

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 2168

SPONSOR: Commerce and Economic Opportunities Committee and Senator Latvala

SUBJECT: Brownfield Redevelopment

DATE: February 21, 2002 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Bimholz	Maclure	CM	Favorable/CS
2.	_____	_____	CA	_____
3.	_____	_____	AGG	_____
4.	_____	_____	AP	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This committee substitute increases the number of businesses potentially eligible for brownfield redevelopment bonus refunds by amending certain wage requirement thresholds; strikes certain provisions related to local financial support under the Qualified Target Industry Tax Refund Program; and provides that certain unencumbered, undisbursed funds be used for grants to fund expenses relating to the assessment and remediation of certain brownfield sites.

This committee substitute substantially amends the following sections of the Florida Statutes: 288.106, 288.107, and 376.80.

II. Present Situation:

Brownfields Redevelopment Program¹

Brownfield sites are abandoned, idled, or underused industrial and commercial properties where expansion or redevelopment is complicated by actual or perceived environmental contamination. In 1997, the Legislature created the Brownfields Redevelopment Program (program), a voluntary program through which the cleanup of brownfield sites is initiated by landowners and developers rather than by government regulators.² While the program provides various financial and

¹ Information in this subsection of this staff analysis is drawn from and based on the following report by the Office of Program Policy Analysis and Government Accountability: *Slow Progress Has Been Made in Cleaning Up and Redeveloping Contaminated Brownfield Sites*, Report No. 02-08, February 2002.

² See ch. 97-277, L.O.F.

regulatory incentives and assistance, landowners and developers are responsible for ensuring that the contamination at brownfield sites has been properly remediated.

Under the program, local governments designate parcels to be included in a brownfield area.³ Brownfield sites, within brownfield areas, are defined by the execution of Brownfield Site Rehabilitation Agreements. These agreements are negotiated between a developer and the Department of Environmental Protection (or a local pollution control program that has been delegated responsibility to negotiate these agreements). The agreements specify that site rehabilitation must be conducted in accordance with appropriate cleanup criteria.

At the state level, three entities are involved in carrying out activities related to redeveloping brownfields: the Department of Environmental Protection (DEP or department), the Governor's Office of Tourism, Trade, and Economic Development (OTTED), and Enterprise Florida, Inc. (EFI).⁴

Department of Environmental Protection

DEP is the primary state entity responsible for administration of the program. The department provides information and assistance to various stakeholders regarding the redevelopment of brownfield areas and sites. It also develops site rehabilitation criteria to ensure that contamination is cleaned up in accordance with provisions in approved Brownfield Site Rehabilitation Agreements. The agreements commit responsible parties to meet milestones for completing rehabilitation tasks and to submit technical reports and plans for review by the department.

The DEP Division of State Lands handles all functions related to the acquisition, administration, and disposition of state lands, to which the titles are vested in the Board of Trustees of the Internal Improvement Trust Fund (board). The board is charged with the acquisition, administration, management, control, supervision, conservation, protection, and disposition of all lands owned by, or which may hereafter inure to, the state or any of its agencies, departments, boards, or commissions.⁵ Although the full scope of the problem is unknown at this time, many parcels of these state lands are contaminated with pollutants and hazardous substances. In fiscal

³ Under the Brownfields Redevelopment Act (ss. 376.77-376.85, F.S.), a local government must designate a brownfield area through the passage of a local resolution. (*See* s. 376.80, F.S., which provides for and describes the Brownfields Redevelopment Program administration process.) In determining the areas to be designated, the local government must consider whether the brownfield area warrants economic development and has a reasonable potential for such activities; whether the proposed area to be designated represents a reasonably focused approach and is not overly large in geographic coverage; whether the area has potential to interest the private sector in participating in rehabilitation; and whether the area contains sites or parts of sites suitable for limited recreational open space, cultural, or historical preservation purposes.

⁴ Enterprise Florida, Inc., is a public-private partnership created by the Legislature to serve as the state's principal economic development organization.

⁵ The Board of Trustees of the Internal Improvement Trust Fund is comprised of seven trustees: the Governor, the Secretary of State, the Attorney General, the Comptroller, the State Treasurer, the Commissioner of Education, and the Commissioner of Agriculture.

year 2001-02, the Legislature appropriated \$2 million from the Inland Protection Trust Fund for fixed capital outlay for the “cleanup of state-owned lands.”⁶

Office of Tourism, Trade, and Economic Development

OTTED is responsible for administering certain brownfield incentives, including the brownfield redevelopment bonus refunds (s. 288.107, F.S.). An eligible business redeveloping a site in a brownfield area may receive a bonus refund (on various state and local taxes) of \$2,500 per job created at the designated site.⁷ In order to be eligible for this bonus refund, a business must have already been approved by OTTED to be eligible to receive tax refunds under the Qualified Target Industry (QTI) Tax Refund Program (s. 288.106, F.S.) or must meet certain criteria such as demonstrating a fixed capital investment of at least \$2 million in mixed-use business activities, paying wages that are at least 80 percent of the average of private sector wages in the county in which the business is located, and creating at least 10 new full-time jobs in the state, excluding construction and site remediation jobs.

The total amount of bonus refunds approved by OTTED in any fiscal year must not exceed the total amount appropriated to the Economic Development Incentives Account for this purpose for the fiscal year.⁸ In the event that the Legislature does not appropriate an amount sufficient to satisfy projections by OTTED for bonus refunds in a fiscal year, OTTED must prorate the refunds.

In fiscal year 2001-2002, the Legislature appropriated \$600,000 from the Economic Development Trust Fund for brownfield redevelopment bonus refunds. As of November 2001, OTTED had approved bonus refunds totaling \$2,588,750, of which \$60,942 had been paid to four firms that reported creating a total of 1,298 jobs.

Enterprise Florida, Inc.

Created in 1992, EFI is a partnership between Florida’s government and business leaders and is the principal economic development organization for the state (s. 288.901, F.S.). EFI’s mission is to increase economic opportunities for all Floridians by supporting the creation of quality jobs and globally competitive businesses. It pursues this mission in cooperation with its statewide network of economic development partners. EFI operates under a contract with OTTED and is

⁶ The Inland Protection Trust Fund is intended to serve as a repository for funds that will enable the Department of Environmental Protection to respond to incidents of inland contamination related to the storage of petroleum and petroleum products (s. 376.3071, F.S.).

⁷ These taxes include corporate income, sales, ad valorem, intangible personal property, insurance premium, and certain other taxes. An eligible business must have tax receipts totaling the amount of the bonus refund during a given year. Bonus refunds are paid from state funds appropriated by the Legislature.

⁸ Section 288.095, F.S., creates the Economic Development Trust Fund within the Office of Tourism, Trade, and Economic Development and establishes the Economic Development Incentives Account (account) within the trust fund. The account consists of moneys appropriated to the account for purposes of the Qualified Defense Contractor (QDC) Tax Refund Program (s. 288.1045, F.S.), the Qualified Target Industry (QTI) Tax Refund Program (s. 288.106, F.S.), brownfield redevelopment bonus refunds (s. 288.107, F.S.), and the local financial support provided under the QDC and QTI programs. Moneys in the account are subject to the certification and reversion provisions of s. 216.301(1)(a), F.S.

responsible for developing specific programs and strategies that address creation, expansion, and retention of Florida business; the development of import and export trade; and recruitment of worldwide business. EFI is also responsible for advertising and marketing the Brownfields Redevelopment Program.

Office of Program Policy Analysis and Government Accountability's Findings and Recommendations Regarding the Brownfields Redevelopment Program

Although the program has existed since 1997, relatively little progress has been made in cleaning up brownfield areas. To date, 45 brownfield areas have been designated, but redevelopment agreements have been signed for only 14 sites within these areas, and only two sites have been completely cleaned up and redeveloped. According to the Office of Program Policy Analysis and Government Accountability (OPPAGA), there are several impediments to brownfields redevelopment, including lack of information on what contamination exists on the brownfield sites, a brownfields marketing plan that has only been partially implemented, weak intergovernmental coordination among the various entities with program responsibilities, and insufficient incentives to attract participation in the program. With regard to the lack of incentives, OPPAGA states: "To encourage the private sector to redevelop more brownfield sites, the Legislature may want to consider reducing restrictions on job creation requirements so that firms employing fewer than 10 people or paying less than 80% of the average county wage could qualify for brownfield incentives."⁹

U.S. Environmental Protection Agency Brownfields Assessment Demonstration Pilots

The United States Environmental Protection Agency (EPA) funds assessment demonstration pilot programs (each funded up to \$200,000 over two years) to assess brownfields sites and to test cleanup and redevelopment models. These pilot programs are intended to provide the EPA, states, tribes, municipalities, and communities with useful information and strategies as they continue to seek new methods to promote a unified approach to site assessment, environmental cleanup, and redevelopment.¹⁰ Prior to July 1, 1997, the following Florida communities had received EPA designations as national or regional Brownfields Assessment and Demonstration Pilots: Clearwater, Gainesville, Jacksonville, Miami, Miami-Dade County, St. Petersburg, and Tallahassee.¹¹

Quick Response Training Program

The Quick Response Training Program (program) provides grant funding for customized training for new or expanding businesses (s. 288.047, F.S.). The program's goal is to effectively retain

⁹ Office of Program Policy Analysis and Government Accountability, *supra* note 1, at 8.

¹⁰ See United States Environmental Protection Agency, *Brownfields Pilots and Demonstrations*, at <http://www.epa.gov/brownfields/pilot.htm>, January 30, 2002 (last visited February 20, 2002).

¹¹ Florida Department of Environmental Protection, *Florida Brownfields Redevelopment Act, 1998 Annual Report*, pp. 3, 9.

and attract businesses that are creating new, high-quality jobs.¹² The program is administered by Workforce Florida, Inc., in conjunction with Enterprise Florida, Inc., and the Department of Education.

For the first six months of each fiscal year, Workforce Florida, Inc., must set aside 30 percent of the amount appropriated for the program to fund instructional programs for businesses located in an enterprise zone or a brownfield area (s. 288.047(4), F.S.). Any unencumbered funds remaining undisbursed from this set-aside at the end of the six-month period may be used to provide funding for any program qualifying for funding under s. 288.047, F.S.

In fiscal year 2001-2002, the Legislature appropriated \$6 million from the General Revenue Fund for quick response training. Since 1993, the program has provided customized training for more than 45,000 employees working for more than 200 businesses and industries throughout the state.¹³

Section 216.301, Florida Statutes – Appropriations and Undisbursed Balances

Section 216.301, F.S., provides for certification or reversion of undisbursed appropriation balances. More specifically:

- Section 216.301(1)(a), F.S., provides that any balance of any appropriation, except an appropriation for fixed capital outlay (FCO), which is not disbursed but which is expended or contracted to be expended must, at the end of each fiscal year, be certified by the head of a state agency or the judicial or legislative branches, on or before August 1 of each year, to the Governor. On or before September 1 of each year, the Governor must review and approve or disapprove such certified amounts and must provide the Comptroller, the legislative appropriations committees, and the Auditor General a list of the items and amounts approved as legal encumbrances. Any such encumbered balance remaining undisbursed on December 31 of the same calendar year in which such certification was made shall revert to the fund from which appropriated and shall be available for reappropriation by the Legislature.
- Section 216.301(1)(b), F.S., provides that any balance of any appropriation, except an appropriation for FCO, for any given fiscal year remaining after charging against it any lawful expenditure shall revert to the fund from which appropriated and shall be available for reappropriation by the Legislature.
- Section 216.301(2)(a), F.S., provides that any balance of any appropriation for FCO not disbursed but expended or contracted or committed to be expended shall, at the end of each fiscal year, be certified by the head of a state agency or the judicial or legislative branches, on or before August 1 of each year, to the Governor. On or before September 1 of each year, the Governor must review and approve or disapprove such certified

¹² See Workforce Florida, Inc., *Quick Response Training*, at <http://www.wages.org/wages/wfi/employers/qrt.html> (last visited February 20, 2002).

¹³ *Id.*

amounts and must provide the Comptroller, the legislative appropriations committees, and the Auditor General a list of the items and amounts approved as legal encumbrances.

- Section 216.301(2)(b), F.S., provides that any balance under subsection (2)(a) not so certified shall revert to the fund from which appropriated and shall be available for reappropriation.
- Section 216.301(3), F.S., provides that, notwithstanding the provisions of subsection (2), the unexpended balance of any appropriation for FCO subject to but not under the terms of a binding contract or a general construction contract prior to February 1 of the second fiscal year of the appropriation shall revert on February 1 of such year to the fund from which appropriated and shall be available for reappropriation.

Section 23 of Chapter 2000-317, Laws of Florida

During the 2000 Regular Session, the Legislature enacted ch. 2000-317, L.O.F., relating to state regulation of lands. Section 23 of that law provided for a non-recurring reallocation of funds to brownfield projects, similar to a provision in this committee substitute. Section 23 stated:

In fiscal year 2000-2001, any unencumbered funds remaining undisbursed on June 30, 2001, from the Quick-Response Training Program, Brownfield Redevelopment Bonus Refunds, and funds appropriated in the General Appropriations Act for cleanup of state-owned lands, shall be used for grants to fund assessment and remediation at brownfield sites or areas designated pursuant to section 376.80, Florida Statutes [sic], prior to April 1, 2000, that are United States Environmental Protection Agency brownfield pilot projects designated prior to July 1, 1997, at which site assessment has been initiated as of April 1, 2000. Grants shall be distributed to eligible pilot projects under this part on a pro-rata basis in an amount not to exceed \$500,000 per pilot project.

However, on June 30, 2001, neither DEP (funds appropriated in the General Appropriations Act for cleanup of state-owned lands) nor Workforce Florida, Inc., (funds from the Quick-Response Training Program) had any such unencumbered, undisbursed funds. Although OTTED did have some unencumbered, undisbursed moneys from the brownfield redevelopment bonus refunds, OTTED staff report that they had problems implementing the provisions in s. 23 of ch. 2000-317, L.O.F., due to the timing of the grant awards in relation to the timing of executing grant agreements.¹⁴ Although OTTED did not know until very close to June 30, 2001, how much unencumbered, undisbursed funds would be available from the brownfield redevelopment bonus refunds, it still had to execute grant agreements based on those funds in order to avoid reversion. Moreover, the grant agreements had to be implemented by mid-December in order for OTTED to have enough time to make grant payments before the funds reverted on December 31.

¹⁴ Interview of Office of Tourism, Trade, and Economic Development staff by staff of the Senate Committee on Commerce and Economic Opportunities, February 20, 2002.

Qualified Target Industry (QTI) Tax Refund Program

The Qualified Target Industry (QTI) Tax Refund Program is one of the state’s economic development incentives (s. 288.106, F.S.). Under the program, eligible businesses may receive refunds of previously paid taxes, based upon the creation of jobs at a certain salary level. The following are the results of the QTI program for all active projects through June 30, 2001.¹⁵

Number of Projects	Direct Jobs Created	Average Annual Wage Per Direct Job	Indirect Jobs	Capital Investment	Certified Incentive
229	54,332	\$36,914	61,163	\$5.2 billion	\$209.2 million

An application for certification as a QTI business must include a resolution adopted by the governing board of the county or municipality in which the business will be located, which recommends that certain types of businesses be approved as a QTI business and states that the commitments of local financial support necessary for the QTI business exist (s. 288.106(3)(a)9., F.S.).^{16, 17} Section 288.106(1)(j), F.S., defines the term “local financial support” to mean funding from local sources, public or private, which is paid to the Economic Development Trust Fund and which is equal to 20 percent of the annual tax refund for a QTI business.¹⁸ If the commitments of local financial support represent less than 20 percent of the eligible tax refund payments, OTTED may approve a QTI business to receive tax refund payments of less than the allowable amounts under the QTI program (s. 288.106(3)(f), F.S.).

After approving a QTI business’s application, OTTED shall, if appropriate, enter into a written agreement with the business (s. 288.106(3)(e)2., F.S.). Among other elements, the agreement must specify that local financial support will be annually available and will be paid to the Economic Development Incentives Account (account) within the Economic Development Trust Fund (s. 288.106(4)(a)5., F.S.). OTTED may not enter into a written agreement with a QTI business if the local financial support resolution is not passed by the local governing authority within 90 days after approval of the business’s QTI application. Within 120 days after OTTED’s

¹⁵ See Office of Tourism, Trade, and Economic Development, *2001 Programs Funded From the Economic Development Trust Incentives Account*, p. 24.

¹⁶ In advance of the passage of such resolution, OTTED may also accept an official letter from an authorized local economic development agency that endorses the proposed target industry project and pledges that sources of local financial support for such project exist. For the purposes of making pledges of local financial support under this subsection, the authorized local economic development agency shall be officially designated by the passage of a one-time resolution by the local governing authority. (See s. 288.106(3)(a)9., F.S.)

¹⁷ A QTI program applicant may exercise an exemption from the local financial support requirement if the applicant’s project is located in a county with a population of 75,000 or fewer or a county with a population of 100,000 or fewer which is contiguous to a county with a population of 75,000 or fewer (s. 288.106(1)(k), F.S.). However, any applicant that exercises this option is not eligible for more than 80 percent of the total tax refunds allowed such applicant under the QTI program.

¹⁸ A qualified target industry business may not provide, directly or indirectly, more than 5 percent of such funding in any fiscal year. The sources of such funding may not include, directly or indirectly, state funds appropriated from the General Revenue Fund or any state trust fund, excluding tax revenues shared with local governments pursuant to law.

approval of a QTI application (but not before passage and receipt of the resolution of local financial support), the QTI business and OTTED must sign a written tax refund agreement (s. 288.106(4)(c), F.S.).

OTTED may not approve a tax refund for a QTI business unless the required local financial support has been paid into the account in that fiscal year (s. 288.106(5)(c), F.S.). If the local financial support provided is less than 20 percent of the approved tax refund, the tax refund must be reduced. In no event may the tax refund exceed an amount that is equal to five times the amount of the local financial support received.

III. Effect of Proposed Changes:

This committee substitute increases the number of businesses potentially eligible for brownfield redevelopment bonus refunds by amending certain wage requirement thresholds; strikes certain provisions related to local financial support under the Qualified Target Industry Tax Refund Program; and provides that certain unencumbered, undisbursed funds be used for grants to fund expenses relating to the assessment and remediation of certain brownfield sites. Following is a section-by-section analysis of this committee substitute.

Section 1 strikes the following provisions related to the Qualified Target Industry (QTI) Tax Refund Program:

- Section 288.106(3)(a)9., F.S., which requires that an application for certification as a QTI business include a local government resolution of local financial support; and
- Section 288.106(4)(a)5., F.S., which requires that a tax refund agreement between a QTI business and the Governor's Office of Tourism, Trade, and Economic Development (OTTED) specify that local financial support will be annually available and will be paid to the Economic Development Incentives Account, and which provides that OTTED may not enter into a written agreement with a QTI business if the local financial support resolution is not passed by the local governing authority within 90 days after approval of the business's QTI application.

The effect of the striking of these two provisions, however, is unclear because several key references to the term "local financial support" would remain in statute, including:

- the definition of "local financial support," which means "funding from local sources...which is equal to 20 percent of the annual tax refund for a qualified target industry business" (s. 288.106(1)(j), F.S.);
- the provision in s. 288.106(4)(c), F.S., that, within 120 days after OTTED's approval of a QTI application (but not before passage and receipt of the resolution of local financial support), the QTI business and OTTED must sign a written tax refund agreement; and
- the provisions in s. 288.106(5)(c), F.S., that: (1) OTTED may not approve a tax refund for a QTI business unless the required local financial support has been paid into the account in that fiscal year; (2) if the local financial support provided is less than 20 percent of the approved tax refund, the tax refund must be reduced; and (3) in no event

may the tax refund exceed an amount that is equal to five times the amount of the local financial support received.

Section 2 increases the number of businesses potentially eligible for brownfield redevelopment bonus refunds by amending s. 288.107(1)(e) and (3)(b), F.S., to reduce the wage requirement threshold for certain bonus refund applicants from 80 percent of the average of all private sector wages in the county in which the applicant is located to 60 percent of that average.

Section 3 creates a new subsection (13) of s. 376.80, F.S., to provide that:

Annually, any unencumbered funds remaining undisbursed on or at the close of the fiscal year on June 30 from the Quick-Response Training Program, from brownfield redevelopment bonus refunds, and from unencumbered, undisbursed funds appropriated in the General Appropriations Act for cleanup of state-owned lands shall be used for grants to fund expenses relating to the assessment and remediation of brownfield sites within areas designated pursuant to this section [s. 376.80, F.S.] for those jurisdictions that have United-States-Environmental-Protection-Agency brownfield pilot projects designated prior to July 1, 1997. Grants shall be distributed to eligible pilot projects under this section on a pro-rata basis in an amount not to exceed \$500,000 per pilot project, provided that there is a total of at least \$100,000 to disburse.

There appear, however, to be several elements of this provision that may need clarification:

- Because funds from the Quick-Response Training Program, brownfield redevelopment bonus refunds, and appropriations for cleanup of state-owned lands are currently subject to reversion, the Legislature may wish to explicitly provide that this new subsection shall be effective, notwithstanding the provisions of, or certain provisions of, s. 216.301, F.S.
- Although this new subsection refers to unencumbered, undisbursed funds on June 30 of the fiscal year, the reversion requirements for the funds in the Quick-Response Training Program and the brownfield redevelopment bonus refunds are different than those for the fixed-capital-outlay appropriations for cleanup of state-owned lands. (*See* s. 216.301(3), F.S.) The Legislature may wish to provide for the difference in these requirements.
- It is unclear which entity (*i.e.*, Workforce Florida, Inc., Enterprise Florida, Inc., or the Department of Education for the Quick-Response Training Program; the Office of Tourism, Trade, and Economic Development for the brownfield redevelopment bonus refunds; or the Department of Environmental Protection for the cleanup of state-owned lands) is intended to administer the new grants program, or if each entity is intended to issue its own grant awards. The Legislature may wish to specify which entity or entities are intended to issue grants under this subsection.
- Given the reversion provisions under s. 216.301, F.S., it is unclear whether the timing of an implementing entity's determination of the amount of relevant unencumbered, undisbursed funds would conflict with the entity's need to execute grant agreements (and, thus, encumber the "new" funds) prior to reversion deadlines. The Legislature may wish

to clarify the timing of the fiscal arrangements necessary for administration of the grant program under this subsection.

- Although this subsection establishes a minimum disbursement threshold of \$100,000, it is unclear whether this threshold applies on a per-grantee or aggregate basis. Additionally, it is unclear whether the disbursement threshold applies to each potential funding “program” (*i.e.*, Quick-Response Training Program, brownfield redevelopment bonus refunds, or funds appropriated in the General Appropriations Act for cleanup of state-owned lands) or to the funds generated by the funding “programs,” combined. If the threshold is intended to apply to the combined funding “programs,” the Legislature may wish clarify the application of the threshold in light of the differing reversion requirements for fixed-capital-outlay and non-fixed-capital-outlay appropriations in s. 216.301, F.S.

Section 4 provides that the committee substitute shall take effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

This committee substitute provides for certain unencumbered, undisbursed brownfield redevelopment bonus refunds and funds from appropriations for cleanup of state-owned lands to be used for grants to fund expenses relating to the assessment and remediation of certain brownfield sites. It appears that the sources of the funds for both these “programs” are trust funds, and, thus, appropriations from these trust funds are subject to reversion to the funds from which they were made (s. 216.301, F.S.). It is unclear whether the use of these funds for grants to fund expenses relating to the assessment and remediation of certain brownfield sites is consistent with the purposes of the affected trust funds or the reversion provisions under s. 216.301, F.S. The Legislature may wish to explicitly provide that this provision in the committee substitute, or portions of this provision, shall be effective, notwithstanding current law.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

Although this committee substitute increases the number of businesses potentially eligible for brownfield redevelopment bonus refunds, s. 288.107(4)(i), F.S., provides that the total amount of bonus refunds approved by the Governor’s Office of Tourism, Trade, and Economic Development (OTTED) in any fiscal year must not exceed the total amount appropriated to the Economic Development Incentives Account for this purpose for the fiscal year.

Although this committee substitute strikes certain provisions related to local financial support under the Qualified Target Industry (QTI) Tax Refund Program, it appears that local financial support would still be required for receipt of a QTI tax refund because the provisions in s. 288.106(1)(j) and (5)(c), F.S., would remain. (*See* the “Effect of Proposed Changes” section of this analysis.)

This committee substitute provides that certain unencumbered, undisbursed funds be used for grants to fund expenses relating to the assessment and remediation of certain brownfield sites. Under s. 216.301, F.S., these moneys would have otherwise reverted to the funds from which they were appropriated.

B. Private Sector Impact:

This committee substitute increases the number of businesses potentially eligible for brownfield redevelopment bonus refunds. To the extent that the broadening of these eligibility requirements induces more businesses to locate in brownfield areas, more brownfield redevelopment could occur.

Although this committee substitute strikes certain provisions related to local financial support under the Qualified Target Industry (QTI) Tax Refund Program, the effect of these amendments on the private sector is unclear.

This committee substitute provides that certain unencumbered, undisbursed funds be used for grants to fund expenses relating to the assessment and remediation of certain brownfield sites. To the extent that there is increased funding for brownfield assessment and remediation, more brownfield redevelopment could occur.

C. Government Sector Impact:

Although this committee substitute strikes certain provisions related to local financial support under the Qualified Target Industry (QTI) Tax Refund Program, the effect of these amendments on state and local government is unclear.

This committee substitute provides that certain unencumbered, undisbursed funds be used for grants to fund expenses relating to the assessment and remediation of certain brownfield sites. The effect of these new grant-administration responsibilities on Workforce Florida, Inc., Enterprise Florida, Inc., the Department of Education, the Office of Tourism, Trade, and Economic Development, and the Department of Environmental Protection is unclear.

VI. Technical Deficiencies:

On page 1, line 2, in the title of this committee substitute, the committee substitute is referred to as an act relating to “brownfield redevelopment.” However, section 1 of this committee substitute strikes certain local-support provisions in current law related to the Qualified Target Industry (QTI) Tax Refund Program. The deletion of these provisions would affect many other types of economic development projects besides brownfield redevelopment. The Legislature may

wish to amend the title of this committee substitute to more closely reflect its broad economic-development effects.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
