The Florida Senate

COMMITTEE MEETING EXPANDED AGENDA

COMMERCE AND TOURISM Senator Montford, Chair Senator Gainer, Vice Chair

MEETING DATE: Monday, November 6, 2017

TIME: 4:00—6:00 p.m.

PLACE: Toni Jennings Committee Room, 110 Senate Office Building

MEMBERS: Senator Montford, Chair; Senator Gainer, Vice Chair; Senators Gibson, Hutson, Latvala, Passidomo,

Rodriguez, and Young

ГАВ	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	SB 56 Book (Similar H 163)	Tax Exemption for Diapers and Incontinence Products; Exempting from the sales and use tax the sale for human use of diapers, incontinence undergarments, incontinence pads, or incontinence liners, etc.	Favorable Yeas 8 Nays 0
		CM 11/06/2017 Favorable AFT AP	
2	SB 76 Garcia (Identical H 519)	Small Business Saturday Sales Tax Holiday; Defining the term "small business"; providing that small businesses are not required to collect the sales and use tax on the retail sale of certain items of tangible personal property during a specified timeframe, etc. CM 11/06/2017 Favorable AFT	Favorable Yeas 8 Nays 0
		AP	
3	SB 170 Grimsley	Rural Economic Development Initiative; Revising the duties, responsibilities, and membership of the Rural Economic Development Initiative; deleting a provision limiting the number of rural areas of opportunity that may be designated; deleting a provision listing the economic development incentives for which the Governor may waive criteria requirements or similar provisions, etc.	Favorable Yeas 8 Nays 0
		CM 11/06/2017 Favorable AG GO RC	

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 Profe	ssional Staff of	the Committee on	Commerce and	Tourism
SB 56					
Senator Book	and oth	ers			
Tax Exemption	on for Di	apers and Inc	continence Produ	cts	
November 3,	2017	REVISED:			
ST	STAFF	DIRECTOR	REFERENCE		ACTION
	McKay		CM	Favorable	
_			AFT		
			AP		
	SB 56 Senator Book Tax Exemption	SB 56 Senator Book and other Tax Exemption for Di November 3, 2017 STAFF	SB 56 Senator Book and others Tax Exemption for Diapers and Inc. November 3, 2017 REVISED: STAFF DIRECTOR	SB 56 Senator Book and others Tax Exemption for Diapers and Incontinence Produ November 3, 2017 REVISED: STAFF DIRECTOR REFERENCE McKay CM AFT	Senator Book and others Tax Exemption for Diapers and Incontinence Products November 3, 2017 REVISED: STAFF DIRECTOR REFERENCE McKay CM Favorable AFT

I. **Summary:**

SB 56 exempts the sale of diapers and certain incontinence products from state sales and use tax.

The Revenue Estimating Conference has estimated the fiscal impact of a sales tax exemption for diapers and incontinence products will reduce General Revenue receipts by \$19.6 million in Fiscal Year 2018-2019 and by \$46.9 million on a recurring basis. The bill reduces local revenue by \$5 million in Fiscal Year 2018-2019 and by \$12 million on a recurring basis. The Department of Revenue is expected to incur additional costs of approximately \$56,000 to notify sales tax dealers of the tax exemption.

The bill provides an effective date of January 1, 2019.

II. Present Situation:

Florida Sales and Use Tax

Florida levies a six percent state sales and use tax on the sale or rental of most tangible personal property, admissions, rentals of transient accommodations, rental of commercial real estate, and a limited number of services. In addition to the six percent state sales tax, Florida law authorizes counties to levy discretionary sales surtaxes.² Sales tax is added to the price of taxable goods or services and the tax is collected from the purchaser at the time of sale.

Chapter 212, F.S., contains statutory provisions that authorize the levy and collection of Florida's sales and use tax, as well as the exemptions and credits applicable to certain items or

¹ Chapter 212, F.S.

² Sections 212.054 and 212.055, F.S.

uses under specified circumstances. There are currently more than 250 different exemptions, exclusions, deductions, and credits from sales and use tax.³

Medical products and supplies considered necessary to human health are among the items exempt from sales and use tax. Such products and supplies include ostomy pouches, catheters, and mastectomy pads. Common household remedies used in the cure, mitigation, treatment, or prevention of illness or disease are also exempt from sales and use tax. Alcohol wipes, bandages, and gauze are examples of common household remedies. Certain products relating to infants are also exempt, including baby food, formulas, and teething lotion.

Diapers are not currently exempt from sales and use tax in Florida.⁶

Other States

Currently, twelve states and the District of Columbia⁷ do not subject the sale of diapers to state sales tax.⁸ Massachusetts,⁹ Minnesota,¹⁰ Pennsylvania,¹¹ New Jersey,¹² New York,¹³ Rhode Island,¹⁴ and Vermont¹⁵ provide sales tax exemptions for diapers or incontinence products. Connecticut¹⁶ and Maryland¹⁷ provide a tax exemption for disposable pads used for incontinency, but not baby diapers.

III. Effect of Proposed Changes:

The bill provides a state sales tax exemption for the sale of the following items:

- Diapers;
- Incontinence undergarments;
- Incontinence pads; and
- Incontinence liners.

The bill provides an effective date of January 1, 2019.

³ Florida Revenue Estimating Conference, *Florida Tax Handbook*, (2017), *available at* http://edr.state.fl.us/content/revenues/reports/tax-handbook/taxhandbook2017.pdf (last visited Nov. 1, 2017).

⁴ See s. 212.08(2)(a), F.S. and

⁵ The Department of Business and Professional Regulation is responsible for prescribing and approving a list of common household remedies, which is then certified by the Department of Revenue, *available at* http://floridarevenue.com/Forms_library/current/dr46nt.pdf (last visited Nov. 1, 2017).

⁶ However, diapers for children and adults, diaper bags, and diaper inserts have been temporarily exempt from sales tax during sales tax holidays. *See* Rule 12AER17-01, F.A.C.

⁷ D.C. Code § 47-2005.

⁸ Alaska, Delaware, Montana, New Hampshire, and Oregon do not impose a state sales tax.

⁹ Mass. Gen. Laws ch. 64H, § 6.

¹⁰ Minn. Stat. § 297A.67.9.

¹¹ 72 Pa. Cons. Stat. § 7204.

¹² N.J. Stat. Ann. 54:32B-8.4

¹³ N.Y. Tax Law § 1115.

¹⁴ Code. R.I. S.U. 07-13.

¹⁵ Minn. Stat. § 297A.67.9.

¹⁶ Conn. Gen. Stat. § 12-412.

¹⁷ Md. Tax-Gen. Code Ann., § 11-211.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18 of the Florida Constitution governs laws that require counties and municipalities to spend funds or that limit their ability to raise revenue or receive state tax revenue.

Subsection (b) of Article VII, s. 18 of the Florida Constitution provides that, except upon approval by each house of the Legislature by two-thirds vote of its membership, the Legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate. However, these requirements do not apply to laws that have an insignificant fiscal impact on local governments, which for Fiscal Year 2017-2018, is approximately \$2.08 million or less. 19

The REC has estimated the bill reduces local revenue by \$2.5 million in Fiscal Year 2018-2019 and by \$6 million on a recurring basis. Therefore, the bill may require a two-thirds vote of approval by each house of the Legislature.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference has estimated the fiscal impact of a sales tax exemption for diapers and incontinence products will reduce General Revenue receipts by \$19.6 million in Fiscal Year 2018-2019 and by \$46.9 million on a recurring basis.

B. Private Sector Impact:

Indeterminate, but positive. Individuals will see a reduction in the cost of purchasing diapers and incontinence products. Businesses such as daycare providers, diaper service providers, and hospitals will also see a reduction in the cost of diapers and incontinence products.

¹⁸ See FLA. CONST. art. VII, s. 18(d).

¹⁹ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year times ten cents. See Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (Sept. 2011), available at http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf (last visited Feb. 17, 2017).

C. Government Sector Impact:

The Department of Revenue estimates the cost associated with notifying businesses of the sales tax exemption, by printing and mailing a Tax Information Publication (TIP), will be approximately \$56,000.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 212.08(7)(000) of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

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

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By Senator Book

an effective date.

32-00031-18 201856_ A bill to be entitled

An act relating to a tax exemption for diapers and incontinence products; amending s. 212.08, F.S.; exempting from the sales and use tax the sale for human use of diapers, incontinence undergarments, incontinence pads, or incontinence liners; providing

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

section 212.08, Florida Statutes, to read:

Section 1. Paragraph (ooo) is added to subsection (7) of

212.08 Sales, rental, use, consumption, distribution, and

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storage tax; specified exemptions.—The sale at retail, the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of the following are hereby specifically exempt from the tax imposed by this chapter. (7) MISCELLANEOUS EXEMPTIONS.—Exemptions provided to any entity by this chapter do not inure to any transaction that is otherwise taxable under this chapter when payment is made by a representative or employee of the entity by any means, including, but not limited to, cash, check, or credit card, even when that representative or employee is subsequently reimbursed by the entity. In addition, exemptions provided to any entity by this subsection do not inure to any transaction that is otherwise taxable under this chapter unless the entity has obtained a sales tax exemption certificate from the department or the entity obtains or provides other documentation as

Page 1 of 2

 ${\bf CODING:}$ Words ${\bf stricken}$ are deletions; words ${\bf \underline{underlined}}$ are additions.

Florida Senate - 2018 SB 56

	32-00031-18 201856
30	required by the department. Eligible purchases or leases made
31	with such a certificate must be in strict compliance with this
32	subsection and departmental rules, and any person who makes an
33	exempt purchase with a certificate that is not in strict
34	compliance with this subsection and the rules is liable for and
35	shall pay the tax. The department may adopt rules to administer
36	this subsection.
37	(000) Diapers and incontinence products.—The sale for huma

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chapter.

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Section 2. This act shall take effect January 1, 2019.

use of diapers, incontinence undergarments, incontinence pads,

or incontinence liners is exempt from the tax imposed by this

Page 2 of 2

THE FLORIDA SENATE



Tallahassee, Florida 32399-1100

COMMITTEES:

Appropriations Subcommittee on the Environment and Natural Resources, Chair Appropriations Subcommittee on Health and Human Services Education Environmental Preservation and Conservation Health Policy Rules

SENATOR LAUREN BOOK

Democratic Leader Pro Tempore 32nd District

August 28, 2017

Chairman Bill Montford Committee on Commerce and Tourism 310 Knott Building 404 S. Monroe Street Tallahassee, FL 32399-1100

Chairman Montford,

I respectfully request that you place SB 56, relating to Tax Exemption for Diapers and Incontinence Products, on the agenda of the Committee on Commerce and Tourism at your earliest convenience.

Should you have any questions or concerns, please feel free to contact my office or me. Thank you in advance for your consideration.

Thank you,

Senator Lauren Book Senate District 32

cc: Todd McKay, Staff Director Gabriela Denton, Administrative Assistant

THE FLORIDA SENATE

APPEARANCE RECORD

Meeting Date	or or Senate Professional Staf		56
Topic Tax Exemption for Diapers and Incontinence Prod	ducts		Bill Number (if applicable)
Name Erin Choy			Amendment Barcode (if applicable
Job Title Immediate Past Chair			
Address 404 East Sixth Avenue Street		Phone (56	1) 635 4460
Tallahassao		none (oo	1) 635-4168
City	32303 E	mail erin.	choy@gmail.com
Speaking: For Against Information	Zip		- 7 @ g mail. 00 m
AgainstInformation	Waive Spea (The Chair w	aking: ill read this	In Support Against information into the record.)
Representing Junior Leagues of Florida		W. 110 Y	monnation into the record.)
ppearing at request of Chair: Yes No while it is a Senate tradition to encourage public testimony, time eeting. Those who do speak may be asked to limit their remark to the public testimony.	Lobbyist registere	d with Leg	gislature: ✓ Yes No
may be asked to limit their remark	's so that as many pers	sons as pas	g to speak to be heard at this

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 B	y: The Profe	essional Staff of	the Committee on	Commerce and	Tourism	
BILL:	SB 76						
INTRODUCER: Senator G		rcia					
SUBJECT:	Small Busi	ness Satur	day Sales Tax	k Holiday			
DATE:	November	3, 2017	REVISED:				
ANAL	YST	STAFF	DIRECTOR	REFERENCE		ACTION	
l. Harmsen		McKay	7	CM	Favorable		
).				AFT			
3.				AP			
· · · · · · · · · · · · · · · · · · ·						•	

I. Summary:

SB 76 establishes a one-day sales tax holiday on Small Business Saturday, November 24, 2018. During the holiday, a small business may opt not to collect state sales tax and county discretionary sales surtaxes on retail sales of tangible personal property having a sales price of \$1,000 or less per item.

The bill defines a "small business" as one that:

- Has registered with the Department of Revenue (DOR);
- Began operation in Florida on or before January 8, 2018; and
- Owed and remitted less than \$200,000 in tax under ch. 212, F.S., to the DOR during either:
 - o A one-year period ending on September 30, 2018, or
 - The period beginning on the date the business began operating in Florida and ending on September 30, 2018, if the business has not been in operation for a full year as of September 30, 2018.

The Revenue Estimating Conference estimates that the bill will reduce General Revenue receipts by \$32.8 million and local government revenues by \$8.4 million in Fiscal Year 2018-2019.

The bill provides DOR with a nonrecurring General Revenue appropriation of \$200,000 in Fiscal Year 2018-2019 to administer the provisions of the Act.

¹ Florida Legislature, Office of Economic and Demographic Research, Revenue Estimating Conference, *Small Business Saturday Tax Holiday*, *SB* 76, Oct. 6, 2018 Revenue Impact Results, *available at* http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2018/ pdf/page44-48.pdf (last visited Oct. 31, 2017).

II. Present Situation:

Florida levies a six percent sales and use tax on the sale or rental of most tangible personal property, admissions,² transient rentals,³ rental of commercial real estate,⁴ and a limited number of services. Chapter 212, F.S., contains statutory provisions authorizing the levy and collection of Florida's sales and use tax, as well as the exemptions and credits applicable to certain items or uses under specified circumstances. There are currently more than 250 exemptions, exclusions, deductions, and credits from the sales and use tax.⁵ Sales tax is added to the price of the taxable good or service and collected from the purchaser at the time of sale.⁶

In addition to the state tax, s. 212.055, F.S., authorizes counties to impose eight local discretionary sales surtaxes. A surtax applies to "all transactions occurring in the county which transactions are subject to the state tax imposed on sales, use, services, rental, admissions, and other transactions by [ch. 212, F.S.], and on communications services as defined in ch. 202, F.S." The discretionary sales surtax is based on the tax rate imposed by the county where the taxable goods or services are sold, or are delivered into.

The Florida Legislature has not previously authorized a sales and use tax exemption for items of tangible personal property purchased from a small business.

In 2010, American Express instituted a Small Business Saturday incentive for their cardholders who shopped at small, independent businesses on the Saturday after Black Friday. The U.S. Senate passed a resolution recognizing Small Business Saturday and encouraging consumers to shop locally in 2015, but this measure was not voted on by the U.S. House of Representatives. Although American Express has removed the cash back incentive for their cardholders, sales on Small Business Saturday have grown. One survey estimates that 112 million consumers spent \$15.4 billion at small, independent businesses on Small Business Saturday in 2016, Compared

31, 2017).

² Section 212.04, F.S.

³ Section 212.03, F.S.

⁴ Section 212.031, F.S.

⁵ See Office of Economic and Demographic Research, The Florida Legislature, Florida Tax Handbook, 164-170 (2017).

⁶ Florida Dept. of Revenue, *Who must pay tax? Partial list of taxable business activities, available at* http://dor.myflorida.com/dor/taxes/sales_tax.html (last visited Oct. 31, 2017).

⁷ Section 212.054, F.S.

⁸ Jeremy Quittner, *Small Business Saturday Is No Longer Just an AmEx Holiday* (Oct 21, 2016), http://fortune.com/2016/11/21/small-business-saturday-amex-holiday/ (last visited Oct. 31, 2017). American Express, *Small Business Saturday*, https://www.americanexpress.com/us/content/small-business/shop-small/about/?linknav=us-open-shopsmall-homepage-about (last visited Oct. 31, 2017).

⁹ A Resolution Recognizing Small Business Saturday, S. Res. 304, 114th Cong. (2015). *See also*, H. Res. 886, 114th Cong. (2015).

¹⁰ Ethan Wolff-Mann, "Small Business Saturday No Longer Comes with Free Money from AmEx" (Nov. 13, 2015), http://time.com/money/4110506/amex-credit-small-business-saturday-2015/ (last visited Oct. 31, 2017).

¹¹ Business Wire, Small Business Saturday Results: 112 Million Consumers Shop and Dine Small on Small Business Saturday – More Than Ever Before (Nov. 28, 2016), http://www.businesswire.com/news/home/20161128005542/en/Small-Business-Saturday%C2%AE-Results-112-Million-Consumers (last visited Oct. 31, 2017). National Federation of Independent Business, Small Business Saturday 2016 Sees Record Participation (Nov. 29, 2016), http://www.nfib.com/content/news/economy/small-business-saturday-2016-sees-record-participation-76103/ (last visited Oct.

to the estimated \$14.3 billion that 88 million consumers spent on Small Business Saturday in 2014. 12

III. Effect of Proposed Changes:

The bill establishes a one-day sales tax holiday, on Saturday, November 24, 2018, to coincide with Small Business Saturday. During the tax holiday, and at the option of the small business, the total sales price of taxable tangible personal property, not to exceed \$1,000 per purchaser, per small business, is exempt from the state sales tax and county discretionary sales surtaxes. The bill defines "small business" as one that:

- Has registered with the DOR;
- Began operation in Florida on or before January 8, 2018; and
- Owed and remitted less than \$200,000 in tax under ch. 212, F.S., to the DOR during either:
 - o A one-year period ending on September 30, 2018, or
 - The period beginning on the date the business began operating in Florida and ending on September 30, 2018, if the business has not been in operation for the one-year period ending September 30, 2018.

Additionally, any business with multiple locations only qualifies as a small business for purposes of this bill if it is eligible to file a consolidated return, and has owed and remitted less than \$200,000 for all of its locations.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Subsection (b) of s. 18, Art VII, Florida Constitution, provides, that except upon approval of each house of the Legislature by two-thirds vote of the membership, the Legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandates requirements do not apply to laws having an insignificant impact, which for Fiscal Year 2018-2019, is \$2.08 million or less. 13,14

The Revenue Estimating Conference estimated that the bill would reduce the authority that counties have to raise revenues through local option sales surtax by \$4.2 million in

¹² Nicole Leinbach-Reyhle, *Small Business Saturday 2014 Stood Strong Among Communities and Small Businesses* (Dec. 2, 2014), https://www.forbes.com/sites/nicoleleinbachreyhle/2014/12/02/small-business-saturday-2014-stood-strong-among-communities-and-small-businesses/#7612b39242b7 (last visited Oct. 31, 2017).

¹³ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year times \$0.10. *See* Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (September 2011), *available at* http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf (last visited Oct. 31, 2017).

¹⁴ Based on the Demographic Estimating Conference's population adopted on July 10, 2017. The conference packet is available at http://edr.state.fl.us/Content/conferences/population/ConferenceResults.pdf (last visited Oct. 31, 2017).

Fiscal Year 2018-2019.¹⁵ Therefore, the bill may be a mandate requiring a two-thirds vote of the membership.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference estimates that SB 76 will reduce General Revenue receipts by \$32.8 million and local government revenues by \$8.4 million in Fiscal Year 2018-2019. 16

B. Private Sector Impact:

The sales tax holiday may promote retail sales at businesses that qualify under SB 76.

C. Government Sector Impact:

SB 76 provides DOR with a nonrecurring General Revenue appropriation of \$200,000 in Fiscal Year 2018-2019, to administer the provisions of the act. The DOR estimates that it can administer the holiday using existing resources, and that the appropriation is therefore unnecessary.¹⁷

VI. Technical Deficiencies:

None.

VII. Related Issues:

According to the DOR, small business dealers will have to maintain documentation regarding whether and how they participated in the holiday.¹⁸

¹⁵ Florida Legislature, Office of Economic and Demographic Research, Revenue Estimating Conference, *Small Business Saturday Tax Holiday, SB 76*, Oct. 6, 2018 Revenue Impact Results, *available at*

http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2018/ pdf/page44-48.pdf (last visited Oct. 31, 2017).

16 Florida Legislature, Office of Economic and Demographic Research, Revenue Estimating Conference, *Small Business Saturday Tax Holiday*, *SB* 76, Oct. 6, 2018 Revenue Impact Results, *available at*

http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2018/ pdf/page44-48.pdf (last visited Oct. 31, 2017).

¹⁷ Department of Revenue, *Senate Bill 76 Bill Analysis*, (Sep. 29, 2017) (on file with the Senate Committee on Commerce and Tourism).

¹⁸ *Id*.

Additionally, the DOR reports that it will not be able to disclose a list of businesses that qualify to participate in the Small Business Saturday sales tax holiday because of confidentiality requirements in s. 213.053, F.S.¹⁹

VIII. Statutes Affected:

This bill creates an undesignated section of Florida law.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

¹⁹ *Id*.

By Senator Garcia

36-00105-18 201876_ A bill to be entitled

An act relating to a Small Business Saturday sales tax holiday; defining the term "small business"; providing that small businesses are not required to collect the

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sales and use tax on the retail sale of certain items of tangible personal property during a specified timeframe; authorizing the Department of Revenue to adopt emergency rules; providing an appropriation; providing an effective date.

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

Section 1. Small Business Saturday sales tax holiday.—

(1) As used in this section, the term "small business" means a dealer, as defined in s. 212.06, Florida Statutes, who registered with the Department of Revenue and began operation no later than January 8, 2018, and who owed and remitted to the Department of Revenue less than \$200,000 in total tax under chapter 212, Florida Statutes, for the 1-year period ending September 30, 2018. If the dealer has not been in operation for a 1-year period as of September 30, 2018, the dealer must have owed and remitted less than \$200,000 in total tax under chapter 212, Florida Statutes, for the period beginning on the day the dealer began operation and ending September 30, 2018, in order to qualify as a small business under this section. If the dealer is eligible to file a consolidated return pursuant to s. 212.11(1)(e), Florida Statutes, the total tax under chapter 212, Florida Statutes, owed and remitted from all of the dealer's places of business must be less than \$200,000 for the applicable

Page 1 of 2

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Florida Senate - 2018 SB 76

	36-00105-18 201876_
30	period ending September 30, 2018.
31	(2) Subject to subsection (3), the tax levied under chapter
32	212, Florida Statutes, may not be collected by a small business
33	during the period from 12:01 a.m. on November 24, 2018, through
34	11:59 p.m. on November 24, 2018, on the retail sale, as defined
35	in s. 212.02(14), Florida Statutes, of any item of tangible
36	personal property, as defined in s. 212.02(19), Florida
37	Statutes, having a sales price of \$1,000 or less per item.
38	(3) At its option, a small business may choose not to
39	participate in the sales and use tax exemption provided in
40	subsection (2) and may collect tax on all sales made on November
41	<u>24, 2018.</u>
42	(4) The Department of Revenue may, and all conditions are
43	deemed to be met to, adopt emergency rules pursuant to ss.
44	120.536(1) and 120.54, Florida Statutes, to implement this
45	section.
46	Section 2. For the 2018-2019 fiscal year, the sum of
47	\$200,000 of nonrecurring funds is appropriated from the General
48	Revenue Fund to the Department of Revenue for the purpose of
49	implementing this act.
50	Section 3. This act shall take effect July 1, 2018.

Page 2 of 2



The Florida Senate State Senator René García

Please reply to:

☐ District Office:

1490 West 68 Street Suite # 201 Hialeah, FL. 33014 Phone# (305) 364-3100

October 9, 2017

The Honorable Bill Montford Chair, Committee on Commerce and Tourism 310 Knott Building 404 S. Monroe Street Tallahassee, FL 32399-1100

Dear Senator Montford,

Please have this letter serve as my formal request to have **SB 76: Small Business Saturday Sales Tax Holiday** be heard during the next scheduled Judiciary Committee Meeting. Should you have any questions or concerns, please do not hesitate to contact my office.

Sincerely,

State Senator René García

District 36

CC: Todd McKay Gabriela Denton

THE FLORIDA SENATE

APPEARANCE RECORD

	tor or Senate Professional Staff conducting the meeting)
Meeting Date	Bill Number (if applicable)
Topic	(ir applicable)
Name Tim Nuncessec	Amendment Barcode (if applicable)
1111 1 July 5 261	
Job Title Legislative Director	
Address 110 E. Jefferson B.	Phone 850-445-5367
Street	
City State	S2301 Email t, m. nungerse Qufib org
Speaking: For Against Information	Waive Speaking: VIn Support Against
	(The Chair will read this information into the record.)
Representing Jational Federation	of Independent Business
Appearing at request of Chair: Yes X No	Lobbyist registered with Legislature: Yes No
While it is a Senate tradition to encourage public testimony, time	
meeting. Those who do speak may be asked to limit their remark	e may not permit all persons wishing to speak to be heard at this
This form is next at a second	namy pordons as possible can be neard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

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 Profe	essional Staff of	the Committee on	Commerce and	Tourism
BILL:	SB 170					
INTRODUCER:	Senator Grim	ısley				
SUBJECT:	Rural Econor	mic Dev	elopment Initi	ative		
DATE:	November 3,	2017	REVISED:			
ANAL	YST	STAFF	DIRECTOR	REFERENCE		ACTION
1. Little		McKay	,	CM	Favorable	
2				AG		
3				GO		
4.				RC		

I. Summary:

SB 170 makes the following changes to the Rural Economic Development Initiative (REDI):

- Reduces the number of specified agencies and organizations that are required to designate REDI representatives;
- Clarifies which individuals from specified agencies and organizations must be designated as REDI representatives;
- Provides for the appointment of five additional members from the private sector:
 - Three of the private sector members are to be appointed by the executive director of the Department of Economic Opportunity (DEO), one appointed by the President of the Senate, and one appointed by the Speaker of the House of Representatives;
- Authorizes the creation of ad hoc committees and provides guidance for the organization of ad hoc committees;
- Modifies the definition and designation criteria for a rural area of opportunity (RAO);
- Updates the annual reporting requirements; and
- Makes conforming changes to address cross-references in numerous sections of the Florida Statutes.

The bill is effective upon becoming law.

II. Present Situation:

Rural Economic Development Initiative

The Florida Legislature established the Rural Economic Development Initiative (REDI) in 1997 to encourage and facilitate the location and expansion of economic development projects of

significant scale in rural communities.¹ The REDI is responsible for coordinating and focusing the efforts and resources of state and regional agencies on the problems that affect the fiscal, economic, and community viability of Florida's economically distressed rural communities.² The REDI works with local governments, community-based organizations, and private organizations that have an interest in the growth and development of these communities to find ways to balance environmental and growth management issues with local needs and economic development.³ Other responsibilities include the review and evaluation of the impact of statutes and rules on rural communities, and the facilitation of better access to state resources by promoting direct access and referrals to both state and regional agencies and statewide organizations.⁴

The REDI is administered by the Department of Economic Opportunity (DEO), but is a collaborative effort facilitated by a group of agencies and organizations. Numerous state agencies and organizations are required to participate in the REDI by designating a deputy secretary or higher-level staff person to serve as a REDI representative.⁵ The agencies and organizations that are statutorily required to designate a representative are:

- The Department of Transportation;
- The Department of Environmental Protection;
- The Department of Agriculture and Consumer Services;
- The Department of State;
- The Department of Health;
- The Department of Children and Families;
- The Department of Corrections;
- The Department of Education;
- The Department of Juvenile Justice;
- The Fish and Wildlife Conservation Commission;
- Each water management district;
- Enterprise Florida, Inc. (EFI);
- VISIT Florida;
- The Florida Regional Planning Council Association;
- The Agency for Health Care Administration; and
- The Institute for Food and Agricultural Sciences (IFAS).⁶

REDI representatives are required to have comprehensive knowledge of their agency's regulatory and service functions in addition to the state's economic goals, policies, and programs.⁷ The representatives are required to work with the REDI in reviewing, evaluating, and proposing impact mitigation of any statute or rule that may have an adverse effect on rural

¹ Ch. 97-278, Laws of Fla.

² Section 288.0656(3), F.S.

³ *Ld*

⁴ Sections 288.0656(4) and (5), F.S.

⁵ Section 288.0656(6)(a), F.S.

⁶ *Id*.

⁷ Section 288.0656(6)(b), F.S.

communities.⁸ Additionally, representatives must inform their agencies and organizations about the REDI and provide assistance to the REDI throughout the agency or organization.⁹

Rural Area of Opportunity

The law governing the REDI program defines a "rural area of opportunity" (RAO) as a rural community¹⁰ or a region comprised of rural communities, designated by the Governor, that have been adversely affected by an extraordinary economic event, a natural disaster, or severe or chronic distress.¹¹ An area may also be classified as a RAO if it presents a unique economic development opportunity of regional impact.¹² A designation of RAO must be agreed upon by the DEO and the local governments included in the RAO.¹³

Based on recommendations of the REDI, the Governor may designate up to three RAOs by executive order. ¹⁴ This designation establishes these areas as priority assignments for REDI as well as allows the Governor, acting through REDI, to waive criteria, requirements, or similar provisions of any economic development initiative. ¹⁵

Currently, there are three designated RAO areas:

- Northwest RAO: Calhoun, Franklin, Gadsden, Gulf, Holmes, Jackson, Liberty, Wakulla, and Washington counties, and the City of Freeport in Walton County. The name of this area's economic development organization is Opportunity Florida.¹⁶
- South Central RAO: DeSoto, Glades, Hardee, Hendry, Highlands, and Okeechobee counties, and the cities of Pahokee, Belle Glade, and South Bay (Palm Beach County), and Immokalee (Collier County). The name of this area's economic development organization is Florida's Heartland Regional Economic Development Initiative, Inc.¹⁷
- North Central RAO: Baker, Bradford, Citrus, Columbia, Dixie, Gilchrist, Hamilton,
 Jefferson, Lafayette, Levy, Madison, Putnam, Suwannee, Taylor, and Union counties. The

⁸ Section 288.0656(6)(c), F.S.

⁹ Section 288.0656(6)(d), F.S.

¹⁰ Section 288.0656(2)(e), F.S., defines a "Rural community" as a county with a population of 75,000 or fewer; a county with a population of 125,000 or fewer, which is contiguous to a county with a population of 75,000 or fewer; a municipality within such a county; or an unincorporated federal enterprise community or an incorporated rural city with a population of 25,000 or fewer and an employment base focused on traditional agricultural or resource-based industries, located in a county not defined as rural, which has at least three or more of the economic distress factors identified in s. 288.0656(2)(c), F.S., and verified by DEO. For purposes of this paragraph, population is determined in accordance with the most recent official estimate pursuant to the state population census statute located in s. 186.901, F.S. The U.S. Census Bureau defines "rural" as all population, housing, and territory not included within an urban area, and identifies two types of urban areas, Urbanized Areas of 50,000 or more people; and Urban Clusters of at least 2,500 and less than 50,000 people.

¹¹ Section 288.0656(2)(d), F.S.

¹² Id.

¹³ Section 288.0656(7)(b), F.S. A designation of RAO is contingent upon the execution of a memorandum of agreement among the Department of Economic Opportunity, the governing body of the county, and the governing bodies of any municipalities included within a RAO.

¹⁴ Section 288.0656(7)(a), F.S.

¹⁵ *Id*.

¹⁶ For additional information on Opportunity Florida, *see* http://www.floridajobs.org/business-growth-and-partnerships/rural-and-economic-development-initiative/rural-areas-of-opportunity (last viewed Nov. 2, 2017).

¹⁷ For additional information on Florida's Heartland Regional Economic Development Initiative, Inc., *see* http://flaheartland.com/ (last viewed Nov. 2, 2017).

name of this area's economic development organization is the North Florida Economic Development Partnership. 18

Each RAO, by a REDI recommendation and identification by EFI, may designate catalyst projects, which must be confirmed by the DEO. ¹⁹ All agencies and departments of the state are required to use all available tools and resources available to promote the creation and development of each catalyst project and the development of catalyst sites. ²⁰ For purposes of the REDI program, a catalyst project is a business relocating or expanding in an RAO and serves as an economic generator of regional significance, and a catalyst site is one or more parcels of land in an RAO that is prioritized for economic development. ²¹

Annual Reporting

REDI is required to submit a report to DEO on all REDI activities for the previous fiscal year as a supplement to DEO's annual report required under s. 20.60, F.S.²² This supplementary report must include:

- A status report on all projects currently being coordinated through REDI;
- The number of preferential awards and allowances made pursuant to the REDI program;
- The dollar amount of such awards, and the names of the recipients;
- A description of all waivers of program requirements granted;
- Information as to the economic impact of the projects coordinated by REDI; and
- Recommendations based on the review and evaluation of statutes and rules having an adverse impact on rural communities and proposals to mitigate such adverse impacts.

III. Effect of Proposed Changes:

The bill provides for the appointment of members from the private sector to the REDI and reduces the number of agencies and organizations that are statutorily required to designate REDI representatives.

The REDI membership is required to consist of the following individuals:

- The executive director of the DEO or their designee, to serve as chair;
- The Secretary of Transportation or their designee;
- The Secretary of Environmental Protection or their designee;
- The Commissioner of Agriculture or their designee;
- The State Surgeon General or their designee;
- The Commissioner of Education or their designee;
- The President of EFI or their designee;
- The chair of the board of directors of CareerSource Florida, Inc., or their designee;
- The chair of the board of the regional economic development organization for each of the RAOs or their designee; and

¹⁸ For additional information on the North Florida Economic Development Partnership, *see* http://nflp.org/?/Home (last viewed Nov. 2, 2017).

¹⁹ Section 288.0656(7)(c), F.S.

²⁰ *Id*.

²¹ Section 288.0656(2), F.S.

²² Section 288.0656(8), F.S.

- Five members from the private sector:
 - Three of the private sector members are to be appointed by the executive director of the DEO, one appointed by the President of the Senate, and one appointed by the Speaker of the House of Representatives.

The executive director of the DEO, the President of the Senate, and the Speaker of the House of Representatives must ensure that the diversity of the state's business community and the state's ethnic, racial, and gender diversity are reflected in their appointments. Such appointments are for 2-year terms, beginning on July 1 and expiring on June 30, with initial appointments beginning in July 2018. The bill provides direction for appointee vacancies and removal.

The bill authorizes the chair of the REDI to create ad hoc committees to address issues or projects relating to RAOs and economically distressed rural communities. While the bill authorizes the chair to request the head of any state agency or organization to serve on an ad hoc committee, the bill requires the chair to consider the following individuals:

- The executive director of FWC or their designee;
- The Secretary of State or their designee;
- The Secretary of Children and Families or their designee;
- The Secretary of Corrections or their designee;
- The Secretary of Juvenile Justice or their designee;
- The Secretary of Health Care Administration or their designee; or
- A board member of the Florida Regional Councils Association or their designee. ²³

The bill also:

- Modifies the goals of the REDI to include job creation, community infrastructure, the development and expansion of a skilled workforce, and improved access to healthcare;
- Modifies the definition of "rural area of opportunity" to include a rural community that faces
 competitive disadvantages including low labor force participation, low education levels, high
 unemployment, a school district grade of "D" or "F" pursuant to s. 1008.34, high infant
 mortality rates, and high rates of diabetes and obesity;
- Requires the REDI to focus its efforts on the challenges of the state's RAOs and economically distressed rural communities, and to work with private organizations that have an interest in the renewed prosperity and competitiveness of these communities;
- Clarifies that the REDI shall undertake outreach and capacity-building efforts in order to improve rural communities' ability to compete in a global economy;
- Removes the limitation on the number of RAOs that may be designated by the Governor;
- Requires the REDI's annual report to be submitted to the DEO, the President of the Senate, and the Speaker of the House of Representatives by September 1st of each year; and
- Requires the annual report to include an evaluation of organizational progress and a description of the accomplishments of the REDI.

²³ Under existing law, these organizations and agencies are currently required to designate REDI representatives in addition to VISIT Florida and the IFAS.

The bill makes conforming changes to address cross-references in ss. 163.3177, 163.3187, 257.193, 288.019, 288.06561, 290.0055, 290.06561, 337.403, 339.2818, 339.2819, 339.63, 479.16, and 627.6699, F.S.

The bill is effective upon becoming law.

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:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 288.0656, 163.3177, 163.3187, 257.193, 288.019, 288.06561, 290.0055, 290.06561, 337.403, 339.2818, 339.2819, 339.63, 479.16, and 627.6699

IX. **Additional Information:**

Committee Substitute – Statement of Changes: (Summarizing differences between the Committee Substitute and the prior version of the bill.) A.

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By Senator Grimsley

26-00117-18 2018170

A bill to be entitled An act relating to the Rural Economic Development Initiative; amending s. 288.0656, F.S.; revising legislative intent relating to the Rural Economic Development Initiative; redefining the term "rural area of opportunity"; revising the duties, responsibilities, and membership of the Rural Economic Development Initiative; deleting a provision limiting the number of rural areas of opportunity that may be designated; deleting a provision listing the economic development incentives for which the Governor may waive criteria requirements or similar provisions; deleting a requirement that certain catalyst projects be identified as such by Enterprise Florida, Inc.; revising reporting requirements; amending ss. 163.3177, 163.3187, 257.193, 288.019, 288.06561, 290.0055, 290.06561, 337.403, 339.2818, 339.2819, 339.63, 479.16, and 627.6699, F.S.; conforming crossreferences; providing an effective date.

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

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288.0656 Rural Economic Development Initiative.-

(1) $\frac{1}{1}$ Recognizing that rural communities and regions continue to face extraordinary challenges in their efforts to significantly improve residents' quality of life and their local economies, specifically in terms of personal income, education,

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30	infrastructure, access to health care, and job creation.
31	Therefore, average wages, and strong tax bases, it is the intent
32	of the Legislature to encourage and facilitate $\underline{\text{their achievement}}$
33	of the following goals:
34	(a) Job creation, through the location and expansion of
35	major economic development projects of significant scale in such
36	rural communities.
37	(b) Improved community infrastructure, including, but not
38	limited to, roads, utilities, water and sewer systems, and
39	communications.
40	(c) The development and growth of a skilled workforce.
41	(d) Improved access to health care.
42	(2) (b) The Rural Economic Development Initiative, known as
43	"REDI," is created within the department, and the participation
44	of state and regional agencies in this initiative is authorized.
45	(3) (2) As used in this section, the term:
46	(a) "Catalyst project" means a business locating or
47	expanding in a rural area of opportunity to serve as an economic
48	generator of regional significance for the growth of a regional
49	target industry cluster. The project must provide capital
50	investment on a scale significant enough to affect the entire
51	region and result in the development of high-wage and high-skill
52	jobs.
53	(b) "Catalyst site" means a parcel or parcels of land
54	within a rural area of opportunity that has been prioritized as
55	a geographic site for economic development through partnerships
56	with state, regional, and local organizations. The site must be
57	reviewed by REDI and approved by the department for the purposes

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of locating a catalyst project.

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- (c) "Economic distress" means conditions affecting the fiscal and economic viability of a rural community, including such factors as low per capita income, low per capita taxable values, high unemployment, high underemployment, low weekly earned wages compared to the state average, low housing values compared to the state average, high percentages of the population receiving public assistance, high poverty levels compared to the state average, and a lack of year-round stable employment opportunities.
- (d) "Rural area of opportunity" means a rural community, or a region composed of rural communities, designated by the Governor, which has been adversely affected by an extraordinary economic event, severe or chronic economic distress, and faces competitive disadvantages, such as low labor force participation, low educational attainment levels, high unemployment, school district grades of "D" or "F" calculated pursuant to s. 1008.34, high infant mortality rates, and high diabetes and obesity rates, and which or a natural disaster or that presents a unique economic development opportunity of regional impact.
 - (e) "Rural community" means:

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- 1. A county with a population of 75,000 or fewer.
- 2. A county with a population of 125,000 or fewer which is contiguous to a county with a population of 75,000 or fewer.
- 3. A municipality within a county described in subparagraph $1.\ \mathrm{or}\ \mathrm{subparagraph}\ 2.$
- 4. An unincorporated federal enterprise community or an incorporated rural city with a population of 25,000 or fewer and an employment base focused on traditional agricultural or

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26-00117-18 2018170 resource-based industries, located in a county not defined as rural, which has at least three or more of the economic distress 90 factors identified in paragraph (c) and verified by the department. 92 93 For purposes of this paragraph, population shall be determined in accordance with the most recent official estimate pursuant to 95 s. 186.901. (4) (3) REDI is shall be responsible for coordinating and 96 97 focusing the efforts and resources of state and regional agencies on the challenges of the state's rural areas of opportunity and economically distressed rural communities. REDI 100 shall work problems which affect the fiscal, economic, and 101 community viability of Florida's economically distressed rural communities, working with local governments, community-based 103 organizations, and private organizations that have an interest in the renewed prosperity and competitiveness growth and 104 105 development of these communities to find ways to balance 106 environmental and growth management issues with local needs. 107

(5) (4) REDI shall review and evaluate the impact of statutes and rules on rural communities and shall work to minimize any adverse impact and undertake outreach and capacity-building efforts to improve the ability of rural communities to compete in a global economy.

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(6) (5) REDI shall facilitate better access to state resources by promoting direct access and referrals to appropriate state and regional agencies and statewide organizations. REDI may undertake outreach, capacity building, and other advocacy efforts to improve conditions in rural

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communities. These activities may include sponsorship of

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118	conferences and achievement awards.
119	(7) (a) REDI shall consist of the following members:
120	1. The executive director of the department or his or her
121	designee, who shall serve as chair.
122	2. The Secretary of Transportation or his or her designee.
123	3. The Secretary of Environmental Protection or his or her
124	designee.
125	4. The Commissioner of Agriculture or his or her designee.
126	5. The State Surgeon General or his or her designee.
127	6. The Commissioner of Education or his or her designee.
128	7. The President of Enterprise Florida, Inc., or his or her
129	designee.
130	8. The chair of the board of directors of CareerSource
131	Florida, Inc., or his or her designee.
132	9. The chair of the board of the regional economic
133	development organization for each of the rural areas of
134	opportunity or his or her designee.
135	10. Five members from the private sector, three of whom
136	shall be appointed by the executive director of the department,
137	one of whom shall be appointed by the President of the Senate,
138	and one of whom shall be appointed by the Speaker of the House
139	of Representatives.
140	(b) In making their appointments, the executive director,
141	the President of the Senate, and the Speaker of the House of
142	Representatives shall ensure that the appointments reflect the
143	diversity of Florida's business community and have the necessary
144	skills to assist rural communities and regions in achieving the
145	goals specified in subsection (1).
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146	(c) The executive director, the President of the Senate,
147	and the Speaker of the House of Representatives shall consider
148	appointees who reflect the state's racial, ethnic, and gender
149	diversity and who are from rural communities.
150	(d) Each appointed member shall be appointed to a 2-year
151	term.
152	(e) Initial appointments shall be made by July 1, 2018,
153	with members' terms expiring on June 30 of their second year of
154	service.
155	(f) A vacancy shall be filled for the remainder of the
156	unexpired term in the same manner as the original appointment.
157	(g) An appointed member may be removed by the appointing
158	officer for cause. Absence of a member from three consecutive
159	meetings results in automatic removal.
160	(h) The chair may request the head of any state agency or
161	organization to serve on an ad hoc committee as needed to
162	address issues or projects relating to rural areas of
163	opportunity and economically distressed rural communities. The
164	chair shall consider requesting the following individuals to
165	serve on an ad hoc committee:
166	1. The executive director of the Fish and Wildlife
167	Conservation Commission or his or her designee.
168	2. The Secretary of State or his or her designee.
169	3. The Secretary of Children and Families or his or her
170	designee.
171	4. The Secretary of Corrections or his or her designee.
172	5. The Secretary of Juvenile Justice or his or her
173	designee.
174	6. The Secretary of Health Care Administration or his or

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26-00117-18 2018170 175 her designee. 176 7. A board member of the Florida Regional Councils 177 Association or his or her designee. 178 (6) (a) By August 1 of each year, the head of each of the 179 following agencies and organizations shall designate a deputy secretary or higher-level staff person from within the agency or 180 181 organization to serve as the REDI representative for the agency 182 or organization: 183 1. The Department of Transportation. 184 2. The Department of Environmental Protection. 185 3. The Department of Agriculture and Consumer Services. 186 4. The Department of State. 5. The Department of Health. 187 188 6. The Department of Children and Families. 189 7. The Department of Corrections. 190 8. The Department of Education. 191 9. The Department of Juvenile Justice. 192 10. The Fish and Wildlife Conservation Commission. 193 11. Each water management district. 194 12. Enterprise Florida, Inc. 195 13. CareerSource Florida, Inc. 14. VISIT Florida. 196 197 15. The Florida Regional Planning Council Association. 198 16. The Agency for Health Care Administration. 199 17. The Institute of Food and Agricultural Sciences (IFAS). 200 201 An alternate for each designee shall also be chosen, and the 202 names of the designees and alternates shall be sent to the executive director of the department. 203

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204	(i) (b) Each REDI member who is, or is designated by, a
205	state agency or organization head representative must have
206	comprehensive knowledge of his or her agency's functions, both
207	regulatory and service in nature, and of the state's economic
208	goals, policies, and programs. This person shall be the primary
209	point of contact for his or her agency with REDI on issues and
210	projects relating to <u>rural areas of opportunity and</u> economically
211	distressed rural communities and with regard to expediting
212	project review, shall ensure a prompt effective response to
213	problems arising with regard to rural issues, and shall work
214	closely with the other REDI $\underline{\text{members}}$ $\underline{\text{representatives}}$ in the
215	identification of opportunities for preferential awards of
216	program funds and allowances and waiver of program requirements
217	when necessary to encourage and facilitate long-term private
218	capital investment and job creation. Such members shall also
219	ensure that each district office or facility of his or her
220	agency or organization is informed about REDI and provide
221	assistance throughout the agency in the implementation of REDI
222	activities.
223	(c) The REDI representatives shall work with REDI in the
224	review and evaluation of statutes and rules for adverse impact
225	on rural communities and the development of alternative
226	proposals to mitigate that impact.
227	(d) Each REDI representative shall be responsible for
228	ensuring that each district office or facility of his or her
229	agency is informed about the Rural Economic Development
230	Initiative and for providing assistance throughout the agency in
231	the implementation of REDI activities.
232	(8) (7) (a) REDI may recommend to the Governor up to three

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rural areas of opportunity. The Governor, may by executive order, may designate up to three rural areas of opportunity which will establish these areas as priority assignments for REDI, and, acting through REDI, may as well as to allow the Governor, acting through REDI, to waive criteria, requirements, or similar provisions of any economic development incentive. Such incentives shall include, but are not limited to, the Qualified Target Industry Tax Refund Program under s. 288.106, the Quick Response Training Program under s. 288.047, the Quick Response Training Program for participants in the welfare transition program under s. 288.047(8), transportation projects under s. 339.2821, the brownfield redevelopment bonus refund under s. 288.107, and the rural job tax credit program under ss. 212.098 and 220.1895.

- (b) Designation as a rural area of opportunity under this subsection <u>is</u> shall be contingent upon the execution of a memorandum of agreement among the department; the governing body of the county; and the governing bodies of any municipalities to be included within a rural area of opportunity. Such agreement <u>must shall</u> specify the terms and conditions of the designation, including, but not limited to, the duties and responsibilities of the county and any participating municipalities to take actions designed to facilitate the retention and expansion of existing businesses in the area, as well as the recruitment of new businesses to the area.
- (c) Each rural area of opportunity may designate catalyst projects, provided that each catalyst project is specifically recommended by REDI, identified as a catalyst project by Enterprise Florida, Inc., and approved confirmed as a catalyst

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262	project by the department. All state agencies and departments
263	shall use all available tools and resources to the extent
264	permissible by law to promote the creation and development of
265	each catalyst project and the development of catalyst sites.
266	(9) (8) Before September 1 of each year, REDI shall submit a
267	report to the department, the Governor, the President of the
268	Senate, and the Speaker of the House of Representatives a
269	complete and detailed report, including, but not limited to on
270	all REDI activities for the previous fiscal year as a supplement
271	to the department's annual report required under s. 20.60. This
272	supplementary report must include:
273	(a) A description of the operations of status report on all
274	projects currently being coordinated through REDI, the number of
275	preferential awards and allowances made pursuant to this
276	section, the dollar amount of such awards, and the names of the
277	recipients, and an evaluation of progress toward achieving
278	organizational goals and specific performance outcomes, as
279	established by the department.
280	(b) A description of the accomplishments of REDI and
281	identification of major trends, initiatives, or developments
282	affecting the performance of a program or activity coordinated
283	through REDI.
284	(c) A description of all waivers of program requirements
285	granted.
286	(d) (e) Information as to the economic impact of the
287	projects coordinated by REDI.
288	(e) (d) Recommendations based on the review and evaluation
289	of statutes and rules having an adverse impact on rural
290	communities and proposals to mitigate such adverse impacts.

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Section 2. Paragraph (e) of subsection (7) of section 163.3177, Florida Statutes, is amended to read:

163.3177 Required and optional elements of comprehensive plan; studies and surveys.—

(7)

2.97

(e) This subsection does not confer the status of rural area of opportunity, or any of the rights or benefits derived from such status, on any land area not otherwise designated as such pursuant to s. 288.0656(8) s. 288.0656(7).

Section 3. Subsection (3) of section 163.3187, Florida Statutes, is amended to read:

 $163.3187 \ \mathrm{Process}$ for adoption of small-scale comprehensive plan amendment.—

(3) If the small scale development amendment involves a site within a rural area of opportunity as defined under \underline{s} . $\underline{288.0656(3)(d)}$ s. $\underline{288.0656(2)(d)}$ for the duration of such designation, the 10-acre limit listed in subsection (1) shall be increased by 100 percent to 20 acres. The local government approving the small scale plan amendment shall certify to the state land planning agency that the plan amendment furthers the economic objectives set forth in the executive order issued under \underline{s} . $\underline{288.0656(8)}$ \underline{s} . $\underline{288.0656(7)}$, and the property subject to the plan amendment shall undergo public review to ensure that all concurrency requirements and federal, state, and local environmental permit requirements are met.

Section 4. Subsection (2) of section 257.193, Florida Statutes, is amended to read:

257.193 Community Libraries in Caring Program.-

(2) The purpose of the Community Libraries in Caring

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26-00117-18 Program is to assist libraries in rural communities, as defined in s. 288.0656(3) s. 288.0656(2) and subject to the provisions of s. 288.06561, to strengthen their collections and services, improve literacy in their communities, and improve the economic viability of their communities. Section 5. Section 288.019, Florida Statutes, is amended to read: 288.019 Rural considerations in grant review and evaluation processes.-Notwithstanding any other law, and to the fullest extent possible, the member agencies and organizations of the Rural Economic Development Initiative (REDI) as defined in s.

resources available throughout the state.

(1) Each REDI agency and organization shall review all evaluation and scoring procedures and develop modifications to those procedures which minimize the impact of a project within a rural area.

288.0656(7)(a) s. 288.0656(6)(a) shall review all grant and loan

application evaluation criteria to ensure the fullest access for

rural counties as defined in s. 288.0656(3) s. 288.0656(2) to

- (2) Evaluation criteria and scoring procedures must provide for an appropriate ranking based on the proportionate impact that projects have on a rural area when compared with similar project impacts on an urban area.
- (3) Evaluation criteria and scoring procedures must recognize the disparity of available fiscal resources for an equal level of financial support from an urban county and a rural county.
- (a) The evaluation criteria should weight contribution in proportion to the amount of funding available at the local

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(b) In-kind match should be allowed and applied as financial match when a county is experiencing financial distress through elevated unemployment at a rate in excess of the state's average by 5 percentage points or because of the loss of its ad valorem base.

(4) For existing programs, the modified evaluation criteria and scoring procedure must be delivered to the department for distribution to the REDI agencies and organizations. The REDI agencies and organizations shall review and make comments. Future rules, programs, evaluation criteria, and scoring processes must be brought before a REDI meeting for review, discussion, and recommendation to allow rural counties fuller access to the state's resources.

Section 6. Section 288.06561, Florida Statutes, is amended to read:

288.06561 Reduction or waiver of financial match requirements.—Notwithstanding any other law, the member agencies and organizations of the Rural Economic Development Initiative (REDI), as defined in <u>s. 288.0656(7)(a)</u> <u>s. 288.0656(6)(a)</u>, shall review the financial match requirements for projects in rural areas as defined in s. 288.0656(3) <u>s. 288.0656(2)</u>.

- (1) Each agency and organization shall develop a proposal to waive or reduce the match requirement for rural areas.
- (2) Agencies and organizations shall ensure that all proposals are submitted to the department for review by the REDI agencies.
- (3) These proposals shall be delivered to the department for distribution to the REDI agencies and organizations. A

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378	meeting of REDI agencies and organizations must be called within	
379	30 days after receipt of such proposals for REDI comment and	
380	recommendations on each proposal.	
381	(4) Waivers and reductions must be requested by the county	
382	or community, and such county or community must have three or	
383	more of the factors identified in $s. 288.0656(3)(c)$ s.	
384	288.0656(2)(c) .	
385	(5) Any other funds available to the project may be used	
386	for financial match of federal programs when there is fiscal	
387	hardship, and the match requirements may not be waived or	
388	reduced.	
389	(6) When match requirements are not reduced or eliminated,	
390	donations of land, though usually not recognized as an in-kind	
391	match, may be permitted.	
392	(7) To the fullest extent possible, agencies and	
393	organizations shall expedite the rule adoption and amendment	
394	process if necessary to incorporate the reduction in match by	
395	rural areas in fiscal distress.	
396	(8) REDI shall include in its annual report an evaluation	
397	on the status of changes to rules, number of awards made with	
398	waivers, and recommendations for future changes.	
399	Section 7. Paragraph (d) of subsection (6) of section	
400	290.0055, Florida Statutes, is amended to read:	
401	290.0055 Local nominating procedure	
402	(6)	
403	(d)1. The governing body of a jurisdiction which has	
404	nominated an application for an enterprise zone that is at least	
405	15 square miles and less than 20 square miles and includes a	
406	portion of the state designated as a rural area of opportunity	

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under $\underline{s.~288.0656(8)}$ $\underline{s.~288.0656(7)}$ may apply to the department to expand the boundary of the existing enterprise zone by not more than 3 square miles.

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- 2. The governing body of a jurisdiction which has nominated an application for an enterprise zone that is at least 20 square miles and includes a portion of the state designated as a rural area of opportunity under $\underline{s.\ 288.0656(8)}\ \underline{s.\ 288.0656(7)}\ may$ apply to the department to expand the boundary of the existing enterprise zone by not more than 5 square miles.
- 3. An application to expand the boundary of an enterprise zone under this paragraph must be submitted by December 31, 2013.
- 4. Notwithstanding the area limitations specified in subsection (4), the department may approve the request for a boundary amendment if the area continues to satisfy the remaining requirements of this section.
- 5. The department shall establish the initial effective date of an enterprise zone designated under this paragraph.

Section 8. Section 290.06561, Florida Statutes, is amended to read:

290.06561 Designation of rural enterprise zone as catalyst site.—Notwithstanding s. 290.0065(1), the Department of Economic Opportunity, upon request of the host county, shall designate as a rural enterprise zone any catalyst site as defined in s. $\underline{288.0656(3)} \text{ (b)} \quad \underline{\text{s. 288.0656(2)}} \text{ (b)} \quad \text{that was approved before}$ January 1, 2010, and that is not located in an existing rural enterprise zone. The request from the host county must include the legal description of the catalyst site and the name and contact information for the county development authority

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26-00117-18 responsible for managing the catalyst site. The designation shall provide businesses locating within the catalyst site the same eliqibility for economic incentives and other benefits of a rural enterprise zone designated under s. 290.0065. The reporting criteria for a catalyst site designated as a rural enterprise zone under this section are the same as for other rural enterprise zones. Host county development authorities may enter into memoranda of agreement, as necessary, to coordinate their efforts to implement this section. Section 9. Paragraph (h) of subsection (1) of section 337.403, Florida Statutes, is amended to read:

337.403 Interference caused by utility; expenses.-

- (1) If a utility that is placed upon, under, over, or within the right-of-way limits of any public road or publicly owned rail corridor is found by the authority to be unreasonably interfering in any way with the convenient, safe, or continuous use, or the maintenance, improvement, extension, or expansion, of such public road or publicly owned rail corridor, the utility owner shall, upon 30 days' written notice to the utility or its agent by the authority, initiate the work necessary to alleviate the interference at its own expense except as provided in paragraphs (a)-(j). The work must be completed within such reasonable time as stated in the notice or such time as agreed to by the authority and the utility owner.
- (h) If a municipally owned utility or county-owned utility is located in a rural area of opportunity, as defined in \underline{s} . $\underline{288.0656(3)}$ \underline{s} . $\underline{288.0656(2)}$, and the department determines that the utility is unable, and will not be able within the next 10 years, to pay for the cost of utility work necessitated by a

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department project on the State Highway System, the department may pay, in whole or in part, the cost of such utility work performed by the department or its contractor.

Section 10. Subsection (7) of section 339.2818, Florida Statutes, is amended to read:

339.2818 Small County Outreach Program.-

(7) Subject to a specific appropriation in addition to funds annually appropriated for projects under this section, a municipality within a rural area of opportunity or a rural area of opportunity community designated under $\underline{s.\ 288.0656(8)(a)}\ \underline{s.\ 288.0656(7)(a)}$ may compete for the additional project funding using the criteria listed in subsection (4) at up to 100 percent of project costs, excluding capacity improvement projects.

Section 11. Paragraph (c) of subsection (4) of section 339.2819, Florida Statutes, is amended to read:

339.2819 Transportation Regional Incentive Program.-

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- (c) The department shall give priority to projects that:
- 1. Provide connectivity to the Strategic Intermodal System developed under s. 339.64.
- 2. Support economic development and the movement of goods in rural areas of opportunity designated under $\underline{s.\ 288.0656(8)}$ $\underline{s.\ 288.0656(7)}$.
- 3. Are subject to a local ordinance that establishes corridor management techniques, including access management strategies, right-of-way acquisition and protection measures, appropriate land use strategies, zoning, and setback requirements for adjacent land uses.
 - 4. Improve connectivity between military installations and

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494	the Strategic Highway Network or the Strategic Rail Corridor		
495	Network.		
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497	The department shall also consider the extent to which local		
498	matching funds are available to be committed to the project.		
499	Section 12. Paragraph (b) of subsection (5) of section		
500	339.63, Florida Statutes, is amended to read:		
501	339.63 System facilities designated; additions and		
502	deletions		
503	(5)		
504	(b) A facility designated part of the Strategic Intermodal		
505	System pursuant to paragraph (a) that is within the jurisdiction		
506	of a local government that maintains a transportation		
507	concurrency system shall receive a waiver of transportation		
508	concurrency requirements applicable to Strategic Intermodal		
509	System facilities in order to accommodate any development at the		
510	facility which occurs pursuant to a building permit issued on or		
511	before December 31, 2017, but only if such facility is located:		
512	1. Within an area designated pursuant to $\underline{\text{s. 288.0656(8)}}$ $\underline{\text{s.}}$		
513	288.0656(7) as a rural area of opportunity;		
514	2. Within a rural enterprise zone as defined in s.		
515	290.004(5); or		
516	3. Within 15 miles of the boundary of a rural area of		
517	opportunity or a rural enterprise zone.		
518	Section 13. Subsection (16) of section 479.16, Florida		
519	Statutes, is amended to read:		
520	479.16 Signs for which permits are not required.—The		
521	following signs are exempt from the requirement that a permit		
522	for a sign be obtained under this chapter but are required to		

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26-00117-18 2018170 523 comply with s. 479.11(4)-(8), and subsections (15)-(20) may not 524 be implemented or continued if the Federal Government notifies 525 the department that implementation or continuation will 526 adversely affect the allocation of federal funds to the 527 department: 528 (16) Signs placed by a local tourist-oriented business 529 located within a rural area of opportunity as defined in s. 530 288.0656(3) s. 288.0656(2) which are: 531 (a) Not more than 8 square feet in size or more than 4 feet 532 in height; 533 (b) Located only in rural areas on a facility that does not meet the definition of a limited access facility, as defined in 534 s. 334.03; 535 536 (c) Located within 2 miles of the business location and at 537 least 500 feet apart; 538 (d) Located only in two directions leading to the business; 539 and 540 (e) Not located within the road right-of-way. 541 542 A business placing such signs must be at least 4 miles from any 543 other business using this exemption and may not participate in any other directional signage program by the department. 544 545

receipt of the notice. If the sign is not removed within 30 days $\label{eq:page 19 of 20} \text{Page 19 of 20}$

If the exemptions in subsections (15)-(20) are not implemented

that the allocation of federal funds to the department will be

adversely impacted, the department shall provide notice to the

sign owner that the sign must be removed within 30 days after

or continued due to notification from the Federal Government

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552	after receipt of the notice by the sign owner, the department			
553	may remove the sign, and the costs incurred in connection with			
554	the sign removal shall be assessed against and collected from			
555	the sign owner.			
556	Section 14. Paragraph (d) of subsection (14) of section			
557	627.6699, Florida Statutes, is amended to read:			
558	627.6699 Employee Health Care Access Act			
559	(14) SMALL EMPLOYERS ACCESS PROGRAM			
560	(d) Eligibility			
561	1. Any small employer that is actively engaged in business,			
562	has its principal place of business in this state, employs up to			
563	25 eligible employees on business days during the preceding			
564	calendar year, employs at least 2 employees on the first day of			
565	the plan year, and has had no prior coverage for the last 6			
566	months may participate.			
567	2. Any municipality, county, school district, or hospital			
568	employer located in a rural community as defined in $\underline{\mathbf{s.}}$			
569	<u>288.0656(3)</u> s. 288.0656(2) may participate.			
570	3. Nursing home employers may participate.			
571	4. Each dependent of a person eligible for coverage is also			
572	eligible to participate.			
573				
574	Any employer participating in the program must do so until the			
575	end of the term for which the carrier providing the coverage is			
576	obligated to provide such coverage to the program. Coverage for			
577	a small employer group that ceases to meet the eligibility			
578	requirements of this section may be terminated at the end of the			
579	policy period for which the necessary premiums have been paid.			
580	Section 15. This act shall take effect upon becoming a law.			

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The Florida Senate

Committee Agenda Request

То:	Senator Bill Montford, Chair Committee on Commerce and Tourism			
Subject:	Committee Agenda Request			
Date:	October 12, 2017			
respectfully request that Senate Bill #170 , relating to Rural Economic Development Initiative, be placed on the:				
	committee agenda at your earliest possible convenience.			
\boxtimes	next committee agenda.			
	Denixe Jurisley			
	Senator Denise Grimsley			

Florida Senate, District 26

cc: Todd McKay, Staff Director Gabriela Denton, Administrative Assistant

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional	Staff conducting the meeting)
Meeting Date	
Topic Rural Economic No. 101	Bill Number (if applicable)
Topic <u>Rural Economic Development</u> Name <u>Sim Spratt</u>	Amendment Barcode (if applicable)
Job Title	_
Address Po Box 100 11	Phone 850 - 228-1296
Address PO BOX 10011 Street TACCAITASSEE FC 32302 City State	
Speaking: For Against Justine Company	Email Jim emagnolia Strates ies lle com
Avaive of	peaking: In Support Against ir will read this information into the record.)
Representing Associated Industries of	FURIDA
Appearing at request of Chair: Yes No Lobbyist register	ered with Legislature: Yes No
While it is a Senate tradition to encourage public testimony, time may not permit all presents. Those who do speak may be asked to limit their remarks so that as many part of the public record for this result.	/
This form is part of the public record for this meeting.	persons as possible can be heard.
	S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD (Deliver BOTH copies of this form to the Senator or Senate Professional Staff control

Meeting Date	nate Professional Staff conducting the meeting)	170
Mooting Date		Bill Number (if applicable)
Topic Rural Economic Developme	ent Mirafive Amenda	nent Barcode (if applicable)
Name Ellen N. Anderson		(A approadicy
Job Title Gort. Relations Director		
Address 166 E College Ave Suite 6	50 Phone \$50	38.7969
Tallahasseo El	3)301 Email ellen_	anderson@
Speaking: For Against Information	Waive Speaking: In Support (The Chair will read this information)	oort Against ion into the record.)
Representing Community Hoald	Systems	
Appearing at request of Chair: Yes No Lob	bbyist registered with Legislatur	e: Yes No
While it is a Senate tradition to encourage public testimony, time may neeting. Those who do speak may be asked to limit their remarks so	not permit all persons wishing to spe that as many persons as possible ca	ak to be heard at this n be heard.
This form is part of the public record for this meeting.	·	S-001 (10/14/14)

CourtSmart Tag Report

Room: EL 110 Case No.: Type:

Caption: Senate Commerce Committee Judge:

Started: 11/6/2017 4:02:20 PM

Ends: 11/6/2017 4:13:35 PM Length: 00:11:16

4:02:19 PM Meeting called to order

4:02:24 PM Roll Call **4:02:29 PM** Pledge to Flag

4:03:06 PM Opening Comments

4:03:25 PM Tab 2 by Senator Garcia - SB 76, Small Business Saturday Sales Tax Holiday

4:03:44 PM Senator Garcia explaining SB 76

4:04:21 PM Senator Montford

4:04:26 PMSenator Young asking question4:04:39 PMSenator Garcia responding4:05:10 PMSenator Garcia responding

4:05:11 PM Senator Young with follow up

4:05:22 PM Senator Garcia responding to question

4:05:33 PM Senator Gainer with a question
4:06:01 PM Senator Garcia responding
4:06:08 PM Senator Gainer with follow up
4:06:16 PM Senator Garcia responding

4:06:38 PM Senator Gainer with follow up question

4:06:53 PM Senator Garcia with response Senator Gainer with follow up Senator Garcia responding Senator Garcia closes on bill Senator Garcia waives close

4:08:07 PM Roll call on SB 76 **4:08:13 PM** SB 76 passes favorably

4:08:24 PM Tab 1 on SB 56 by Senator Book, Tax Exemption for Diapers and Incontinence Products

4:08:49 PM Senator Book presenting bill

4:09:59 PM question and debate

4:10:21 PM Senator Book waives closes **4:10:28 PM** Senator Book waives closes

4:10:30 PM Roll call on SB 56 **4:10:38 PM** SB 56 passes favorably

4:10:49 PM Tab 3 SB 170 by Senator Grimaley, Rural Economic Development Initiative

4:11:15 PM Senator Grimsley presenting bill

4:12:18 PM No questions **4:12:41 PM** No question

4:12:45 PM Senator Grimsley waives close

4:12:52 PM Roll call on SB 170 **4:12:58 PM** SB 170 passes favorably

4:13:14 PM Senator Hutson moves to adjourn

4:13:23 PM Meeting adjourned