

STORAGE NAME: h4125s1.go

DATE: April 3, 1998

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
GOVERNMENTAL OPERATIONS
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: CS/HB 4125 (PCB TU 98-02)

RELATING TO: Confidentiality of Records

SPONSOR(S): Committees on Governmental Operations, Tourism, Representative Barreiro and others

COMPANION BILL(S): CS/SB 1614(s)

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

- (1) TOURISM YEAS 10 NAYS 0
 - (2) GOVERNMENTAL OPERATIONS YEAS 5 NAYS 0
 - (3)
 - (4)
-

I. SUMMARY:

This bill creates a public records exemption, pursuant to a request by the affected entity, for information held by the Office of the Entertainment Industry Commissioner (OEIC) regarding the identity; trade secrets; or plans, intentions, or interests of an entertainment industry private corporation, partnership, or person seeking to locate, relocate, or expand any of its business activities in this state, unless the information is otherwise released by the party requesting confidentiality. Furthermore, information regarding identity or plans, intentions, or interests to locate, relocate, or expand business activities may be released when the party retains a new or additional business location in this state.

This bill is made subject to the Open Government Sunset Review Act of 1995, and will repeal on October 2, 2003, unless reviewed and reenacted by the Legislature.

This bill makes it a second degree misdemeanor for any person who is an employee of OEIC to willfully and knowingly violate the provisions of the exemption.

Finally, this bill provides a public necessity statement outlining the reasons for the exemption.

This bill does not appear to have a fiscal impact on state or local governments.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Public Records Exemptions

Chapter 119, F.S., requires that public records held by an agency are subject to inspection and copying by the public. However, public records may be exempted from public disclosure.

Article I, section 24, Florida Constitution, provides that exemptions, other than those expressly provided for in the Constitution, may only be accomplished by general law. General law exempting records "shall state with specificity the public necessity justifying the exemption and shall be no broader than necessary to accomplish the stated purpose of the law."

Exemptions are analyzed using the following definition of public necessity: A public necessity justifying an exemption exists when, after considering the public good served by access to the record or meeting and the public or private harm that could be caused by allowing or denying access to the record or meeting, it is determined that the presumption in favor of open records and meetings is overcome because the public's interests are best served by denying access in whole or in part to the record or meeting; and, access is denied to as little of the record or meeting as is practicable.

Trade Secrets

Section 812.081, F.S., defines "trade secrets" to mean

the whole or any portion or phase of any formula, pattern, device, combination of devices, or compilation of information which is for use, or is used, in the operation of a business and which provides the business an advantage, or opportunity to obtain an advantage, over those who do not know or use it. "Trade secret" includes any scientific, technical, or commercial information, including any design, process, procedure, list of suppliers, list of customers, business code, or improvement thereof. Irrespective of novelty, invention, patentability, the state of the prior art, and the level of skill in the business, art, or field to which the subject matter pertains, a trade secret is considered to be:

1. Secret;
2. Of value;
3. For use or in use by the business; and
4. Of advantage to the business, or providing an opportunity to obtain an advantage, over those who do not know or use it

when the owner thereof takes measures to prevent it from becoming available to persons other than those selected by the owner to have access thereto for limited purposes.

Currently, the Governor's Office of Tourism, Trade, and Economic Development contracts with a private, not-for-profit corporation, known as the Florida Entertainment Industry Council, Inc. (FEIC) to represent the State in the promotion and development of the entertainment industry in Florida. The contract naming the FEIC as the State's designee refers to a contracted services contract for specifics on what activities the FEIC is to perform for remuneration. This second contract stipulates that the FEIC will receive remuneration for the publication of a directory and four quarterly magazines and that the FEIC will only make public the records it maintains which directly relate to these publications. The FEIC asserts that as a private corporation it is not required to abide by the open records laws prescribed for agents of the state. However, there is a question as to that assertion since the FEIC's sole function is to act as the State's only representative for promoting and developing the entertainment industry.

Other agents of the State which perform economic development promotion and development functions have been afforded a limited exemption from the public records law under s. 288.075, F.S., for information and trade secrets related to the identity and intentions of private companies or persons interested in expanding their businesses in Florida. The exemptions were extended to the records of these entities because of the sensitivity of the negotiations surrounding business moves or expansions.

There are numerous negotiations, many of them highly sensitive, which must be brought to closure during the preproduction stage of an entertainment industry production project. If the records of such a project were immediately open to the public, critical confidential information could be revealed which could put any or all of the parties involved in the negotiations at a competitive disadvantage. Additionally, if Florida were seeking to persuade a production company to engage in production activities in the state and other locations were apprised of this information and relative details, Florida could be put at a competitive disadvantage in such negotiations and could lose the project.

B. EFFECT OF PROPOSED CHANGES:

This bill creates a public records exemption, pursuant to a request by the affected entity, for information held by the Office of the Entertainment Industry Commissioner (OEIC) regarding the identity; trade secrets as defined by s. 812.081, F.S.; or plans, intentions, or interests of an entertainment industry private corporation, partnership, or person seeking to locate, relocate, or expand any of its business activities in this state, unless the information is otherwise released by the party requesting confidentiality. Furthermore, information regarding identity or plans, intentions, or interests to locate, relocate, or expand business activities may be released when the party retains a new or additional business location in this state.

This bill is made subject to the Open Government Sunset Review Act of 1995, and will repeal on October 2, 2003, unless reviewed and reenacted by the Legislature.

This bill makes it a second degree misdemeanor for any person who is an employee of OEIC to willfully and knowingly violate the provisions of the exemption.

This bill also provides a public necessity statement outlining the reasons for the exemption.

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?

No

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

The Office of the Entertainment Industry Commissioner must keep certain records confidential and exempt as set forth in this bill.

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

No

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

An agency or program is not 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?

No

3. Personal Responsibility:

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

No

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?

Yes. Persons or companies involved in the decision making process of moving or expanding business activities in Florida may conduct business negotiations without the State publicizing the details or outcome of those negotiations until the person or business either locates in the state or releases the information.

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

Certain records are made exempt from public disclosure.

5. Family Empowerment:

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

This bill does not purport to provide services to families or children.

- (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?

No

- 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:

This bill does not create or change a program providing services to families or children.

- (1) parents and guardians?

N/A

- (2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

s. 288.1254

E. SECTION-BY-SECTION RESEARCH:

See "Effect of Proposed Changes"

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None

2. Recurring Effects:

None

3. Long Run Effects Other Than Normal Growth:

None

4. Total Revenues and Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None

2. Recurring Effects:

None

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:

None

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

By creating this public records exemption, more businesses may choose to locate, relocate, or expand their business activities in this state.

D. FISCAL COMMENTS:

None

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

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to expend funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of counties or municipalities to raise revenue.

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

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

V. COMMENTS:

None

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On March 30, 1998, the Committee on Governmental Operations adopted one amendment to HB 4125. The amendment narrowed the exemption to information regarding identity; trade secrets; or certain plans, intentions, or interests. Previously the whole record containing such information was made exempt, and not just the specific information. Furthermore, the amendment allows release of location, relocation, or expansion information once the affected party retains a new or additional business location in this state.

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The bill, as amended, was made a committee substitute.

VII. SIGNATURES:

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