

**STORAGE NAME:** h1857.tu

**DATE:** March 17, 2000

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
TOURISM  
ANALYSIS**

**BILL #:** HB 1857

**RELATING TO:** Targeted Sports Business Economic Development

**SPONSOR(S):** Representative Bronson

**TIED BILL(S):**

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

- (1) TOURISM
  - (2) FINANCE & TAXATION
  - (3) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
  - (4)
  - (5)
- 

**I. SUMMARY:**

Section 212.20, F.S., is amended to authorize the Department of Revenue (DOR), after the Office of Tourism, Trade, and Economic Development (OTTED) has certified an applicant as a qualified sports industry economic development project (project) under the newly created s. 288.113, F.S., to issue a sales tax reimbursement based upon total project cost and newly generated annual sales taxes. The project is to receive 50 percent of the new sales tax revenues it generates. The total sales tax reimbursement cannot exceed 50 percent of the cost of the project, amortized over 20 years. The annual amount can be no less than \$500,000 and no more than \$2,000,000. The amount and duration of the reimbursement is based upon an agreement between the project and OTTED. OTTED is required to notify DOR of the initial certification status and the amount to be paid to any project as well as any change in the certification status. Certification is valid for 10 years and may be renewed up to two times for five years each with a total certification not to exceed 20 years.

Before being certified, the applicant must prove to OTTED that it has completed an independent analysis demonstrating that the project will generate a minimum of \$1 million annually in new sales tax revenues over a multi-year period; has commitments for sports activities demonstrating that on a multi-year basis the project will bring to this state new sports business activities that will generate a minimum of \$1 million in new sales tax revenues annually; has demonstrated that it has provided, is capable of providing, or has financial or other commitments to provide more than one-half of the cost incurred in or related to the development of the sports business activity.

After certification, a project must enter into an agreement with OTTED specifying, at a minimum, the total number of full-time equivalent jobs created or transferred; the average wage paid for those jobs; maximum amounts of new sales taxes estimated to be generated as a result of the project, of tax reimbursement that the certified project is eligible to receive and of tax reimbursement that the project is requesting; and, budgets, projections, and cost estimates for which reimbursement is sought.

After entering into an agreement, a project may receive reimbursements from DOR for developing and implementing any component of the project's sports events and activities; constructing, reconstructing, renovating, furnishing, equipping, or operating its facilities or events; pledging payments or debt service on, or funding, debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect to bonds for the project; and, paying the cost to relocate corporate headquarters into the state.

The bill also provides for suspension and revocation of certifications; adoption of rules and performance of an audit by DOR; and, maintenance of annual records of projects, an annual audit review of the projects to maintain certification, and an annual report to the Legislature by OTTED.

The fiscal impact to the state is not able to be determined. There is no cap on the number of projects that could be certified as sports economic development projects. No reimbursement, however, is authorized for a project until new taxes are remitted to the state for a 12-month period.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |                              |                             |   |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u>         | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u>             | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Section 212.20, F.S., describes how tax revenues collected pursuant to Chapter 212, F.S., are to be distributed. Pursuant to s. 212.20(6)(f), F.S., the Department of Revenue (DOR) distributes tax revenues to professional sports franchise facilities that are certified by the Office of Tourism, Trade, and Economic Development (OTTED) as meeting requirements set forth in s. 288.1162, F.S., to the professional golf hall of fame as certified pursuant to s. 288.1168, F.S., and to the International Game Fish Association World Center facility as certified pursuant to s. 288.1169, F.S. Each recipient receives a fixed monthly distribution that is set by statute. No other sports related businesses or facilities are entitled to distributions from DOR of tax revenues collected pursuant to Chapter 212, F.S.

The amounts listed below are the monthly payments currently authorized by law:

\$166,667	New professional sports franchise facility*
\$166,667	Retained professional sports franchise facility*
\$ 41,667	New spring training franchise facility*
\$166,667	Professional golf hall of fame
\$ 83,333	International Game Fish Association World Center facility

The law caps the number of franchise facilities eligible for funding at eight. Currently, there are six new professional sports franchise facilities and one retained professional sports franchise facility that have been certified and are receiving money. There are no new spring training franchise facilities that have been certified. The other two certifications can only be for one specific facility.

Criteria is set forth in Chapter 288, F.S., for certification for each of the above listed types of facilities. Criteria generally includes such things as relationship with and support of a local unit of government, projections for paid attendance, an independent analysis demonstrating that the amount of revenues projected to be generated will exceed any money received from the state, an agreement to provide a specified amount annually for promotion and advertising, and demonstration of being able to provide or having financial or other commitments to provide more than one-half of the costs incurred or related to the improvement and development of the facility. Under s. 288.1662, F.S., there is a prohibition for an applicant previously certified under any provisions of the section and

receiving funding from being eligible for an additional certification. Sections 288.1168 and 288.1169, F.S., contain requirements for recertification by OTTED every 10 years as well as mechanisms for imposing monetary sanctions for failure to meet all certification requirements. DOR is required to audit to verify that the distributions under the various sections have been expended as required by the individual sections; however, only s. 288.1162, F.S., states that DOR may pursue recovery of funds if they have been determined to have been expended outside the requirements of the law. There are no procedures for decertification.

Sections 288.1162, 288.1168, and 288.1169, F.S., require OTTED to serve as the state agency for screening applicants for state funding pursuant to s. 212.20, F.S., and for certifying applicant facilities for funding. Section 288.1229, F.S., authorizes the creation of a direct-support organization to assist OTTED in two primary areas, one of which is in the promotion and development of the sports industry and related industries for the purpose of improving the economic presence of these industries in Florida. As part of this assistance, OTTED uses the direct support organization, the Florida Sports Foundation, to carry out the applicant screening duties required under ss. 288.1162, 288.1168, and 288.1169, F.S. The Foundation submits the applications to OTTED which certifies the eligibility of the applicant under the law.

**C. EFFECT OF PROPOSED CHANGES:**

House Bill 1857 amends s. 212.20(6)(f)5., F.S., to instruct DOR to distribute funds to any "qualified sports industry economic development project" as certified by OTTED pursuant to s. 288.113, F.S., created by the bill. OTTED is required to certify that the project is under development or operational, has generated sales tax revenue for 12 months, and is creating new jobs as agreed in advance with OTTED. DOR is required to distribute up to 50 percent, but not exceeding \$2 million, of the newly generated sales tax monthly, pro rata, to the applicant in an amount and for a duration as agreed to between the project and OTTED. The distribution is subject to the terms of a written agreement between OTTED and the project. A "sports business economic impact" is defined as the amount of new sales tax generated by a project as estimated by the Sports Economic Impact Model used by OTTED.

Section 288.113, F.S., is created to establish a tax reimbursement program for certified sports industry economic development projects, including a statement of legislative findings and declarations supporting the recruitment of these projects because of importance to the state; eligibility, certification, recertification, and decertification requirements and procedures; reimbursement amounts and procedures; and, program administration.

A sports business may apply to OTTED to be certified as a "certified sports industry economic development project" which is defined as a sports business that develops, operates, or both develops and operates a project that attracts and retains multi-year sporting events that generate new sales tax revenues for the state. Upon certification, the certified sports industry economic development project (project) is entitled to distributions under s. 212.20, F.S., of new sales taxes generated by increased new business or tourism activity directly attributable to the project. The sports business must generate sales tax revenues for a 12-month period before a revenue distribution is available. The amount of the monthly reimbursement payment is established by using a model to project the total estimated amount the project would receive over 20 years in order to establish the payment amount. In essence, the project is to receive 50 percent of the new sales tax revenues it is expected to generate. The total cannot exceed 50 percent of the cost of the project

amortized over 20 years. The annual amount can be no less than \$500,000 and no more than \$2,000,000. OTTED is required to notify DOR of the initial certification and reimbursement amount and any changes to the certification status and amount to be paid to a project. Purposes for which the funds are to be used are delineated in the section.

OTTED is required to establish certification, recertification, and decertification procedures. DOR is to assist OTTED in developing a standardized certification application form. The form must include information about job creation, proposed budgets, contracts for events, and project financing. An applicant must provide an independent analysis showing it will generate at least \$1 million annually in new sales tax revenues over a multi-year period. It must have commitments for sports activities demonstrating the business will bring new sports business activities to the state on a multi-year basis that will generate the minimum \$1 million in new sales tax revenues annually. Additionally, the sports business must be able to provide at least 50 percent of its development costs. The applicant sports business is required to enter into a written agreement with OTTED that provides the terms of the certification. Compliance with the agreement is a condition precedent for receiving payments under s. 212.20, F.S.

Initial certification of a project is for ten years with two possible recertifications for five years each. If upon review after the ten year certification the sports business project is not generating sales tax revenues as projected, its distributions will be reduced until it meets the certification criteria. Any reduction in distributions will remain in effect until the project generates \$1 million in sales tax revenues in a 12-month period. If the project fails to generate new sales tax revenues of \$1 million for two consecutive years, OTTED has discretion to decertify the project. OTTED may also decertify a project that is not able to maintain economic development activities in Florida. In that case, DOR may suspend payments for six months until the project is either in compliance or is determined to be in default.

OTTED is authorized to verify information provided in applications, including information concerning payment of taxes to DOR. OTTED is also authorized to provide DOR, the Department of Labor and Employment Security, or any local government or entity with a list of projects certified by s. 288.113, F.S., and to request their assistance in monitoring the payment of reimbursements under s. 288.113, F.S.

Both OTTED and DOR are granted rulemaking authority to carry out provisions of the bill. DOR is also authorized to establish auditing procedures.

Finally, the bill amends s. 288.1229, F.S., to add the attraction of sports economic development projects to the responsibilities of the direct support organization (Florida Sports Foundation) created to assist OTTED with professional and amateur sports responsibilities in the state.

#### D. SECTION-BY-SECTION ANALYSIS:

**Section 1.** Amends the catchline for s. 212.20, F.S., to change the language from “refund” to “reimbursement” for taxes adjudicated unconstitutionally collected. The section also amends s. 212.20(6)(f)5., F.S., by adding a new subparagraph a. to provide that beginning 30 days after OTTED gives DOR notice that an applicant has been certified as a qualified sports industry economic development project and that the project is under development or is operational, has generated sales tax revenue for 12 months, and is creating the number of new jobs specified under a certification agreement with the office, reimbursement in an

amount of up to 50 percent, but not exceeding \$2 million, of the newly generated sales tax shall be distributed monthly, pro rata, to the applicant in an amount and for a duration determined in accordance with the certification agreement. This distribution and any reduction of the distribution are subject to the terms of the certification agreement. The term "sports business economic impact" is defined as the amount of new sales tax generated by the projects as estimated by the Sports Economic Impact Model used by OTTED.

**Section 2.** Creates s. 288.113, F.S., to establish a tax reimbursement program for "certified sports industry economic development projects," including a statement of legislative findings and declarations supporting the recruitment of these projects because of importance to the state; eligibility, certification, recertification, and decertification requirements and procedures; reimbursement amounts and procedures; and, program administration.

Subsection (1) provides legislative findings and declarations purporting the value of "certified sports industry economic development projects" in providing high-quality employment opportunities for the residents of the state, increasing tourism, and enhancing the economic foundation of the state.

Subsection (2) provides definitions for "certified sports industry economic development project" and "sales tax reimbursement". A "certified sports industry economic development project" is any sports business that develops, operates, or both develops and operates a project that attracts and retains multi-year sporting events that generate new sales taxes for the state, that has submitted a properly completed application to OTTED, and that has subsequently been certified by that office as a certified sports industry economic development project (project). A "sales tax reimbursement" is that percentage of new sales taxes that are generated by a sports business and collected by the state which OTTED, using the Sports Economic Impact Model, estimated to be returned to the sports business as a reimbursement under the terms of the certification agreement. It should be noted that the bill provides that the sports business must first generate new sales taxes which have been collected by DOR before any reimbursement may be provided to the sports business. The reimbursement may not exceed 50 percent of the total new sales tax generated annually by the sports business.

Subsection (3) specifies that any sports business that promotes multi-year sports industry economic development activities in the state may apply for certification in order to receive a reimbursement on new sales taxes generated by increased new business or tourism activity directly attributable to the sports business.

#### Tax Reimbursement and Eligible Amount

Subsection (4) provides that the eligible amount of a tax reimbursement to a project is up to 50 percent of the amount of eligible new sales taxes generated by the sports business annually. This is certified by OTTED. The total amount of reimbursements for all fiscal years estimated for each project may not exceed 50 percent of the cost of the project. Tax reimbursements per project shall not be less than \$500,000 nor more than \$2 million in a single fiscal year.

After entering into a tax reimbursement agreement, a certified sports business may receive reimbursement from the account for any or all of the following:

- Developing and implementing any component of the certified sports business's sports events and activities;
- Constructing, reconstructing, renovating, furnishing, equipping, or operating the sports business's facilities or events;
- Pledging payments or debt service on, or funding, debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect to bonds for the sports business's activities and facilities; and
- Paying the cost of relocating the corporate headquarters into the state.

#### Certification and Recertification Procedures

Subsection (5) requires OTTED to establish a process for certifying a sports economic development project to receive a reimbursement of a percentage of new sales taxes that have been generated and remitted to the state as a result of the project. Before certifying an applicant, OTTED must determine that the applicant has:

- Completed a valid independent analysis or study which demonstrates that the proposed sports business will generate a minimum of \$1 million annually in new sales tax revenues over a multi-year period;
- Commitments for sports activities which demonstrate that the sports business will bring to this state on a multi-year basis new sports business activities that will generate a minimum of \$1 million in new sales tax revenues annually; and,
- Demonstrated that it has provided, is capable of providing, or has financial or other commitments to provide more than one-half of the cost incurred in or related to the development of the sports business activity.

Requires OTTED, upon determining that criteria for certification are met, to send the applicant a letter of certification that stipulates the terms of the reimbursement agreement and the penalties for failing to comply with those terms. Requires OTTED to deny an application for certification if it determines that the proposed sports industry economic development project does not meet the criteria.

Prohibits a project that has previously been certified and has received a reimbursement under that certification from an additional certification within each 5-year certification cycle.

Requires OTTED, with the cooperation of DOR, to develop a standardized certification application form for sports businesses. Requires the application to include, but not be limited to, relevant information on employment and job creation, proposed budgets, contracts for multi-year events and projects, project financing, and other information requested by OTTED. OTTED may distribute and must process all applications.

Requires initial certification for reimbursement to be valid for ten years with eligibility for two additional periods of recertification for five years each. Requires the applicant to request recertification 12 months before the expiration of the certificate. Limits certification period to 20 years.

Requires OTTED to recertify, before the end of the first 10-year period, that the project is operational and is meeting the minimum projections for sales tax revenues as required at

**STORAGE NAME:** h1857.tu

**DATE:** March 17, 2000

**PAGE 7**

the time of the original certification. Requires funding to be adjusted until certification criteria are met, if the project is not recertified as meeting minimum projections during the ten year review. Requires the amount of revenues distributed to the project to be reduced to an amount equal to a pro rata amount of the taxes collected times 50 percent, if the project fails to generate annual tax revenues pursuant to its agreement with OTTED. Provides that at the discretion of OTTED a project may be decertified if for two consecutive years the amount of tax revenues collected falls below a minimum of \$1 million per year. Requires that a reduction remain in effect until the tax revenues generated by the project in a 12-month period equal or exceed \$1 million.

Provides that OTTED may decertify a project if the business can no longer maintain its economic activities in the state. Authorizes DOR to suspend payment for a period of 6 months until the project is either in compliance with the agreement or is determined to be in default when the project is no longer in existence, or is no longer viable, as determined by the agreement with OTTED, or the project has the certificate for purposes other than authorized. Provides that any person who knowingly falsifies an application for purposes other than those authorized commits a felony of the third degree.

Requires OTTED to develop rules for the receipt and processing of an application for funding pursuant to s. 212.20, F.S.

#### Tax Reimbursement Agreement

Subsection (6) requires that as a condition for reimbursement that a project enter into a written agreement with OTTED. Requires that the agreement include, at a minimum, the total number of full-time equivalent jobs created in or transferred to this state as a direct result of the project; the average wage paid for those jobs; the criteria that will apply to measuring the achievement of these terms during the effective period of the agreement; the time schedule or plan for when jobs will be in place and operative in the state; the maximum amount of new sales taxes estimated to be generated as a result of the project; the maximum amount of tax reimbursement that the project is eligible to receive; the maximum amount of tax reimbursement that the project is requesting; and, the budgets, projections, and cost estimates for the sports activities and projects for which reimbursement is sought.

Requires compliance with the terms and conditions of the agreement as a condition precedent for receiving a tax reimbursement each year. Requires that failure to comply will result in an immediate review by OTTED of the activities of the project.

#### Annual Claim for Reimbursement and Rulemaking

Subsection (7) requires that at the end of each fiscal year an applicant must submit a copy of the project's certification and agreement and a request for reimbursement to DOR. Specifies that the reimbursement may not exceed 50 percent of the total project costs, amortized over a period of years not to exceed 20 years. Provides that reimbursements may be provided through direct payment or other means of payment to the certified business, as determined in the agreement with the approval of DOR.

Subsection (8) authorizes rulemaking and establishment of auditing procedures by DOR.

#### Administration

Subsection (9) authorizes OTTED to verify information provided in any claim for tax reimbursement including information regarding employment, wage levels or the payment of taxes to any agency, including DOR, the Department of Labor and Employment Security (LES), or any local government. Authorizes OTTED to provide a list of projects to DOR, LES, or any local government in order to facilitate the process of monitoring and auditing applications. Authorizes OTTED to request the assistance of those agencies in monitoring the payment of reimbursement.

Information to be Gathered by OTTED; Report to Legislature

Section (10) requires that, beginning January 1, 2001, OTTED maintain records based on information provided on taxpayer application for sports business reimbursements. Requires the records to include a statement of what percentage of the overall new economic impact generated by projects consists of the amount of funds annually reimbursed to projects. Requires that OTTED maintain data showing the annual growth in Florida-based sports industry companies and the number of persons employed and wages paid by such companies. Requires an annual report to the Legislature on the information gathered pursuant to this subsection be submitted no later than December 1 of each year.

**Section 3.** Amends s. 288.1229, F.S., to add the attraction of sports economic development projects to the responsibilities of the direct support organization (Florida Sports Foundation) created to assist OTTED with professional and amateur sports responsibilities in the state.

**Section 4.** Provides for a July 1, 2000 effective date.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The fiscal impact to the state is not able to be determined. Additional revenues, however, could be gained by the state if a new multi-year sports economic development project attracts new sales tax dollars that otherwise would not have been collected.

2. Expenditures:

The fiscal impact to the state is not able to be determined. There is no cap on the number of projects that could be certified as a sports economic development project. No reimbursement is authorized for a certified project until new taxes are remitted by it to the state for a 12-month period. A certified project can receive between \$500,000 and \$2 million per year for up to 20 years. The amount is to be determined by OTTED based upon criteria in the bill.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:



1. Revenues:

There may be a slight positive fiscal impact on local government revenues generated by additional local sales tax dollars generated by a sports economic development project that otherwise would not have been collected.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

There may be a positive economic impact due to multiplier effects on private businesses surrounding a new sports business hosting multi-year events in Florida. The amount is unknown.

D. FISCAL COMMENTS:

The fiscal impact to the state is not able to be determined. There is no cap on the number of projects that could be certified as a sports economic development project. No reimbursement is authorized for a certified project until new taxes are remitted by it

to the state for a 12-month period. A certified project can receive between \$500,000 and \$2 million per year for up to 20 years. The amount is to be determined by OTTED based upon criteria in the bill.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require counties or municipalities to expend funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The bill does not reduce the authority of counties or municipalities to raise revenue.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

The bill does not reduce the percentage of a state tax shared with counties and municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

**B. RULE-MAKING AUTHORITY:**

The bill appears to provide sufficient statutory rulemaking authority for both OTTED and DOR. However, DOR noted that it should not be granted rulemaking authority to implement s. 288.113, F.S., because it has no role in implementation other than to assist OTTED as appropriate. DOR makes its distributions pursuant to s. 212.20, F.S., and already has rulemaking authority to implement Chapter 212, F.S.

**C. OTHER COMMENTS:**

The Department of Revenue (DOR) provided staff with comments regarding HB 1857. To date, no other agencies or entities provided written comment. Below is a summary of DOR's comments.

Section 1: DOR stated that Section 1 of the bill was unnecessarily complicated and may create an implication that DOR is to review the amount that OTTED has calculated in accordance with the provisions of s. 288.113, F.S. In addition, since OTTED is required to certify to DOR that the applicant has met all other requirements (i.e., already under development or operation, creating new jobs), there is no relevance to DOR's limited role in making a monthly distribution as instructed by OTTED. DOR also believes that the catchline revision to 212.20, F.S., is not appropriate because the portion of the catchline that has been amended deals only with taxes that have to be refunded because their collection was unconstitutional. DOR provided language to address these concerns.

Section 2: DOR stated that proposed s. 288.113, F.S., has several provisions involving DOR, that are scattered throughout the section and somewhat disjointed. DOR requested the provisions be consolidated and reorganized. DOR noted that its role in making distributions in the amounts to the persons certified should be limited since OTTED has the special training and knowledge in making such decisions. Therefore, language that indicates that the DOR "may" reduce payments to an applicant that is not meeting projected revenue generation estimates should be deleted. DOR also stated that OTTED should be required to notify it in the case of any change in status or reimbursement level of a project.

DOR commented that there needs to be clarification on what taxes will be taken into consideration as the basis of a project's reimbursement amount. References are made to both new sales tax revenues generated and to the consideration of all Chapter 212 revenues. The professional sports franchise law uses all Chapter 212 taxes. The issue is whether convention development, transient rental, commercial real estate, admissions and other taxes imposed by Chapter 212, F.S., are to be taken into consideration or just the tax on the sales of tangible personal property.

Distributions made under s. 212.20(6)(f)5., F.S., are made from revenues collected pursuant to s. 212, F.S. The bill refers to payment being made to certified businesses "from the account". No special account is established under the bill. If there is no special fund, DOR recommended that the reference should be deleted.

Section 213.053, F.S., imposes confidentiality requirements on DOR and specifies the circumstances under which DOR can reveal taxpayer information. The exemptions involving OTTED are limited. It appears that DOR would not be able to comply with a verification request from OTTED for an applicant under s. 288.113, F.S. DOR has drafted language to address this concern by including the sales tax reimbursement program for

**STORAGE NAME:** h1857.tu

**DATE:** March 17, 2000

**PAGE 11**

certified sports industry economic development projects authorized by s. 288.113, F.S., to be incorporated in s. 213.053, F.S.

DOR stated that the language concerning its authority to develop audit procedures is vague. Under the sports franchise and golf hall of fame, for example, DOR is specifically authorized to audit and to make sure funds are being expended for proper purposes. The bill authorizes procedures "reasonably related to the purposes" of the bill, which is much broader. DOR stated that the language implies that it could audit to see how many jobs are actually being created or whether project development costs are actually twice as much as the total reimbursements amount. This would duplicate and infringe on OTTED's oversight role. DOR provided proposed language that authorizes DOR to audit as provided in s. 213.34, F.S., to verify that distributions pursuant to this section have been expended as required in the section.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

An amendment has been prepared to address the concerns raised by the Department of Revenue, to put a limitation on the number of projects to be certified annually, and to correct inconsistency in terminology.

VII. SIGNATURES:

COMMITTEE ON TOURISM:

Prepared by:

Staff Director:

---

Monique H. Cheek

---

Judy C. McDonald