

Committee on Commerce and Tourism

CS/CS/HB 7007 — Economic Development

by Economic Affairs Committee; Transportation and Economic Development Appropriations Subcommittee; Economic Development and Tourism Subcommittee; Rep. Trujillo and others (CS/CS/SB 1024 by Appropriations Committee; Community Affairs Committee; and Commerce and Tourism Committee)

The bill addresses a number of activities related to economic development as well as activities under the jurisdiction of the Department of Economic Opportunity (DEO). Specifically, the bill addresses the following:

Economic Development Reporting

- Consolidates reports and reporting dates of DEO, Enterprise Florida, Inc., the Office of Film and Entertainment, and Space Florida.
- Requires the Office of Program Policy Analysis and Government Accountability (OPPAGA) and the Office of Economic and Demographic Research (EDR) to review specified economic development programs on a rotating, 3-year review schedule.
- Effective October 1, 2013, requires DEO to create a website to allow the public to view information relating to economic development projects that receive state incentives.
- Changes the reporting date for the Florida New Markets Tax Credit Program from April 1 to January 31.
- Requires a person or business filing an economic development program application or providing other information to DEO for contract compliance to attest that the information provided is true.

Florida Small Business Development Network

- Links Florida's Small Business Development Center Network to the statewide strategic economic development plan and the statewide goals of the university system.
- Specifies the composition of the network's statewide advisory board and the support services offered by the network.
- Requires the network to match any direct state appropriation.
- Requires the network to establish incentives for the regional centers to create jobs, institute best practices, and serve new areas of the state or underserved areas.
- Requires the network to regularly report on its programs, services, and outcomes, including its economic benefit to the state.

Economic Development Incentives

- Requires DEO to evaluate each application for an economic development program for the economic benefits of the proposed incentive award to the state, using a model developed by EDR.
- Effective April 30, 2014, provides a sales tax exemption for certain industrial machinery and equipment used at a fixed location in this state. This provision sunsets on April 30, 2017.

- Specifies the meaning of the term “brownfield” for purposes of the sales tax exemption for building materials in redevelopment projects and for the brownfield redevelopment bonus refund.
- Allows enterprise zones that are between 15 and 20 square miles and located within rural areas of critical economic concern to increase the zone by 3 square miles, and enterprise zones that are at least 20 square miles and located within rural areas of critical concern to increase the zone by 5 square miles.

Florida Small Cities Community Development Block Grant (CDBG) Loan Guarantee Program

- Revises the Florida Small Cities CDBG Section 108 Loan Guarantee program to reduce the risk to state and local governments.
- Requires DEO to enter into an agreement with an applicant, approved by the U.S. Department of Housing and Urban Development (HUD), that requires the applicant to pledge half the amount necessary to guarantee the loan in the event of default.
- Reduces the maximum amount of an individual loan guarantee commitment from \$7 million to \$5 million; the limit does not apply to loans granted prior to July 1, 2013, so that they may be refinanced.
- Requires DEO to reduce the annual grant award to a local government that defaults on a Section 108 loan to pay the annual debt service on the loan. Any future CDBG program funds the local government receives must be reduced in the amount equal to the state’s grant award used in payment of the debt service on the loan.
- Requires a local government that is the recipient of a Section 108 loan guarantee through the Florida Small Cities CDBG program that is granted entitlement status by HUD prior to paying the loan in full to pledge its CDBG entitlement allocation as a guarantee of its previous loan and request HUD to release DEO as guarantor of the loan.
- Clarifies that the share of the documentary stamp distribution that DEO receives must be used to provide technical assistance to local governments.

Reemployment Assistance

- To comply with federal requirements:
 - Assesses a 15 percent penalty on individuals who fraudulently collect reemployment assistance benefits; funds collected are deposited into the Unemployment Compensation Trust Fund.
 - Reenacts language assessing penalties for the disclosure of confidential information that was inadvertently repealed in 2012 and is required by federal law.
 - Prohibits DEO from relieving an employer of benefit charges if the employer *or its agent* fails to timely *and adequately* respond to a notice of claim *or request for information*.
- Directs that any excess payments previously collected to pay interest on federal advances be applied to federal interest payments due before any additional assessments on employers are made. The bill prohibits the collection of assessments if the amount on deposit is at least 80 percent of the estimated amount of interest due on federal advances. The provisions related to interest assessments will sunset on July 1, 2014.

- Provides specific examples of misconduct for which an individual may be disqualified for benefits.
- Adds failure without good cause to maintain a license, registration, or certification, required by law, as an additional ground for which an individual may be disqualified from obtaining benefits.
- Prohibits a claimant from including the same employer at the same location for three consecutive weeks in his or her work search efforts unless the employer has indicated that it is hiring after the initial contact by the claimant.
- Exempts a claimant who is participating in reemployment assistance services, such as Reemployment and Eligibility Assessments, from work search requirements.
- Extends the deployment date of the Reemployment Assistance Claims and Benefits Information System to June 30, 2014 (end of FY 2013-2014).
- Clarifies that an individual must complete DEO's online work registration to be eligible for benefits.
- Expands the current exemption for the initial skills review such that individuals unable to complete the online work registration or initial skills review due to illiteracy, physical or mental impairment, a legal prohibition from using a computer, or a language impediment are exempt from the online work registration and initial skills review.
- Effective January 1, 2014, an appeals referee appointed by DEO must be an attorney in good standing with the Florida Bar; however, those referees appointed prior to January 1, 2014, are exempt from this requirement.

Gulf Coast Economic Corridor Act

- Creates the Gulf Coast Economic Corridor Act.
- Creates Triumph Gulf Coast, Inc., a nonprofit corporation administratively housed within DEO, to administer and invest the Recovery Fund.
- Creates the Recovery Fund for the benefit of the eight disproportionately affected counties, to be funded by 75 percent of all funds recovered by the Attorney General for economic damages to the state as a result from the Deepwater Horizon oil spill.
- Defines "disproportionately affected counties" as Bay, Escambia, Franklin, Gulf, Okaloosa, Santa Rosa, Walton, and Wakulla Counties.
- Specifies the composition of the Board of Directors of Triumph Gulf Coast, Inc., and its duties; board members are subject to state ethics laws.
- Requires annual audits and reports by Triumph Gulf Coast, Inc., and subjects the corporation to public record and public meetings laws.
- Directs Triumph Gulf Coast, Inc., to make awards to projects and programs in the eight disproportionately affected counties that meet certain criteria and priorities.
- Requires a financial and operational audit of funds related to the Deepwater Horizon oil spill.
 - The financial audit will be included as part of the scope a local government's annual audit. The operational audit will be done by the Auditor General every 2 years.
 - For audits of any funds received under 33 U.S.C. s. 1321(t), the audits must be done in accordance with the federal rules adopted by the Secretary of the Treasury.

If approved by the Governor, these provisions take effect upon becoming law except as otherwise expressly provided in the bill.

Vote: Senate 37-3; House 68-48