

By Senator Latvala

19-1077-98

1 A bill to be entitled
2 An act relating to certified capital companies;
3 providing a short title; providing a purpose;
4 providing definitions; providing for a credit
5 against the insurance premium tax; providing
6 for certification of certified capital
7 companies; providing grounds for denial or
8 revocation; requiring an application fee;
9 requiring an annual certification fee;
10 providing procedures; providing guidelines for
11 making investments; providing for a premium tax
12 credit; providing limitations; providing for
13 allocation of credits; providing for an annual
14 tax credit; authorizing the Department of
15 Revenue to audit records of certified capital
16 companies; providing for distributions from
17 certified capital companies; providing for
18 decertification; providing procedures;
19 providing for transferability of unused premium
20 tax credit; providing for reports to the
21 Governor and Legislature; authorizing the
22 Department of Banking and Finance to adopt
23 rules; amending s. 14.2015, F.S.; authorizing
24 the Office of Tourism, Trade, and Economic
25 Development to administer certain provisions of
26 the "Certified Capital Company Act;" providing
27 appropriations; providing an effective date.
28
29 Be It Enacted by the Legislature of the State of Florida:
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31

1 Section 1. (1) SHORT TITLE.--Section 1 of this act
2 may be cited as the "Certified Capital Company Act."

3 (2) PURPOSE.--The primary purpose of this act is to
4 provide an incentive for insurance companies to invest in
5 certified capital companies, which investment will provide
6 assistance in the formation of new businesses and the
7 expansion of existing businesses, creating jobs in this state.

8 (3) DEFINITIONS.--As used in this act, the term:

9 (a) "Affiliate of an insurance company" means:

10 1. Any person directly or indirectly beneficially
11 owning, whether through rights, options, convertible
12 interests, or otherwise, controlling, or holding power to vote
13 10 percent or more of the outstanding voting securities or
14 other ownership interests of the insurance company;

15 2. Any person 10 percent or more of whose outstanding
16 voting securities or other ownership interest are directly or
17 indirectly beneficially owned, whether through rights,
18 options, convertible interests or otherwise, controlled, or
19 held with power to vote by the insurance company;

20 3. Any person directly or indirectly controlling,
21 controlled by, or under common control with the insurance
22 company;

23 4. A partnership in which the insurance company is a
24 general partner; or

25 5. Any person who is an officer, director, employee,
26 or agent of the insurance company or an immediate family
27 member of such officer, director, employee, or agent.

28 (b) "Certification date" means the date on which a
29 certified capital company is designated as such by the
30 department.

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1 (c) "Certified capital" means an investment of cash by
2 a certified investor in a certified capital company which
3 investment fully funds the purchase price of either or both
4 its equity interest in the certified capital company or a
5 qualified debt instrument issued by the certified capital
6 company.

7 (d) "Certified capital company" means a partnership,
8 corporation, trust, or limited liability company, whether
9 organized on a profit or a not-for-profit basis, that has as
10 its primary business activity the investment of cash in
11 qualified businesses and that is certified by the department
12 as meeting the criteria of section 1 of this act. Shares of
13 equity interest or qualified debt instruments issued by
14 certified capital companies must be issued to certified
15 investors in a number of separate investment series.

16 (e) "Certified investor" means any insurance company
17 that contributes certified capital or becomes legally bound
18 and irrevocably committed to contribute certified capital
19 pursuant to a premium tax credit allocation claim filed on its
20 behalf.

21 (f) "Department" means the Department of Banking and
22 Finance.

23 (g) "Director" means the director of the Office of
24 Tourism, Trade, and Economic Development.

25 (h) "Investment series" means a distinct fund
26 established by a certified capital company which is open to
27 receive investments of certified capital for a period of time
28 not to exceed one calendar year.

29 (i) "Office" means the Office of Tourism, Trade, and
30 Economic Development.

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1 (j) "Person" means any natural person or entity,
2 including a corporation, general or limited partnership,
3 trust, or limited liability company.

4 (k) "Principal" means an executive officer of a
5 corporation, partner of a partnership, sole proprietor of a
6 sole proprietorship, trustee of a trust, or any other person
7 with similar supervisory functions with respect to any
8 organization, whether incorporated or unincorporated.

9 (l) "Qualified business" means a business that meets
10 all of the following conditions:

11 1. The business is headquartered in this state and its
12 principal business operations are located in this state.

13 2. At the time a certified capital company invests in
14 the business, the business is a small business concern as
15 defined in 13 C.F.R. s. 121.201, "Size Standards Used To
16 Define Small Business Concerns," of the United States Small
17 Business Administration.

18
19 A business predominantly engaged in professional services
20 provided by accountants, lawyers, or physicians does not
21 constitute a qualified business.

22 (m) "Qualified debt instrument" means a debt
23 instrument issued by a certified capital company, at par value
24 or a premium, with an original maturity date of at least 5
25 years after the date of issuance, a repayment schedule that is
26 no faster than a level principal amortization over 5 years,
27 and interest, distribution, or payment features that are not
28 related to the profitability of the certified capital company
29 or the performance of the certified capital company's
30 investment portfolio.

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1 (n) "Qualified distribution" means any distribution or
2 payment to equity holders of a certified capital company
3 listed below:

4 1. Costs and expenses of forming, syndicating,
5 managing, and operating the certified capital company,
6 including an annual management fee in an amount that does not
7 exceed 2.5 percent of the certified capital of the certified
8 capital company, plus reasonable and necessary fees in
9 accordance with industry custom paid for professional
10 services, including, but not limited to, legal and accounting
11 services, related to the formation and operation of the
12 certified capital company.

13 2. Any projected increase in federal or state taxes,
14 including penalties and interest related to state and federal
15 income taxes, of the equity owners of a certified capital
16 company resulting from the earnings or other tax liability of
17 the certified capital company to the extent that the increase
18 is related to the ownership, management, or operation of a
19 certified capital company.

20 (o) "Qualified investment" means the investment of
21 cash by a certified capital company in a qualified business
22 for the purchase of any debt, equity, or hybrid security of
23 any nature and description whatsoever, including a debt
24 instrument or security that has the characteristics of debt
25 but that provides for conversion into equity or equity
26 participation instruments such as options or warrants.

27 (p) "Premium tax liability" means any liability
28 incurred by an insurance company under the provisions of
29 section 624.509, Florida Statutes.

30 (q) "Premium tax credit allocation claim" means a
31 claim for allocation of premium tax credits prepared and

1 executed by a certified investor on a form provided by the
2 department and filed by a certified capital company with the
3 department. The form must include an affidavit of the
4 certified investor pursuant to which such certified investor
5 becomes legally bound and irrevocably committed to make an
6 investment of certified capital in a certified capital company
7 in the amount allocated, even if such amount is less than the
8 amount of the claim, subject only to the receipt of an
9 allocation pursuant to section 8 of this act.

10 (4) CERTIFICATION OF A CERTIFIED CAPITAL COMPANY;
11 GROUND FOR DENIAL OR REVOCATION.--

12 (a) A person may not operate as a certified capital
13 company unless the person is certified by the department under
14 the provisions of section 1 of this act.

15 (b) A person shall file a verified written application
16 with the department in a form that the department may by rule
17 prescribe. The applicant shall submit a nonrefundable
18 application fee of \$7,500 to the department. The application
19 must contain any information the department may require,
20 including:

21 1. The name of the applicant and the address of its
22 principal office and each office in this state.

23 2. The applicant's form and place of organization;
24 and, if the applicant is a corporation, a copy of its articles
25 of incorporation and amendments to the articles of
26 incorporation and bylaws; or, if a partnership, a copy of the
27 partnership agreement.

28 3. Evidence from the Department of State that the
29 applicant is a legal or other commercial entity that is
30 organized or otherwise registered with the Department of State
31 as required by law, maintains an active status with the

1 Department of State, and has not been dissolved, revoked,
2 cancelled, or withdrawn.

3 4. The applicant's proposed method of doing business
4 and financial condition and history, including an audited or
5 reviewed financial statement showing net capital of not less
6 than \$500,000 within 30 days prior to the filing of the
7 application.

8 (c) Certification may be denied or any certification
9 that has been granted may be revoked, restricted, or suspended
10 by the department if the department determines that the
11 applicant or certificateholder, or any officer, director, or
12 affiliated person of the applicant or certificateholder:

13 1. Has violated any provision of this section or any
14 rule or order made under this section.

15 2. Has made a material false statement in the
16 application for certification.

17 3. Has been adjudicated guilty of a fraudulent act in
18 connection with the operation of a certified capital company.

19 4. Has made a misrepresentation or false statement to,
20 or concealed any essential or material fact from, any person
21 with regard to a certified capital company.

22 5. Has been the subject of any decision, finding,
23 injunction, suspension, prohibition, revocation, denial,
24 judgment, or administrative order by any court of competent
25 jurisdiction; administrative law judge; state or federal
26 agency; national securities, commodities, or option exchange;
27 or national securities, commodities, or option association,
28 involving a violation of any federal or state securities or
29 commodities law or any rule or regulation adopted thereunder,
30 or any injunction or adverse administrative order by a state
31 or federal agency regulating banking, insurance, finance or

1 small loan companies, real estate, mortgage brokers, or other
2 related or similar industries. The department may not deny
3 certification to any applicant who has been continuously
4 registered with the department for 5 years from the entry of
5 such decision, finding, injunction, suspension, prohibition,
6 revocation, denial, judgment, or administrative order,
7 provided that such decision, finding, injunction, suspension,
8 prohibition, revocation, denial, judgment, or administrative
9 order has been timely reported to the department pursuant to
10 the department's rules and regulations.

11 (d) Within 30 days after receipt of the completed
12 application, the department shall either certify or refuse to
13 certify the applicant as a certified capital company and
14 communicate to the applicant the grounds for the refusal. If
15 the department has not acted on the completed application
16 within the 30-day period, the application is considered to be
17 approved. The department must approve the application if it
18 finds that:

19 1. The applicant has satisfied the requirements of
20 paragraph (b);

21 2. No evidence exists that the applicant has committed
22 any act listed in paragraph (c); and

23 3. At least two of the principals have at least 3
24 years' management or investment experience in the venture
25 capital industry or at least 3 years' experience in investment
26 banking or corporate finance in a banking or investment firm.

27 (e) The certified capital company shall file a copy of
28 its certification with the office.

29 (f) Any offering material involving the sale of
30 securities of the certified capital company must include the
31 following statement: "By authorizing the formation of a

1 certified capital company, this state does not endorse the
2 quality of management or the potential for earnings of such
3 company and is not liable for damages or losses to a certified
4 investor in the company. Use of the word 'certified' in an
5 offering does not constitute a recommendation or endorsement
6 of the investment by the state of Florida. Investments made
7 in a certified capital company prior to the time such company
8 is certified are not eligible for premium tax credits. If
9 applicable provisions of law are violated, the state may
10 require forfeiture of unused premium tax credits and repayment
11 of used premium tax credits."

12 (g) An insurance company or an affiliate of an
13 insurance company may not, directly or indirectly, manage or
14 control the direction of investments of a certified capital
15 company. This provision does not preclude a certified
16 investor, insurance company, or any other party from
17 exercising its legal rights and remedies, which may include
18 interim management of a certified capital company, if a
19 certified capital company is in default of its statutory
20 obligations or its contractual obligations to such certified
21 investor, insurance company, or other party.

22 (h) The department shall administer and provide for
23 the enforcement of certification requirements for certified
24 capital companies. The department may adopt, consistent with
25 this act, rules necessary to carry out the duties,
26 obligations, and powers related to certification,
27 decertification, and renewal of certified capital companies
28 and may perform any other acts necessary to administer and
29 enforce these duties.

30 (i) Revocation, denial, or suspension of certification
31 or decertification of a certified capital company does not

1 affect the ability of certified investors in such certified
2 capital company to continue to claim premium tax credits
3 earned as a result of an investment in the certified capital
4 company during the period in which it was duly certified.

5 (5) INVESTMENTS BY CERTIFIED CAPITAL COMPANIES.--

6 (a) A certified capital company must make qualified
7 investments according to the following schedule:

8 1. Within 2 years after its certification date, a
9 certified capital company must have made qualified investments
10 cumulatively equal to 20 percent of its certified capital.

11 2. Within 3 years after its certification date, a
12 certified capital company must have made qualified investments
13 cumulatively equal to 30 percent of its certified capital.

14 3. Within 5 years after its certification date, a
15 certified capital company must have made qualified investments
16 cumulatively equal to 50 percent of its certified capital.

17 (b) All capital not currently invested in qualified
18 investments by the certified capital company must be held in a
19 financial institution as defined by section 655.005(1)(h),
20 Florida Statutes, or held by a broker-dealer registered under
21 section 517.112, Florida Statutes. The capital may not be
22 invested in an insurance company investor of the certified
23 capital company or any affiliate of the certified investor of
24 the certified capital company. The capital may be invested
25 only in:

26 1. United States Treasury obligations.

27 2. Certificates of deposit or other obligations,
28 maturing within 3 years after acquisition thereof, issued by
29 any financial institution or trust company incorporated under
30 the laws of the United States of America.

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1 3. Marketable obligations maturing within 5 years or
2 less after the acquisition thereof which are rated "A" or
3 better by any nationally recognized credit rating agency.

4 4. Mortgage-backed securities with an average life of
5 5 years or less, after the acquisition thereof, which are
6 rated "A" or better by any nationally recognized credit rating
7 agency.

8 5. Interests in money market funds, the portfolio of
9 which is limited to cash and obligations described in
10 subparagraphs 1. through 4.

11 (c) A certified capital company may not make a
12 qualified investment in an amount greater than 15 percent of
13 the total certified capital of the certified capital company
14 at the time of investment.

15 (d) The aggregate cumulative amount of all qualified
16 investments made by the certified capital company from the
17 date of its certification must be considered in the
18 calculation of any percentage requirements under this section.

19 (e) On or before January 31 of each year, each
20 certified capital company shall pay an annual, nonrefundable
21 renewal certification fee of \$5,000 to the department. No
22 renewal fees may be required within 6 months after the date of
23 initial certification.

24 (6) PREMIUM TAX CREDIT; AMOUNT OF CREDIT;
25 LIMITATIONS.--

26 (a) Any certified investor who makes an investment of
27 certified capital pursuant to an allocation of premium tax
28 credits under subsection (8) shall, in the year of investment,
29 earn a vested credit against premium tax liability equal to
30 100 percent of the certified investor's investment of
31 certified capital. The certified capital company may accept

1 investments for a particular series for only 1 calendar year,
2 after which time the series will be closed to future
3 investments. The certified capital company, however, may
4 continue to invest the funds from that series in additional
5 qualified investments.

6 (b) A certified investor may take up to 10 percent of
7 the vested premium tax credit in any taxable year of the
8 certified investor; however, a certified investor that has
9 earned vested premium tax credits through an investment in a
10 certified capital company may not begin to use credits until
11 the calendar year in which such certified capital company has
12 made qualified investments cumulatively equal to 10 percent of
13 its certified capital.

14 (c) The credit to be applied against premium tax
15 liability for any 1 year may not exceed the premium tax
16 liability of the certified investor for that taxable year.
17 Credits against premium tax liability must be used in the
18 15-year period starting with the calendar year in which such
19 credits were first permitted to be used under paragraph (b).

20 (d) A certified investor claiming a credit against
21 premium tax liability earned through an investment in a
22 certified capital company is not required to pay any
23 additional retaliatory tax levied under section 624.5091,
24 Florida Statutes, as a result of claiming such credit.

25 (e) This subsection shall take effect January 1, 1999.

26 (7) ANNUAL TAX CREDIT; MAXIMUM AMOUNT OF CREDIT;
27 PROCESS FOR CLAIMING CREDIT.--

28 (a) The aggregate amount of capital for which premium
29 tax credits shall be allowed for all certified investors under
30 this section shall not exceed an amount that would entitle all
31

1 certified investors to take aggregate credits of \$50 million
2 annually.

3 (b) Annually, on or before December 31, each certified
4 capital company shall file with the office on a form
5 prescribed by the office the following information for each
6 investment series for each calendar year:

7 1. The total dollar amount the certified capital
8 company received from certified investors, the identity of the
9 certified investors, and the amount received from each
10 certified investor during the calendar year;

11 2. The total dollar amount the certified capital
12 company invested and the amount invested in qualified
13 businesses, along with the identity and location of those
14 businesses and the amount invested in each qualified business;
15 and

16 3. The estimated number of permanent, full-time jobs
17 either created or retained by the qualified business during
18 the calendar year.

19 (c) The form must be verified by one or more
20 principals of the certified capital company submitting the
21 form. Verification must be accomplished as provided in
22 section 92.525(1)(b), Florida Statutes, and subject to the
23 provisions of section 92.525(3), Florida Statutes.

24 (d) The office shall review the form, and any
25 supplemental documentation, submitted by each certified
26 capital company for the purpose of verifying:

27 1. That the businesses in which certified capital has
28 been invested by the certified capital company are in fact
29 qualified businesses, and that the amount of certified capital
30 invested by the certified capital company is as represented in
31 the form;

1 2. The amount of certified capital invested in the
2 certified capital company by the certified investors; and

3 3. The amount of premium tax credit available to
4 certified investors.

5 (e) The Department of Revenue may audit and examine
6 the accounts, books, or records of certified capital companies
7 and certified investors to ascertain the correctness of any
8 report and financial return that has been filed, and to
9 ascertain a certified capital company's compliance with the
10 law.

11 (f) This subsection shall take effect January 1, 1999.

12 (8) ALLOCATION OF CREDITS.--

13 (a) Certified capital for which premium tax credits
14 are allowed must be allocated to certified investors in
15 certified capital companies in the order in which premium tax
16 credit allocation claims are filed with the department by such
17 certified capital companies on behalf of their certified
18 investors. All filings made on the same day must be treated
19 as having been made contemporaneously.

20 (b) If two or more certified capital companies file
21 premium tax credit allocation claims with the department on
22 behalf of their respective certified investors on the same
23 day, and the amount of such premium tax credit allocation
24 claims exceeds in the aggregate the limit of available tax
25 credits under paragraph (7)(a), capital for which premium tax
26 credits are allowed must be allocated among the certified
27 investors on a pro rata basis with respect to the amounts
28 claimed. The pro rata allocation for any one certified
29 investor is the product of a fraction, the numerator of which
30 is the amount of the premium tax credit allocation claim filed
31 on behalf of such certified investor and the denominator of

1 which is the total of all premium tax credit allocation claims
2 filed on behalf of all certified investors, multiplied by the
3 aggregate limitation as provided in paragraph (7)(a). No
4 certified capital company may file premium tax credit
5 allocation claims in excess of the maximum amount of capital
6 for which premium tax credits shall be allowed as provided in
7 paragraph (7)(a).

8 (c) Within 5 business days after the department
9 receives a premium tax credit allocation claim filed by a
10 certified capital company on behalf of one or more of its
11 certified investors, the department must notify the certified
12 capital company of the amount of tax credits allocated to each
13 of the certified investors in such certified capital company.
14 No allocation shall be made to the certified investors of a
15 certified capital company unless such certified capital
16 company has filed premium tax credit allocation claims in the
17 aggregate amount of at least \$10 million.

18 (d) If a certified capital company does not receive an
19 investment of certified capital equaling the amount of premium
20 tax credits allocated to a certified investor for which it
21 filed a premium tax credit allocation claim within 5 business
22 days after its receipt of notice of allocation, that portion
23 of the premium tax credits allocated to such certified
24 investor in the certified capital company will be forfeited,
25 and the department must reallocate that certified capital
26 among the other certified investors in all certified capital
27 companies on a pro rata basis with respect to the premium tax
28 credit allocation claims filed on behalf of such certified
29 investors by all certified capital companies.

30 (e) The maximum amount of certified capital for which
31 premium tax credits must be allowed to any one certified

1 investor and its affiliates in one or more certified capital
2 companies in any year shall not exceed 10 percent of the
3 aggregate limitation as provided in paragraph (7)(a).

4 (9) DISTRIBUTIONS.--A certified capital company may
5 make qualified distributions at any time. In order to make a
6 distribution to its equity holders, other than a qualified
7 distribution, a certified capital company must have invested
8 an amount cumulatively equal to 100 percent of its certified
9 capital in qualified investments. Payments to debt holders of
10 a certified capital company, however, may be made without
11 restriction with respect to repayments of principal and
12 interest on indebtedness owed to them by a certified capital
13 company, including indebtedness of the certified capital
14 company on which certified investors earned premium tax
15 credits. A debt holder that is also a certified investor or
16 equity holder of a certified capital company may receive
17 payments with respect to such debt without restrictions.

18 (10) DECERTIFICATION.--

19 (a) The department shall conduct an annual review of
20 each certified capital company to determine if the certified
21 capital company is abiding by the requirements of
22 certification, to advise the certified capital company as to
23 the eligibility status of its qualified investments, and to
24 ensure that no investment has been made in violation of this
25 act. The cost of the annual review shall be paid by each
26 certified capital company.

27 (b) Any material violation of subsection (5) shall be
28 grounds for decertification of the certified capital company.
29 If the department determines that a certified capital company
30 is not in compliance with the requirements of subsection (5),
31 the department shall, by written notice, inform the officers

1 of the certified capital company that the certified capital
2 company may be subject to decertification in 120 days after
3 the date of mailing of the notice unless the deficiencies are
4 corrected and the certified capital company is again in
5 compliance with all requirements for certification.

6 (c) At the end of the 120-day grace period, if the
7 certified capital company is still not in compliance with
8 subsection (5), the department may send a notice of
9 decertification to the certified capital company and to all
10 other appropriate state agencies.

11 (d) In the event the department revokes a
12 certification, such revocation must also deny, suspend, or
13 revoke the certification of all certified capital company
14 affiliates.

15 (e) Decertification of a certified capital company may
16 cause the recapture of premium tax credits previously claimed
17 and the forfeiture of future premium tax credits to be claimed
18 by certified investors with respect to such certified capital
19 company, as follows:

20 1. Decertification of a certified capital company
21 within 3 years after its certification date shall cause the
22 recapture of all premium tax credits previously claimed and
23 the forfeiture of all future premium tax credits to be claimed
24 by certified investors with respect to such certified capital
25 company.

26 2. When a certified capital company meets all
27 requirements for continued certification under subparagraphs
28 (5)(a)1. and 2. and subsequently fails to meet the
29 requirements for continued certification under the provisions
30 of subparagraph (5)(a)3., those premium tax credits that have
31 been or will be taken by certified investors within 3 years

1 after the certification date of the certified capital company
2 are not subject to recapture or forfeiture; however, all
3 premium tax credits that have been or will be taken by
4 certified investors after the third anniversary of the
5 certification date of the certified capital company are
6 subject to recapture or forfeiture.

7 3. If a certified capital company has met all
8 requirements for continued certification under subparagraphs
9 (5)(a)1., 2., and 3., but is subsequently decertified, those
10 premium tax credits that have been or will be taken by
11 certified investors within 5 years after the certification
12 date of the certified capital company are not subject to
13 recapture or forfeiture. Those premium tax credits to be taken
14 subsequent to the fifth year of certification are subject to
15 forfeiture only if the certified capital company is
16 decertified within 5 years after its certification date.

17 4. If a certified capital company has invested an
18 amount cumulatively equal to 100 percent of its certified
19 capital in qualified investments, all premium tax credits
20 claimed or to be claimed by its certified investors are not
21 subject to recapture or forfeiture.

22 (f) If a certified capital company has invested an
23 amount cumulatively equal to 100 percent of its certified
24 capital in qualified investments and has met all other
25 requirements under this act, the certified capital company is
26 no longer subject to regulation by the department and is no
27 longer subject to the requirements of subsection (5).

28 (g) The department shall send written notice to the
29 address of each certified investor whose premium tax credit
30 has been subject to recapture or forfeiture, using the address
31 shown on the last premium tax filing.

1 (11) TRANSFERABILITY.--The claim of a transferee of a
2 certified investor's unused premium tax credit must be
3 permitted in the same manner and subject to the same
4 provisions and limitations of this section as that of the
5 original certified investor. A transferee is any person:

6 (a) Who through the voluntary sale, assignment, or
7 other transfer of the business or control of the business of
8 the certified investor, including the sale or other transfer
9 of stock or assets by merger, consolidation, or dissolution,
10 succeeds to all or substantially all of the business and
11 property of the certified investor;

12 (b) Who becomes by operation of law or otherwise the
13 parent company of the certified investor;

14 (c) Who directly or indirectly owns, whether through
15 rights, options, convertible interests, or otherwise;
16 controls; or holds power to vote 10 percent or more of the
17 outstanding voting securities or other ownership interest of
18 the certified investor;

19 (d) Who is a subsidiary of the certified investor or
20 10 percent or more of whose outstanding voting securities or
21 other ownership interest are directly or indirectly owned,
22 whether through rights, options, convertible interests, or
23 otherwise, by the certified investor; or

24 (e) Who directly or indirectly controls, is controlled
25 by, or is under common control with the certified investor.

26 (12) REPORTING REQUIREMENTS.--

27 (a) The office shall report on an annual basis to the
28 Governor, the President of the Senate, and the Speaker of the
29 House of Representatives, on or before March 1:

30 1. The total dollar amount each certified capital
31 company received for each investment series from all certified

1 investors and any other investors, the identity of the
2 certified investors, the amount received from each certified
3 investor during the previous calendar year, the total premium
4 tax credit earned by each certified investor, and the total
5 amount of premium tax credit claimed by each investor for the
6 previous calendar year.

7 2. The total dollar amount invested by the certified
8 capital company and that portion invested in qualified
9 businesses, the identity and location of those businesses, the
10 amount invested in each qualified business, and the total
11 number of permanent, full-time jobs created or retained by
12 each qualified business; and

13 3. The return for the state as a result of the
14 certified capital company investments, as follows:

15 a. The extent to which certified capital company
16 investments have contributed to employment growth;

17 b. The extent to which the wage level of businesses in
18 which certified capital companies have invested exceeds the
19 average wage for the county in which the jobs are located; and

20 c. The extent to which the investments of the
21 certified capital companies in qualified businesses have
22 contributed to expanding or diversifying the economic base of
23 the state.

24 (13) FEES.--All fees and charges of any nature
25 collected by the department pursuant to this section must be
26 paid into the State Treasury and credited to the General
27 Revenue Fund.

28 (14) RULES.--The department shall adopt rules
29 necessary to carry out the provisions of this section within
30 60 days after the effective date of this section. The rules
31 must provide that the department shall begin accepting

1 applications for registration as a small capital investment
2 company not later than _____, 1998. Such rules must also
3 provide that any certified capital company may file premium
4 tax credit allocation claims on behalf of certified investors
5 at any time on or after _____, and that the credits against
6 premium tax liability will be earned and vested at the time
7 that insurance companies make investments of certified capital
8 in any such certified capital company, although such credits
9 must not be first claimed or used except as set forth in
10 paragraph (7)(b).

11 Section 2. Paragraphs (g) and (j) of subsection (2) of
12 section 14.2015, Florida Statutes, are amended to read:

13 14.2015 Office of Tourism, Trade, and Economic
14 Development; creation; powers and duties.--

15 (2) The purpose of the Office of Tourism, Trade, and
16 Economic Development is to assist the Governor in working with
17 the Legislature, state agencies, business leaders, and
18 economic development professionals to formulate and implement
19 coherent and consistent policies and strategies designed to
20 provide economic opportunities for all Floridians. To
21 accomplish such purposes, the Office of Tourism, Trade, and
22 Economic Development shall:

23 (g)1. Administer the Florida Enterprise Zone Act under
24 ss. 290.001-290.016, the community contribution tax credit
25 program under ss. 220.183 and 624.5105, the tax refund program
26 for qualified target industry businesses under s. 288.106,
27 contracts for transportation projects under s. 288.063, the
28 sports franchise facility program under s. 288.1162, the
29 professional golf hall of fame facility program under s.
30 288.1168, the Florida Jobs Siting Act under ss.
31 403.950-403.972, the Rural Community Development Revolving

1 Loan Fund under s. 288.065, the Regional Rural Development
2 Grants Program under s. 288.018, the Certified Capital Company
3 Act, the Florida State Rural Development Council, and the
4 Rural Economic Development Initiative.

5 2. The office may enter into contracts in connection
6 with the fulfillment of its duties concerning the Florida
7 First Business Bond Pool under chapter 159, tax incentives
8 under chapters 212 and 220, foreign offices under chapter 288,
9 the Enterprise Zone program under chapter 290, the Seaport
10 Employment Training program under chapter 311, the Florida
11 Professional Sports Team License Plates under chapter 320,
12 Spaceport Florida under chapter 331, Job Siting and Expedited
13 Permitting under chapter 403, and the Certified Capital
14 Company Act, and in carrying out other functions that are
15 specifically assigned to the office by law.

16 (j) Promulgate rules to carry out its functions in
17 connection with the administration of the Qualified Target
18 Industry program, the Qualified Defense Contractor program,
19 the Certified Capital Company Act, the Enterprise Zone
20 program, and the Florida First Business Bond pool.

21 Section 3. (1) The sum of _____ is appropriated
22 from the General Revenue Fund to the Department of Revenue to
23 carry out the purposes of this act.

24 (2) The sum of _____ is appropriated from the
25 General Revenue Fund to the Department of Banking and Finance
26 to carry out the purposes of this act.

27 (3) The sum of _____ is appropriated from the
28 General Revenue Fund to the Office of Tourism, Trade, and
29 Economic Development to carry out the purposes of this act.

30 Section 4. Except as otherwise expressly provided in
31 this act, this act shall take effect upon becoming a law.

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SENATE SUMMARY

Creates the "Certified Capital Company Act." Provides for regulation, certification, and decertification of certified capital companies. Provides for a credit against the insurance premium tax for insurance companies that invest in certified capital companies and provides for transfer or sale of premium tax credits. Provides appropriations. (See bill for details.)