

A bill to be entitled

An act relating to motorsports entertainment complexes; 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 certified motorsports entertainment complex; providing a limit on such distributions; creating s. 288.1170, F.S.; providing definitions; providing for certification of motorsports entertainment complexes 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 use of the funds distributed to a motorsports entertainment complex; authorizing audits by the Department of Revenue; providing an effective date.

WHEREAS, the Legislature finds 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 operator of a motorsports entertainment complex must build additional spectator seating and renovate existing facilities to improve

HB 361

2007

29 the amenities available to spectators, and

30 WHEREAS, attracting, retaining, and providing favorable
 31 conditions for conducting sanctioned championship motorsports
 32 events and the continued development of the motorsports
 33 entertainment industry in Florida provides skilled-employment
 34 opportunities for citizens of this state, and

35 WHEREAS, continued development and improvement of Florida's
 36 motorsports entertainment industry is vital to Florida's tourism
 37 industry and to state revenues, and

38 WHEREAS, the motorsports entertainment industry is a major
 39 contributor to Florida's economic development because of the
 40 technology and service businesses that provide goods and
 41 services to the industry, and

42 WHEREAS, the provisions of this act are necessary to
 43 protect and strengthen Florida's motorsports entertainment
 44 industry, and the purposes to be achieved by this act are
 45 predominately public purposes vital to the protection and
 46 improvement of Florida's economy, NOW, THEREFORE,

47

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

49

50 Section 1. Paragraph (d) of subsection (6) of section
 51 212.20, Florida Statutes, is amended to read:

52 212.20 Funds collected, disposition; additional powers of
 53 department; operational expense; refund of taxes adjudicated
 54 unconstitutionally collected.--

55 (6) Distribution of all proceeds under this chapter and s.
 56 202.18(1)(b) and (2)(b) shall be as follows:

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

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

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

69 3. After the distribution under subparagraphs 1. and 2.,
70 8.814 percent of the amount remitted by a sales tax dealer
71 located within a participating county pursuant to s. 218.61
72 shall be transferred into the Local Government Half-cent Sales
73 Tax Clearing Trust Fund. Beginning July 1, 2003, the amount to
74 be transferred pursuant to this subparagraph to the Local
75 Government Half-cent Sales Tax Clearing Trust Fund shall be
76 reduced by 0.1 percent, and the department shall distribute this
77 amount to the Public Employees Relations Commission Trust Fund
78 less \$5,000 each month, which shall be added to the amount
79 calculated in subparagraph 4. and distributed accordingly.

80 4. After the distribution under subparagraphs 1., 2., and
81 3., 0.095 percent shall be transferred to the Local Government
82 Half-cent Sales Tax Clearing Trust Fund and distributed pursuant
83 to s. 218.65.

84 5. After the distributions under subparagraphs 1., 2., 3.,

HB 361

2007

85 and 4., 2.0440 percent of the available proceeds pursuant to
86 this paragraph shall be transferred monthly to the Revenue
87 Sharing Trust Fund for Counties pursuant to s. 218.215.

88 6. After the distributions under subparagraphs 1., 2., 3.,
89 and 4., 1.3409 percent of the available proceeds pursuant to
90 this paragraph shall be transferred monthly to the Revenue
91 Sharing Trust Fund for Municipalities pursuant to s. 218.215. If
92 the total revenue to be distributed pursuant to this
93 subparagraph is at least as great as the amount due from the
94 Revenue Sharing Trust Fund for Municipalities and the former
95 Municipal Financial Assistance Trust Fund in state fiscal year
96 1999-2000, no municipality shall receive less than the amount
97 due from the Revenue Sharing Trust Fund for Municipalities and
98 the former Municipal Financial Assistance Trust Fund in state
99 fiscal year 1999-2000. If the total proceeds to be distributed
100 are less than the amount received in combination from the
101 Revenue Sharing Trust Fund for Municipalities and the former
102 Municipal Financial Assistance Trust Fund in state fiscal year
103 1999-2000, each municipality shall receive an amount
104 proportionate to the amount it was due in state fiscal year
105 1999-2000.

106 7. Of the remaining proceeds:

107 a. In each fiscal year, the sum of \$29,915,500 shall be
108 divided into as many equal parts as there are counties in the
109 state, and one part shall be distributed to each county. The
110 distribution among the several counties shall begin each fiscal
111 year on or before January 5th and shall continue monthly for a
112 total of 4 months. If a local or special law required that any

HB 361

2007

113 moneys accruing to a county in fiscal year 1999-2000 under the
114 then-existing provisions of s. 550.135 be paid directly to the
115 district school board, special district, or a municipal
116 government, such payment shall continue until such time that the
117 local or special law is amended or repealed. The state covenants
118 with holders of bonds or other instruments of indebtedness
119 issued by local governments, special districts, or district
120 school boards prior to July 1, 2000, that it is not the intent
121 of this subparagraph to adversely affect the rights of those
122 holders or relieve local governments, special districts, or
123 district school boards of the duty to meet their obligations as
124 a result of previous pledges or assignments or trusts entered
125 into which obligated funds received from the distribution to
126 county governments under then-existing s. 550.135. This
127 distribution specifically is in lieu of funds distributed under
128 s. 550.135 prior to July 1, 2000.

129 b. The department shall distribute \$166,667 monthly
130 pursuant to s. 288.1162 to each applicant that has been
131 certified as a "facility for a new professional sports
132 franchise" or a "facility for a retained professional sports
133 franchise" pursuant to s. 288.1162. Up to \$41,667 shall be
134 distributed monthly by the department to each applicant that has
135 been certified as a "facility for a retained spring training
136 franchise" pursuant to s. 288.1162; however, not more than
137 \$416,670 may be distributed monthly in the aggregate to all
138 certified facilities for a retained spring training franchise.
139 Distributions shall begin 60 days following such certification
140 and shall continue for not more than 30 years. Nothing contained

HB 361

2007

141 in this paragraph shall be construed to allow an applicant
142 certified pursuant to s. 288.1162 to receive more in
143 distributions than actually expended by the applicant for the
144 public purposes provided for in s. 288.1162(6).

145 c. Beginning 30 days after notice by the Office of
146 Tourism, Trade, and Economic Development to the Department of
147 Revenue that an applicant has been certified as the professional
148 golf hall of fame pursuant to s. 288.1168 and is open to the
149 public, \$166,667 shall be distributed monthly, for up to 300
150 months, to the applicant.

151 d. Beginning 30 days after notice by the Office of
152 Tourism, Trade, and Economic Development to the Department of
153 Revenue that the applicant has been certified as the
154 International Game Fish Association World Center facility
155 pursuant to s. 288.1169, and the facility is open to the public,
156 \$83,333 shall be distributed monthly, for up to 168 months, to
157 the applicant. This distribution is subject to reduction
158 pursuant to s. 288.1169. A lump sum payment of \$999,996 shall be
159 made, after certification and before July 1, 2000.

160 e. Beginning 30 days after notice by the Office of
161 Tourism, Trade, and Economic Development to the Department of
162 Revenue that an applicant has been certified as a motorsports
163 entertainment complex pursuant to s. 288.1170 and is open to the
164 public, an amount not to exceed \$166,667 shall be distributed
165 monthly to the applicant. However, each state fiscal year's
166 total distribution made pursuant to this sub-subparagraph shall
167 not exceed the difference between the state sales taxes
168 collected and remitted pursuant to this chapter by the certified

169 applicant in the previous calendar year and state sales taxes
 170 collected and remitted pursuant to this chapter by the certified
 171 applicant in calendar year 2000. Distributions shall continue
 172 for 30 years.

173 8. All other proceeds shall remain with the General
 174 Revenue Fund.

175 Section 2. Section 288.1170, Florida Statutes, is created
 176 to read:

177 288.1170 Motorsports entertainment complex; definitions;
 178 certification; duties.--

179 (1) As used in this section:

180 (a) "Applicant" means the owner of a motorsports
 181 entertainment complex.

182 (b) "Motorsports entertainment complex" means a closed-
 183 course racing facility, with ancillary grounds and facilities,
 184 which:

185 1. Has not fewer than 65,000 permanent seats for race
 186 patrons.

187 2. Has not fewer than 7 scheduled days of motorsports
 188 events each calendar year.

189 3. Has paid admissions of at least 125,000 annually.

190 4. Serves food at the facility during sanctioned
 191 motorsports events.

192 5. Engages in tourism promotion.

193 (c) "Motorsports event" means a motorsports race and its
 194 ancillary activities which have been sanctioned by a sanctioning
 195 body.

196 (d) "Office" means the Office of Tourism, Trade, and

197 Economic Development of the Executive Office of the Governor.

198 (e) "Owner" means a unit of local government that owns a
 199 motorsports entertainment complex or owns the land on which the
 200 motorsports entertainment complex is located.

201 (f) "Sanctioning body" means the American Motorcyclist
 202 Association (AMA), Championship Auto Racing Teams (CART), Grand
 203 American Road Racing Association (Grand-Am), Indy Racing League
 204 (IRL), National Association for Stock Car Auto Racing (NASCAR),
 205 National Hot Rod Association (NHRA), Professional Sports Car
 206 Racing (PSCR), Sports Car Club of America (SCCA), United States
 207 Auto Club (USAC), any successor organization, or any other
 208 nationally recognized governing body of motorsports that
 209 establishes an annual schedule of motorsports events and grants
 210 rights to conduct such events, has established and administers
 211 rules and regulations governing all participants involved in
 212 such events and all persons conducting such events, and requires
 213 certain liability assurances, including insurance.

214 (g) "Unit of local government" has the same meaning as
 215 provided in s. 218.369.

216 (2) The office shall serve as the state agency for
 217 screening applicants for state funding pursuant to s. 212.20 and
 218 for certifying an applicant as a motorsports entertainment
 219 complex. The office shall develop and adopt rules for the
 220 receipt and processing of applications for funding pursuant to
 221 s. 212.20. The office shall make a determination regarding any
 222 application filed by an applicant not later than 120 days after
 223 the application is filed.

224 (3) Prior to certifying an applicant as a motorsports

225 entertainment complex, the office must determine that:

226 (a) A unit of local government holds title to the land on
227 which the motorsports entertainment complex is located or holds
228 title to the motorsports entertainment complex.

229 (b) Seven scheduled days of motorsports events were held
230 at the motorsports entertainment complex in the most recently
231 completed calendar year or 7 scheduled days of motorsports
232 events are scheduled to be held at the motorsports entertainment
233 complex in the calendar year that begins after the submission of
234 the application. The applicant shall submit certifications from
235 the appropriate officials of the relevant sanctioning bodies
236 that such sanctioned motorsports events were or will be held at
237 the motorsports entertainment complex.

238 (c) The applicant can provide a certification by a
239 nationally recognized, independent certified public accounting
240 firm that the motorsports entertainment complex will attract, or
241 in the most recently completed calendar year has attracted, paid
242 attendance of at least 125,000 annually.

243 (d) The applicant can provide a certification by a
244 nationally recognized, independent certified public accounting
245 firm that the amount of the revenues generated by the taxes
246 imposed under chapter 212 with respect to the use and operation
247 of the motorsports entertainment complex will equal or exceed \$1
248 million annually.

249 (e) The municipality in which the motorsports
250 entertainment complex is located, or the county if the
251 motorsports entertainment complex is located in an
252 unincorporated area, has certified by resolution after a public

HB 361

2007

253 hearing that the application serves a public purpose.

254 (f) The motorsports entertainment complex is located in a
255 county defined in s. 125.011(1).

256 (4) Upon determining that an applicant meets the
257 requirements of subsection (3), the office shall certify the
258 applicant as a motorsports entertainment complex and shall
259 notify the applicant and the executive director of the
260 Department of Revenue of such certification by means of an
261 official letter granting certification. If the applicant fails
262 to meet the certification requirements of subsection (3), the
263 office shall notify the applicant not later than 10 days
264 following such determination.

265 (5) No motorsports entertainment complex that has been
266 previously certified under this section and has received funding
267 under such certification shall be eligible for any additional
268 certification.

269 (6) An applicant certified as a motorsports entertainment
270 complex may use funds provided pursuant to s. 212.20 only for
271 the following public purposes:

272 (a) Paying for the construction, reconstruction,
273 expansion, or renovation of a motorsports entertainment complex.

274 (b) Paying debt service reserve funds, arbitrage rebate
275 obligations, or other amounts payable with respect to bonds
276 issued for the construction, reconstruction, expansion, or
277 renovation of the motorsports entertainment complex or for the
278 reimbursement of such costs or the refinancing of bonds issued
279 for such purposes.

280 (c) Paying for construction, reconstruction, expansion, or

HB 361

2007

281 renovation of transportation or other infrastructure
282 improvements related to, necessary for, or appurtenant to the
283 motorsports entertainment complex, including, without
284 limitation, paying debt service reserve funds, arbitrage rebate
285 obligations, or other amounts payable with respect to bonds
286 issued for the construction, reconstruction, expansion, or
287 renovation of such transportation or other infrastructure
288 improvements, and for the reimbursement of such costs or the
289 refinancing of bonds issued for such purposes.

290 (d) Paying for programs of advertising and promotion of or
291 related to the motorsports entertainment complex or the
292 municipality in which the motorsports entertainment complex is
293 located, or the county if the motorsports entertainment complex
294 is located in an unincorporated area, provided such programs of
295 advertising and promotion are designed to increase paid
296 attendance at the motorsports entertainment complex or increase
297 tourism in or promote the economic development of the community
298 in which the motorsports entertainment complex is located.

299 (7) The Department of Revenue may audit, as provided in s.
300 213.34, to verify that the distributions pursuant to this
301 section have been expended as required in this section. All
302 other provisions of chapter 213 shall apply to such audits. If
303 the Department of Revenue determines that the distributions
304 pursuant to certification under this section have not been
305 expended as required by this section, the department may pursue
306 recovery of such funds pursuant to the laws and rules governing
307 the assessment of taxes.

308 Section 3. This act shall take effect July 1, 2007.