

By Senator Diaz-Balart

37-829-00

See HB

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A bill to be entitled  
An act relating to commercial development and  
capital improvements; amending s. 212.20, F.S.;  
providing for distribution of a portion of  
revenues from the tax on sales, use, and other  
transactions to a motorsports entertainment  
complex; creating s. 288.1170, F.S.; providing  
definitions; providing for certification of  
such facility by the Office of Tourism, Trade,  
and Economic Development of the Executive  
Office of the Governor; providing requirements  
for certification; requiring specified notice;  
providing for annual recertification; providing  
for a reduction of funding under certain  
circumstances; providing for use of the funds  
distributed to a motorsports entertainment  
complex; providing for audits by the Department  
of Revenue; providing an effective date.

WHEREAS, it is the finding of the Legislature that  
Florida has long been the preeminent site in the nation for  
motorsports racing, and

WHEREAS, motorsports racing has been a major tourist  
attraction in Florida for nearly 100 years, and

WHEREAS, motorsports entertainment is the fastest  
growing sports industry in the United States, and

WHEREAS, as a result of the increased popularity of  
motorsports racing, many new motorsports facilities are being  
constructed in other states, and

WHEREAS, to continue to attract spectators to  
sanctioned championship motorsports events, the owner or

1 operator of a motorsports entertainment complex must build  
2 additional spectator seating and renovate existing facilities  
3 to improve the amenities available to spectators, and

4 WHEREAS, attracting, retaining, and providing favorable  
5 conditions for conducting sanctioned championship motorsports  
6 events and the continued development of the motorsports  
7 entertainment industry in Florida provides skilled-employment  
8 opportunities for citizens of this state, and

9 WHEREAS, continued development and improvement of  
10 Florida's motorsports entertainment industry is vital to  
11 Florida's tourism industry and to state revenues, and

12 WHEREAS, the motorsports entertainment industry is a  
13 major contributor to Florida's economic development because of  
14 the technology and service businesses that provide goods and  
15 services to the industry, and

16 WHEREAS, the provisions of this act are necessary to  
17 protect and strengthen Florida's motorsports entertainment  
18 industry, and the purposes to be achieved by this act are  
19 predominately public purposes vital to the protection and  
20 improvement of Florida's economy, NOW, THEREFORE,

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

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24 Section 1. Paragraph (f) of subsection (6) of section  
25 212.20, Florida Statutes, is amended to read:

26 212.20 Funds collected, disposition; additional powers  
27 of department; operational expense; refund of taxes  
28 adjudicated unconstitutionally collected.--

29 (6) Distribution of all proceeds under this chapter  
30 shall be as follows:

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1 (f) The proceeds of all other taxes and fees imposed  
2 pursuant to this chapter shall be distributed as follows:

3 1. In any fiscal year, the greater of \$500 million,  
4 minus an amount equal to 4.6 percent of the proceeds of the  
5 taxes collected pursuant to chapter 201, or 5 percent of all  
6 other taxes and fees imposed pursuant to this chapter shall be  
7 deposited in monthly installments into the General Revenue  
8 Fund.

9 2. Two-tenths of one percent shall be transferred to  
10 the Solid Waste Management Trust Fund.

11 3. After the distribution under subparagraphs 1. and  
12 2., 9.653 percent of the amount remitted by a sales tax dealer  
13 located within a participating county pursuant to s. 218.61  
14 shall be transferred into the Local Government Half-cent Sales  
15 Tax Clearing Trust Fund.

16 4. After the distribution under subparagraphs 1., 2.,  
17 and 3., 0.054 percent shall be transferred to the Local  
18 Government Half-cent Sales Tax Clearing Trust Fund and  
19 distributed pursuant to s. 218.65.

20 5. Of the remaining proceeds:

21 a. Beginning July 1, 1992, \$166,667 shall be  
22 distributed monthly by the department to each applicant that  
23 has been certified as a "facility for a new professional  
24 sports franchise" or a "facility for a retained professional  
25 sports franchise" pursuant to s. 288.1162 and \$41,667 shall be  
26 distributed monthly by the department to each applicant that  
27 has been certified as a "new spring training franchise  
28 facility" pursuant to s. 288.1162. Distributions shall begin  
29 60 days following such certification and shall continue for 30  
30 years. Nothing contained herein shall be construed to allow an  
31 applicant certified pursuant to s. 288.1162 to receive more in

1 distributions than actually expended by the applicant for the  
2 public purposes provided for in s. 288.1162(7). However, a  
3 certified applicant shall receive distributions up to the  
4 maximum amount allowable and undistributed under this section  
5 for additional renovations and improvements to the facility  
6 for the franchise without additional certification.

7           b. Beginning 30 days after notice by the Office of  
8 Tourism, Trade, and Economic Development to the Department of  
9 Revenue that an applicant has been certified as the  
10 professional golf hall of fame pursuant to s. 288.1168 and is  
11 open to the public, \$166,667 shall be distributed monthly, for  
12 up to 300 months, to the applicant.

13           c. Beginning 30 days after notice by the Department of  
14 Commerce to the Department of Revenue that the applicant has  
15 been certified as the International Game Fish Association  
16 World Center facility pursuant to s. 288.1169, and the  
17 facility is open to the public, \$83,333 shall be distributed  
18 monthly, for up to 180 months, to the applicant. This  
19 distribution is subject to reduction pursuant to s. 288.1169.

20           d. Beginning 30 days after notice by the Office of  
21 Tourism, Trade, and Economic Development to the Department of  
22 Revenue that the applicant has been certified as a motorsports  
23 entertainment complex pursuant to s. 288.1170, \$166,667 shall  
24 be distributed monthly, for up to 360 months, to the  
25 applicant.

26           6. All other proceeds shall remain with the General  
27 Revenue Fund.

28           Section 2. Section 288.1170, Florida Statutes, is  
29 created to read:

30           288.1170 Motorsports entertainment complex;  
31 definitions; certification; duties.--

1           (1) As used in this section, the following terms shall  
2 have the following meanings:

3           (a) "Applicant" means the owner of a motorsports  
4 entertainment complex.

5           (b) "Motorsports entertainment complex" means a  
6 closed-course racing facility, with ancillary grounds and  
7 facilities, which:

8           1. Has not fewer than 70,000 permanent seats for race  
9 patrons.

10           2. Has not fewer than 7 scheduled days of motorsports  
11 events each calendar year.

12           3. Has not fewer than four motorsports events each  
13 calendar year.

14           4. Has paid admissions of more than 200,000 annually.

15           5. Serves food at the facility during sanctioned  
16 motorsports races.

17           6. Engages in tourism promotion.

18           7. Has on the property permanent exhibitions of  
19 motorsports history, events, or vehicles.

20           (c) "Motorsports event" means a motorsports race and  
21 its ancillary activities, which have been sanctioned by a  
22 sanctioning body.

23           (d) "Office" means the Office of Tourism, Trade, and  
24 Economic Development of the Executive Office of the Governor.

25           (e) "Owner" means a person who owns or operates a  
26 motorsports entertainment complex, or a person who leases a  
27 motorsports entertainment complex or the land on which a  
28 motorsports entertainment complex is located from the Federal  
29 Government, the state, or a county, municipality, or special  
30 district, and operates the motorsports entertainment complex.

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1           (f) "Sanctioning body" means the American Motorcycle  
2 Association (AMA), Championship Auto Racing Teams (CART),  
3 Grand American Road Racing Association (Grand Am), Indy Racing  
4 League (IRL), National Association for Stock Car Auto Racing  
5 (NASCAR), National Hot Rod Association (NHRA), Professional  
6 Sportscar Racing (PSR), Sports Car Club of America (SCCA),  
7 United States Auto Club (USAC), or any successor organization,  
8 or any other nationally recognized governing body of  
9 motorsports which establishes an annual schedule of  
10 motorsports events and grants rights to conduct such events,  
11 has established and administers rules and regulations  
12 governing all participants involved in such events and all  
13 persons conducting such events, and requires certain liability  
14 assurances, including insurance.

15           (g) "Unit of local government" has the meaning  
16 ascribed in s. 218.369.

17           (3) The Office of Tourism, Trade, and Economic  
18 Development shall serve as the state agency for screening  
19 applicants for state funding pursuant to s. 212.20 and for  
20 certifying an applicant as a motorsports entertainment  
21 complex. The office shall develop and adopt rules for the  
22 receipt and processing of applications for funding pursuant to  
23 s. 212.20. The office shall make a determination regarding  
24 any application filed by an applicant not later than 120 days  
25 after the application is filed.

26           (4) Prior to certifying an applicant as a motorsports  
27 entertainment complex, the office must determine that:

28           (a) A unit of local government holds title to the land  
29 on which the motorsports entertainment complex is located,  
30 holds title to the motorsports entertainment complex, or is  
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1 responsible for the construction, management, and operation of  
2 the motorsports entertainment complex.

3 (b) Four sanctioned motorsports events were held at  
4 the motorsports entertainment complex in the most recently  
5 completed calendar year or four sanctioned motorsports events  
6 are scheduled to be held at the motorsports entertainment  
7 complex in the calendar year that begins after the submission  
8 of the application. The applicant must submit certifications  
9 from the appropriate officials of the relevant sanctioning  
10 bodies that such sanctioned motorsports events were or will be  
11 held at the motorsports entertainment complex.

12 (c) The applicant has an independent analysis or  
13 study, verified by the office, which demonstrates that the  
14 motorsports entertainment complex will attract, or in the most  
15 recently completed calendar year has attracted, paid  
16 attendance of more than 200,000 annually.

17 (d) The applicant has an independent analysis or  
18 study, verified by the office, which demonstrates that the  
19 amount of the revenues generated by the taxes imposed under  
20 chapter 212 with respect to the use and operation of the  
21 motorsports entertainment complex will equal or exceed \$2  
22 million annually.

23 (e) The municipality in which the motorsports  
24 entertainment complex is located, or the county if the  
25 motorsports entertainment complex is located in an  
26 unincorporated area, has certified by resolution after a  
27 public hearing that the application serves a public purpose.

28 (f) The applicant has demonstrated that it is capable  
29 of providing, or has financial or other commitments to  
30 provide, more than one-half of the costs that will be incurred  
31 after certification under this section for the improvement and

1 development or continued improvement and development of the  
2 motorsports entertainment complex which will enable the  
3 motorsports entertainment complex to retain or add motorsports  
4 events sanctioned by a sanctioning body.

5 (5) Upon determining that an applicant meets the  
6 requirements of subsection (4), the office shall notify the  
7 applicant and the executive director of the Department of  
8 Revenue of such certification by means of an official letter  
9 granting certification. If the applicant fails to meet the  
10 certification requirements of subsection (4), the office shall  
11 notify the applicant not later than 10 days following such  
12 determination.

13 (6) The office must recertify each year that the  
14 motorsports entertainment complex continues to generate \$2  
15 million of sales tax revenues annually as required pursuant to  
16 paragraph (4)(d). If the motorsports entertainment complex  
17 fails to generate \$2 million of sales tax revenues annually as  
18 required pursuant to paragraph (4)(d), the distribution of  
19 revenues pursuant to s. 212.20(6)(f)5.d. shall be reduced to  
20 an amount equal to \$166,667 multiplied by a fraction, the  
21 numerator of which is the actual revenues generated and the  
22 denominator of which is \$2 million. Such reduction shall  
23 remain in effect until revenues generated by the motorsports  
24 entertainment complex in a consecutive 12-month period equal  
25 or exceed \$2 million.

26 (7) No motorsports entertainment complex that has been  
27 previously certified under this section and has received  
28 funding under such certification shall be eligible for any  
29 additional certification.

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1           (8) An applicant certified as a motorsports  
2 entertainment complex may use funds provided pursuant to s.  
3 212.20 only for the following public purposes:

4           (a) Paying for the construction, reconstruction,  
5 expansion, or renovation of a motorsports entertainment  
6 complex.

7           (b) Paying debt service reserve funds, arbitrage  
8 rebate obligations, or other amounts payable with respect to  
9 bonds issued for the construction, reconstruction, expansion,  
10 or renovation of the motorsports entertainment complex or for  
11 the reimbursement of such costs or the refinancing of bonds  
12 issued for such purposes.

13           (c) Paying for construction, reconstruction,  
14 expansion, or renovation of transportation or other  
15 infrastructure improvements related to, necessary for, or  
16 appurtenant to the motorsports entertainment complex,  
17 including, without limitation, paying debt service reserve  
18 funds, arbitrage rebate obligations, or other amounts payable  
19 with respect to bonds issued for the construction,  
20 reconstruction, expansion, or renovation of such  
21 transportation or other infrastructure improvements, and for  
22 the reimbursement of such costs or the refinancing of bonds  
23 issued for such purposes.

24           (d) Paying for programs of advertising and promotion  
25 of or programs related to the motorsports entertainment  
26 complex or the municipality in which the motorsports  
27 entertainment complex is located, or the county if the  
28 motorsports entertainment complex is located in an  
29 unincorporated area, provided such programs of advertising and  
30 promotion are designed to increase paid attendance at the  
31 motorsports entertainment complex or increase tourism in or

1 promote the economic development of the community in which the  
2 motorsports entertainment complex is located.

3 (9) The Department of Revenue may audit, as provided  
4 in s. 213.34, to verify that the distributions pursuant to  
5 this section have been expended as required in this section.  
6 Such information is subject to the confidentiality  
7 requirements of chapter 213. If the Department of Revenue  
8 determines that the distributions pursuant to this section  
9 have not been expended as required by this section, it may  
10 pursue recovery of such funds pursuant to the laws and rules  
11 governing the assessment of taxes.

12 Section 3. This act shall take effect July 1, 2000.

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15 LEGISLATIVE SUMMARY

16 Provides for distribution of a portion of revenues from  
17 the tax on sales, use, and other transactions to finance  
18 motorsports entertainment complexes. Defines "motorsports  
19 entertainment complex" and other terms for purposes of  
20 the act. Provides for certification of a motorsports  
21 entertainment complex by the Office of Tourism, Trade,  
22 and Economic Development of the Executive Office of the  
23 Governor. Provides requirements for certification.  
24 Requires specified notice. Provides for the use of funds  
25 distributed to a motorsports entertainment complex.  
26 Provides for annual recertification. Provides for a  
27 reduction of funding under certain circumstances.  
28 Provides for audits by the Department of Revenue.