

THE FLORIDA SENATE
2011 SUMMARY OF LEGISLATION PASSED
Committee on Community Affairs

CS/CS/HB 287 — Economic Development

by Economic Affairs Committee; Finance and Tax Committee; and Rep. Eisnaugle (CS/SB 506 by Community Affairs Committee and Senator Bogdanoff)

Article VII, section 3(c) of the Florida Constitution, allows counties and municipalities to grant economic development ad valorem tax exemptions to new businesses and expansions of existing businesses as defined by general law. Under current law, the economic development exemption may only be granted through a county or municipal ordinance that is previously approved by the electors of the participating county or municipality.

This bill provides greater flexibility for counties and municipalities and may promote job creation by revising the definitions of “new business” and “expansion of an existing business” to include qualifying organizations and by requiring eligible businesses and organizations to pay a wage above the average wage of the locality.

The bill expands eligibility for the economic development exemption to include target industry businesses and allows the board of county commissioners of a charter county to hold a referendum to grant such exemption upon receiving a petition in a charter county signed by the requisite number of electors prescribed in the county charter, including charters that require the signatures of less than 10 percent of the electors.

The current ballot language required in a referendum that determines whether an entity may grant an economic development exemption is modified to address whether the new or existing business is expected to create new, full-time jobs in a county or municipality and additional criteria is provided for counties and municipalities to consider when reviewing applications for such exemption.

The bill also allows local governments to enter into a written agreement with an applicant applying for an economic development exemption which may include performance criteria consistent with applicable laws and must require the applicant to report the actual number of new, full-time jobs created and their actual average wage.

The provisions in this bill only apply to exemptions from ad valorem taxation granted pursuant to referenda held on or after July 1, 2011, under s. 196.1995(1), F.S.

If approved by the Governor, these provisions take effect July 1, 2011.

Vote: Senate 37-0; House 116-0