

CHAMBER ACTION

1 The Fiscal Council recommends the following:

2
3 **Council/Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

6 An act relating to fiscally constrained counties; amending
7 s. 212.20, F.S.; providing for a distribution of tax
8 revenue to fiscally constrained counties; amending s.
9 218.65, F.S.; providing for a transitional emergency
10 distribution from the Local Government Half-cent Sales Tax
11 Clearing Trust Fund to certain fiscally constrained
12 counties; revising criteria for receiving certain funds
13 from the Local Government Half-cent Sales Tax Clearing
14 Trust Fund; creating s. 218.67, F.S.; providing
15 eligibility criteria to qualify as a fiscally constrained
16 county; providing for the distribution of additional funds
17 to certain fiscally constrained counties; providing for a
18 phase-out period; providing for the use of funds; amending
19 s. 288.0656, F.S.; authorizing the Office of Tourism,
20 Trade, and Economic Development to accept and administer
21 moneys appropriated for rural economic development;
22 authorizing the office to contract with Enterprise
23 Florida, Inc.; amending s. 288.1169, F.S.; correcting a

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24 cross reference; amending s. 985.2155, F.S.; revising the
25 definition of the term "fiscally constrained county";
26 providing an appropriation; providing an effective date.

27
28 Be It Enacted by the Legislature of the State of Florida:

29
30 Section 1. Paragraph (d) of subsection (6) of section
31 212.20, Florida Statutes, is amended to read:

32 212.20 Funds collected, disposition; additional powers of
33 department; operational expense; refund of taxes adjudicated
34 unconstitutionally collected.--

35 (6) Distribution of all proceeds under this chapter and s.
36 202.18(1)(b) and (2)(b) shall be as follows:

37 (d) The proceeds of all other taxes and fees imposed
38 pursuant to this chapter or remitted pursuant to s. 202.18(1)(b)
39 and (2)(b) shall be distributed as follows:

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

46 2. Two-tenths of one percent shall be transferred to the
47 Ecosystem Management and Restoration Trust Fund to be used for
48 water quality improvement and water restoration projects.

49 3. After the distribution under subparagraphs 1. and 2.,
50 8.814 percent of the amount remitted by a sales tax dealer
51 located within a participating county pursuant to s. 218.61

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52 | shall be transferred into the Local Government Half-cent Sales
 53 | Tax Clearing Trust Fund. Beginning July 1, 2003, the amount to
 54 | be transferred pursuant to this subparagraph to the Local
 55 | Government Half-cent Sales Tax Clearing Trust Fund shall be
 56 | reduced by 0.1 percent, and the department shall distribute this
 57 | amount to the Public Employees Relations Commission Trust Fund
 58 | less \$5,000 each month, which shall be added to the amount
 59 | calculated in subparagraph 4. and distributed accordingly.

60 | 4. After the distribution under subparagraphs 1., 2., and
 61 | 3., 0.095 percent of the available proceeds shall be transferred
 62 | to the Local Government Half-cent Sales Tax Clearing Trust Fund
 63 | and distributed pursuant to s. 218.65.

64 | 5. After the distributions under subparagraphs 1., 2., 3.,
 65 | and 4., 2.0440 percent of the available proceeds ~~pursuant to~~
 66 | ~~this paragraph~~ shall be transferred monthly to the Revenue
 67 | Sharing Trust Fund for Counties pursuant to s. 218.215.

68 | 6. After the distributions under subparagraphs 1., 2., 3.,
 69 | and 4., 1.3409 percent of the available proceeds ~~pursuant to~~
 70 | ~~this paragraph~~ shall be transferred monthly to the Revenue
 71 | Sharing Trust Fund for Municipalities pursuant to s. 218.215. If
 72 | the total revenue to be distributed pursuant to this
 73 | subparagraph is at least as great as the amount due from the
 74 | Revenue Sharing Trust Fund for Municipalities and the former
 75 | Municipal Financial Assistance Trust Fund in state fiscal year
 76 | 1999-2000, no municipality shall receive less than the amount
 77 | due from the Revenue Sharing Trust Fund for Municipalities and
 78 | the former Municipal Financial Assistance Trust Fund in state
 79 | fiscal year 1999-2000. If the total proceeds to be distributed

80 are less than the amount received in combination from the
 81 Revenue Sharing Trust Fund for Municipalities and the former
 82 Municipal Financial Assistance Trust Fund in state fiscal year
 83 1999-2000, each municipality shall receive an amount
 84 proportionate to the amount it was due in state fiscal year
 85 1999-2000.

86 7. After the distributions under subparagraphs 1., 2., 3.,
 87 and 4., \$15 million of the available proceeds shall be
 88 transferred to the Local Government Half-cent Sales Tax Clearing
 89 Trust Fund and distributed pursuant to s. 218.67.

90 ~~8.7.~~ Of the remaining proceeds:

91 a. In each fiscal year, the sum of \$29,915,500 shall be
 92 divided into as many equal parts as there are counties in the
 93 state, and one part shall be distributed to each county. The
 94 distribution among the several counties shall begin each fiscal
 95 year on or before January 5th and shall continue monthly for a
 96 total of 4 months. If a local or special law required that any
 97 moneys accruing to a county in fiscal year 1999-2000 under the
 98 then-existing provisions of s. 550.135 be paid directly to the
 99 district school board, special district, or a municipal
 100 government, such payment shall continue until ~~such time that~~ the
 101 local or special law is amended or repealed. The state covenants
 102 with holders of bonds or other instruments of indebtedness
 103 issued by local governments, special districts, or district
 104 school boards prior to July 1, 2000, that it is not the intent
 105 of this subparagraph to adversely affect the rights of those
 106 holders or relieve local governments, special districts, or
 107 district school boards of the duty to meet their obligations as

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108 a result of previous pledges or assignments or trusts entered
109 into which obligated funds received from the distribution to
110 county governments under then-existing s. 550.135. This
111 distribution specifically is in lieu of funds distributed under
112 s. 550.135 prior to July 1, 2000.

113 b. The department shall distribute \$166,667 monthly
114 pursuant to s. 288.1162 to each applicant that has been
115 certified as a "facility for a new professional sports
116 franchise" or a "facility for a retained professional sports
117 franchise" pursuant to s. 288.1162. Up to \$41,667 shall be
118 distributed monthly by the department to each applicant that has
119 been certified as a "facility for a retained spring training
120 franchise" pursuant to s. 288.1162; however, not more than
121 \$208,335 may be distributed monthly in the aggregate to all
122 certified facilities for a retained spring training franchise.
123 Distributions shall begin 60 days following such certification
124 and shall continue for not more than 30 years. Nothing contained
125 in this paragraph shall be construed to allow an applicant
126 certified pursuant to s. 288.1162 to receive more in
127 distributions than actually expended by the applicant for the
128 public purposes provided for in s. 288.1162(6). However, a
129 certified applicant is entitled to receive distributions up to
130 the maximum amount allowable and undistributed under this
131 section for additional renovations and improvements to the
132 facility for the franchise without additional certification.

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

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136 | golf hall of fame pursuant to s. 288.1168 and is open to the
137 | public, \$166,667 shall be distributed monthly, for up to 300
138 | months, to the applicant.

139 | d. Beginning 30 days after notice by the Office of
140 | Tourism, Trade, and Economic Development to the Department of
141 | Revenue that the applicant has been certified as the
142 | International Game Fish Association World Center facility
143 | pursuant to s. 288.1169, and the facility is open to the public,
144 | \$83,333 shall be distributed monthly, for up to 168 months, to
145 | the applicant. This distribution is subject to reduction
146 | pursuant to s. 288.1169. ~~A lump sum payment of \$999,996 shall be~~
147 | ~~made, after certification and before July 1, 2000.~~

148 | ~~9.8.~~ All other proceeds shall remain with the General
149 | Revenue Fund.

150 | Section 2. Section 218.65, Florida Statutes, is amended to
151 | read:

152 | 218.65 Emergency distribution.--

153 | (1) Each county government which meets the provisions of
154 | subsection (2) or subsection (8)~~(7)~~ and which participates in
155 | the local government half-cent sales tax shall receive a
156 | distribution from the Local Government Half-cent Sales Tax
157 | Clearing Trust Fund in addition to its regular monthly
158 | distribution as provided in this part.

159 | (2) The Legislature hereby finds and declares that a
160 | fiscal emergency exists in any county which meets the following
161 | ~~criteria specified in paragraph (a), if applicable, and the~~
162 | ~~criterion specified in paragraph (b):~~

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163 (a) ~~If~~ The county has a population of 65,000 or less.
164 ~~above:~~

165 ~~1. In any year from 1977 to 1981, inclusive, the value of~~
166 ~~net new construction and additions placed on the tax roll for~~
167 ~~that year was less than 2 percent of the taxable value for~~
168 ~~school purposes on the roll for that year, exclusive of such net~~
169 ~~value; or~~

170 ~~2. The percentage increase in county taxable value from~~
171 ~~1979 to 1980, 1980 to 1981, or 1981 to 1982 was less than 3~~
172 ~~percent.~~

173 (b) The moneys distributed to the county government
174 pursuant to s. 218.62 for the prior fiscal year were less than
175 the current per capita limitation, based on the population of
176 that county.

177 (3) Qualification under this section shall be determined
178 annually at the start of the fiscal year. Emergency and
179 supplemental moneys shall be distributed monthly with other
180 moneys provided pursuant to this part.

181 (4) For the fiscal year beginning in 1988, the per capita
182 limitation shall be \$24.60. Thereafter, commencing with the
183 fiscal year which begins in 1989, this limitation shall be
184 adjusted annually for inflation. The annual adjustment to the
185 per capita limitation for each fiscal period shall be the
186 percentage change in the state and local government price
187 deflator for purchases of goods and services, all items, 1983
188 equals 100, or successor reports for the preceding calendar year
189 as initially reported by the United States Department of

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190 Commerce, Bureau of Economic Analysis, as certified by the
191 Florida Consensus Estimating Conference.

192 (5) At the beginning of each fiscal year, the Department
193 of Revenue shall calculate a base allocation for each eligible
194 county equal to the difference between the current per capita
195 limitation times the county's population, minus prior year
196 ordinary distributions to the county pursuant to ss.
197 212.20(6)(d)3., 218.61, and 218.62. If moneys deposited into the
198 Local Government Half-cent Sales Tax Clearing Trust Fund
199 pursuant to s. 212.20(6)(d)4., excluding moneys appropriated for
200 supplemental distributions pursuant to subsection ~~(8)(7)~~, for
201 the current year are less than or equal to the sum of the base
202 allocations, each eligible county shall receive a share of the
203 appropriated amount proportional to its base allocation. If the
204 deposited amount exceeds the sum of the base allocations, each
205 county shall receive its base allocation, and the excess
206 appropriated amount, less any amounts distributed under
207 subsection (6), shall be distributed equally on a per capita
208 basis among the eligible counties.

209 (6) If moneys deposited in the Local Government Half-cent
210 Sales Tax Clearing Trust Fund pursuant to s. 212.20(6)(d)4.
211 exceed the amount necessary to provide the base allocation to
212 each eligible county, the moneys in the trust fund may be used
213 to provide a transitional distribution, as specified in this
214 subsection, to certain counties whose population has increased.
215 The transitional distribution shall be made available to each
216 county that qualified for a distribution under subsection (2) in
217 the prior year but does not, because of the requirements of

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218 paragraph (2)(a), qualify for a distribution in the current
 219 year. Beginning on July 1 of the year following the year in
 220 which the county no longer qualifies for a distribution under
 221 subsection (2), the county shall receive two-thirds of the
 222 amount received in the prior year, and beginning July 1 of the
 223 second year following the year in which the county no longer
 224 qualifies for a distribution under subsection (2), the county
 225 shall receive one-third of the amount it received in the last
 226 year it qualified for the distribution under subsection (2). If
 227 insufficient moneys are available in the Local Government Half-
 228 cent Sales Tax Clearing Trust Fund to fully provide such a
 229 transitional distribution to each county that meets the
 230 eligibility criteria in this section, each eligible county shall
 231 receive a share of the available moneys proportional to the
 232 amount it would have received had moneys been sufficient to
 233 fully provide such a transitional distribution to each eligible
 234 county.

235 ~~(7)(6)~~ There is hereby annually appropriated from the
 236 Local Government Half-cent Sales Tax Clearing Trust Fund the
 237 distribution provided in s. 212.20(6)(d)4. to be used for
 238 emergency and supplemental distributions pursuant to this
 239 section.

240 ~~(8)(7)(a)~~ Any county the inmate population of which in any
 241 year is greater than 7 percent of the total population of the
 242 county is eligible for a supplemental distribution for that year
 243 from funds expressly appropriated therefor. At the beginning of
 244 each fiscal year, the Department of Revenue shall calculate a
 245 supplemental allocation for each eligible county equal to the

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246 current per capita limitation pursuant to subsection (4) times
 247 the inmate population of the county. If moneys appropriated for
 248 distribution pursuant to this section for the current year are
 249 less than the sum of supplemental allocations, each eligible
 250 county shall receive a share of the appropriated amount
 251 proportional to its supplemental allocation. Otherwise, each
 252 shall receive an amount equal to its supplemental allocation.

253 (b) For the purposes of this subsection, the term:

254 1. "Inmate population" means the latest official state
 255 estimate of the number of inmates and patients residing in
 256 institutions operated by the Federal Government, the Department
 257 of Corrections, or the Department of Children and Family
 258 Services.

259 2. "Total population" includes inmate population and
 260 noninmate population.

261 Section 3. Section 218.67, Florida Statutes, is created to
 262 read:

263 218.67 Distribution for fiscally constrained counties.--

264 (1) Each county for which the value of a mill will raise
 265 no more than \$4 million in revenue, based on the property
 266 valuations and tax data annually published by the Department of
 267 Revenue under s. 195.052, shall be considered a fiscally
 268 constrained county.

269 (2) Each fiscally constrained county government that
 270 participates in the local government half-cent sales tax shall
 271 be eligible to receive an additional distribution from the Local
 272 Government Half-cent Sales Tax Clearing Trust Fund, as provided
 273 in s. 212.20, in addition to its regular monthly distribution

274 provided under this part and any emergency or supplemental
 275 distribution under s. 218.65.

276 (3) The amount to be distributed to each fiscally
 277 constrained county shall be determined by the Department of
 278 Revenue at the beginning of the fiscal year, using the prior
 279 fiscal year property valuations, tax data, and population
 280 estimates and the millage rate levied for the prior fiscal year.
 281 The amount distributed shall be allocated based upon the
 282 following factors:

283 (a) The relative revenue-raising-capacity factor shall be
 284 the ability of the eligible county to generate ad valorem
 285 revenues from one mill of taxation on a per capita basis. A
 286 county that raises no more than \$25 per capita from one mill
 287 shall be assigned a value of 1; a county that raises more than
 288 \$25 but no more than \$30 per capita from one mill shall be
 289 assigned a value of 0.75; and a county that raises more than \$30
 290 but no more than \$50 per capita from one mill shall be assigned
 291 a value of 0.5. No value shall be assigned to counties that
 292 raise more than \$50 per capita from one mill of ad valorem
 293 taxation.

294 (b) The local-effort factor shall be a measure of the
 295 relative level of local effort of the eligible county as
 296 indicated by the millage rate levied for the prior fiscal year.
 297 The local-effort factor shall be the most recently adopted
 298 countywide operating millage rate for each eligible county
 299 multiplied by 0.1.

300 (c) Each eligible county's proportional allocation of the
 301 total amount available to be distributed to all of the eligible

302 counties shall be in the same proportion as the sum of the
 303 county's two factors is to the sum of the two factors for all
 304 eligible counties. The counties that are eligible to receive an
 305 allocation under this subsection and the amount available to be
 306 distributed to such counties shall not include counties
 307 participating in the phase-out period under subsection (4) nor
 308 the amounts they remain eligible to receive during the phase-
 309 out.

310 (4) For those counties that no longer qualify under the
 311 requirements of subsection (1) after the effective date of this
 312 act, there shall be a 2-year phase-out period. Beginning on July
 313 1 of the year following the year in which the value of a mill
 314 for that county exceeds \$4 million in revenue, the county shall
 315 receive two-thirds of the amount received in the prior year, and
 316 beginning on July 1 of the second year following the year in
 317 which the value of a mill for that county exceeds \$4 million in
 318 revenue, the county shall receive one-third of the amount
 319 received in the last year that the county qualified as a
 320 fiscally constrained county. Following the 2-year phase-out
 321 period, the county shall no longer be eligible to receive any
 322 distributions under this section unless the county can be
 323 considered a fiscally constrained county as provided in
 324 subsection (1).

325 (5) The revenues received under this section may be used
 326 by a county for any public purpose, except that such revenues
 327 may not be used to pay debt service on bonds, notes,
 328 certificates of participation, or any other forms of
 329 indebtedness.

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330 Section 4. Subsection (7) of section 288.0656, Florida
331 Statutes, is amended to read:

332 288.0656 Rural Economic Development Initiative.--

333 (7) REDI may recommend to the Governor up to three rural
334 areas of critical economic concern.

335 (a) A rural area of critical economic concern must be a
336 rural community, or a region composed of such, that has been
337 adversely affected by an extraordinary economic event or a
338 natural disaster or that presents a unique economic development
339 opportunity of regional impact that will create more than 1,000
340 jobs over a 5-year period. The Governor may by executive order
341 designate up to three rural areas of critical economic concern
342 which will establish these areas as priority assignments for
343 REDI as well as to allow the Governor, acting through REDI, to
344 waive criteria, requirements, or similar provisions of any
345 economic development incentive. Such incentives shall include,
346 but not be limited to: the Qualified Target Industry Tax Refund
347 Program under s. 288.106, the Quick Response Training Program
348 under s. 288.047, the Quick Response Training Program for
349 participants in the welfare transition program under s.
350 288.047(8), transportation projects under s. 288.063, the
351 brownfield redevelopment bonus refund under s. 288.107, and the
352 rural job tax credit program under ss. 212.098 and 220.1895.
353 Designation as a rural area of critical economic concern under
354 this subsection shall be contingent upon the execution of a
355 memorandum of agreement among the Office of Tourism, Trade, and
356 Economic Development; the governing body of the county; and the
357 governing bodies of any municipalities to be included within a

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358 rural area of critical economic concern. Such agreement shall
359 specify the terms and conditions of the designation, including,
360 but not limited to, the duties and responsibilities of the
361 county and any participating municipalities to take actions
362 designed to facilitate the retention and expansion of existing
363 businesses in the area, as well as the recruitment of new
364 businesses to the area.

365 (b) The Office of Tourism, Trade, and Economic Development
366 may accept and administer moneys appropriated to the office to
367 support the implementation of the rural priority recommendation
368 within the statewide strategic economic development plan as
369 provided in s. 288.905, including the development of significant
370 regional economic development projects in each of the designated
371 rural areas of critical economic concern. The office may
372 contract with Enterprise Florida, Inc., to develop regional
373 project implementation plan components to include, but not be
374 limited to, the identification of potential sites, direct
375 marketing campaigns within the industry clusters for each area,
376 identification of costs and barriers related to site preparation
377 including permitting and infrastructure availability,
378 development of memoranda of agreement and interlocal agreements
379 with participating property owners and units of local government
380 within each area regarding the parameters of project
381 participation, and the development of incidental marketing
382 support materials and expenses. The office may approve the
383 expenditure of funds under this paragraph only to the extent
384 that funds are appropriated for such purpose by the Legislature.

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385 Section 5. Subsection (6) of section 288.1169, Florida
386 Statutes, is amended to read:

387 288.1169 International Game Fish Association World Center
388 facility.--

389 (6) The Department of Commerce must recertify every 10
390 years that the facility is open, that the International Game
391 Fish Association World Center continues to be the only
392 international administrative headquarters, fishing museum, and
393 Hall of Fame in the United States recognized by the
394 International Game Fish Association, and that the project is
395 meeting the minimum projections for attendance or sales tax
396 revenues as required at the time of original certification. If
397 the facility is not recertified during this 10-year review as
398 meeting the minimum projections, then funding will be abated
399 until certification criteria are met. If the project fails to
400 generate \$1 million of annual revenues pursuant to paragraph
401 (2)(e), the distribution of revenues pursuant to s.
402 212.20(6)(d)8.d. ~~212.20(6)(d)7.d.~~ shall be reduced to an amount
403 equal to \$83,333 multiplied by a fraction, the numerator of
404 which is the actual revenues generated and the denominator of
405 which is \$1 million. Such reduction shall remain in effect until
406 revenues generated by the project in a 12-month period equal or
407 exceed \$1 million.

408 Section 6. Paragraph (b) of subsection (2) of section
409 985.2155, Florida Statutes, is amended to read:

410 985.2155 Shared county and state responsibility for
411 juvenile detention.--

412 (2) As used in this section, the term:

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413 (b) "Fiscally constrained county" means a county
414 ~~designated as a rural area of critical economic concern under s.~~
415 ~~288.0656~~ for which the value of a mill in the county is no more
416 than \$4 ~~\$3~~ million, based on the property valuations and tax
417 data annually published by the Department of Revenue under s.
418 195.052.

419 Section 7. There is hereby appropriated the sum of \$2
420 million from the General Revenue Fund for the 2005-2006 fiscal
421 year to the Office of Tourism, Trade, and Economic Development
422 for the implementation of the rural priority recommendation
423 within the statewide strategic economic development plan.

424 Section 8. This act shall take effect July 1, 2005.