

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** PCB HEA 20-01 Naming of University and College Facilities

**SPONSOR(S):** Higher Education Appropriations Subcommittee

**TIED BILLS:** **IDEN./SIM. BILLS:**

<b>REFERENCE</b>	<b>ACTION</b>	<b>ANALYST</b>	<b>STAFF DIRECTOR or BUDGET/POLICY CHIEF</b>
Orig. Comm.: Higher Education Appropriations Subcommittee		Crowley	Butler

**SUMMARY ANALYSIS**

The bill amends s. 267.062, F.S., to prohibit institutions of both the State University System (SUS) and Florida College System (FCS) from executing an agreement to name a building, road, bridge, park, recreational complex, stadium, or other facility after a business or corporation prior to authorization by an act of the Legislature.

The bill takes effect July 1, 2020.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### **Present Situation**

The naming of State University System institutions' and Florida College System institutions' facilities are subject to the following requirements by law:

1. A facility constructed pursuant to facilities' matching grant programs for State University System<sup>1</sup> and Florida College System institutions<sup>2</sup> may be named in honor of a donor at the option of the university and Board of Governors for state universities, or district board of trustees for a Florida College System institution. No facility may be named after a living person without prior approval by the Legislature for university facilities, or the State Board of Education (SBE), for college facilities.<sup>3</sup>
2. Any state building, road, bridge, park, recreational complex, or other similar facility of a state university may be named for a living person by the university board of trustees in accordance with regulations adopted by the Board of Governors of the State University System.<sup>4</sup>

The Florida Board of Governors (BOG) regulations<sup>5</sup> provide for the following:

1. The naming of facilities must be approved by the institution's board of trustees, as a noticed, non-consent agenda item.
2. Non-gift related naming of facilities should be reserved for individuals who have made significant contributions to the university or to the state of Florida or to the fields of education, government, science or human betterment and who are of recognized accomplishment and character. Honorary naming of a university facility is not allowed for any active board member or employee of the Board of Governors or any active employee, student, or trustee of the university.
3. Gift-related naming of a facility requires a donation that constitutes a significant contribution to the cost of the university facility, or for an existing facility, significant improvements, both as established by board of trustees' policy. The limitations set forth for non-gift related honorary naming are not applicable to gift-related naming of a university facility.

Neither statute nor BOG regulation, or SBE rule makes reference to the sale or leasing of naming rights to a business or corporation.

On December 20, 2019, Florida Atlantic University announced FAU arena, home of the Owls' men's and women's basketball and volleyball teams would be known as the RoofClaim.com Arena. The 10-year agreement between FAU and CEO Brian Wedding with RoofClaim.com for the naming rights became effective immediately. The 10-year agreement is valued at \$5 million.<sup>6</sup>

The University of Central Florida (UCF) first executed naming rights for Spectrum Stadium in 2006, then known as Bright House Sports Network Stadium. In 2013, the local cable company activated a clause allowing it to renegotiate the contract, reduced by \$3 million and made the contract renewable annually with an expiration date of August 2021.<sup>7</sup> In 2017, the name was changed to Spectrum Stadium, as a result of Bright House Networks' buyout agreement with Charter Communications in May

---

<sup>1</sup> s. 1013.79(11), F.S., University Facility Enhancement Challenge Grant Program, also known as the Alec P. Courtelis University Facility Enhancement Challenge Grant Program.

<sup>2</sup> s. 1011.32(12), F.S., The Florida College System Institution Capital Facilities Matching Program.

<sup>3</sup> *Ibid.*

<sup>4</sup> s. 267,062(3), F.S.

<sup>5</sup> BOG 9.005 Naming of Buildings and Facilities

[https://www.flbog.edu/wp-content/uploads/9\\_005NamingofBuildingsandFacilitiesVersionFINAL.pdf](https://www.flbog.edu/wp-content/uploads/9_005NamingofBuildingsandFacilitiesVersionFINAL.pdf)

<sup>6</sup> The Palm Beach Post <https://www.palmbeachpost.com/sports/20191220/fau-basketball-florida-atlantic-receives-5-million-sponsorship-from-roofclaimcom-to-rename-fau-arena>

<sup>7</sup> [http://www.nicholsonstudentmedia.com/sports/spectrum-replaces-naming-rights-of-bright-house-networks-stadium/article\\_95d8c71a-1fb6-11e7-8a88-e700215bb757.html](http://www.nicholsonstudentmedia.com/sports/spectrum-replaces-naming-rights-of-bright-house-networks-stadium/article_95d8c71a-1fb6-11e7-8a88-e700215bb757.html)

2016. UCF currently generates an annual payout between \$500,000 and \$1,250,000 in revenue from its naming rights for Spectrum Stadium, earning \$750,000 each year until Spectrum's current contract expires on August 1, 2021.

On May 22, 2013, UCF entered into a naming rights contract with CFE Credit Union for seven years, worth \$3.95 million, or \$564,286 per year for CFE Arena.<sup>8</sup> In May 2019, the credit union's name was rebranded as Addition Financial. Addition Financial Arena is home to the UCF Knights men's and women's basketball teams, as well as concerts, family shows and other attracts for the Central Florida area.<sup>9</sup>

On June 9, 2016, the University of Florida's Board of Trustees voted to approve a corporate partnership with Exactech in a 10 year naming agreement for \$5.9 million with a 5 year option for \$3.5 million for the Steven C. O'Connell Center to be named Exactech Arena at the Stephen C. O'Connell Center.<sup>10,11</sup>

### **Effect of Proposed Changes**

The bill amends s. 267.062, F.S., to provide that, notwithstanding any other provision of law, on or after July 1, 2020, a state university or Florida College System institution may not execute an agreement to name a building, road, bridge, park, recreational complex, stadium, or other facility after a business or corporation prior to authorization by an act of the Legislature.

#### **B. SECTION DIRECTORY:**

**Section 1:** Amends s. 267.062, F.S., relating to the naming of university and college facilities.

**Section 2:** Provides an effective date of July 1, 2020.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

#### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

None.

2. Expenditures:

None.

#### **B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

---

<sup>8</sup> [https://db0nus869y26v.cloudfront.net/en/CFE\\_Arena](https://db0nus869y26v.cloudfront.net/en/CFE_Arena)

<sup>9</sup> UCF Today <https://www.ucf.edu/news/cfe-arena-name-change-addition-financial/>

<sup>10</sup> <https://floridagators.com/news/2016/6/8/chris-harry-o-dome-partners-with-exactech-in-naming-agreement.aspx>

<sup>11</sup> [https://trustees.ufl.edu/media/trusteesufledu/minutes/2016/Finance\\_June-9,-2016.pdf](https://trustees.ufl.edu/media/trusteesufledu/minutes/2016/Finance_June-9,-2016.pdf)

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

State University System institutions and Florida College System institutions will not be able to secure revenues from businesses or corporations through executed agreements to name a building, road, bridge, park, recreational complex, stadium, or other facility without prior authorization by an act of the Legislature.

**III. COMMENTS**

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**