

By Senators Grant, Horne, Kirkpatrick, Diaz-Balart, Webster and Kurth

13-1169-99

1                                   A bill to be entitled  
 2           An act relating to economic development;  
 3           amending s. 288.095, F.S.; revising criteria  
 4           for approval of applications for tax refunds  
 5           for economic development purposes by the Office  
 6           of Tourism, Trade, and Economic Development;  
 7           capping the amount of refunds that may be made  
 8           in a fiscal year; amending s. 288.106, F.S.;  
 9           revising criteria for approval of tax refunds  
 10          under the tax refund program for qualified  
 11          target industry businesses; redefining the  
 12          terms "expansion of an existing business,"  
 13          "local financial support exemption option," and  
 14          "rural county"; defining the term "authorized  
 15          local economic development agency"; extending  
 16          the refund program to additional counties;  
 17          revising the amount of refunds; providing  
 18          requirements for waiver of minimum standards;  
 19          prescribing duties of the office director;  
 20          providing an effective date.

21  
 22 Be It Enacted by the Legislature of the State of Florida:  
 23

24           Section 1. Paragraphs (a) and (b) of subsection (3) of  
 25 section 288.095, Florida Statutes, are amended to read:

26           288.095 Economic Development Trust Fund.--  
 27           (3)(a) ~~Contingent upon an annual appropriation by the~~  
 28 ~~Legislature,~~The Office of Tourism, Trade, and Economic  
 29 Development may approve applications for certification tax  
 30 refunds pursuant to ss. 288.1045(3) and ss. 288.1045, 288.106,  
 31 and 288.107. However, in no case may the total state share of

1 tax refund payments scheduled in all active certifications for  
2 any one fiscal year exceed \$35 million. The office may not  
3 ~~approve tax refunds in excess of the amount appropriated to~~  
4 ~~the Economic Development Incentives Account for such tax~~  
5 ~~refunds, for a fiscal year pursuant to paragraph (b).~~

6 (b) The total amount of tax refund claims ~~refunds~~  
7 approved for payment by the Office of Tourism, Trade, and  
8 Economic Development based on actual project performance may  
9 ~~pursuant to ss. 288.1045, 288.106, and 288.107~~ shall not  
10 exceed the amount appropriated to the Economic Development  
11 Incentives Account for such purposes for the fiscal year. In  
12 the event the Legislature does not appropriate an amount  
13 sufficient to satisfy projections by the office for tax  
14 refunds under ss. 288.1045 and, ~~288.106, and 288.107~~ in a  
15 fiscal year, the Office of Tourism, Trade, and Economic  
16 Development shall, not later than July 15 of such year,  
17 determine the proportion of each refund claim which shall be  
18 paid by dividing the amount appropriated for tax refunds for  
19 the fiscal year by the projected total of refund claims for  
20 the fiscal year. The amount of each claim for a tax refund  
21 shall be multiplied by the resulting quotient. If, after the  
22 payment of all such refund claims, funds remain in the  
23 Economic Development Incentives Account for tax refunds, the  
24 office shall recalculate the proportion for each refund claim  
25 and adjust the amount of each claim accordingly.

26 Section 2. Section 288.106, Florida Statutes, 1998  
27 Supplement, is amended to read:

28 288.106 Tax refund program for qualified target  
29 industry businesses.--

30 (1) LEGISLATIVE FINDINGS AND DECLARATIONS.--The  
31 Legislature finds that attracting, retaining, and providing

1 favorable conditions for the growth of target industries  
2 provides high-quality employment opportunities for citizens of  
3 this state and enhances the economic foundations of this  
4 state. It is the policy of this state to encourage the growth  
5 of a high-value-added employment and economic base by  
6 providing tax refunds to qualified target industry businesses  
7 that create new high-wage employment opportunities in this  
8 state by expanding existing businesses within this state or by  
9 bringing new businesses to this state.

10 (2) DEFINITIONS.--As used in this section:

11 (a) "Account" means the Economic Development  
12 Incentives Account within the Economic Development Trust Fund  
13 established under s. 288.095.

14 (b) "Average private sector wage in the area" means  
15 the statewide private sector average wage or the average of  
16 all private sector wages and salaries in the county or in the  
17 standard metropolitan area in which the business is located.

18 (c) "Business" means an employing unit, as defined in  
19 s. 443.036, which is registered with the Department of Labor  
20 and Employment Security for unemployment compensation purposes  
21 or a subcategory or division of an employing unit which is  
22 accepted by the Department of Labor and Employment Security as  
23 a reporting unit.

24 (d) "Corporate headquarters business" means an  
25 international, national, or regional headquarters office of a  
26 multinational or multistate business enterprise or national  
27 trade association, whether separate from or connected with  
28 other facilities used by such business.

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

31

1 (f) "Enterprise zone" means an area designated as an  
2 enterprise zone pursuant to s. 290.0065.

3 (g) "Expansion of an existing business" means the  
4 expansion of an existing Florida a business by or through  
5 additions to real and personal property ~~on a site colocated~~  
6 ~~with a commercial or industrial operation owned by the same~~  
7 ~~business~~, resulting in a net increase in employment of not  
8 less than 10 percent at such business.

9 (h) "Fiscal year" means the fiscal year of the state.

10 (i) "Jobs" means full-time equivalent positions, as  
11 such terms are consistent with terms used by the Department of  
12 Labor and Employment Security and the United States Department  
13 of Labor for purposes of unemployment compensation tax  
14 administration and employment estimation, resulting directly  
15 from a project in this state. This number shall not include  
16 temporary construction jobs involved with the construction of  
17 facilities for the project or any jobs which have previously  
18 been included in any application for tax refunds under s.  
19 288.104 or this section.

20 (j) "Local financial support" means funding from local  
21 sources, public or private, which is paid to the Economic  
22 Development Trust Fund and which is equal to 20 percent of the  
23 annual tax refund for a qualified target industry business. A  
24 qualified target industry business may not provide, directly  
25 or indirectly, more than 5 percent of such funding in any  
26 fiscal year. The sources of such funding may not include,  
27 directly or indirectly, state funds appropriated from the  
28 General Revenue Fund or any state trust fund, excluding tax  
29 revenues shared with local governments pursuant to law.

30 (k) "Local financial support exemption option" means  
31 the option to exercise an exemption from the local financial

1 support requirement available to any applicant whose project  
2 is located in a county with a population of 75,000 or fewer or  
3 a county with a population of 100,000 or fewer which is  
4 contiguous to a county with a population of 75,000 or fewer  
5 ~~designated by the Rural Economic Development Initiative~~. Any  
6 applicant that exercises this option shall not be eligible for  
7 more than 80 percent of the total tax refunds allowed such  
8 applicant under this section.

9 (l) "New business" means a business which heretofore  
10 did not exist in this state, first beginning operations on a  
11 site located in this state and clearly separate from any other  
12 commercial or industrial operations owned by the same  
13 business.

14 (m) "Project" means the creation of a new business or  
15 expansion of an existing business.

16 (n) "Director" means the Director of the Office of  
17 Tourism, Trade, and Economic Development.

18 (o) "Target industry business" means a corporate  
19 headquarters business or any business that is engaged in one  
20 of the target industries identified pursuant to the following  
21 criteria developed by the office in consultation with  
22 Enterprise Florida, Inc.:

23 1. Future growth.--Industry forecasts should indicate  
24 strong expectation for future growth in both employment and  
25 output, according to the most recent available data. Special  
26 consideration should be given to Florida's growing access to  
27 international markets or to replacing imports.

28 2. Stability.--The industry should not be subject to  
29 periodic layoffs, whether due to seasonality or sensitivity to  
30 volatile economic variables such as weather. The industry  
31 should also be relatively resistant to recession, so that the

1 demand for products of this industry is not necessarily  
2 subject to decline during an economic downturn.

3           3. High wage.--The industry should pay relatively high  
4 wages compared to statewide or area averages.

5           4. Market and resource independent.--The location of  
6 industry businesses should not be dependent on Florida markets  
7 or resources as indicated by industry analysis.

8           5. Industrial base diversification and  
9 strengthening.--The industry should contribute toward  
10 expanding or diversifying the state's or area's economic base,  
11 as indicated by analysis of employment and output shares  
12 compared to national and regional trends. Special  
13 consideration should be given to industries that strengthen  
14 regional economies by adding value to basic products or  
15 building regional industrial clusters as indicated by industry  
16 analysis.

17           6. Economic benefits.--The industry should have strong  
18 positive impacts on or benefits to the state and regional  
19 economies.

20

21 The office, in consultation with Enterprise Florida, Inc.,  
22 shall develop a list of such target industries annually and  
23 submit such list as part of the final agency legislative  
24 budget request submitted pursuant to s. 216.023(1). A target  
25 industry business may not include any industry engaged in  
26 retail activities; any electrical utility company; any  
27 phosphate or other solid minerals severance, mining, or  
28 processing operation; any oil or gas exploration or production  
29 operation; or any firm subject to regulation by the Division  
30 of Hotels and Restaurants of the Department of Business and  
31 Professional Regulation.

1 (p) "Taxable year" means taxable year as defined in s.  
2 220.03(1)(z).

3 (q) "Qualified target industry business" means a  
4 target industry business that has been approved by the  
5 director to be eligible for tax refunds pursuant to this  
6 section.

7 (r) "Rural county" means a county with a population of  
8 75,000 or fewer or a county with a population of 100,000 or  
9 fewer which is contiguous to a county with a population of  
10 75,000 or fewer ~~less~~.

11 (s) "Rural city" means a city with a population of  
12 10,000 or less, or a city with a population of greater than  
13 10,000 but less than 20,000 which has been determined by the  
14 Office of Tourism, Trade, and Economic Development to have  
15 economic characteristics such as, but not limited to, a  
16 significant percentage of residents on public assistance, a  
17 significant percentage of residents with income below the  
18 poverty level, or a significant percentage of the city's  
19 employment base in agriculture-related industries.

20 (t) "Authorized local economic development agency"  
21 means any public or private entity, including those defined in  
22 s. 288.075, authorized by a county or municipality to promote  
23 the general business or industrial interests of that county or  
24 municipality.

25 (3) TAX REFUND; ELIGIBLE AMOUNTS.--

26 (a) There shall be allowed, from the account, a refund  
27 to a qualified target industry business for the amount of  
28 eligible taxes certified by the director which were paid by  
29 such business. The total amount of refunds for all fiscal  
30 years for each qualified target industry business must be  
31 determined pursuant to subsection (4). The annual amount of a

1 refund to a qualified target industry business must be  
2 determined pursuant to subsection (6).  
3       (b) Upon approval by the director, a qualified target  
4 industry business shall be allowed tax refund payments equal  
5 to \$3,000 times the number of jobs specified in the tax refund  
6 agreement under subparagraph (5)(a)1., or equal to \$6,000  
7 times the number of jobs if the project is located in a rural  
8 county or an enterprise zone. Further, a qualified target  
9 industry business shall be allowed additional tax refund  
10 payments equal to \$1,000 times the number of jobs specified in  
11 the tax refund agreement under subparagraph (5)(a)1., if such  
12 jobs pay an annual average wage of at least 150 percent of the  
13 average private-sector wage in the area, or equal to \$2,000  
14 times the number of jobs if such jobs pay an annual average  
15 wage of at least 200 percent of the average private-sector  
16 wage in the area.~~The director may approve a qualified target~~  
17 ~~industry business to receive tax refund payments of up to~~  
18 ~~\$5,000 times the number of jobs specified in the tax refund~~  
19 ~~agreement under subparagraph (5)(a)1., or up to \$7,500 times~~  
20 ~~the number of jobs if the project is located in an enterprise~~  
21 ~~zone.~~A qualified target industry business may not receive  
22 refund payments of more than 25 percent of the total tax  
23 refunds specified in the tax refund agreement under  
24 subparagraph (5)(a)1. in any fiscal year. Further, a qualified  
25 target industry business may not receive more than \$1.5  
26 million in refunds under this section in any single fiscal  
27 year, or more than \$2.5 million in any single fiscal year if  
28 the project is located in an enterprise zone. A qualified  
29 target industry may not receive more than \$5 million in refund  
30 payments under this section in all fiscal years, or more than  
31 \$7.5 million if the project is located in an enterprise zone.



1 Funds made available pursuant to this section may not be  
2 expended in connection with the relocation of a business from  
3 one community to another community in this state unless the  
4 Office of Tourism, Trade, and Economic Development determines  
5 that without such relocation the business will move outside  
6 this state or determines that the business has a compelling  
7 economic rationale for the relocation and that the relocation  
8 will create additional jobs.

9 (c) After entering into a tax refund agreement under  
10 subsection (5), a qualified target industry business may:

11 1. Receive refunds from the account for the following  
12 taxes due and paid by that business beginning with the first  
13 taxable year of the business which begins after entering into  
14 the agreement:

15 ~~1. Taxes on sales, use, and other transactions under~~  
16 ~~chapter 212.~~

17 a.2. Corporate income taxes under chapter 220.

18 ~~3. Intangible personal property taxes under chapter~~  
19 ~~199.~~

20 ~~4. Emergency excise taxes under chapter 221.~~

21 ~~5. Excise taxes on documents under chapter 201.~~

22 ~~6. Ad valorem taxes paid, as defined in s. 220.03(1).~~

23 b.7. Insurance premium tax under s. 624.509.

24 2. Receive refunds from the account for the following  
25 taxes due and paid by that business after entering into the  
26 agreement:

27 a. Taxes on sales, use, and other transactions under  
28 chapter 212.

29 b. Intangible personal property taxes under chapter  
30 199.

31 c. Emergency excise taxes under chapter 221.

- 1           d. Excise taxes on documents under chapter 201.  
2           e. Ad valorem taxes paid, as defined in s. 220.03(1).  
3           (d)  
4

5 However, a qualified target industry business may not receive  
6 a refund under this section for any amount of credit, refund,  
7 or exemption granted to that business for any of such taxes.  
8 If a refund for such taxes is provided by the office, which  
9 taxes are subsequently adjusted by the application of any  
10 credit, refund, or exemption granted to the qualified target  
11 industry business other than as provided in this section, the  
12 business shall reimburse the account for the amount of that  
13 credit, refund, or exemption. A qualified target industry  
14 business shall notify and tender payment to the office within  
15 20 days after receiving any credit, refund, or exemption other  
16 than one provided in this section.

17           (e)~~(d)~~ A qualified target industry business that  
18 fraudulently claims a refund under this section:

19           1. Is liable for repayment of the amount of the refund  
20 to the account, plus a mandatory penalty in the amount of 200  
21 percent of the tax refund which shall be deposited into the  
22 General Revenue Fund.

23           2. Is guilty of a felony of the third degree,  
24 punishable as provided in s. 775.082, s. 775.083, or s.  
25 775.084.

26           (4) APPLICATION AND APPROVAL PROCESS.--

27           (a) To apply for certification as a qualified target  
28 industry business under this section, the business must file  
29 an application with the office before the business has made  
30 the decision to locate a new business in this state or before  
31 the business had made the decision to expand an existing

1 business in this state. The application shall include, but is  
2 not limited to, the following information:

3 1. The applicant's federal employer identification  
4 number and the applicant's state sales tax registration  
5 number.

6 2. The permanent location of the applicant's facility  
7 in this state at which the project is or is to be located.

8 3. A description of the type of business activity or  
9 product covered by the project, including four-digit SIC codes  
10 for all activities included in the project.

11 4. The number of full-time equivalent jobs in this  
12 state that are or will be dedicated to the project and the  
13 average wage of those jobs. If more than one type of business  
14 activity or product is included in the project, the number of  
15 jobs and average wage for those jobs must be separately stated  
16 for each type of business activity or product.

17 5. The total number of full-time equivalent employees  
18 employed by the applicant in this state.

19 6. The anticipated commencement date of the project.

20 ~~7. The amount of:~~

21 ~~a. Taxes on sales, use, and other transactions paid~~  
22 ~~under chapter 212;~~

23 ~~b. Corporate income taxes paid under chapter 220;~~

24 ~~c. Intangible personal property taxes paid under~~  
25 ~~chapter 199;~~

26 ~~d. Emergency excise taxes paid under chapter 221; and~~

27 ~~e. Excise taxes on documents paid under chapter 201.~~

28 ~~8. The estimated amount of tax refunds to be claimed~~  
29 ~~in each fiscal year.~~

30

31

1           ~~7.9.~~ A brief statement concerning the role that the  
2 tax refunds requested will play in the decision of the  
3 applicant to locate or expand in this state.

4           ~~8.10.~~ An estimate of the proportion of the sales  
5 resulting from the project that will be made outside this  
6 state.

7           ~~9.11.~~ A resolution adopted by the governing board of  
8 the county or municipality in which the project will be  
9 located, which resolution recommends that certain types of  
10 businesses be approved as a qualified target industry business  
11 and states that the commitments of local financial support  
12 necessary for the target industry business exist. In advance  
13 of the passage of such resolution, the office may also accept  
14 an official letter from an authorized local economic  
15 development agency that endorses the proposed target industry  
16 project and pledges that sources of local financial support  
17 for such project exist. For the purposes of making pledges of  
18 local financial support under this subsection, the authorized  
19 local economic development agency shall be officially  
20 designated by the passage of a one-time resolution by the  
21 local governing authority. ~~Before adoption of the resolution,~~  
22 ~~the governing board may review the proposed public or private~~  
23 ~~sources of such support and determine whether the proposed~~  
24 ~~sources of local financial support can be provided.~~

25           ~~10.12.~~ Any additional information requested by the  
26 office.

27           (b) To qualify for review by the office, the  
28 application of a target industry business must, at a minimum,  
29 establish the following to the satisfaction of the office:

30           1. The jobs proposed to be provided under the  
31 application, pursuant to subparagraph (a)4., must pay an

1 estimated annual average wage equaling at least 115 percent of  
2 the average private sector wage in the area where the business  
3 is to be located or the statewide private sector average wage.  
4 The office may waive this average wage requirement at the  
5 request of the local governing body recommending the project  
6 and Enterprise Florida, Inc. The wage requirement may only be  
7 waived for a project located in a brownfield area designated  
8 under s. 376.80 or in a rural city or county or in an  
9 enterprise zone and only when the merits of the individual  
10 project or the specific circumstances in the community in  
11 relationship to the project warrant such action. If the local  
12 governing body and Enterprise Florida, Inc., make such a  
13 recommendation, it must be transmitted in writing and the  
14 specific justification for the waiver recommendation must be  
15 explained. If the director elects to waive the wage  
16 requirement, the waiver must be stated in writing and the  
17 reasons for granting the waiver must be explained.

18         2. The target industry business's project must result  
19 in the creation of at least 10 jobs at such project and, if an  
20 expansion of an existing business, must result in a net  
21 increase in employment of not less than 10 percent at such  
22 business. Notwithstanding the definition of the term  
23 "expansion of an existing business" in paragraph (2)(g), at  
24 the request of the local governing body recommending the  
25 project and Enterprise Florida, Inc., the office may define an  
26 "expansion of an existing business" in a rural city, a rural  
27 county, or an enterprise zone as the expansion of a business  
28 resulting in a net increase in employment of less than 10  
29 percent at such business if the merits of the individual  
30 project or the specific circumstances in the community in  
31 relationship to the project warrant such action. If the local

1 governing body and Enterprise Florida, Inc., make such a  
2 request, it must be transmitted in writing and the specific  
3 justification for the request must be explained. If the  
4 director elects to grant such request, such election must be  
5 stated in writing and the reason for granting the request must  
6 be explained.

7           3. The business activity or product for the  
8 applicant's project is within an industry or industries that  
9 have been identified by the office to be high-value-added  
10 industries that contribute to the area and to the economic  
11 growth of the state and that produce a higher standard of  
12 living for citizens of this state in the new global economy or  
13 that can be shown to make an equivalent contribution to the  
14 area and state's economic progress. The director must approve  
15 requests to waive the wage requirement for brownfield areas  
16 designated under s. 376.80 unless it is demonstrated that such  
17 action is not in the public interest.

18           (c) Each application meeting the requirements of  
19 paragraph (b) must be submitted to the office for  
20 determination of eligibility. The office shall review and  
21 evaluate each application based on, but not limited to, the  
22 following criteria:

23           1. Expected contributions to the state strategic  
24 economic development plan adopted by Enterprise Florida, Inc.,  
25 taking into account the long-term effects of the project and  
26 of the applicant on the state economy.

27           2. The economic benefit of the jobs created by the  
28 project in this state, taking into account the cost and  
29 average wage of each job created.

30           3. The amount of capital investment to be made by the  
31 applicant in this state.

1           4. The local commitment and support for the project.

2           5. The effect of the project on the local community,  
3 taking into account the unemployment rate for the county where  
4 the project will be located.

5           6. The effect of any tax refunds granted pursuant to  
6 this section on the viability of the project and the  
7 probability that the project will be undertaken in this state  
8 if such tax refunds are granted to the applicant, taking into  
9 account the expected long-term commitment of the applicant to  
10 economic growth and employment in this state.

11           7. The expected long-term commitment to this state  
12 resulting from the project.

13           8. A review of the business's past activities in this  
14 state or other states, including whether such business has  
15 been subjected to criminal or civil fines and penalties.  
16 Nothing in this subparagraph shall require the disclosure of  
17 confidential information.

18           (d) The office shall forward its written findings and  
19 evaluation concerning each application meeting the  
20 requirements of paragraph (b) to the director within 45  
21 calendar days after receipt of a complete application. The  
22 office shall notify each target industry business when its  
23 application is complete, and of the time when the 45-day  
24 period begins. In its written report to the director, the  
25 office shall specifically address each of the factors  
26 specified in paragraph (c) and shall make a specific  
27 assessment with respect to the minimum requirements  
28 established in paragraph (b). The office shall include in its  
29 report projections of the tax refund claim that will be sought  
30 by the target industry business in each fiscal year based on  
31 the information submitted in the application.

1           (e)1. Within 30 days after receipt of the office's  
2 findings and evaluation, the director shall issue a letter of  
3 certification ~~enter a final order~~ that either approves or  
4 disapproves the application of the target industry business.  
5 The decision must be in writing and must provide the  
6 justifications for approval or disapproval.

7           2. If appropriate, the director shall enter into a  
8 written agreement with the qualified target industry business  
9 pursuant to subsection (5).

10           (f) The director may not certify ~~enter a final order~~  
11 ~~that certifies~~ any target industry business as a qualified  
12 target industry business if the value of tax refunds to be  
13 included in that letter of certification ~~final order~~ exceeds  
14 the available amount of authority to certify new businesses  
15 ~~enter final orders~~ as determined in s. 288.095(3). However, if  
16 the commitments of local financial support represent less than  
17 20 percent of the eligible tax refund payments, or to  
18 otherwise preserve the viability and fiscal integrity of the  
19 program, the director may certify a qualified target industry  
20 business to receive tax refund payments of less than the  
21 allowable amounts specified in paragraph (3)(b). A letter of  
22 certification ~~final order~~ that approves an application must  
23 specify the maximum amount of tax refund that will be  
24 available to the qualified industry business in each fiscal  
25 year and the total amount of tax refunds that will be  
26 available to the business for all fiscal years.

27           (g) Nothing in this section shall create a presumption  
28 that an applicant will receive any tax refunds under this  
29 section. However, the office may issue nonbinding opinion  
30 letters, upon the request of prospective applicants, as to the  
31 applicants' eligibility and the potential amount of refunds.



1           (5) TAX REFUND AGREEMENT.--

2           (a) Each qualified target industry business must enter  
3 into a written agreement with the office which specifies, at a  
4 minimum:

5           1. The total number of full-time equivalent jobs in  
6 this state that will be dedicated to the project, the average  
7 wage of those jobs, the definitions that will apply for  
8 measuring the achievement of these terms during the pendency  
9 of the agreement, and a time schedule or plan for when such  
10 jobs will be in place and active in this state. This  
11 information must be the same as the information contained in  
12 the application submitted by the business under subsection  
13 (4).

14           2. The maximum amount of tax refunds which the  
15 qualified target industry business is eligible to receive on  
16 the project and the maximum amount of a tax refund that the  
17 qualified target industry business is eligible to receive in  
18 each fiscal year.

19           3. That the office may review and verify the financial  
20 and personnel records of the qualified target industry  
21 business to ascertain whether that business is in compliance  
22 with this section.

23           4. The date after which, in each fiscal year, the  
24 qualified target industry business may file an annual claim  
25 under subsection (6).

26           5. That local financial support will be annually  
27 available and will be paid to the account. The director may  
28 not enter into a written agreement with a qualified target  
29 industry business if the local financial support resolution is  
30 not passed by the local governing authority within 90 days

31

1 after he has issued the letter of certification under  
2 subsection (4).

3 (b) Compliance with the terms and conditions of the  
4 agreement is a condition precedent for the receipt of a tax  
5 refund each year. The failure to comply with the terms and  
6 conditions of the tax refund agreement results in the loss of  
7 eligibility for receipt of all tax refunds previously  
8 authorized under this section and the revocation by the  
9 director of the certification of the business entity as a  
10 qualified target industry business.

11 (c) The agreement must be signed by the director and  
12 by an authorized officer of the qualified target industry  
13 business within 120 ~~30~~ days after the issuance of the letter  
14 of certification ~~entry of a final order certifying the~~  
15 ~~business entity as a qualified target industry business~~ under  
16 subsection (4), but not before passage and receipt of the  
17 resolution of local financial support.

18 (d) The agreement must contain the following legend,  
19 clearly printed on its face in bold type of not less than 10  
20 points in size: "This agreement is neither a general  
21 obligation of the State of Florida, nor is it backed by the  
22 full faith and credit of the State of Florida. Payment of tax  
23 refunds are conditioned on and subject to specific annual  
24 appropriations by the Florida Legislature of moneys sufficient  
25 to pay amounts authorized in section 288.106, Florida  
26 Statutes."

27 (6) ANNUAL CLAIM FOR REFUND.--

28 (a) A qualified target industry business that has  
29 entered into a tax refund agreement with the office under  
30 subsection (5) may apply once each fiscal year to the office  
31

1 for a tax refund. The application must be made on or after the  
2 date specified in that agreement.

3 (b) The claim for refund by the qualified target  
4 industry business must include a copy of all receipts  
5 pertaining to the payment of taxes for which the refund is  
6 sought and data related to achievement of each performance  
7 item specified in the tax refund agreement. The amount  
8 requested as a tax refund may not exceed the amount specified  
9 for that fiscal year in that agreement.

10 (c) A tax refund may not be approved for a qualified  
11 target industry business unless the required local financial  
12 support has been paid into the account in that fiscal year. If  
13 the local financial support provided is less than 20 percent  
14 of the approved tax refund, the tax refund must be reduced. In  
15 no event may the tax refund exceed an amount that is equal to  
16 5 times the amount of the local financial support received.  
17 Further, funding from local sources includes any tax abatement  
18 granted to that business under s. 196.1995 or the appraised  
19 market value of municipal or county land conveyed or provided  
20 at a discount to that business. ~~and~~ The amount of any tax  
21 refund for such business approved under this section must be  
22 reduced by the amount of any such tax abatement granted or the  
23 value of the land granted; and the limitations in subsection  
24 (3) and paragraph (4)(f) must be reduced by the amount of any  
25 such tax abatement or the value of the land granted. A report  
26 listing all sources of the local financial support shall be  
27 provided to the office when such support is paid to the  
28 account.

29 (d) A prorated tax refund, less a 5-percent penalty,  
30 shall be approved for a qualified target industry business  
31 provided all other applicable requirements have been satisfied

1 and the business proves to the satisfaction of the director  
2 that it has achieved at least 80 percent of its projected  
3 employment.

4 (e) The director, with such assistance as may be  
5 required from the office, the Department of Revenue, or the  
6 Department of Labor and Employment Security, shall specify by  
7 written final order the amount of the tax refund that is  
8 authorized for the qualified target industry business for the  
9 fiscal year within 30 days after the date that the claim for  
10 the annual tax refund is received by the office.

11 (f) The total amount of tax refund claims ~~refunds~~  
12 approved by the director under this section in any fiscal year  
13 must not exceed the amount authorized under s. 288.095(3).

14 (g) Upon approval of the tax refund under paragraphs  
15 (c), (d), and (e), the Comptroller shall issue a warrant for  
16 the amount specified in the final order. If the final order is  
17 appealed, the Comptroller may not issue a warrant for a refund  
18 to the qualified target industry business until the conclusion  
19 of all appeals of that order.

20 (7) ADMINISTRATION.--

21 (a) The office is authorized to verify information  
22 provided in any claim submitted for tax credits under this  
23 section with regard to employment and wage levels or the  
24 payment of the taxes to the appropriate agency or authority,  
25 including the Department of Revenue, the Department of Labor  
26 and Employment Security, or any local government or authority.

27 (b) To facilitate the process of monitoring and  
28 auditing applications made under this program, the office may  
29 provide a list of qualified target industry businesses to the  
30 Department of Revenue, to the Department of Labor and  
31 Employment Security, or to any local government or authority.

1 The office may request the assistance of those entities with  
2 respect to monitoring the payment of the taxes listed in  
3 subsection (3).

4 (8) EXPIRATION.--This section expires June 30, 2004.  
5 Section 3. This act shall take effect July 1, 1999.

6

7

\*\*\*\*\*

8

SENATE SUMMARY

9 Revises procedures under which the Office of Tourism,  
10 Trade, and Economic Development approves applications for  
11 certification of economic development projects and  
12 certifies projects for tax refunds. The maximum state  
13 share of such refunds for a fiscal year is capped at \$35  
14 million. Allows certification of projects not meeting  
15 current threshold standards in extenuating circumstances.  
16 Revises the amount of per-created-job refund and provides  
17 for an additional refund when created jobs exceed local  
18 pay scales by 150 percent or more. Extends the program to  
19 additional counties.

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31