

1989

## Session Law 89-263

Florida Senate & House of Representatives

Follow this and additional works at: <https://ir.law.fsu.edu/staff-analysis>



Part of the Legislation Commons

---

### Recommended Citation

House of Representatives, Florida Senate &, "Session Law 89-263" (1989). *Staff Analysis*. 1056.  
<https://ir.law.fsu.edu/staff-analysis/1056>

This Article is brought to you for free and open access by the Florida Legislative Documents at Scholarship Repository. It has been accepted for inclusion in Staff Analysis by an authorized administrator of Scholarship Repository. For more information, please contact [efarrell@law.fsu.edu](mailto:efarrell@law.fsu.edu).

B  
I  
L  
L  
  
H  
I  
S  
T  
O  
R  
Y

**H 579 GENERAL BILL by Crotty (Similar CS/S 170)**

**Sports Advisory Council:** authorizes Commerce Dept. to contract with direct-support organization to promote & develop professional sports & related industries; prescribes qualifications for direct-support organization; specifies contract requirements; provides for use of property & services of dept.; provides for audits; exempts certain information from public records requirements. Amends 20.17. Effective Date: 07/03/89.

03/08/89 HOUSE Prefiled  
03/10/89 HOUSE Referred to Commerce; Appropriations  
03/16/89 HOUSE Subreferred to Subcommittee on Tourism and Cultural Affairs  
04/04/89 HOUSE Introduced, referred to Commerce; Appropriations -HJ 59; Subreferred to Subcommittee on Tourism and Cultural Affairs  
04/10/89 HOUSE On Committee agenda—Commerce, 04/12/89, 3:30 pm, 21-HOB—For ratification to subcommittee  
04/13/89 HOUSE On subcommittee agenda—Commerce, 04/17/89, 8:30 am, 415-HOB  
04/17/89 HOUSE Subcommittee Recommendation: Favorable  
04/24/89 HOUSE On Committee agenda—Commerce, 04/26/89, 3:45 pm, 21-HOB  
04/26/89 HOUSE Preliminary Committee Action by Commerce: Favorable  
04/28/89 HOUSE Comm. Report: Favorable by Commerce -HJ 310; Now in Appropriations -HJ 311  
05/18/89 HOUSE Withdrawn from Appropriations -HJ 530; Placed on Calendar  
05/24/89 HOUSE Placed on Special Order Calendar  
05/26/89 HOUSE Placed on Consent Calendar; Placed on Special Order Calendar; Read second time; Read third time; Passed; YEAS 112 NAYS 0 -HJ 665  
05/26/89 SENATE In Messages  
05/30/89 SENATE Received -SJ 565; Passed; YEAS 37 NAYS 0 -SJ 570  
05/30/89 Ordered enrolled  
06/20/89 Signed by Officers and presented to Governor  
07/03/89 Approved by Governor; Chapter No. 89-263

**NOTES:** Above bill history from Division of Legislative Information's *FINAL LEGISLATIVE BILL INFORMATION, 1989 SESSIONS*. Staff Analyses for bills amended beyond final committee action may not be in accordance with the enacted law. Journal page numbers (HJ & SJ) refer to daily Journals and may not be the same as final bound Journals.

STORAGE NAME: h579-f.com

DATE: 06/20/89

HOUSE OF REPRESENTATIVES  
COMMITTEE ON COMMERCE  
FINAL STAFF ANALYSIS & ECONOMIC IMPACT STATEMENT

BILL #: HB 579

RELATING TO: Sports Advisory Council

SPONSOR(S): Representative Crotty

EFFECTIVE DATE: Upon Becoming Law

DATE BECAME LAW: July 3, 1989

CHAPTER #: 89-263, Laws of Florida

COMPANION BILL(S): SB 170

OTHER COMMITTEES OF REFERENCE: (1) Appropriations  
(2)

\*\*\*\*\*

I. SUMMARY:

This bill authorizes the Department of Commerce to contract with a direct-support organization to assist the Sports Advisory Council promote the development of professional sports and related industries in Florida. It prescribes the qualifications for that organization and details the conditions of the contract.

A. PRESENT SITUATION:

In 1987, the Sports Advisory Council was created within the Department of Commerce by s. 20.17, F.S., to develop a statewide agenda for the promotion of sports, sports activities and related industries. The Council's charge was expanded in 1988 in s. 288.1161, F.S., to include acting in an advisory capacity with respect to the professional sports franchise program of the Department of Commerce. The original legislation also required that the department provide necessary administrative or staff support to the Council.

An example of direct-support organization use by state government entities can be found in s. 265.261, F.S. This statute authorizes the John and Mable Ringling Museum of Art, which is Florida's official art museum, to use such an organization.

B. EFFECT OF PROPOSED CHANGES:

The bill authorizes the Department of Commerce to contract with a direct support organization to assist the Sports Advisory Council in its duties. The bill provides that the direct support organization be incorporated as a corporation not for profit and be administered by a seven member board of directors, appointed by the Governor. It further stipulates that the authorized contract include provisions for the approval of articles of incorporation by the department and the council, submission of an annual budget and financial and performance review, annual review by the Secretary of Commerce, and reversion of funds held in trust to the state if the contract is terminated. The organization's contract must also provide for an annual financial and compliance audit of its financial accounts and records to be conducted by an independent auditor. Provision is made in this audit report for the preservation of anonymity of certain donors in accordance with s. 119.14, F.S.

Other provisions in the bill allow the support organization to use the property, facilities, personnel and services of the department if it conforms to the non-discriminatory practices of the department. This authority is subject to the approval of the secretary. Finally, the bill clarifies that the direct support organization will not be granted any taxing powers.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring or First Year Start-Up Effects:

No additional funds are required to implement this bill.

2. Recurring or Annualized Continuation Effects:

None

3. Long Run Effects Other Than Normal Growth:

None

4. Appropriations Consequences:

Creation of a direct-support organization for the Sports Advisory Council may have positive effects on appropriations for the Department of Commerce. Department expenses related to the council will decrease commensurate with the success of the direct-support organization in raising outside funds.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring or First Year Start-Up Effects:

None

2. Recurring or Annualized Continuation Effects:

None

3. Long Run Effects Other Than Normal Growth:

Effective planning and recommendations by the council and assistance by the direct-support organization may result in increased jobs in communities with viable sports programs.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

Any private funds raised for the direct-support organization would be strictly voluntary.

2. Direct Private Sector Benefits:

Creation of a direct-support organization will improve the council's ability to establish a state-wide agenda for the promotion of sport, sports activities and related industries in the state. Increased attention to this area should improve conditions for related industries in the state.

3. Effects on Competition, Private Enterprise, and Employment Markets:

Increased commitment on the part of the state to improving conditions for sports related industries may result in the location of additional organizations in the state, creating additional jobs, attracting more tourists, and improving the overall economy.

D. FISCAL COMMENTS:

III. LONG RANGE CONSEQUENCES:

This bill supports the Comprehensive State Plan policy which calls for the attraction of new job-producing industries to provide quality employment for residents of Florida.

IV. COMMENTS:

The Department of Commerce would, in effect, be able to financially enhance the promotional efforts of the Sports Advisory Council if it contracts with a non-profit, direct support organization. This organization could receive, hold, invest and administer property, and raise funds and receive gifts in order to carry out the mandate of promoting and developing professional sports and related industries that this bill states would be its purpose.

In addition to enhancing Florida's general economic development goals, this bill could have a very positive effect on enhancing our tourism industry marketing and promotional efforts in a manner consistent with the Mission Statement for this Committee and the Policy Statement relating to tourism. It would provide new strategies aimed at attracting more diverse groups of tourists, particularly those interested in sporting events, from throughout the world.

V. LEGISLATIVE HISTORY:

A. ENACTED BILL:

Representative Crotty prefiled House Bill 579 on 3/8/89. On 3/10/89, it was referred to the committees on Commerce and Appropriations. The Subcommittee on Tourism and Cultural Affairs reported the bill favorably on 4/17 to the full committee, which then reported the bill favorably on 4/26. The bill was withdrawn from Appropriations and placed on the Consent Calendar on 5/26/89. It passed the House on 5/26/89 by a vote of 112-0 (HJ 00665), and was sent to the Senate in Messages. The Senate passed the bill out by a vote of 37-0 (SJ 00570) on 5/30/89. On 5/30/89 it was ordered enrolled.

B. DISPOSITION OF COMPANION:

Senator Kiser prefiled Senate Bill 170 on 2/8/89. It was referred to the committees on Commerce, Governmental Operations, and Appropriations. On 4/10, the Committee on Commerce reported the bill favorably as a committee substitute (CS). The CS was then reported favorably by the Committee on Governmental Operations and withdrawn from Appropriations. On 5/25, the CS was placed on the Special Order Calendar and passed out of the Senate by a vote of 38-0 (SJ 00468). The CS was sent to the House in Messages and died in messages on 6/3/89.

STORAGE NAME: h579-f.com

DATE: 06/20/89

PAGE: 5

VI. SIGNATURES:

SUBSTANTIVE COMMITTEE:

Prepared by:

Susan Holzer



Staff Director:

William Leary



SECOND COMMITTEE OF REFERENCE:

Prepared by:

Staff Director:

APPROPRIATIONS:

Prepared by:

Staff Director:

REVISED: \_\_\_\_\_

BILL NO. CS/SB 170DATE: April 26, 1989Page 1

## SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

<u>ANALYST</u>	<u>STAFF DIRECTOR</u>	<u>REFERENCE</u>	<u>ACTION</u>
1. <u>Fentriss</u>	<u>Wilkes</u>	1. <u>COM</u>	<u>Fav/CS</u>
2. <u>Hosack</u>	<u>Stenple</u>	2. <u>GO</u>	<u>Favorable</u>
3. _____	_____	3. <u>AP</u>	_____
4. _____	_____	4. _____	_____

SUBJECT:

Sports Advisory Council;  
Direct-Support Organization

BILL NO. AND SPONSOR:

CS/SB 170 by Commerce and  
Senator KiserI. SUMMARY:

## A. Present Situation:

The Department of Commerce, pursuant to ss. 288.116-288.1167, F.S., 1988 Supp., is directed to aid local governments in attracting and developing professional sports franchises. According to the department, such franchises are desirable to the state's economic development and to state tourism. Counties are authorized to charge a tourist development tax to pay debt service on any bonds issued by local governments to construct or renovate sport franchise facilities.

In 1987, the Legislature created a Sports Advisory Council, within the Department of Commerce, to develop a statewide agenda for the promotion of sports, sports activities, and related industries. Section 20.17, F.S., 1988 Supp., provides that the council is comprised of 15 members appointed by the Secretary of Commerce. The members must be residents of the state who are actively engaged in an area of sports industry or a related activity. The council is to advise the Secretary on what actions are needed to promote the sports industry in the state. As well, in 1988, the council's function was expanded to include advising the Secretary relative to the department's responsibilities to develop professional sports franchises.

As a state entity, the council is subject to laws and regulations which govern state agencies such as budgeting processes, personnel procedures, and state audits. Under the authority specified in s. 20.05, F.S., as the head of the department, the Secretary may accept gifts, grants, bequests, loans, and endowments for purposes consistent with the duties of the department.

Since 1975, the Legislature has authorized 21 state entities to create direct-support organizations for a variety of purposes. Under such authority, more than 100 direct-support organizations have been created. Direct-support organizations are corporations not for profit authorized to operate on behalf of a state entity. Such organizations may be permitted to use the state property and personnel services of the agency with which they are affiliated. Unlike the affiliate agency, however, direct-support organizations are not subject generally to the laws and regulations governing state agencies.

The laws creating direct-support organizations are not uniform in regard to how such organizations are governed or their accountability to the state. Several of the laws require the organizations to operate under a contract with the state. Two of the laws specify that no state funds will be transferred to the direct-support organization without specific legislative authority. Currently, no law authorizing a direct-support organization provides that it will be governed by a board of directors which is appointed by the Governor.



**B. Effect of Proposed Changes:**

The Department of Commerce would be permitted to authorize a direct-support organization to assist the Sports Advisory Council in the promotion and development of professional sports and related industries. The direct-support organization would be governed by a board of directors consisting of seven members appointed by the Governor to serve for 4-year staggered terms. The members would be required to be Florida residents and highly knowledgeable of, or active in, professional sports.

The direct-support organization would be required to be incorporated as a corporation not for profit pursuant to ch. 617, F.S., to receive, hold, invest, and administer property, to raise funds and receive gifts, and to promote and develop professional sports and related industries. The department and the Sports Advisory Council would be required to determine that the organization is acting in the best interests of the state. The department could allow the organization to use department personnel, facilities, and property under certain conditions.

The organization would be required to operate under a contract with the department. The contract would require that: (1) the department and the Sports Advisory Council be permitted to review the articles of incorporation; (2) the direct-support organization submit an annual budget proposal to the council and the department; (3) certain funds held in trust would revert to the state upon expiration or cancellation of the contract; and (4) the organization be subject to an annual financial and performance audit by the Secretary of Commerce.

The direct-support organization would be required to submit an annual financial audit, conducted by an independent certified public accountant, to the Secretary of Commerce, the Sports Advisory Council, and the Auditor General for review and approval. The law would specify that the direct-support organization is not granted any taxing power.

The identity of certain donors and prospective donors to the direct-support organization would be exempt from the public access provisions of ch. 119, F.S., the Public Records Law.

**II. ECONOMIC IMPACT AND FISCAL NOTE:****A. Public:**

None.

**B. Government:**

There would be costs associated with allowing the direct-support organization to use the property, facilities, and personnel services of the department, although the amount cannot be determined. Funds raised by the direct-support organization could be donated to the council to assist it with its functions.

**III. COMMENTS:**

Section 14.22, F.S., establishes the Governor's Council on Physical Fitness and Amateur Sports within the Executive Office of the Governor, and permits the council to approve a direct-support organization to assist in promoting amateur sports events.

Based on the findings of a review by the Governmental Operations Committee, the direct-support organization would be subject to the provisions of s. 286.011, F.S., the Public Meetings Law.

**IV. AMENDMENTS:**

None.