

By Representative Barreiro

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

19  
20           WHEREAS, it is the finding of the Legislature that  
21          Florida has long been the preeminent site in the nation for  
22          motorsports racing, and

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

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

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

30           WHEREAS, to continue to attract spectators to  
31          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 (d) 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 and s. 202.18(1)(b) and (2)(b) shall be as follows:

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

3 202.18(1)(b) and (2)(b) shall be distributed as follows:

4 1. In any fiscal year, the greater of \$500 million,  
5 minus an amount equal to 4.6 percent of the proceeds of the  
6 taxes collected pursuant to chapter 201, or 5 percent of all  
7 other taxes and fees imposed pursuant to this chapter or  
8 remitted pursuant to s. 202.18(1)(b) and (2)(b) shall be  
9 deposited in monthly installments into the General Revenue  
10 Fund.

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

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

18 4. After the distribution under subparagraphs 1., 2.,  
19 and 3., 0.065 percent shall be transferred to the Local  
20 Government Half-cent Sales Tax Clearing Trust Fund and  
21 distributed pursuant to s. 218.65.

22 5. For proceeds received after July 1, 2000, and after  
23 the distributions under subparagraphs 1., 2., 3., and 4., 2.25  
24 percent of the available proceeds pursuant to this paragraph  
25 shall be transferred monthly to the Revenue Sharing Trust Fund  
26 for Counties pursuant to s. 218.215.

27 6. For proceeds received after July 1, 2000, and after  
28 the distributions under subparagraphs 1., 2., 3., and 4.,  
29 1.0715 percent of the available proceeds pursuant to this  
30 paragraph shall be transferred monthly to the Revenue Sharing  
31 Trust Fund for Municipalities pursuant to s. 218.215. If the

1 total revenue to be distributed pursuant to this subparagraph  
2 is at least as great as the amount due from the Revenue  
3 Sharing Trust Fund for Municipalities and the Municipal  
4 Financial Assistance Trust Fund in state fiscal year  
5 1999-2000, no municipality shall receive less than the amount  
6 due from the Revenue Sharing Trust Fund for Municipalities and  
7 the Municipal Financial Assistance Trust Fund in state fiscal  
8 year 1999-2000. If the total proceeds to be distributed are  
9 less than the amount received in combination from the Revenue  
10 Sharing Trust Fund for Municipalities and the Municipal  
11 Financial Assistance Trust Fund in state fiscal year  
12 1999-2000, each municipality shall receive an amount  
13 proportionate to the amount it was due in state fiscal year  
14 1999-2000.

15 7. Of the remaining proceeds:

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

1 rights of those holders or relieve local governments, special  
2 districts, or district school boards of the duty to meet their  
3 obligations as a result of previous pledges or assignments or  
4 trusts entered into which obligated funds received from the  
5 distribution to county governments under then-existing s.  
6 550.135. This distribution specifically is in lieu of funds  
7 distributed under s. 550.135 prior to July 1, 2000.

8         b. The department shall distribute \$166,667 monthly  
9 pursuant to s. 288.1162 to each applicant that has been  
10 certified as a "facility for a new professional sports  
11 franchise" or a "facility for a retained professional sports  
12 franchise" pursuant to s. 288.1162. Up to \$41,667 shall be  
13 distributed monthly by the department to each applicant that  
14 has been certified as a "facility for a retained spring  
15 training franchise" pursuant to s. 288.1162; however, not more  
16 than \$208,335 may be distributed monthly in the aggregate to  
17 all certified facilities for a retained spring training  
18 franchise. Distributions shall begin 60 days following such  
19 certification and shall continue for not more than 30 years.  
20 Nothing contained in this paragraph shall be construed to  
21 allow an applicant certified pursuant to s. 288.1162 to  
22 receive more in distributions than actually expended by the  
23 applicant for the public purposes provided for in s.  
24 288.1162(6). However, a certified applicant is entitled to  
25 receive distributions up to the maximum amount allowable and  
26 undistributed under this section for additional renovations  
27 and improvements to the facility for the franchise without  
28 additional certification.

29         c. Beginning 30 days after notice by the Office of  
30 Tourism, Trade, and Economic Development to the Department of  
31 Revenue that an applicant has been certified as the

1 professional golf hall of fame pursuant to s. 288.1168 and is  
2 open to the public, \$166,667 shall be distributed monthly, for  
3 up to 300 months, to the applicant.

4 d. Beginning 30 days after notice by the Office of  
5 Tourism, Trade, and Economic Development to the Department of  
6 Revenue that the applicant has been certified as the  
7 International Game Fish Association World Center facility  
8 pursuant to s. 288.1169, and the facility is open to the  
9 public, \$83,333 shall be distributed monthly, for up to 168  
10 months, to the applicant. This distribution is subject to  
11 reduction pursuant to s. 288.1169. A lump sum payment of  
12 \$999,996 shall be made, after certification and before July 1,  
13 2000.

14 e. Beginning 30 days after notice by the Office of  
15 Tourism, Trade, and Economic Development to the Department of  
16 Revenue that the applicant has been certified as a motorsports  
17 entertainment complex pursuant to s. 288.1170 and is open to  
18 the public, an amount not to exceed \$83,333 shall be  
19 distributed monthly, for up to 360 months, to the applicant  
20 unless the Office of Tourism, Trade, and Economic Development  
21 notifies the Department of Revenue that the applicant is no  
22 longer a certified motorsports entertainment complex, in which  
23 case the distributions will cease within 30 days after the  
24 receipt of such notice. This distribution is subject to  
25 reduction pursuant to s. 288.1170.

26 8. 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:  
2           (a) "Applicant" means the owner of a motorsports  
3 entertainment complex.  
4           (b) "Motorsports entertainment complex" means a  
5 closed-course racing facility, with ancillary grounds and  
6 facilities, which:  
7           1. Has not fewer than 70,000 permanent seats for race  
8 patrons.  
9           2. Has not fewer than 7 scheduled days of motorsports  
10 events each calendar year.  
11           3. Has paid admissions of more than 200,000 annually.  
12           4. Serves food at the facility during sanctioned  
13 motorsports races.  
14           5. Engages in tourism promotion.  
15           (c) "Motorsports event" means a motorsports race and  
16 its ancillary activities, which have been sanctioned by a  
17 sanctioning body.  
18           (d) "Office" means the Office of Tourism, Trade, and  
19 Economic Development of the Executive Office of the Governor.  
20           (e) "Owner" means a unit of local government that owns  
21 a motorsports entertainment complex or owns the land on which  
22 the motorsports entertainment complex is located.  
23           (f) "Sanctioning body" means the American Motorcycle  
24 Association (AMA), Championship Auto Racing Teams (CART),  
25 Grand American Road Racing Association (Grand Am), Indy Racing  
26 League (IRL), National Association for Stock Car Auto Racing  
27 (NASCAR), National Hot Rod Association (NHRA), Professional  
28 Sportscar Racing (PSR), Sports Car Club of America (SCCA),  
29 United States Auto Club (USAC), or any successor organization,  
30 or any other nationally recognized governing body of  
31 motorsports that establishes an annual schedule of motorsports

1 events and grants rights to conduct such events, has  
2 established and administers rules and regulations governing  
3 all participants involved in such events and all persons  
4 conducting such events, and requires certain liability  
5 assurances, including insurance.

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

8 (2) The Office of Tourism, Trade, and Economic  
9 Development shall serve as the state agency for screening  
10 applicants for state funding pursuant to s. 212.20 and for  
11 certifying an applicant as a motorsports entertainment  
12 complex. The office shall develop and adopt rules for the  
13 receipt and processing of applications for funding pursuant to  
14 s. 212.20. The office shall make a determination regarding  
15 any application filed by an applicant not later than 120 days  
16 after the application is filed.

17 (3) Prior to certifying an applicant as a motorsports  
18 entertainment complex, the office must determine that:

19 (a) A unit of local government holds title to the land  
20 on which the motorsports entertainment complex is located or  
21 holds title to the motorsports entertainment complex.

22 (b) Seven scheduled days of motorsports events were  
23 held at the motorsports entertainment complex in the most  
24 recently completed calendar year or seven scheduled days of  
25 motorsports events are scheduled to be held at the motorsports  
26 entertainment complex in the calendar year which begins after  
27 the submission of the application. The applicant shall submit  
28 certifications from the appropriate officials of the relevant  
29 sanctioning bodies that such sanctioned motorsports events  
30 were or will be held at the motorsports entertainment complex.

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

6       (d) The applicant has an independent analysis or  
7 study, verified by the office, which demonstrates that the  
8 amount of the revenues generated by the taxes imposed under  
9 chapter 212 with respect to the use and operation of the  
10 motorsports entertainment complex will equal or exceed \$1  
11 million annually.

12       (e) The applicant has demonstrated that it is capable  
13 of providing, or has financial or other commitments to  
14 provide, more than one-half of the costs that will be incurred  
15 after certification under this section for the improvement and  
16 development or continued improvement and development of the  
17 motorsports entertainment complex which will enable the  
18 motorsports entertainment complex to retain or add motorsports  
19 events sanctioned by a sanctioning body.

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

25       (g) The motorsports entertainment complex is located  
26 in a county defined in s. 125.011(1).

27       (4) Upon determining that an applicant meets the  
28 requirements of subsection (3), the office shall notify the  
29 applicant and the executive director of the Department of  
30 Revenue of such certification by means of an official letter  
31 granting certification. If the applicant fails to meet the

1 certification requirements of subsection (3), the office shall  
2 notify the applicant not later than 10 days following such  
3 determination.

4 (5) The office must recertify each year that the  
5 motorsports entertainment complex continues to generate \$1  
6 million of sales tax revenues annually as required pursuant to  
7 paragraph (3)(d). If the motorsports entertainment complex  
8 fails to generate \$1 million of sales tax revenues annually as  
9 required pursuant to paragraph (3)(d), the distribution of  
10 revenues pursuant to s. 212.20(6)(d)7.e. shall be reduced to  
11 an amount equal to \$83,333 multiplied by a fraction, the  
12 numerator of which is the actual revenues generated and the  
13 denominator of which is \$1 million. Such reduction shall  
14 remain in effect until revenues generated by the motorsports  
15 entertainment complex in a consecutive 12-month period equal  
16 or exceed \$1 million. The office must notify the Department  
17 of Revenue if it determines that the motorsports entertainment  
18 complex is no longer certified to receive distributions  
19 pursuant to s. 212.20 or if the amount of such distribution is  
20 to be adjusted.

21 (6) No motorsports entertainment complex which has  
22 been previously certified under this section and has received  
23 funding under such certification shall be eligible for any  
24 additional certification.

25 (7) An applicant certified as a motorsports  
26 entertainment complex may use funds provided pursuant to s.  
27 212.20 only for the following public purposes:

28 (a) Paying for the construction, reconstruction,  
29 expansion, or renovation of a motorsports entertainment  
30 complex.

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1       (b) Paying debt service reserve funds, arbitrage  
2 rebate obligations, or other amounts payable with respect to  
3 bonds issued for the construction, reconstruction, expansion,  
4 or renovation of the motorsports entertainment complex or for  
5 the reimbursement of such costs or the refinancing of bonds  
6 issued for such purposes.

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

18       (d) Paying for programs of advertising and promotion  
19 of or related to the motorsports entertainment complex or the  
20 municipality in which the motorsports entertainment complex is  
21 located, or the county if the motorsports entertainment  
22 complex is located in an unincorporated area, provided such  
23 programs of advertising and promotion are designed to increase  
24 paid attendance at the motorsports entertainment complex or  
25 increase tourism in or promote the economic development of the  
26 community in which the motorsports entertainment complex is  
27 located.

28       (8) The Department of Revenue may audit, as provided  
29 in s. 213.34, to verify that the distributions pursuant to  
30 this section have been expended as required in this section.  
31 Such information is subject to the confidentiality

1 requirements of chapter 213. If the Department of Revenue  
2 determines that the distributions pursuant to this section  
3 have not been expended as required by this section, it may  
4 pursue recovery of such funds pursuant to the laws and rules  
5 governing the assessment of taxes.

6 Section 3. This act shall take effect October 1, 2002.

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9 HOUSE SUMMARY

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