

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Community Affairs Committee

BILL: SB 816

INTRODUCER: Senator Bennett

SUBJECT: Professional Sports Facilities

DATE: January 17, 2012 REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------|----------------|-----------|--------------------|
| 1. | Toman | Yeatman | CA | Pre-meeting |
| 2. | | | CM | |
| 3. | | | CF | |
| 4. | | | BC | |
| 5. | | | | |
| 6. | | | | |

I. Summary:

This bill requires a professional sports franchise that plays in a facility that benefited from financial assistance from the state and the county in which the facility is located to document that a homeless shelter has been operating at the sports facility from the effective date of the contract between the county and the professional sports franchise. If the professional sports franchise cannot demonstrate to the Auditor General that a homeless shelter has been operating at the sports facility or has only been operating for a portion of that time, the county and the professional sports franchise shall refund to the state all funds advanced to the county and the professional sports franchise by the state, less the sum representing any month in which the facility has operated as a homeless shelter. Additional fines are levied on the sports franchise and county until a homeless shelter is operating at the facility. The bill also requires that a county commission establish a local homeless coalition to oversee the operation of the shelter site if a local homeless program does not exist.

This bill substantially amends section 288.1166 of the Florida Statutes:

II. Present Situation:

Section 288.1166, F.S., provides that any professional sports facility constructed with financial assistance from the state of Florida shall be designated as a shelter site for the homeless in accordance with the criteria of locally existing homeless shelter programs except when the facility is otherwise contractually obligated for a specific event or activity.

Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training Franchise

The Catalog of State Financial Assistance identifies CSFA No. 73.016, Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training Franchise as the State financial assistance program relating to professional sports facilities.¹ Local government, non-profit, and for-profit entities may apply to the program. Section 288.1162(6), F.S., provides for no more than eight new or retained sports franchise facilities in the program. Section 288.11621(2)(b), F.S., caps the number of retained spring training facilities at 10.

Program Restrictions

The applicant must have a signed agreement with a new professional sports franchise or retained professional sports franchise for a term of at least 10 years or 20 years, respectively. There must be existing projections and independent studies demonstrating that the new or retained sports franchise will attract a paid attendance of more than 300,000 annually and generate sales tax revenue equal to or greater than \$2 million annually.

The applicant must have a signed agreement with a retained spring training franchise for a term of at least 15 years. There must be existing projections and independent studies demonstrating that the facility for retained spring training franchise will attract a paid attendance of at least 50,000. Funds may not be expended to subsidize privately owned and maintained facilities for use by the spring training franchise.

No more than \$416,670 may be distributed monthly in the aggregate to all certified facilities for a retained spring training franchise. No applicant may receive more in distributions than he/she actually expended for the public purposes provided in s. 288.1162(6), F.S. No applicant previously certified under any provision of s. 288.1162, F.S., shall be eligible for an additional certification.

The Department of Revenue (DOR) may audit as provided in s. 213.34, F.S., to verify that the distributions pursuant to this section have been expended as required in this section.

Award Procedures

Applications for the program are filed with the Division of Strategic Business Development (DSBD) in the Department of Economic Opportunity (DEO).² DSDB shall competitively evaluate applications and certify applicants as a facility for a new professional sports franchise or as a facility for a retained spring training franchise and notify the DOR.

Upon certification by DSDB, the DOR shall distribute monthly, \$166,667 to facilities for new professional sports franchise or for retained professional sports franchises. The DOR shall distribute up to \$41,667 monthly to facilities for retained spring training franchise. Distributions

¹ Florida Department of Financial Services, The Catalog of State Financial Assistance, *Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training Franchise*, available at <https://apps.fldfs.com/fsaa/searchCatalogResultsDetail.aspx?id=40376> (last visited Jan. 17, 2012). Authorization for the program is provided under s. 212.20, F.S. and s. 288.1162, F.S.

² See ch. 2011-142, L.O.F., regarding the transfer of responsibilities from the Office of Tourism, Trade and Economic Development to the DSBD.

shall begin 60 days following certification and shall continue for not more than 30 years. DSDB shall certify no more than eight facilities for a retained professional sports franchise and the eighth shall be a franchise of the NBA and located in Florida since 1987 and not previously certified.

DISTRIBUTION TO PRO SPORTS FACILITIES³

| Professional Sports Franchise Facility | Name of Team/Facility | Type of Facility | First Distribution | Total \$ Paid to Date |
|---|---|-------------------------|---------------------------|------------------------------|
| Dolphin Stadium /South Florida Stadium (Joe Robbie Stadium, Pro Player Stadium) | Florida Marlins (baseball) Dolphins (football) | Pro | 06/94 | 37,000,074 |
| City of Jacksonville | Jacksonville Jaguars (football) | Pro | 06/94 | 35,166,737 |
| City of St. Petersburg | Tampa Bay Rays (baseball) | Pro | 06/95 | 33,000,066 |
| Tampa Sports Authority | Tampa Bay Lightning (hockey) | Pro | 09/95 | 32,666,732 |
| Broward County | Florida Panthers (hockey) | Pro | 08/96 | 30,833,395 |
| Hillsborough County | Tampa Bay Buccaneers (football) | Pro | 01/97 | 30,000,060 |
| CitiBank, NA as Trustee | Miami Heat (Basketball Properties, Ltd.) | Pro | 03/98 | 27,500,055 |
| City of Orlando | Orlando Magic (basketball) | Pro | 02/08 | 7,833,349 |
| City of Clearwater | Philadelphia Phillies (baseball) | Spring Training | 02/01 | 5,416,710 |
| City of Dunedin | Toronto Bluejays (baseball) | Spring Training | 02/01 | 5,416,710 |
| Indian River County | L.A. Dodgers (baseball) | Spring Training | 02/01 | 5,416,710 |
| Osceola County | Houston Astros (baseball) | Spring Training | 02/01 | 5,416,710 |
| City of Lakeland | Detroit Tigers (baseball) | Spring Training | 02/01 | 5,055,570 |
| Charlotte County BOCC | Tampa Bay Rays (baseball) | Spring Training | 03/07 | 2,416,686 |
| City of Bradenton | Pittsburgh Pirates (baseball) | Spring Training | 03/07 | 2,416,686 |
| City of Fort Lauderdale | Currently without a team | Spring Training | 03/07 | 2,291,685 |
| City of Sarasota | Baltimore Orioles (baseball) | Spring Training | 03/07 | 2,416,686 |
| St. Lucie County | New York Mets (baseball) | Spring Training | 03/07 | 1,275,157 |
| TOTAL | | | | 271,539,778 |

³ E-mail from Lynne Moeller, Legislative and Cabinet Services, Florida Department of Revenue (Jan. 18, 2012) (on file with the Senate Committee on Community Affairs). The original data from DOR has been reformatted to fit within this document.

Local Coalitions for the Homeless

Section 420.623, F.S., provides that the DEO shall establish local coalitions to plan, network, coordinate, and monitor the delivery of services to the homeless. The local coalitions address local issues related to homelessness and the needs of the homeless.

III. Effect of Proposed Changes:

Section 1 amends s. 288.1166, F.S., to require a professional sports franchise that plays in a facility that benefited from financial assistance from the state and the county in which the facility is located to, by January 1, 2013, document with the Auditor General that a homeless shelter has been operating at the sports facility from the effective date of the contract between the county and the professional sports franchise. If the professional sports franchise that plays in a facility that benefited from financial assistance cannot demonstrate to the Auditor General that a homeless shelter has been operating at the sports facility from the effective date of the contract between the county and the professional sports franchise until July 1, 2012, or has only been operating for a portion of that time, the county and the professional sports franchise shall refund to the state all funds advanced to the county and the professional sports franchise by the state, less the sum representing any month in which the facility has operated as a homeless shelter. Such refund shall be made no later than December 31, 2012.

The bill also requires that a county commission establish a local homeless coalition under s. 420.623, F.S., to oversee the operation of the shelter site if a local homeless program does not exist in the county where a facility is located.

This bill requires that if, after January 1, 2013, the Auditor General determines that a homeless shelter is still not operating at a facility that benefited from financial assistance from the state, the Auditor General shall fine the professional sports franchise that plays in the facility and the county in which the facility is located an amount going forward equal to 150 percent of any financial assistance received each month from the state until the professional sports franchise and the county are operating a homeless shelter at the sports facility.

Section 2 provides an effective date of July 1, 2012.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

Sports franchises that are not in compliance with the provisions of the bill will be required to refund all financial assistance funds advanced to them by the state. If the sports franchise remains in noncompliance, it will be fined additional amounts until it satisfies the provisions of the bill. The extent of the refund and/or fine will be linked to the financial assistance received. It is unclear how many of the affected sports franchises have been operating homeless shelters.

C. Government Sector Impact:

A county with a sports franchise that is not in compliance with the provisions of the bill will be required to refund all financial assistance funds advanced to it by the state. If the county and sports franchise remain in noncompliance, the county will be fined additional amounts until it satisfies the provisions of the bill. The extent of the refund and/or fine will be linked to the financial assistance received. It is unclear how many of the affected sports franchise have been operating homeless shelters.

The Auditor General will need to deploy agency resources related to the compliance reporting, collection of refunds, and assessment and collection of fines provided in the bill.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.