

STORAGE NAME: h1997a.ted

DATE: April 18, 1997

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 1997 (PCB BDIT 97-02)

RELATING TO: Economic Development

SPONSOR(S): Committee on Business Development and International Trade

STATUTE(S) AFFECTED: Amending s. 114, chapter 96-320, sections 14.2015, 15.182, 48.194, 288.047, 288.063, 288.012, 288.1045, 288.106, 288.772-7771, 288.816, 288.9015, 288.903, 288.905-906, 290.0411, 290.044, 290.047, 290.048, 311.07, 311.11, and 320.20; creating sections 288.9415, 290.0455, repealing sections 118.01-118.04, and new language

COMPANION BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) BUSINESS DEVELOPMENT AND INTERNATIONAL TRADE YEAS 7 NAYS 0
 - (2) TRANSPORTATION & ECON. DEV. APPROPRIATIONS YEAS 7 NAYS 0
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I. SUMMARY:

This bill contains the following provisions that modify the duties and requirements of Enterprise Florida, Inc.:

- ◆ Amends the definition of "matching private funds" received by Enterprise Florida, Inc.
- ◆ Requires Enterprise Florida, Inc., to develop a business guide and checklist.
- ◆ Requires Enterprise Florida, Inc., to update and modify their strategic plan by January 1, 1998, and update such plan annually. Requires specific issues be included in the plan.
- ◆ Revises Enterprise Florida, Inc.'s annual report.

The bill also contains the following programs and requirements to enhance international trade:

- ◆ Requires a review of Florida's foreign offices by September 1, 1997.
- ◆ Authorizes the Secretary of State to commission international notaries.
- ◆ Places additional duties on the Office of Tourism, Trade, and Economic Development, the Secretary of State, and Enterprise Florida with respect to international trade development. Including the development of additional grant programs to enhance international activities around the state.

The bill also contains the following economic development incentives:

- ◆ The Employing and Training our Youths (ENTRY) tax refund program.
- ◆ Small Cities Community Development Block Grant Loan Guarantee Program.
- ◆ Employment training grant programs
- ◆ Microenterprise loan program
- ◆ Authorizes state agencies to enter into agreements with county tax collectors to accept applications for state licenses and similar state registrations or applications.
- ◆ Deposits \$10 million of motor vehicle license tax moneys in the State Transportation Trust Fund Solely for seaport intermodal development projects.

The bill specifically appropriates \$2.5 million from the General Revenue Fund to specific trust funds. The State Transportation Trust Fund is impacted by a shift of \$10.0 million in motor vehicle license taxes in FY 1997-98, and each fiscal year thereafter, to the Seaport Transportation and Economic Development Program. Please see the fiscal research section for further details.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Enterprise Florida, Inc.,

In 1992, the Legislature created Enterprise Florida, Inc. (EFI). EFI assists in the coordination of the state's economic development efforts and develops a strategic plan for economic development for Florida. In 1993, the Legislature created two additional Enterprise Florida Partnerships -- The Enterprise Florida Innovation Partnership and the Enterprise Florida Capital Partnership. The Enterprise Florida Innovation Partnership fosters the growth of high technology and value-added industries, and assists in the commercialization of technological products. The Enterprise Florida Capital Partnership fosters access to capital for Florida firms. In 1994, the Legislature created the Enterprise Florida Jobs and Education Partnership. The Enterprise Florida Jobs and Education Partnership coordinates state training programs to promote the availability of a skilled work force. The Legislature created all of these entities as separate corporations, with EFI serving as the "umbrella" organization.

The Legislature directed EFI and each partnership to develop performance measures to measure the effectiveness of their individual programs and services. The Legislature directed the Office of Program Policy Analysis and Governmental Accountability (OPPAGA) to review EFI and its partnerships prior to the 1996 Regular Session. OPPAGA provided individual reports to the Legislature in October 1995 (see, OPPAGA reports 95-07, 95-08, 95-09, 95-15, and 95-16). These reports found that existing performance measures did not contain adequate review criteria, but noted that not enough time had elapsed to determine whether EFI and its partnerships were accomplishing their statutory missions.

In 1996, the Legislature restructured the management and control over most state domestic and international economic development operations from two state entities -- the Florida Department of Commerce (FDC) and the Florida International Affairs Commission (FIAC) into two public/private entities -- EFI and the Florida Tourism Commission (FTC). The partnerships were redesignated as boards, and the Enterprise Florida International Trade and Economic Development Board was created. Administrative oversight over these entities and other fundamentally public-sector programs and responsibilities, are placed within the Office of Tourism, Trade, and Economic Development (OTTED) of the Executive Office of the Governor. The FDC and FIAC were dissolved effective December 31, 1996.

EFI and affiliated boards were specifically required to address the issue of performance and accountability. The EFI was required to develop a strategic plan with recommended performance measures by January 1, 1997. These measurable performance objectives and outcomes are required to be finalized by July 1, 1997. OPPAGA is required to review EFI and its boards prior to the 1999 Regular Session.

OTTED is required to submit a unified legislative budget request for economic development and trade for the FTC, EFI, and other public-private partnerships. The FTC, EFI, and other public-private partnerships would be subject to performance based programs budgeting review during FY 1998-99, when the Executive Office of the Governor is scheduled to be reviewed.

Enterprise Florida, Inc., was also directed to obtain "matching private funds." An increasing amount of funds appropriated to Enterprise Florida are to be set aside each year, and released upon a matching amount of private funds being received by Enterprise Florida. In FY 1996-97, 10 percent of such funds have been set aside -- \$1.5 million. The amount is increased by 10 percent each year, to a maximum of 50 percent in FY 2000-01.

International Trade Development

As part of the restructuring of the state's economic development efforts, the Florida Legislature vested the authority to establish and operate offices in foreign countries in OTTED. OTTED has entered into contracts with EFI and the Florida Commission on Tourism to operate Florida's foreign offices.

The Florida Export Finance Corporation (FEFC) was created in 1993 by the Legislature to provide information, technical assistance, and financial support to small and medium-sized Florida businesses. The FEFC is organized as not-for-profit corporation and is led by the board of the international trade and economic development unit of EFI or persons designated by EFI to oversee the operations of the FEFC.

Currently, transactions between the United States and other countries may be hampered, closed, and made more expensive by the lack of a domestic equivalent to the international notary to execute and authenticate transactions between people in the United States and civil law countries. In a 1996 report to the Joint Legislative Information Technology Resource Committee, the Department of State noted that "fundamental differences between countries in the procedural and content requirements for many types of international transactions, from powers of attorney to transfers of corporate shares, have long resulted in numerous U.S.-executed documents being rejected by legal and recording authorities overseas."

The report also noted, "Heretofore this problem has been dealt with inadequately by U.S. lawyers who specialize in international transactional law, through a lengthy and cumbersome process in which the lawyer undertakes a review of the particulars of the transaction and pertinent foreign legal formalities, and writes an opinion letter affirming that the transaction complies with both U.S. and foreign law. This process not only costs the client a great deal of money, but it also exposes the lawyer to potential liability for which he may not be adequately insured."

Additionally, the Executive Office of the Governor brought to the attention of the Secretary of State's workgroup the existence of "Commissioners of Deeds," authorized under ch. 118, F.S. The Secretary of State's report notes that "the existence of this chapter has been used to facilitate fraudulent acts on some occasions and the Governor's office prefers that this chapter be repealed." Sections 118.01, 118.02, 118.03, and 118.04, F.S., govern the governor's power to appoint commissioners, the commissioner's authority to administer oaths, the commissioner's oath of office, and validity of official acts by commissioners.

Section 48.194, F.S., provides that service of process on persons outside the state shall be made in the same manner as service within this state by any officer authorized to serve process where the person is served. No court order is required, and the court may

consider a filed affidavit or any other competent evidence in determining whether service has been properly made.

The Hague Convention on Service Abroad of Judicial and Extra-Judicial Documents in Civil and Commercial Matters codifies service of process by international registered mail and by agent. It also provides for service of process by a central authority (usually the Ministry of Justice) in the Convention countries pursuant to a request submitted on a form called USM-94, available in the United States at the office of any United States Marshal. The text of the treaty is self-explanatory, but one should see the reservations and declarations each country made on accession to the treaty for more detail. Some countries made specific reservations against particular methods of service. General consensus however, is that the Convention method should be employed in all countries party to it.

Chapter 624, F.S., includes the administration and general provisions of the insurance code. Section 624.425, F.S., prohibits an authorized insurer from assuming direct liability as to a Florida subject of insurance, unless the policy or insurance contract is issued by or through, and is countersigned by, a local producing agent who is a Florida resident and commissioned and licensed as an agent of the insurer under the state insurance code. Section 624.426, F.S., provides exceptions to this requirement for contracts of reinsurance and policies of insurance on the rolling stock of railroad companies doing a general freight and passenger business.

Small Cities Community Development Block Grant Program

Title I of the federal Housing and Community Development Act of 1974, authorizes the distribution of Community Development Block Grant (CDBG) funds to local governments in order to help redevelop distressed urban communities. Grant funds may be expended on activities that primarily benefit low and moderate income persons, include housing, infrastructure, and other projects that expand economic opportunities. 85% of the federal CDBG funds are dispersed directly to large urban cities and counties that are designated as "entitlement communities." The remaining portion is dispersed to the states to distribute in the form of competitive grants to smaller cities and counties, (counties with populations less than 200,000 persons, and cities with populations less than 50,000 persons). The Department of Community Affairs administers the state's small counties and cities CDBG fund pursuant to the Florida Small Cities Community Development Block Grant Program Act (ss. 290.0401--290.049).

As a component of the CDBG program, Congress authorized a "Section 108 Loan Guarantee " program, under which CDBG funds may be used to guarantee notes or other obligations issued by public entities or agencies designated by public entities in order to finance a variety of economic and community Development projects. Entitlement communities may use the funds to make guarantees without any state activity or responsibility.

Port Development

There are fourteen deepwater ports located in Florida: Port Canaveral, Port Everglades, Port of Fernandina, Port of Fort Pierce, Port of Jacksonville, Port of Key West, Port Manatee, Port of Miami, Port of Palm Beach, Port of Panama City, Port of Pensacola, Port St. Joe, Port of St. Petersburg, and Port of Tampa. According to the Florida

Seaport Transportation and Economic Development Council, these ports account for nearly 250,000 seaport-related jobs and \$600 million in governmental revenues statewide.

Section 311.07, F.S., authorizes the creation of the Florida Seaport Transportation and Economic Development Program to finance port transportation or port facilities projects. The program allows for a minimum of \$8 million per year to fund port development projects on a 50-50 match.

Community Redevelopment

Comprehensive planning and land management policies have a significant influence on economic and community development activities. The Legislature in 1985 adopted the Local Government Comprehensive Planning and Land Development Regulation Act, which is codified in Part II of ch. 163, F.S., and which is intended to use and strengthen existing powers of local governments in establishing and implementing comprehensive planning programs to guide and control future development. The act is designed to conform with, and further the purposes of, the Florida Environmental Land and Water Management Act of 1972, Part I, ch. 380, F.S.

Section 380.06, F.S., 1996 Supp., establishes a process for state and regional review of developments of regional impact (DRIs), which are defined as large-scale development projects likely to have a substantial effect on the health, safety, or welfare of citizens in more than one county. A developer that is required to undergo a DRI review must file an application for development approval with the appropriate local government having jurisdiction. [s. 380.06(6)(a), F.S., 1996 Supp.] Under the statute, local government comprehensive plan amendments related to a proposed DRI may be considered by the local government body at the same time as the application for development approval. [s. 380.06(6)(b), F.S., 1996 Supp.]

Under ch. 212, F.S., sales and use tax is imposed on the retail sale, storage, or use of tangible personal property. Section 212.18, F.S., 1996 Supp., requires a person desiring to conduct business as a dealer in the state to file with the Department of Revenue an application for a certificate of registration. In 1996, this section was amended to give the department discretion to appoint the county tax collector as an agent to accept these applications.

Chapter 216, F.S., governs state planning and budgeting. Section 216.292(4)(b), F.S., 1996 Supp., prohibits the initiation of a fixed capital outlay project without a specific appropriation.

B. EFFECT OF PROPOSED CHANGES:

Enterprise Florida, Inc.

The bill provides the following modifications to the duties and responsibilities of Enterprise Florida:

- ◆ Amends the definition of "matching private funds" received by Enterprise Florida. Removes provisions relating to wages paid by employers, and states that funds may

not include funds received from entities seeking to qualify for an incentive, grant, or loan.

- ◆ Requires Enterprise Florida, Inc., to develop a business guide and checklist that contains basic information on starting and operating a business in Florida.
- ◆ Requires Enterprise Florida, Inc., to update or modify the strategic plan for economic development for the State of Florida by January 1, 1998, and update such plan annually. Provides specific requirements that must be included in the plan. Delineates specific types of performance measures that should be included in the plan.
- ◆ Revises Enterprise Florida, Inc's annual report to include specific descriptions of their operations, as well as an annual compliance and financial audit.

The bill also requires the Office of Tourism, Trade, and Economic Development (OTTED) to develop a plan for the disposition and/or development of State of Florida Foreign offices by September 1, 1997. Each foreign office must have an operational plan by June 1, 1998, that includes specific requirements. OTTED has the authority to enter into agreements with state, local, and private entities to operate such offices.

International Trade Development

The bill authorizes the Secretary of State to commission international notaries. To be eligible for such commission, an individual must have been admitted to the practice of law in this state, and have practiced law for at least five years.

The bill requires law enforcement to notify the Secretary of State when foreign citizens are incarcerated, and directs the Secretary to coordinate international cultural events with EFI.

The bill allows for service of process on individuals outside this country pursuant to the international Hague Convention, and exempts certain U.S. Customs surety bonds from the state resident agent and countersignature law.

The bill also authorizes OTTED to create international trade grant programs to enhance international activities around the state.

Economic Development Incentives

The bill creates the following economic development incentives:

- ◆ Employment training grant programs. These programs are contingent upon appropriations from the Legislature.
- ◆ Directs EFI to create microenterprise loan programs.
- ◆ The Employing and Training our Youths (ENTRY) tax refund program. Businesses may receive a tax refund voucher of up to \$1,600 for hiring a youth employee between the ages of 15 and 18. The youth must be employed for a year to receive the full amount of tax refunds, and must be employed for at least 12 hours per week

at the federal minimum wage. Business can receive refund payments for a number of taxes and fees paid to the state and local governments.

Authorizes state agencies to enter into agreements with county tax collectors to accept applications for state licenses and similar state registrations or applications.

The Quick-response Training, Qualified Targeted Industry Tax Refund, and Qualified Defense Contractor Tax Refund programs are amended so that program funds may not be expended in connection with the relocation of a business from one community to another community in Florida, unless Enterprise Florida, Inc., determines that such funds are necessary to keep the business in Florida.

Small Cities Community Development Block Grant Program

The bill creates the Small Cities Community Development Block Grant Guarantee Program. The Department of Community Affairs must administer the loan program pursuant to federal law. The maximum amount of loan guarantees that may be issued to any local government is \$7 million, and the maximum amount of commitments that may be issued statewide may not exceed five times the amount of the total CDBG funds received under the program that year. Loans issued pursuant to this program must be repaid within 20 years.

Port Development

The bill makes some technical changes to the Seaport Employment Training Grant Program, specifically requiring program funds be expended to stimulate and support seaport training and employment programs.

The bill directs \$10 million of motor vehicle license tax moneys to be deposited in the State Transportation Trust Fund solely for seaport intermodal development projects. The bill provides specific requirements for the use and expenditure of these funds, including a 50-50 match and the development of an intermodal development plan.

Community Redevelopment

The bill amends chapter 380, F.S., to require comprehensive plan amendments relating to a proposed DRI to be submitted to the local governing body at the same time as the DRI application is submitted.

The bill authorizes the Department of Management Services to accept the construction of a replacement building, in lieu of cash.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

Yes, the departments of State and Revenue, and the Office of Tourism, Trade, and Economic Development will have to develop rules and forms to implement the programs contained in this bill.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

Yes, local schools will have to interact with businesses seeking to apply for the ENTRY tax refund program.

(3) any entitlement to a government service or benefit?

Yes, the bill contains a number of economic development incentives for businesses that qualify for each specific incentive program.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

- c. Does the bill reduce total taxes, both rates and revenues?

No.

- d. Does the bill reduce total fees, both rates and revenues?

No.

- e. Does the bill authorize any fee or tax increase by any local government?

Yes, the Secretary of State is authorizes to charge reasonable fees for commissioning individuals as international notaries.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

N/A

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

N/A

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

N/A

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

N/A

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. SECTION-BY-SECTION RESEARCH:

Section 1 authorizes the Secretary of State to commission international notaries. Provides definitions, and rule-making authority.

Section 2 repeals s. 118.01, 118.02, 118.03, and 118.04, F.S., relating to commissioners of deeds.

Section 3 amends s. 114, chapter 96-320, Laws of Florida, relating to matching private funds received by Enterprise Florida, Inc. Amends the definition of "matching private funds" received by Enterprise Florida, Inc. Requires that such funds must be solicited by Enterprise Florida, Inc., and used exclusively in their operations or programs. Removes provisions that had allowed for wages paid by employers receiving benefits under the Quick-response Training Program and other similar training programs to be defined as matching funds. Provides that funds received from an entity to qualify for incentives, grants, or loans do not qualify as matching funds.

Section 4 amends s. 14.2015, F.S., relating to the Office of Tourism, Trade, and Economic Development. Removes redundant language related to contracts with EFI and FTC. Removes provisions allowing OTTED to use 1% of funds appropriated for specific programs to contract with entities to help administer OTTED's programs.

Section 5 creates s. 15.182, F.S., relating to international cultural events. Requires the Department of State and EFI to coordinate the travel of such events, and to encourage and coordinate joint undertakings.

Section 6 Requires the Department of Lottery to undertake a study of the feasibility of marketing the Florida Lottery internationally. Requires the study to be submitted to the Legislature by January 2, 1998.

Section 7 amends s. 48.194, F.S., relating to service of process. Authorizes the service of process on persons outside the U.S. in conformance with the international Hague Convention.

Section 8 authorizes OTTED, subject to specific appropriations, to created pilot matching training grant programs. Provides specific criteria for such grants. Limits each grant to no more than \$500,000.

Section 9 amends s. 288.063, F.S., relating to contracts for transportation projects. States the funds under this program may not be expended in connection with the relocation of a business from one community to another community in Florida, unless OTTED determines that such funds are necessary to keep the business in Florida.

Section 10 amends s. 288.012, F.S., relating to Florida foreign offices. Provides legislative findings and intent. Requires OTTED to develop a plan for the disposition and/or development of these offices by September 1, 1997. Requires each office to have an operational plan by June 1, 1998, that includes specific requirements. Directs OTTED to enter into agreements with state, local, and private entities to operate such offices.

Section 11 amends s. 288.047, F.S., relating to the Quick-response training program. States that training funds under this program may not be expended in connection with the relocation of a business from one community to another community in Florida, unless OTTED determines that such funds are necessary to keep the business in Florida.

Section 12 amends s. 288.1045, F.S., relating to the qualified defense contractor tax refund program. States that program funds may not be expended in connection with the relocation of a business from one community to another community in Florida, unless OTTED determines that such funds are necessary to keep the business in Florida.

Section 13 amends s. 288.106, F.S., relating to the qualified target industry business tax refund program. States that program funds may not be expended in connection with the relocation of a business from one community to another community in Florida, unless OTTED determines that such funds are necessary to keep the business in Florida.

Sections 14-18 amends ss. 288.775-7771, F.S., relating to the Florida Export Finance Corporation (FEFC). Removes language relating to Enterprise Florida. Designates an independent board of directors for the FEFC.

Section 19 amends s. 288.816, F.S., relating to intergovernmental relations. Requires law enforcement officials to notify the Secretary of State when a foreign citizen has been incarcerated.

Section 20 amends s. 288.8175, F.S., relating to Florida international linkage institutes. Authorizes such institutes to accept funds from the Department of State to conduct research on international trade development.

Section 21 amends s. 288.9015, F.S., relating to the purpose and duties of EFI. Requires EFI to develop a business guide and checklist that contains basic information on starting and operating a business in Florida.

Section 22 amends s. 288.903, F.S., relating to the president of EFI. Requires the president to coordinate all activities and responsibilities of EFI with respect to participants in the WAGES Program.

Section 23 amends s. 288.905, F.S., relating to the duties of the board of directors of EFI. Requires the board to update or modify the strategic plan for economic development for the State of Florida by January 1, 1998, and update such plan annually thereafter. Requires the plan be approved by the board prior to submission to the Governor and Legislature. Provides that the plan should include specific requirements. Delineates what type of measurable objectives and performance outcomes should be included in the strategic plan. Limits the amount of pay raise or bonus an employee leased from the state or deriving their salary from state funds, to raises or bonuses received by similarly situated state employees.

Section 24 amends s. 288.906, F.S., relating to the annual report of EFI. Revises the requirements of the annual report to include specific requirements.

Sections 25-26 authorizes OTTED, contingent upon specific appropriation, to create international trade grant programs. Provides criteria and requirements for such programs.

Section 27 amends s. 288.9614, F.S., relating to authorized programs of the Enterprise Florida Capital Development Board. Authorizes the board to create microenterprise loan programs.

Sections 28-32 amends s. 290.0411, 290.044, and 290.048, F.S., and creates s. 290.045, F.S., relating to the Florida Small Cities CDBG Program. Creates the Small Cities Community Development Block Grant Loan Guarantee Program. States that the Department of Community Affairs shall administer the loan program pursuant to federal law. Limits the maximum amount of loan guarantees that any local government may

receive to \$7 million, and the maximum amount of commitments that may be issued statewide may not exceed five times the amount of the total CDBG funds received under the program that year. Requires loans to be repaid within 20 years.

Section 33 amends s. 311.11, F.S., relating to the Seaport Employment Training Grant Program. Requires funds be expended to stimulate and support seaport training and employment programs. Provides technical changes.

Section 34 amends s. 320.20, F.S., relating to the disposition of motor vehicle license tax moneys. Directs that \$10 million of the moneys be deposited in the State Transportation Trust Fund solely for seaport intermodal development projects. Provides specific requirements for the use and expenditure of these funds.

Section 35 appropriates \$10 million from the State Transportation Trust Fund for section 34 of the bill.

Section 36 amends s. 311.07, F.S., relating to seaport funding. Authorizes funds to be spent on projects identified pursuant to section 34 of the bill.

Section 37 creates s. 337.023, F.S., relating to the sale of state buildings. Authorizes the Department of Management Services to accept the construction of a replacement building in lieu of cash to finance the cost of a new building.

Section 38 amends s. 380.06, F.S., relating to development of regional impact. Requires comprehensive plan amendments relating to a proposed DRI to be submitted to the local governing body at the same time as the DRI application is submitted.

Sections 39-42 authorizes certain state agencies to enter into agreements with county tax collectors to accept applications for state licenses and similar state registrations or applications.

Section 43 amends s. 624.426, F.S., relating to exceptions to resident agent and countersignature law. Exempts certain U.S. Customs surety bonds from the state resident agent and countersignature law.

Section 44 creates the Employing and Training our Youths (ENTRY) program. Provides a tax refund of up to \$1,600 per eligible business for hiring a youth employee between the ages of 15 and 18. Provides that an eligible business may not receive refund payments for more than five eligible youth employees in any single fiscal year. Directs that a business may receive payments at the end of each quarter the youth employee works at such business (\$400 per quarter, per employee). Provides a list of taxes and fees a business may receive refunds for. States that a business must file an employment/tax agreement form at the school where the youth employee attends.

Section 45 provides an appropriation of \$500,000 from the General Revenue Fund for fiscal year 1997-1998 to fund the Seaport Employment Training Grant program contained in s. 311.11, F.S. Provides an appropriation of \$2 million from the General Revenue Fund for fiscal year 1997-1998 to fund the ENTRY tax refund program contained in section 44 of this bill.

Section 46 provides a severability clause for the bill.

Section 47 provides that this act shall take effect July 1, 1997.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

This bill will have non-recurring effects associated with administration of programs contained in this bill on the departments of State and Revenue, and the Office of Tourism, Trade, and Economic Development.

The bill provides a \$500,000 appropriation from the General Revenue Fund to fund the Seaport Employment Training Grant program.

The bill provides a \$2 million appropriation from the General Revenue Fund to fund the tax refund vouchers contained in the ENTRY tax refund program.

2. Recurring Effects:

The bill deposits \$10 million of license tax moneys in the State Transportation Trust Fund solely for use for seaport intermodal projects.

To the extent this bill induces additional economic activity, the bill may also have a positive impact on state revenues.

3. Long Run Effects Other Than Normal Growth:

Indeterminate at this time.

4. Total Revenues and Expenditures:

See A1. and A2. above

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

To the extent this bill induces additional economic activity, the bill may also have a positive impact on local government revenues.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

Eligible businesses will be able to benefit from the economic development incentives contained in this bill.

3. Effects on Competition, Private Enterprise and Employment Markets:

To the extent this bill induces additional economic activity, this bill should have a positive impact on employment and private enterprise in Florida.

D. FISCAL COMMENTS:

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require municipalities or counties to spend funds or to take action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

The bill does not reduce the percentage of a state tax shared with municipalities and counties.

V. COMMENTS:

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On April 18, 1997, the Committee on Transportation and Economic Development Appropriations adopted an amendment to the bill. The amendment struck everything after

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the enacting clause of the original bill. The provisions of the amendment have been incorporated into the analysis.

VII. SIGNATURES:

COMMITTEE ON BUSINESS DEVELOPMENT AND INTERNATIONAL TRADE:

Prepared by:

Legislative Research Director:

Michael L. Rubin

Michael L. Rubin

AS REVISED BY THE COMMITTEE ON TRANSPORTATION & ECONOMIC
DEVELOPMENT APPROPRIATIONS:

Prepared by:

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Barry G. Brooks