

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 Commerce Committee

BILL: SB 2540

INTRODUCER: Senator Fasano

SUBJECT: Professional sports franchises

DATE: March 11, 2010

REVISED: 3/17/10

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Pugh	Cooper	CM	Fav/4 amendments
2.			CA	
3.			FT	
4.			WPSC	
5.			RC	
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE.....	<input type="checkbox"/>	Statement of Substantial Changes
B. AMENDMENTS.....	<input type="checkbox"/>	Technical amendments were recommended
	<input checked="" type="checkbox"/>	Amendments were recommended
	<input type="checkbox"/>	Significant amendments were recommended

I. Summary:

Fifteen of the 30 Major League Baseball franchises conduct their spring training seasons in Florida. Since 2000, a dedicated source of state general revenue funds has assisted, or will assist, in the construction of 10 spring-training stadiums or related facilities.

Currently, s. 288.1062, F.S., specifies a process by which the Governor's Office of Tourism, Trade, and Economic Development (OTTED) has certified 10 local governments to receive up to \$15 million each in state sales tax revenues to help pay for spring-training facilities. One of those certified local governments – Vero Beach – has been without a team for 2 years, and Fort Lauderdale will lose the Baltimore Orioles to Sarasota after the 2010 spring season.

However, the statute does not require OTTED and the certified local governments to enter into contracts before receiving the state funds; does not have a reporting requirement or other mechanism by which OTTED can monitor the funds' expenditures; and does not include provisions to decertify and recover state funds from local governments whose spring training franchises have relocated.

SB 2540 proposes a number of changes to current Florida law to address these issues. It also directs OTTED and its partners to develop a strategic plan to help guide the future of spring training baseball in Florida. It also provides an opportunity for currently certified local governments who have lost their teams to recruit new franchises, before they are decertified by OTTED and must return state funds.

In addition, SB 2540 expands the scope of the incentive – currently restricted to “retained” spring training franchises that were based in Florida prior to 2000 – to include any spring training franchise. This allows the incentive to be used by local communities to attract Arizona-based teams to Florida, should additional state funding become available.

SB 2540 creates s. 288.11621, F.S., substantially amends s. 288.1162, F.S., and makes conforming amendments to ss. 14.2015, 212.20, 218.64, and 288.1229, F.S. It takes effect July 1, 2011.

II. Present Situation:

Florida’s Grapefruit League

The first professional team to come to Florida for spring training was the Washington Capitals, in 1888, which spent three weeks in Jacksonville to get ready for the upcoming regular season.¹ In the modern era, Florida’s Grapefruit League² has been the spring-training home to as many as 20 of the 30 Major League Baseball teams. But since the late 1990s, it has slowly been losing teams to Arizona’s Cactus League,³ which has a storied, 60-year history of its own with Major League Baseball spring training. A 2007 economic impact study indicated that spring training generates nearly \$311 million annually to Arizona’s economy.⁴

The impetus for Arizona’s emergence as a spring-training competitor to Florida was passage in 2000 of legislation creating the “Arizona Sports and Tourism Authority” with authority to levy and collect certain taxes (such as car-rental fees), and to bond them as debt service, for certain specified sports facilities.⁵ These revenue sources, coupled with local bed-tax and other funds, have enabled the construction of new spring-training ballparks, some shared. For example, the Cincinnati Reds and the Chicago White Sox will share a \$108 million spring training complex in Goodyear, Arizona.⁶ Both teams will use the 10,000-seat stadium, but have separate clubhouses, offices, and practice fields. Meanwhile, the Chicago Cubs have announced intentions to stay in Mesa, contingent on the city of Mesa securing the funding to build a new \$84 million spring training complex, with a 15,000-seat stadium.⁷

¹ Baseball in Florida, written by Kevin M. McCarthy. Published by Pineapple Press in 1996. Page 141.

² More information about the league is available at <http://www.floridagrapefruitleague.com/>. Last visited March 11, 2010.

³ The Cactus League began in 1947 with two teams, and now has 15 teams.

⁴ See report at http://www.cactusleague.com/downloads/2007_Cactus_League_Report.pdf.

⁵ See Chapter 8 of the Arizona Statutes at <http://www.azleg.gov/ArizonaRevisedStatutes.asp?Title=5>. The relevant statewide legislation was ch. 372, Laws 2000, and the implementing local referendum was Proposition 302, which Maricopa County voters approved by a vote of 52 percent to 48 percent, authorizing new tourism taxes.

⁶ Information available at <http://www.goodyearaz.gov/index.asp?NID=1800>.

⁷ The Arizona Legislature is considering a bill to add a \$1 surcharge on rental car fees in Maricopa County, and an 8-percent surcharge on all Grapefruit League tickets, to raise an estimated \$81 million over 25 years. At least some of the revenues would be used to finance the new Cubs complex. An alternate plan to raise the necessary funds for the new Cubs complex is through tax-increment financing.

Besides the availability of large, new facilities, baseball teams are drawn to Arizona because of the proximity of the spring training stadiums, which are located within two adjacent counties, Maricopa and Pima. Florida's spring training facilities are scattered along the state's two coasts and within the state's heartland, so travel between stadiums can be time-consuming and exhausting.

Since 1998, six teams have left the Grapefruit League for the Cactus League. They are: the Texas Rangers, the Kansas City Royals, the Chicago White Sox, the Los Angeles Dodgers, the Cleveland Indians, and the Cincinnati Reds.

Florida's Current Grapefruit League Teams⁸

Team	Host Community in 2010	State Certified?	Public or Private Stadium?	Term of Lease	Average Attendance Per Game in 2009
Atlanta Braves	Disney	No	Private	2017	8,314
Baltimore Orioles ⁹	Fort Lauderdale (Sarasota in 2011)	Yes (both cities)	Public	2010	4,588
Boston Red Sox	Fort Myers	No	Public	2019	7,855
Detroit Tigers	Lakeland	Yes	Public	2016	6,946
Florida Marlins	Jupiter	No	Public	2017	4,102
Houston Astros	Osceola County	Yes	Public	2016	3,666
Minnesota Twins	Fort Myers	No	Public	2020	7,209
New York Mets	St. Lucie County	Yes	Public	2017	5,136
NY Yankees	Tampa	No	Public	2027	10,558
Philadelphia Phillies	Clearwater	Yes	Public	2024	8,353
Pittsburg Pirates	Bradenton	Yes	Public	2036	4,589
St. Louis Cardinals	Jupiter	No	Public	2027	5,652
Tampa Bay Rays ¹⁰	Charlotte County	Yes	Public	2029	6,513
Toronto Blue Jays	Dunedin	Yes	Public	2016	4,292
Wash. Nationals	Viera	No	Public	2017	3,868
None	Indian River Co. ¹¹	Yes	Public	Not Applicable	Not Applicable

Note: Shaded cells indicate teams playing in communities that have received state certification under s. 288.1162, F.S.

⁸ Information in this chart was compiled from information provided by the Florida Sports Foundation, the Florida Grapefruit League, and OTTED.

⁹ Fort Lauderdale's proposal to renovate its spring-training facility for the Orioles was rejected by the FAA without an accompanying increase in rental fees, so the Orioles have decided to relocate to Sarasota after the 2010 season.

¹⁰ The Rays originally played their spring training games at Florida Power Park-Al Lang Field in St. Petersburg, but have moved to the newly renovated Port Charlotte Park in Charlotte County, built in part with state certification funds.

¹¹ 2008 was the last spring training season for the Los Angeles Dodgers at the publicly owned Dodger Town in Indian River County's Vero Beach. The Dodgers now share a new, \$100 million facility with the Chicago White Sox in Glendale, Arizona.

According to the Florida Grapefruit League website,¹² total attendance in 2009 was 1, 561,873 fans, or 6,030 fans per game. That was a decline of 115,000 in attendance from 2008, which in turn experienced a drop of about 40,000 in attendance from 2007. This year, the spring training season runs from March 2 to April 3.

A June 2009 economic impact study on spring training baseball in Florida estimated that the sport generated \$442 million in direct spending during the 2009 season.¹³ When calculated using an economic multiplier effect, that direct spending created an estimated \$752.3 million in total spending and \$284.3 million in income, while creating or supporting 9,205 full-time and part-time jobs. Among the study's conclusions was that every \$1 spent for a spring training-related activity turned over 1.7 times in the overall state economy.

Of the 1.56 million people who attended spring training games in 2009, nearly 52 percent (811,286 persons) were Floridians. Seventy-one percent of all attendees indicated that their primary reason for traveling to the communities which host spring training was to attend one or more baseball games.¹⁴

Florida's role in funding spring training facilities

Chapter 88-226, L.O.F., established a funding mechanism for state financial support of the construction of new professional sports franchise facilities within Florida.¹⁵ Legislation in 1991 added eligibility for state funding for local-government-owned facilities for "new spring training franchises," defined as teams not based in Florida prior to July 1, 1990, and a certification process for local governments.¹⁶ No local government ever applied for the certification.

The source of the state funds is a distribution of state sales tax revenues, pursuant to s. 212.20(6)(d)7.b., F.S. Certified facilities are eligible for a maximum of \$41,667 monthly.

As the pressure from Arizona to recruit Grapefruit League teams intensified in the late 1990's, the Legislature in 2000 amended s. 288.1162, F.S., to make the certification process easier for local governments.¹⁷ A key change in the law expanded eligibility, by replacing the definition for "new spring training franchise" with that of "retained spring training franchise," meaning a franchise that has been based in Florida prior to Jan.1, 2000. The legislation also gave OTTED (the successor to the Department of Commerce) the responsibility for certifying spring training facilities for state funding. Among the information that the certification applicants were required to submit to OTTED was:

- Whether the applicant local government was responsible for the acquisition, construction, management or operation of the retained spring training franchise facility, or held title to the property on which the facility was located;
- A verified copy of a signed agreement with a retained spring training franchise for the use of the facility for a term of at least 15 years;

¹² Supra FN 2.

¹³ "2009 Major League Baseball Florida Spring Training Economic Impact Study." June 2009. Prepared by the Florida Sports Foundation and The Bonn Marketing Research Group. On file with the Senate Commerce Committee.

¹⁴ Ibid. Page 40.

¹⁵ Information in this paragraph based on bill analysis for HB 1439 (ch. 2000-186, L.O.F.).

¹⁶ Only three spring training franchises met the original date criteria: the Blue Jays, the Marlins, and the Devil Rays (now known as the Rays).

¹⁷ Chapter 2000-186, L.O.F., which amended s. 288.1162, F.S.

- Whether the applicant had a financial commitment of 50 percent or more of the funds required by an agreement for the acquisition, construction, or renovation of the facility;
- Valid projections demonstrating that the facility would attract paid attendance of at least 50,000 annually; and
- If the facility was or would be located in a county levying a tourist development tax pursuant to s. 125.0104, F.S.

OTTED was to “competitively evaluate” the applications, and nine criteria were specified in the new law in descending order of priority:

- The intended use of the funds by the applicant, with priority given to the construction of a new facility;
- The length of time that the existing franchise has been located in the state, with priority given to retaining franchises that have been in the same location the longest;
- The length of time that a facility to be used by a retained spring training franchise has been used by one or more spring training franchises, with priority given to a facility that has been in continuous use as a facility for spring training the longest;
- For those teams leasing a spring training facility from a unit of local government, the remaining time on the lease for facilities used by the spring training franchise, with priority given to the shortest time period remaining on the lease;
- The duration of the future-use agreement with the retained spring training franchise, with priority given to the future-use agreement having the longest duration;
- The amount of the local match, with priority given to the largest percentage of local match proposed;
- The net increase of total active recreation space owned by the applying unit of local government following the acquisition of land for the spring training facility, with priority given to the largest percentage increase of total active recreation space;
- The location of the facility in a brownfield, an enterprise zone, a community redevelopment area, or other area of targeted development or revitalization included in an Urban Infill Redevelopment Plan, with priority given to facilities located in these areas; and
- The projections on paid attendance attracted by the facility and the proposed effect on the economy of the local community, with priority given to the highest projected paid attendance.

How local government may use the state funds is expressed in two separate subsections in s. 288.1162, F.S. Subsection (6) specifies that state funds may only be used to pay for acquisition, construction, reconstruction, or renovation of a spring training facility; to pay or pledge for the payment of debt service on a facility; or to reimburse or refinance bonds issued for the facility. The earlier subsection (5)(d) states that the state funds also “may be used to relocate” a retained spring training franchise to another unit of local government within Florida only if the local government from which it is relocating agrees to the move. The statute does not define “relocate” or the process by which the current host community would make its decision to either approve or veto the relocation.

State funds may not be expended to subsidize privately owned and maintained facilities for use by the retained spring training franchise, under s. 288.1162(5)(d), F.S.

The legislation directed the Department of Revenue (DOR) to distribute sales tax proceeds to any applicant certified under s. 288.1162(5), F.S., as a “facility for a retained spring training franchise.” A certified applicant could receive up to \$41,667 monthly for up to 30 years.

The original five certifications, in 2000, were awarded to:

- The City of Lakeland: \$7 million over 15 years for a facility for the Detroit Tigers;
- The City of Dunedin: \$10 million over 20 years for a facility for the Toronto Blue Jays;
- Indian River County: \$15 million over 30 years for a facility for the Los Angeles Dodgers;
- Osceola County: \$7.5 million over 15 years for a facility for the Houston Astros; and
- The City of Clearwater: \$15 million over 30 years for a facility for the Philadelphia Phillies.

In 2006, the Legislature amended s. 288.1162, F.S., to authorize five more certifications for spring training facilities. The criteria were essentially identical and the source of funding, in s. 212.20, F.S., was unchanged. Six local governments submitted applications, and OTTED selected the following five:¹⁸

- Charlotte County: \$15 million over 30 years for a facility for the Tampa Bay Rays;
- The City of Bradenton: \$15 million over 30 years for a facility for the Pittsburgh Pirates;
- The City of Fort Lauderdale: \$15 million over 30 years for a facility for the Baltimore Orioles;
- The City of Sarasota: \$15 million over 30 years for a facility for the Cincinnati Reds; and
- St. Lucie County: \$7.5 million over 30 years for the New York Mets.

Eight of the local governments have either begun spending or have encumbered the state funds. As for the other two:

- Fort Lauderdale has received in excess of \$1.5 million in state funds, as of March 2010, but has not spent or otherwise encumbered the funds because the city’s plans to build a new stadium for the Orioles was dashed because of Federal Aviation Administration (FAA) restrictions.¹⁹ As mentioned previously, the Orioles have entered into an agreement with Sarasota to relocate there for spring training after the 2010 season.
- Sarasota also has received in excess of \$1.5 million in state funds, as of March 2010, and has not encumbered or spent any of the funds, because it lost the Reds to Arizona. As soon it enters into a formal agreement with the Orioles, it plans to pledge the state revenue stream to help pay debt service on bonds to be issued to pay for facility renovations.

¹⁸ The City of Fort Myers’ application for a new facility for the Boston Red Sox was not approved by OTTED in 2006.

¹⁹ Among the conditions imposed by the FAA was an increase in the Orioles’ annual facility rental fee to \$1.3 million from the current maximum rate of \$120,000. The stadium is on land owned by the Fort Lauderdale Executive Airport.

DOR Distributions to Hosts of Certified Spring Training Facilities²⁰
As of March 31, 2010

Host Community	First Distribution Date/ Expiration Date	Total Paid to Date
Clearwater	Feb. 2001/Feb. 2031	\$4.54 million
Dunedin	Feb. 2001/Feb. 2023	\$4.54 million
Indian River County	Feb. 2001/Feb. 2031	\$4.54 million
Osceola County	Feb. 2001/Feb. 2016	\$4.54 million
Lakeland	Feb. 2001/Feb. 2016	\$4.28 million
Charlotte County	March 2007/Feb. 2037	\$1.54 million
Bradenton	March 2007/Feb. 2037	\$1.54 million
Fort Lauderdale	March 2007/Feb. 2037	\$1.54 million
Sarasota	March 2007/Feb. 2037	\$1.54 million
St. Lucie County	March 2007/Feb. 2037	\$813,462

Recent Developments

The city of Sarasota and the Baltimore Orioles have tentatively agreed to enter into a 30-year agreement, whereby the city and Sarasota County will help finance a \$31 million renovation of existing spring training facilities for the Orioles in time for the 2011 season. The city of Sarasota's existing stream of state funding -- \$15 million over 30 years -- also will be used to finance the renovations. No formal agreement has been signed.

Meanwhile, a group of Naples businesspeople over the summer of 2009 made a bid for the Chicago Cubs, who are under new ownership. As mentioned above, Cubs ownership announced the team was staying in Mesa, Arizona, where it has played its spring training games for 50 years. But if a funding stream for a new complex is not approved, there are indications, at least as reported by the media, that the Cubs might exercise a buyout clause in its agreement with Mesa in 2012.

III. Effect of Proposed Changes:

SB 2540 clarifies and strengthens existing statutory provisions related to the state certification program for local governmental entities applying for or receiving state funding for spring training baseball facilities.

The bill gives OTTED explicit authority to enter into contracts with certified local governments receiving state funding for spring-training facilities; to decertify local governments that no longer meet the certification requirements; and to recover unencumbered state funds. It also directs OTTED to take the lead in developing a strategic plan for supporting spring training baseball in Florida. Additionally, the bill removes a potential impediment to Florida communities interested in recruiting teams from Arizona's Cactus League, by deleting a definition that eligible teams had to be based in Florida prior to January 1, 2000.

Section 1 amends s. 14.2015, F.S., to replace a cross-reference, consistent with the proposed changes in Section 5 of the bill.

²⁰ Chart information provided by DOR. Complete Excel chart on file with the Commerce Committee.

Section 2 amends s. 212.20, F.S., to correct a cross-reference and make technical changes recognizing that some local governments receiving the funds were certified pursuant to s. 288.1162, F.S., and that future local governments will be certified pursuant to s. 288.11621, F.S., as proposed in Section 5 of the bill.

Section 3 amends s. 218.64, F.S., to make technical changes consistent with the creation of s. 288.11621, F.S., in Section 5 of the bill.

Section 4 amends s. 288.1162, F.S., to delete all references to retained spring training baseball teams and to the certification process for local governments seeking state funds to help finance spring-training facilities. (Many of these provisions are recreated in Section 5 of the bill.) The law also is amended to direct the Auditor General, rather than the Department of Revenue, to conduct audits pursuant to s. 11.45, F.S., to verify that the funds are being spent for the purposes provided in law. If the Auditor General determines that the state funds have not been spent as required by law, he must notify the Department of Revenue, which may pursue recovery of the funds.

Section 5 creates s. 288.11621, F.S., which is devoted exclusively to the state funding program for communities with spring-training baseball teams. It is based on the existing law, but includes several provisions designed to increase program oversight and accountability.

Provisions in the existing spring training certification program that are preserved, albeit modified and reordered, in the new s. 288.11621, F.S., include:

- OTTED is required to verify certain information provided by an applicant local government that the:
 - Applicant is responsible for the acquisition, construction, management, or operation of a spring training facility, or holds title to the property on which the facility is located;
 - Applicant has a signed agreement with a spring training team;
 - Applicant has made a financial commitment to provide at least 50 percent of the funds needed to acquire, construct, or renovate the spring-training facility;
 - Applicant demonstrates that the spring training facility will attract an annual paid attendance of at least 50,000 persons; and
 - The spring training facility is or will be located in a county that levies a tourist development tax pursuant to s. 125.0104, F.S.
- OTTED shall competitively evaluate applications for funding using the following criteria, with priority given in descending order:
 - The anticipated economic impact on the local community by the new or modified facility, including projections on paid attendance, local and state tax collections, and job creation resulting from spring-training activities. Priority is given to applicants who can demonstrate the largest projected economic impact.
 - The amount of local matching funds committed to the facility project, relative to the amount of state funding sought, with priority given to applicants that commit the largest amount of local match relative to the state funding sought.
 - The potential for facilities to serve multiple purposes.²¹

²¹ This is the only new evaluative criterion to be used by OTTED when reviewing applications.

- The intended use of the state funds by the applicant, with priority given to applicants who want to use the funds to acquire a facility, construct a new facility, or renovate an existing facility.
- The length of time the applicant has been a host community for a spring training franchise, with priority given to applicants having agreements with the same franchise for the longest period of time.
- The length of time that the facility has been used by one or more spring training teams, with priority given to applicants whose facilities have been in continuous use .
- The term remaining on the lease between the applicant and a spring training team for the facility's use, with priority given to applicants having the shortest lease terms remaining.
- The length of time that a spring training franchise has agreed to use the applicant's facility, with priority given to applicants having the longest terms.
- The net increase of total active recreational space owned by the applicant local government, following the acquisition of land for a new spring training facility. Priority is given to applicants having the largest percentage increase in total active recreational space.
- Whether the facility is located in a brownfield, an enterprise zone, a community development area, or a revitalization area in an urban infill redevelopment plan.
- No more than 10 communities can be certified at any one time.
- The state funds may be used only to: acquire, construct, or renovate a facility for a spring training franchise; pay or pledge debt service, or to fund debt service reserves, for bonds issued to build or renovate a spring training facility; or to assist in the relocation of a spring training franchise from one local community to another, with the approval of the host community.
- State funds may not be used to subsidize facilities that are privately owned and maintained, and which are used only by the team.
- OTTED may adopt rules to implement this program.

SB 2540 also includes a number of new provisions aimed at improving state oversight and management of the spring-training certification program. For example, local governments certified by OTTED on or after July 1, 2010, must enter into a formal agreement with OTTED that specifies:

- the amount of state funds to be distributed;
- the criteria to be met in order to remain certified;
- the process by which a local government will be decertified if it fails to comply with certification requirements;
- that state funds may be recovered in case of decertification;
- information that the certified local government must provide to OTTED; and
- any other provision deemed prudent by OTTED.

OTTED also would be given explicit authority to decertify local communities that no longer meet the criteria, and be able to collect the state funds that had not been encumbered. There are two ways the decertification process is initiated:

- Certified local governments could ask to be decertified, or

- OTTED could initiate the decertification if a community either no longer has a valid agreement with a spring training franchise or has satisfied its required local match for the state funds.

However, in this latter instance, decertification proceedings against a local government certified prior to July 1, 2010, are stayed until 12 months after the expiration of its most recent agreement with a baseball team without a new agreement being signed – if the local government can demonstrate to OTTED that it is in active negotiations with a different major league spring training franchise from the one that formed the basis of its original certification.²²

Typically, the local government facing decertification has 60 days to petition a review by OTTED's executive director after it receives a notice of OTTED's intent to decertify. The executive director then has 45 days to issue a decision.

OTTED must notify DOR within 10 days after an order of decertification becomes final, at which time DOR stops the distribution of the state funds to the decertified local government. A decertified local government must repay all of the unencumbered state funds received through this program, plus any interest earnings, within 60 days after the decertification order becomes final. The returned funds will be deposited into the state's General Revenue Fund.

Other new provisions are:

- A host community must agree through a majority vote of its governing board to allow its retained spring training team to relocate to another Florida community.
- Certified local governments' agreements with spring training teams must be for a term of at least 20 years, rather than the minimum 15 years specified in current law.
- DOR may not distribute funds to any new certified local government until it is notified by OTTED that the local government has encumbered funds for the spring training facilities.
- All certified applicants, current or future, must place unexpended state funds in a trust account for the purposes provided in law. Additionally:
 - Certified local governments who have lost their terms may ask DOR to suspend further distributions of the state funds for 12 months after the expiration of their existing team agreements, in order to give them time to enter into a new agreement, at which point the distributions would resume.
- Expenditure of the state funds to local governments certified prior to July 1, 2009, must begin within 48 months of the initial receipt of the funds, and construction or renovations to, a spring training facility must be completed within 24 months of the project's beginning date.²³
- By September 1 of each year, all certified local governments must submit an annual report to OTTED that includes the following information:
 - a copy of its most recent annual audit;

²² This would apply to all 10 currently certified communities, but for all practical purposes may be used by the three that no longer have teams: Indian River County/Vero Beach, Sarasota, and Fort Lauderdale.

²³ This would apply to all 10 currently certified communities, but for all practical purposes may be used only by Fort Lauderdale, which no longer has a team and has not encumbered the state funds.

- a detailed report on all local and state funds expended to date on the project being financed pursuant to this section;
 - a copy of the contract between the certified local governmental entity and the spring training team;
 - a cost-benefit analysis of the team's impact on the host community; and
 - evidence that the certified community continues to meet the certification requirements.
- If a local government is decertified, OTTED may accept applications for the vacant slot.
- The Auditor General may conduct audits to verify that the state funding is being expended as required in this section. If the Auditor General determines that is not the case, then he may contact DOR to recover the funds.

SB 2540 also directs OTTED to engage in developing a comprehensive strategic plan for Florida to retain and recruit spring training franchises. The Florida Sports Foundation and the Florida Grapefruit League will be invited to assist OTTED in developing the plan, which shall include the following topics:

- Financing options for spring training facilities;
- Monitoring and oversight of the use of state funds awarded to certified communities;
- Identification of the financial impact that spring training has on the state and ways in which to maintain or improve that impact;
- Identification of opportunities to develop public-private partnerships to engage in marketing activities and advertise spring training baseball;
- Identification of efforts made by other states to maintain or develop partnerships with baseball spring training teams; and
- Recommendations for legislative consideration to sustain or improve Florida's spring training tradition.

A copy of the strategic plan must be submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 31, 2010.

Finally, OTTED is directed to adopt rules to implement the certification, decertification, and review processes required by the new s. 288.11621, F.S.

Section 6 amends s. 288.1229, F.S., to add assistance in the retention of spring-training baseball and other professional sports franchises among the duties of the sports-related direct-support organization under contract to OTTED. The Florida Sports Foundation currently is the direct-support organization under contract with OTTED for assistance in sports-related matters.

Section 7 specifies that this act takes effect July 1, 2010.

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:

Indeterminate. Because SB 2540 will allow OTTED to recover unencumbered state funds from decertified local governments, it is possible that at least \$1.54 million in released state funds can be returned to the state's General Revenue Fund. Additionally, up to \$13.46 million in sales tax revenue currently dedicated for the next 27 years to building spring training facilities in Fort Lauderdale, which no longer has a team, could instead be redirected to the state's General Revenue Fund, unless OTTED decides to certify a new community.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Indeterminate, but likely minimal.

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:

- **Barcode 788344 by Commerce on March 17, 2010:** Allows a partnership of local governments within the same county to combine as one applicant for OTTED certification for the spring training baseball incentive funds.

- **Barcode 194924 by Commerce on March 17, 2010:** Clarifies the annual reporting requirement by specifying that a certified local government must show that it continues to meet the conditions in effect when it was certified.
- **Barcode 895900 by Commerce on March 17, 2010:** Changes the original effective date of July 1, 2010 to “upon becoming law.”
- **Barcode 356860 by Commerce on March 17, 2010:** Adds a definition for “agreement,” which means a certified, signed lease between an applicant and the spring training baseball franchise for the use of a facility. This definition is applicable to local governments that apply to OTTED for certification after July 1, 2010.