEMPTION FOR SPACEFLIGHT COMMERCIAL LEASES**

Section 212.031(1)(a)12., F.S.

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### **INCENTIVE:**

- Provides a sales tax exemption for renting or leasing property used or occupied predominantly for space flight business purposes.

### **PURPOSE:**

- Is consistent with other tax preferences provided to the space industry to attract and maintain space-related businesses suitable to the state.

### **QUALIFYING REQUIREMENTS:**

- To qualify for this exemption, property must be used or occupied predominantly for “space flight business” purposes, which means the manufacturing, processing, or assembly of a space facility, space propulsion system, space vehicle, satellite, or station of any kind possessing the capacity for space flight, or components thereof, and also means the following activities supporting spaceflight:
  - Vehicle launch activities,
  - Flight operations,
  - Ground control or ground support, and
  - All administrative activities related thereto.

### **APPROVAL / OVERSIGHT / LIMITATIONS:**

- Possession by a landlord of a signed written statement from the tenant claiming the exemption relieves the landlord from the responsibility of collecting the tax.
- The Department of Revenue looks solely to the tenant for recovery of the tax if it determines that the exemption was not applicable.

### **SIGNIFICANT HISTORY:**

- Created in 2000.

### **FISCAL IMPACT:**

- This exemption is estimated to reduce state revenue by \$600,000 annually.

## **SPACEFLIGHT BUSINESS TAX CREDITS**

Sections 220.194, F.S.

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### **INCENTIVE:**

- Provides nontransferable corporate income tax credits for up to 50 percent of the business's corporate income tax liability; and
- Provides transferable tax credits equal to the amount of a certified spaceflight business's Florida net operating loss, if the activity that gave rise to the net operating loss occurred after July 1, 2011.

### **PURPOSE:**

- To create incentives to attract launch, payload, research and development, and other space business to this state.<sup>7</sup>

### **QUALIFYING REQUIREMENTS:**

- The applicant must be a spaceflight business with a physical address in Florida.
- The applicant must have engaged in a qualifying spaceflight project before taking or transferring a credit.
- The applicant must have created 35 new fulltime jobs in this state directly associated with spaceflight projects during its immediately preceding 3 taxable years, and these jobs must pay at least 115 percent of the statewide or countywide average annual private sector wage for the preceding 3 taxable years.
- The applicant must have invested a total of at least \$15 million in this state on a spaceflight project during its immediately preceding 3 taxable years.

### **APPROVAL / OVERSIGHT / LIMITATIONS:**

- The Department of Economic Opportunity must approve all applications for this credit, as well as the transfer of transferable credits.
- A certified spaceflight business may be approved for nontransferable credits only once and for transferable credits only once, and may not be approved for both types of credits in a single year.
- Credits must be based upon tax liabilities directly related to spaceflight projects as verified by an audit or examination by a certified public accountant and verified by DEO.

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<sup>7</sup> Section 220.194, F.S.

- Previously claimed tax credits may be forfeited if DOR determines that the taxpayer was not entitled to the credits.
- DEO may revoke or modify a certificate granting eligibility for tax credits if it finds that the certified spaceflight business made a false statement or representation on its application or other document filed in an attempt to receive these tax credits.
- This program is limited to returns filed for any tax period beginning October 1, 2015, and no credit may be approved after October 1, 2017.
- The maximum nontransferable credit amount available to any one business in a single year is \$1 million, and the total amount of nontransferable credits that may be approved during the life of the program is \$3 million.
- The maximum transferable credit amount available to any one business in a single year is \$2.5 million, and the total amount of transferable credits that may be approved during the life of the program is \$7 million.

**SIGNIFICANT HISTORY:**

- Created in 2011.<sup>8</sup>

**FISCAL IMPACT:**

- \$10 million in FY 2015-16 through 2017-18.

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<sup>8</sup> Chapter 2011-76, L.O.F.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/6/13  
Meeting Date

Topic SB 306

Bill Number SB 306  
*(if applicable)*

Name MICHAEL DEE

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title CFO - MIAMI DOLPHINS

Address 347 DON SHULA DR  
*Street*

Phone 305 943-6517

MIAMI GARDENS FL  
*City State Zip*

E-mail MDee@DOLPHINS.COM

Speaking:  For  Against  Information

Representing MIAMI DOLPHINS

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

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**THE FLORIDA SENATE**  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-6-13

Meeting Date

Topic \_\_\_\_\_

Bill Number 306  
(if applicable)

Name JESS MCCARTY

Amendment Barcode \_\_\_\_\_  
(if applicable)

Job Title ASST COUNTY ATTY

Address 111 NW 1ST ST 2810

Phone 305-979-7110

Street

MIAMI

33128

City

State

Zip

E-mail JMM2@MIAMI.DADE.GOV

Speaking:  For  Against  Information

Representing MIAMI - DADE COUNTY

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

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THE FLORIDA SENATE

APPEARANCE RECORD

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3/6/13  
Meeting Date

Topic \_\_\_\_\_

Bill Number 304  
(if applicable)

Name Yolanda Cash Jackson

Amendment Barcode \_\_\_\_\_  
(if applicable)

Job Title Attorney

Address 3111 Stirling Road  
Street  
Ft Land FL 33015  
City State Zip

Phone \_\_\_\_\_

E-mail YJACKSON@BECKER-  
POLIAKOFF.COM

Speaking:  For  Against  Information

Representing City of Miami Gardens

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/6/13  
Meeting Date

Topic Miami Dolphins  
Name BDI Duggs  
Job Title CEO

Bill Number 306 (if applicable)  
Amendment Barcode \_\_\_\_\_ (if applicable)

Address 1951 NW 7 Ave  
Street  
Miami FL 33136  
City State Zip

Phone 305 751 8648  
E-mail bduggs@m-dcc.org

Speaking:  For  Against  Information

Representing Miami Dade Chamber of Commerce

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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**THE FLORIDA SENATE**  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-6-13

Meeting Date

Topic Tourist Development Tax

Bill Number SB 306  
*(if applicable)*

Name Jason Emmett

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title Sr. Vice President

Address 1926 10<sup>th</sup> Avenue North  
*Street*

Phone 561-847-0943

Lake Worth FL 33461  
*City State Zip*

E-mail \_\_\_\_\_

Speaking:  For  Against  Information

Representing Duffy's Sports Grill

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

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3/6/13  
Meeting Date

Topic Tourist Development Tax

Bill Number SB306  
*(if applicable)*

Name Natasha Jamett

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title Director of Sales

Address 255 Biscayne Blvd Way  
*Street*  
Miami, FL 33131  
*City State Zip*

Phone \_\_\_\_\_

E-mail \_\_\_\_\_

Speaking:  For  Against  Information

Representing JW Marrett Margolis Miami

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

(Marriott)

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**THE FLORIDA SENATE**  
**APPEARANCE RECORD**

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3/6/13  
Meeting Date

Topic Miami Dolphins

Bill Number S 306  
*(if applicable)*

Name JOHN RIVERA

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title PRESIDENT

Address 300 E. BREVARD ST  
*Street*

Phone 786-525-5151

TAU FL  
*City State Zip*

E-mail JOHN@dc.pba.org

Speaking:  For  Against  Information

Representing DADE PBA

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

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THE FLORIDA SENATE  
**APPEARANCE RECORD**



(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date \_\_\_\_\_

Topic SUN LIFE STADIUM PROPOSED RENOVATION Bill Number SB306  
*(if applicable)*

Name ERIC POM5 Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title CEO

Address ORANGE BOWL COMMITTEE Phone (305) 341-4717  
*Street*

14360 N.W. 77th COURT E-mail ericpom5@orangebowl.org  
*City State Zip*

Speaking:  For  Against  Information

Representing ORANGE BOWL COMMITTEE

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**



(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/6/13  
Meeting Date

Topic Professional sports facilities Bill Number SB 306  
Name Shira Kastan Amendment Barcode \_\_\_\_\_ (if applicable)  
Job Title AVP of Gov't Affairs, Univ. of Miami (if applicable)  
Address 1320 S. Dixie Hwy #325 Phone 305-284-2618  
Coral Gables FL 33146 E-mail skastan@miami.edu  
Street City State Zip

Speaking:  For  Against  Information

Representing University of Miami

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/6/13

Meeting Date



Topic Tourist Development Tax

Bill Number SB 306  
(if applicable)

Name Rodney Barreto

Amendment Barcode \_\_\_\_\_  
(if applicable)

Job Title Chair, Super Bowl Bid

Address 235 CATALONIA AVE

Phone 305-444-4648

Street  
Corral Gables 33134  
City State Zip

E-mail rodney@barretogroup.com

Speaking:  For  Against  Information

Representing Super Bowl Bid Committee

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**



(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/6/13  
Meeting Date

Topic Tourist Development

Bill Number SB 306  
*(if applicable)*

Name H. T. Smith

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title Chair, Gwen Cheery Park Foundation

Address 1017 N.W. 9<sup>th</sup> Court  
*Street*

Phone 305-324-1845

Miami Fl. 33136  
*City State Zip*

E-mail htahsmithpa.com

Speaking:  For  Against  Information

Representing \_\_\_\_\_

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**



(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/6/13

Meeting Date

Topic Sports Facilities

Bill Number SB 306  
*(if applicable)*

Name Carol Bowen

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title VP Gov't Affairs

Address 3730 Coconut Creek Pkwy  
*Street*

Phone (954) 984-0075

Coconut Creek, FL 33066  
*City State Zip*

E-mail cbowen@parwestflorida.com

Speaking:  For  Against  Information

Representing ABC FL East Coast Chapter

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/6/13

Meeting Date

Please to speak last

Topic Local Economic Sustainability Act

Bill Number SB 306

(if applicable)

Name RON BOOK (Please to speak last)

Amendment Barcode

(if applicable)

Job Title

All amendments and the Bill.

Address 204 West Jefferson St.

Phone

Street

TCH

Fla

32301

City

State

Zip

E-mail

Speaking:  For  Against  Information

Representing Sun Life Stadium and Miami Dolphins

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

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3/6/13

Meeting Date

Topic Space Day

Bill Number \_\_\_\_\_  
*(if applicable)*

Name Frank DiBello

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title President

Address 505 Odyssey Way Suite 300

Phone 321 730 5301

Street

Exploration Park FL 32953

E-mail \_\_\_\_\_

City

State

Zip

Speaking:  For  Against  Information

Representing Space Florida

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/5/13  
Meeting Date

Topic SPACE X Bill Number \_\_\_\_\_  
Name STEPHANIE BEDNAREK Amendment Barcode \_\_\_\_\_ (if applicable)  
Job Title MANAGER, GOVT RELATIONS, SPACE X (if applicable)  
Address 1 ROCKET RD Phone 703/786 1830  
*Street* HAWTHORNE CA E-mail \_\_\_\_\_  
*City State Zip*

Speaking:  For  Against  Information

Representing SPACE X

Appearing at request of Chair:  Yes  No Lobbyist registered with Legislature:  Yes  No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting. S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/6/13  
Meeting Date

Topic Hubbill Amendment 207262

Bill Number 306  
(if applicable)

Name Anthony DiMarco

Amendment Barcode 207262  
(if applicable)

Job Title ERP

Address 1001 Thomas V. Rd

Phone 224-2265

Altamonte FL 32302  
City State Zip

E-mail adiMarco@flbankers.com

Speaking:  For  Against  Information

Representing Florida Bankers Association

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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**This form is part of the public record for this meeting.**

# CourtSmart Tag Report

**Room:** LL 37  
**Caption:** Senate Appropriations Subcommittee on Finance and Tax

**Case:**

**Type:**  
**Judge:**

**Started:** 3/6/2013 10:32:04 AM  
**Ends:** 3/6/2013 12:15:02 PM  
**Length:** 01:42:59

10:32:06 AM Sen. Hukill - Meeting called to order  
10:32:13 AM roll call  
10:32:34 AM Sen. Hukill  
10:33:55 AM Frank Di Bello, President, Space Florida, Presentation on Space Florida  
10:44:10 AM Sen. Hukill  
10:44:13 AM Sen. Clemens  
10:44:20 AM Mr. DiBello  
10:44:25 AM Sen. Hukill  
10:44:27 AM Mr. DiBello  
10:45:38 AM Sen. Hukill  
10:45:42 AM Sen. Altman  
10:45:51 AM Sen. Hukill  
10:45:57 AM Mr. DiBello  
10:46:04 AM Sen. Altman  
10:46:08 AM Mr. DiBello  
10:46:13 AM Sen. Altman  
10:46:16 AM Sen. Hukill  
10:47:10 AM Sen. Sachs  
10:47:35 AM Sen. Hukill  
10:47:38 AM Mr. DiBello  
10:48:46 AM Sen. Hukill  
10:48:49 AM Sen. Sachs  
10:49:22 AM Sen. Hukill  
10:49:24 AM Mr. DiBello  
10:50:05 AM Sen. Hukill  
10:50:10 AM Sen. Ring  
10:51:22 AM Sen. Hukill  
10:51:24 AM Mr. DiBello  
10:53:38 AM Sen. Hukill  
10:53:39 AM Sen. Ring  
10:53:58 AM Mr. DiBello  
10:54:23 AM Sen. Hukill  
10:54:24 AM Sen. Ring  
10:54:27 AM Mr. DiBello  
10:54:51 AM Sen. Hukill  
10:54:54 AM Sen. Ring  
10:55:29 AM Sen. Hukill  
10:55:32 AM Mr. DiBello  
10:56:08 AM Sen. Hukill  
10:56:10 AM Sen. Ring  
10:56:23 AM Sen. Hukill  
10:56:26 AM Sen. Altman  
10:57:13 AM Sen. Hukill  
10:57:15 AM Mr. DiBello  
10:58:37 AM Sen. Hukill  
10:58:41 AM Sen. Altman  
10:58:49 AM Sen. Hukill  
10:58:51 AM Mr. DiBello  
10:59:56 AM Sen. Hukill  
11:00:00 AM Sen. Altman  
11:00:14 AM Sen. Hukill  
11:00:16 AM Mr. DiBello

11:00:40 AM Sen. Hukill  
11:01:25 AM Mr. DiBello  
11:01:51 AM Sen. Hukill  
11:02:01 AM Mr. DiBello  
11:02:05 AM Sen. Hukill  
11:02:10 AM Mr. DiBello  
11:02:59 AM Sen. Hukill  
11:03:01 AM Mr. DiBello  
11:03:08 AM Sen. Hukill  
11:03:26 AM Ms. Stephanie Bednarek, Manager, Government Relations, SpaceX  
11:03:29 AM Sen. Hukill  
11:03:39 AM Ms. Bednarek  
11:04:09 AM Video from SpaceX  
11:05:29 AM Sen. Hukill  
11:05:33 AM Ms. Bednarek  
11:05:34 AM Sen. Hukill  
11:05:39 AM Ms. Bednarek  
11:13:05 AM Sen. Hukill  
11:13:11 AM Sen. Altman  
11:13:45 AM Sen. Hukill  
11:13:48 AM Ms. Bednarek  
11:14:03 AM Sen. Hukill  
11:15:07 AM Sen. Braynon - SB306 presentation  
11:16:37 AM Sen. Hukill  
11:16:48 AM 773844 amendment  
11:16:56 AM Sen. Margolis presents Amendment 773844  
11:17:21 AM Sen. Hukill  
11:17:33 AM Sen. Sachs  
11:17:34 AM Sen. Braynon  
11:17:34 AM Sen. Hukill  
11:17:42 AM Sen. Hukill - Amendment 773844 adopted  
11:17:51 AM Sen. Margolis - presentation of Amendment 523570  
11:18:00 AM Sen. Hukill  
11:18:07 AM Sen. Diaz de la Portilla  
11:18:13 AM Sen. Margolis  
11:18:18 AM Sen. Diaz de la Portilla  
11:18:21 AM Sen. Hukill  
11:18:25 AM Sen. Diaz de la Portilla  
11:18:27 AM Sen. Hukill  
11:18:28 AM Sen. Margolis  
11:18:33 AM Sen. Hukill  
11:18:34 AM Sen. Sachs  
11:18:50 AM Sen. Hukill  
11:18:51 AM Sen. Margolis  
11:19:28 AM Sen. Hukill  
11:19:32 AM Amendment 523570 adopted  
11:19:43 AM Sen. Ring Amendment 207262 by Sen. Hukill  
11:19:51 AM Sen. Hukill presents Amendment 207262  
11:21:10 AM Sen. Ring  
11:21:14 AM Sen. Margolis  
11:22:11 AM Sen. Ring  
11:22:16 AM Sen. Diaz de la Portilla  
11:23:03 AM Sen. Ring  
11:23:14 AM Jose Diez-Arguelles, Staff Director, Senate Approp. Subcommittee on Finance & Tax  
11:23:25 AM Sen. Diaz de la Portilla  
11:23:41 AM Jose Diez-Arguelles  
11:23:46 AM Sen. Diaz de la Portilla  
11:24:04 AM Jose Diez-Arguelles  
11:24:13 AM Sen. Diaz de la Portilla  
11:24:16 AM Sen. Ring  
11:24:18 AM Sen. Altman  
11:24:57 AM Sen. Ring

11:24:59 AM Sen. Hukill  
11:25:11 AM Sen. Ring  
11:25:35 AM Sen. Altman  
11:25:42 AM Sen. Gardiner  
11:26:13 AM Sen. Ring  
11:26:24 AM Sen. Altman  
11:26:40 AM Sen. Ring  
11:26:48 AM Sen. Sachs  
11:27:49 AM Sen. Ring  
11:27:50 AM Sen. Hukill  
11:28:48 AM Sen. Ring  
11:28:58 AM Sen. Diaz de la Portilla  
11:29:39 AM Sen. Hukill  
11:29:49 AM Sen. Diaz de la Portilla  
11:30:19 AM Sen. Hukill  
11:30:31 AM Sen. Ring  
11:30:33 AM Sen. Margolis  
11:31:20 AM Sen. Ring  
11:31:24 AM Sen. Abruzzo  
11:31:54 AM Sen. Hukill  
11:32:00 AM Jose Diez-Arguelles  
11:32:25 AM Sen. Abruzzo  
11:32:26 AM Sen. Margolis  
11:32:27 AM Sen. Ring  
11:32:32 AM Sen. Abruzzo  
11:32:37 AM Sen. Ring  
11:32:39 AM Sen. Margolis  
11:32:52 AM Sen. Ring  
11:33:16 AM Anthony DiMarco, Florida Banker's Association  
11:33:53 AM Sen. Ring  
11:34:00 AM Sen. Sachs  
11:34:33 AM Mr. DiMarco  
11:34:41 AM Sen. Ring  
11:34:43 AM Sen. Abruzzo  
11:35:18 AM Mr. DiMarco  
11:35:26 AM Sen. Ring - on debate  
11:35:33 AM Sen. Margolis  
11:36:40 AM Sen. Ring  
11:36:45 AM Sen. Abruzzo  
11:37:54 AM Sen. Ring  
11:37:58 AM Sen. Gardiner  
11:39:25 AM Sen. Ring  
11:39:28 AM Sen. Simmons  
11:41:24 AM Sen. Ring  
11:41:37 AM Sen. Diaz de la Portilla  
11:42:50 AM Sen. Ring  
11:42:51 AM Sen. Braynon  
11:43:54 AM Sen. Ring  
11:43:57 AM Sen. Sachs  
11:45:16 AM Sen. Ring  
11:45:20 AM Sen. Abruzzo  
11:46:24 AM Sen. Ring  
11:46:25 AM Sen. Abruzzo  
11:46:37 AM Sen. Ring  
11:46:40 AM Sen. Margolis  
11:47:36 AM Sen. Ring  
11:47:37 AM Sen. Brandes  
11:47:55 AM Sen. Ring  
11:47:57 AM Sen. Hukill  
11:49:15 AM Sen. Ring  
11:49:22 AM Roll call on Amendment 207262  
11:49:46 AM Sen. Ring - Amendemnt 207262 adopted

11:49:52 AM Sen. Hukill - resumes Chair  
11:50:06 AM Sen. Hukill - back on SB306  
11:50:29 AM Mr. Michael Dee, CEO, Miami Dolphins  
11:51:48 AM Sen. Hukill  
11:51:54 AM Sen. Sachs  
11:52:10 AM Mr. Dee  
11:52:17 AM Sen. Sachs  
11:52:21 AM Sen. Hukill  
11:52:22 AM Sen. Altman  
11:52:28 AM Sen. Hukill  
11:52:33 AM Jess Mc Carty, Assistant County Attorney, Miami-Dade County waives in support  
11:52:33 AM Sen. Hukill  
11:52:38 AM Yolanda Cash Jackson, Attorney, City of Miami Gardens waives in support  
11:52:39 AM Sen. Hukill  
11:52:50 AM Bill Diggs, CEO, Miami Dade Chamber of Commerce  
11:53:54 AM Sen. Hukill  
11:54:15 AM Jason Emmett, Sr. Vice President, Duffy's Sports Grill  
11:55:52 AM Sen. Hukill  
11:56:12 AM Natasha Jarrett, Dir. of Sales, JW Marriott Marquis Miami  
11:58:12 AM Sen. Hukill  
11:58:21 AM John Rivera, President, Dade PBA, waives in support  
11:58:32 AM Sen. Hukill  
11:58:39 AM Eric Poms, CEO, Orange Bowl Committee  
12:00:18 PM Sen. Hukill  
12:00:23 PM Shira Kastan, AVP of Government Affairs, University of Miami, waives in support  
12:00:25 PM Sen. Hukill  
12:01:31 PM Rodney Barreto, Chair, Super Bowl Bid, Super Bowl Committee  
12:02:10 PM Sen Hukill  
12:02:18 PM H.T. Smith, Chair, Gwen Cherry Park Foundation  
12:03:58 PM Sen. Hukill  
12:04:07 PM Carol Bowen, Vice President Government Affairs, Associated Builders & Contractors FL East Coast Chapter  
12:04:54 PM Sen. Hukill  
12:05:01 PM Ron Book, Sun Life Stadium and Miami Dolphins  
12:09:08 PM Sen. Hukill  
12:09:10 PM Ron Book  
12:09:16 PM Sen. Hukill  
12:09:27 PM Sen. Braynon closes on SB306  
12:09:39 PM Sen. Hukill - Committee Substitute requested for SB306  
12:09:54 PM Roll call on CSB306  
12:10:12 PM Sen. Hukill SB306 recommended favorably  
12:10:17 PM Sen., Altman  
12:10:21 PM Sen. Hukill  
12:11:04 PM Ellen Fournier, Legislative Analyst, Senate Approp. subcom. on Fin. & Tax - Incentives for Space Activities  
12:11:07 PM Sen. Hukill  
12:11:09 PM Ellen Fournier  
12:13:56 PM Sen. Hukill  
12:14:56 PM meeting adjourned