

By the Committee on Commerce and Economic Opportunities; and
Senator Bronson

310-2104-99

1 A bill to be entitled
2 An act relating to the commercial space
3 industry; amending s. 196.012, F.S.; redefining
4 the term "governmental purpose"; amending ss.
5 212.031, 212.08, F.S.; providing for exemptions
6 from the tax on sales, use, and other
7 transactions; revising the application of the
8 sales tax exemption for machinery and equipment
9 used to increase productive output with respect
10 to such machinery and equipment used in
11 connection with spaceport activities; amending
12 s. 288.063, F.S.; authorizing the Spaceport
13 Florida Authority to enter into contracts for
14 transportation projects; amending s. 288.075,
15 F.S.; adding the Spaceport Florida Authority to
16 a list of economic development agencies whose
17 records are confidential; amending s. 288.35,
18 F.S.; redefining the term "government agency";
19 amending s. 288.9415, F.S.; authorizing the
20 Spaceport Florida Authority to apply for
21 international trade grants; amending s.
22 331.305, F.S.; authorizing Spaceport Florida
23 Authority personnel to participate in specified
24 education and training; amending s. 331.309,
25 F.S.; providing that funds of the authority may
26 be deposited with the Florida Commercial Space
27 Financing Corporation; creating s. 331.3475,
28 F.S.; providing for the Spaceport Facility Loan
29 Guarantee Program; creating part III of ch.
30 331, F.S., the Florida Commercial Space
31 Financing Corporation Act; providing findings

1 and intent; providing definitions; creating the
2 Florida Commercial Space Financing Corporation;
3 specifying the functions the corporation is
4 authorized to carry out; providing for a board
5 of directors of the corporation and for
6 qualifications and appointment of members;
7 providing powers of the corporation and the
8 board; providing for fees; providing for rules;
9 providing for insurance, coinsurance, loan
10 guarantees, and loans for eligible
11 space-related transactions; directing the board
12 to establish an account to receive specified
13 resources; providing for deposits in the
14 account and for allocation of the account's
15 resources; providing for appointment of a
16 president of the corporation; providing powers
17 and duties of the president; requiring an
18 annual report; providing for development of a
19 research design to evaluate the corporation;
20 providing for a review and evaluation of the
21 corporation by the Office of Program Policy
22 Analysis and Government Accountability;
23 providing for periodic reviews and reports by
24 the Division of Banking; authorizing the
25 Spaceport Florida Authority to pledge certain
26 revenues to guarantee corporation loans;
27 creating s. 331.365, F.S.; creating the Florida
28 Space Industry and Research Facility
29 Development Program within the Spaceport
30 Florida Authority; providing that sales tax
31 revenues collected at the Kennedy Space Center

1 Visitor Complex and distributed to the
2 authority shall be used to fund certain
3 approved projects; providing duties of the
4 Office of Tourism, Trade, and Economic
5 Development; providing for audits; amending s.
6 212.20, F.S.; providing for distribution of the
7 state taxes collected pursuant to ch. 212,
8 F.S., at the Kennedy Space Center Visitor
9 Complex to the Spaceport Florida Authority;
10 providing for a minimum annual distribution;
11 creating s. 331.367, F.S.; creating the
12 Spaceport Management Council within the
13 Spaceport Florida Authority; providing that the
14 council shall make recommendations regarding
15 specified areas; providing for an executive
16 board and the membership thereof; providing for
17 selection of members of the council's Space
18 Industry Committee; providing duties of the
19 council; providing duties with respect to a
20 spaceport master plan; providing for
21 development and annual updating of a Spaceport
22 Economic Development Plan; providing for
23 development of certain training programs;
24 providing that the council shall recommend
25 projects to be funded pursuant to the Florida
26 Space Industry and Research Facility
27 Development Program; providing for review of
28 such recommendations by the Department of
29 Community Affairs and the Office of Tourism,
30 Trade, and Economic Development; creating the
31 Florida Space Research Institute; prescribing

1 the purposes of the institute; providing for
2 management and operation of the institute;
3 requiring a report; providing an appropriation;
4 providing an effective date.

5

6 Be It Enacted by the Legislature of the State of Florida:

7

8 Section 1. Subsection (6) of section 196.012, Florida
9 Statutes, is amended to read:

10 196.012 Definitions.--For the purpose of this chapter,
11 the following terms are defined as follows, except where the
12 context clearly indicates otherwise:

13 (6) Governmental, municipal, or public purpose or
14 function shall be deemed to be served or performed when the
15 lessee under any leasehold interest created in property of the
16 United States, the state or any of its political subdivisions,
17 or any municipality, agency, special district, authority, or
18 other public body corporate of the state is demonstrated to
19 perform a function or serve a governmental purpose which could
20 properly be performed or served by an appropriate governmental
21 unit or which is demonstrated to perform a function or serve a
22 purpose which would otherwise be a valid subject for the
23 allocation of public funds. For purposes of the preceding
24 sentence, an activity undertaken by a lessee which is
25 permitted under the terms of its lease of real property
26 designated as an aviation area on an airport layout plan which
27 has been approved by the Federal Aviation Administration and
28 which real property is used for the administration, operation,
29 business offices and activities related specifically thereto
30 in connection with the conduct of an aircraft full service
31 fixed base operation which provides goods and services to the

1 general aviation public in the promotion of air commerce shall
2 be deemed an activity which serves a governmental, municipal,
3 or public purpose or function. Any activity undertaken by a
4 lessee which is permitted under the terms of its lease of real
5 property designated as a public airport as defined in s.
6 332.004(14) by municipalities, agencies, special districts,
7 authorities, or other public bodies corporate and public
8 bodies politic of the state, a spaceport as defined in s.
9 331.303(19), or which is located in a deepwater port
10 identified in s. 403.021(9)(b) and owned by one of the
11 foregoing governmental units, subject to a leasehold or other
12 possessory interest of a nongovernmental lessee that is deemed
13 to perform an aviation, ~~or~~ airport, aerospace, ~~or~~ maritime, ~~or~~
14 port purpose or operation shall be deemed an activity that
15 serves a governmental, municipal, or public purpose. The use
16 by a lessee, licensee, or management company of real property
17 or a portion thereof as a convention center, visitor center,
18 sports facility with permanent seating, concert hall, arena,
19 stadium, park, or beach is deemed a use that serves a
20 governmental, municipal, or public purpose or function when
21 access to the property is open to the general public with or
22 without a charge for admission. If property deeded to a
23 municipality by the United States is subject to a requirement
24 that the Federal Government, through a schedule established by
25 the Secretary of the Interior, determine that the property is
26 being maintained for public historic preservation, park, or
27 recreational purposes and if those conditions are not met the
28 property will revert back to the Federal Government, then such
29 property shall be deemed to serve a municipal or public
30 purpose. The term "governmental purpose" also includes a
31 direct use of property on federal lands in connection with the

1 Federal Government's Space Exploration Program or spaceport
2 activities as defined in s. 212.02(22). Real property and
3 tangible personal property owned by the Federal Government or
4 the Spaceport Florida Authority and used for defense and space
5 exploration purposes or which is put to a use in support
6 thereof shall be deemed to perform an essential national
7 governmental purpose and shall be exempt. "Owned by the
8 lessee" as used in this chapter does not include personal
9 property, buildings, or other real property improvements used
10 for the administration, operation, business offices and
11 activities related specifically thereto in connection with the
12 conduct of an aircraft full service fixed based operation
13 which provides goods and services to the general aviation
14 public in the promotion of air commerce provided that the real
15 property is designated as an aviation area on an airport
16 layout plan approved by the Federal Aviation Administration.
17 For purposes of determination of "ownership," buildings and
18 other real property improvements which will revert to the
19 airport authority or other governmental unit upon expiration
20 of the term of the lease shall be deemed "owned" by the
21 governmental unit and not the lessee. Providing two-way
22 telecommunications services to the public for hire by the use
23 of a telecommunications facility, as defined in s. 364.02(13),
24 and for which a certificate is required under chapter 364 does
25 not constitute an exempt use for purposes of s. 196.199,
26 unless the telecommunications services are provided by the
27 operator of a public-use airport, as defined in s. 332.004,
28 for the operator's provision of telecommunications services
29 for the airport or its tenants, concessionaires, or licensees,
30 or unless the telecommunications services are provided by a
31 public hospital. However, property that is being used to

1 provide such telecommunications services on or before October
2 1, 1997, shall remain exempt, but such exemption expires
3 October 1, 2004.

4 Section 2. Paragraph (a) of subsection (1) of section
5 212.031, Florida Statutes, 1998 Supplement, is amended to
6 read:

7 212.031 Lease or rental of or license in real
8 property.--

9 (1)(a) It is declared to be the legislative intent
10 that every person is exercising a taxable privilege who
11 engages in the business of renting, leasing, letting, or
12 granting a license for the use of any real property unless
13 such property is:

14 1. Assessed as agricultural property under s. 193.461.

15 2. Used exclusively as dwelling units.

16 3. Property subject to tax on parking, docking, or
17 storage spaces under s. 212.03(6).

18 4. Recreational property or the common elements of a
19 condominium when subject to a lease between the developer or
20 owner thereof and the condominium association in its own right
21 or as agent for the owners of individual condominium units or
22 the owners of individual condominium units. However, only the
23 lease payments on such property shall be exempt from the tax
24 imposed by this chapter, and any other use made by the owner
25 or the condominium association shall be fully taxable under
26 this chapter.

27 5. A public or private street or right-of-way occupied
28 or used by a utility for utility purposes.

29 6. A public street or road which is used for
30 transportation purposes.

31

1 7. Property used at an airport exclusively for the
2 purpose of aircraft landing or aircraft taxiing or property
3 used by an airline for the purpose of loading or unloading
4 passengers or property onto or from aircraft or for fueling
5 aircraft.

6 8.a. Property used at a port authority, as defined in
7 s. 315.02(2), exclusively for the purpose of oceangoing
8 vessels or tugs docking, or such vessels mooring on property
9 used by a port authority for the purpose of loading or
10 unloading passengers or cargo onto or from such a vessel, or
11 property used at a port authority for fueling such vessels, or
12 to the extent that the amount paid for the use of any property
13 at the port is based on the charge for the amount of tonnage
14 actually imported or exported through the port by a tenant.

15 b. The amount charged for the use of any property at
16 the port in excess of the amount charged for tonnage actually
17 imported or exported shall remain subject to tax except as
18 provided in sub-subparagraph a.

19 9. Property within spaceport territory leased from the
20 Spaceport Florida Authority which is used for spaceport
21 activities.

22 ~~10.9.~~ Property used as an integral part of the
23 performance of qualified production services. As used in this
24 subparagraph, the term "qualified production services" means
25 any activity or service performed directly in connection with
26 the production of a qualified motion picture, as defined in s.
27 212.06(1)(b), and includes:

28 a. Photography, sound and recording, casting, location
29 managing and scouting, shooting, creation of special and
30 optical effects, animation, adaptation (language, media,
31 electronic, or otherwise), technological modifications,

1 computer graphics, set and stage support (such as
2 electricians, lighting designers and operators, greensmen,
3 prop managers and assistants, and grips), wardrobe (design,
4 preparation, and management), hair and makeup (design,
5 production, and application), performing (such as acting,
6 dancing, and playing), designing and executing stunts,
7 coaching, consulting, writing, scoring, composing,
8 choreographing, script supervising, directing, producing,
9 transmitting dailies, dubbing, mixing, editing, cutting,
10 looping, printing, processing, duplicating, storing, and
11 distributing;

12 b. The design, planning, engineering, construction,
13 alteration, repair, and maintenance of real or personal
14 property including stages, sets, props, models, paintings, and
15 facilities principally required for the performance of those
16 services listed in sub-subparagraph a.; and

17 c. Property management services directly related to
18 property used in connection with the services described in
19 sub-subparagraphs a. and b.

20 11.10. Leased, subleased, or rented to a person
21 providing food and drink concessionaire services within the
22 premises of a movie theater, a business operated under a
23 permit issued pursuant to chapter 550, or any publicly owned
24 arena, sports stadium, convention hall, exhibition hall,
25 auditorium, or recreational facility. A person providing
26 retail concessionaire services involving the sale of food and
27 drink or other tangible personal property within the premises
28 of an airport shall be subject to tax on the rental of real
29 property used for that purpose, but shall not be subject to
30 the tax on any license to use the property. For purposes of
31

1 this subparagraph, the term "sale" shall not include the
2 leasing of tangible personal property.

3 12.11. Property occupied pursuant to an instrument
4 calling for payments which the department has declared, in a
5 Technical Assistance Advisement issued on or before March 15,
6 1993, to be nontaxable pursuant to rule 12A-1.070(19)(c),
7 Florida Administrative Code; provided that this subparagraph
8 shall only apply to property occupied by the same person
9 before and after the execution of the subject instrument and
10 only to those payments made pursuant to such instrument,
11 exclusive of renewals and extensions thereof occurring after
12 March 15, 1993.

13 Section 3. Paragraph (b) of subsection (5) of section
14 212.08, Florida Statutes, 1998 Supplement, is amended to read:

15 212.08 Sales, rental, use, consumption, distribution,
16 and storage tax; specified exemptions.--The sale at retail,
17 the rental, the use, the consumption, the distribution, and
18 the storage to be used or consumed in this state of the
19 following are hereby specifically exempt from the tax imposed
20 by this chapter.

21 (5) EXEMPTIONS; ACCOUNT OF USE.--

22 (b) Machinery and equipment used to increase
23 productive output.--

24 1. Industrial machinery and equipment purchased for
25 exclusive use by a new business in spaceport activities as
26 defined by s. 212.02 or for use in new businesses which
27 manufacture, process, compound, or produce for sale, ~~or for~~
28 ~~exclusive use in spaceport activities as defined in s. 212.02,~~
29 items of tangible personal property at fixed locations are
30 exempt from the tax imposed by this chapter upon an
31 affirmative showing by the taxpayer to the satisfaction of the

1 department that such items are used in a new business in this
2 state. Such purchases must be made prior to the date the
3 business first begins its productive operations, and delivery
4 of the purchased item must be made within 12 months of that
5 date.

6 2.a. Industrial machinery and equipment purchased for
7 exclusive use by an expanding facility which is engaged in
8 spaceport activities as defined by s. 212.02 or for use in
9 expanding manufacturing facilities or plant units which
10 manufacture, process, compound, or produce for sale, ~~or for~~
11 ~~exclusive use in spaceport activities as defined in s. 212.02,~~
12 items of tangible personal property at fixed locations in this
13 state are exempt from any amount of tax imposed by this
14 chapter in excess of \$50,000 per calendar year upon an
15 affirmative showing by the taxpayer to the satisfaction of the
16 department that such items are used to increase the productive
17 output of such expanded facility or business by not less than
18 10 percent.

19 b. Notwithstanding any other provision of this
20 section, industrial machinery and equipment purchased for use
21 in expanding printing manufacturing facilities or plant units
22 that manufacture, process, compound, or produce for sale items
23 of tangible personal property at fixed locations in this state
24 are exempt from any amount of tax imposed by this chapter upon
25 an affirmative showing by the taxpayer to the satisfaction of
26 the department that such items are used to increase the
27 productive output of such an expanded business by not less
28 than 10 percent.

29 3.a. To receive an exemption provided by subparagraph
30 1. or subparagraph 2., a qualifying business entity shall
31 apply to the department for a temporary tax exemption permit.

1 The application shall state that a new business exemption or
2 expanded business exemption is being sought. Upon a tentative
3 affirmative determination by the department pursuant to
4 subparagraph 1. or subparagraph 2., the department shall issue
5 such permit.

6 b. The applicant shall be required to maintain all
7 necessary books and records to support the exemption. Upon
8 completion of purchases of qualified machinery and equipment
9 pursuant to subparagraph 1. or subparagraph 2., the temporary
10 tax permit shall be delivered to the department or returned to
11 the department by certified or registered mail.

12 c. If, in a subsequent audit conducted by the
13 department, it is determined that the machinery and equipment
14 purchased as exempt under subparagraph 1. or subparagraph 2.
15 did not meet the criteria mandated by this paragraph or if
16 commencement of production did not occur, the amount of taxes
17 exempted at the time of purchase shall immediately be due and
18 payable to the department by the business entity, together
19 with the appropriate interest and penalty, computed from the
20 date of purchase, in the manner prescribed by this chapter.

21 d. In the event a qualifying business entity fails to
22 apply for a temporary exemption permit or if the tentative
23 determination by the department required to obtain a temporary
24 exemption permit is negative, a qualifying business entity
25 shall receive the exemption provided in subparagraph 1. or
26 subparagraph 2. through a refund of previously paid taxes. No
27 refund may be made for such taxes unless the criteria mandated
28 by subparagraph 1. or subparagraph 2. have been met and
29 commencement of production has occurred.

30 4. The department shall promulgate rules governing
31 applications for, issuance of, and the form of temporary tax

1 exemption permits; provisions for recapture of taxes; and the
2 manner and form of refund applications and may establish
3 guidelines as to the requisites for an affirmative showing of
4 increased productive output, commencement of production, and
5 qualification for exemption.

6 5. The exemptions provided in subparagraphs 1. and 2.
7 do not apply to machinery or equipment purchased or used by
8 electric utility companies, communications companies,
9 phosphate or other solid minerals severance, mining, or
10 processing operations, oil or gas exploration or production
11 operations, publishing firms that do not export at least 50
12 percent of their finished product out of the state, any firm
13 subject to regulation by the Division of Hotels and
14 Restaurants of the Department of Business and Professional
15 Regulation, or any firm which does not manufacture, process,
16 compound, or produce for sale, ~~or for exclusive use in~~
17 ~~spaceport activities as defined in s. 212.02,~~ items of
18 tangible personal property or which does not use such
19 machinery and equipment in spaceport activities as required by
20 this paragraph.

21 6. For the purposes of the exemptions provided in
22 subparagraphs 1. and 2., these terms have the following
23 meanings:

24 a. "Industrial machinery and equipment" means "section
25 38 property" as defined in s. 48(a)(1)(A) and (B)(i) of the
26 Internal Revenue Code, provided "industrial machinery and
27 equipment" shall be construed by regulations adopted by the
28 Department of Revenue to mean tangible property used as an
29 integral part of spaceport activities or of the manufacturing,
30 processing, compounding, or producing for sale, ~~or for~~
31 ~~exclusive use in spaceport activities as defined in s. 212.02,~~

1 of items of tangible personal property. Such term includes
2 parts and accessories only to the extent that the exemption
3 thereof is consistent with the provisions of this paragraph.

4 b. "Productive output" means the number of units
5 actually produced by a single plant or operation in a single
6 continuous 12-month period, irrespective of sales. Increases
7 in productive output shall be measured by the output for 12
8 continuous months immediately following the completion of
9 installation of such machinery or equipment over the output
10 for the 12 continuous months immediately preceding such
11 installation. However, if a different 12-month continuous
12 period of time would more accurately reflect the increase in
13 productive output of machinery and equipment purchased to
14 facilitate an expansion, the increase in productive output may
15 be measured during that 12-month continuous period of time if
16 such time period is mutually agreed upon by the Department of
17 Revenue and the expanding business prior to the commencement
18 of production; provided, however, in no case may such time
19 period begin later than 2 years following the completion of
20 installation of the new machinery and equipment. The units
21 used to measure productive output shall be physically
22 comparable between the two periods, irrespective of sales.

23 7. Notwithstanding any other provision in this
24 paragraph to the contrary, in order to receive the exemption
25 provided in this paragraph a taxpayer must register with the
26 WAGES Program Business Registry established by the local WAGES
27 coalition for the area in which the taxpayer is located. Such
28 registration establishes a commitment on the part of the
29 taxpayer to hire WAGES program participants to the maximum
30 extent possible consistent with the nature of their business.

31

1 Section 4. Subsection (4) of section 288.063, Florida
2 Statutes, 1998 Supplement, is amended, present subsections
3 (7), (8), and (9) are redesignated as subsections (8), (9),
4 and (10), respectively, and a new subsections (7) is added to
5 that section, to read:

6 288.063 Contracts for transportation projects.--

7 (4) The Office of Tourism, Trade, and Economic
8 Development may adopt criteria by which transportation
9 projects are to be specified and identified. In approving
10 transportation projects for funding, the Office of Tourism,
11 Trade, and Economic Development shall consider factors
12 including, but not limited to, the cost per job created or
13 retained considering the amount of transportation funds
14 requested; the average hourly rate of wages for jobs created;
15 the reliance on the program as an inducement for the project's
16 location decision; the amount of capital investment to be made
17 by the business; the demonstrated local commitment; the
18 location of the project in an enterprise zone designated
19 pursuant to s. 290.0055; the location of the project in a
20 community development corporation service area as defined in
21 s. 290.035(2); the location of the project in a spaceport
22 territory as defined in s. 331.304; the unemployment rate of
23 the surrounding area; the poverty rate of the community; and
24 the adoption of an economic element as part of its local
25 comprehensive plan in accordance with s. 163.3177(7)(j). The
26 Office of Tourism, Trade, and Economic Development may contact
27 any agency it deems appropriate for additional input regarding
28 the approval of projects.

29 (7) For the purpose of this section, the Spaceport
30 Florida Authority may serve as the local government or as the
31

1 contracting agency for transportation projects within
2 spaceport territory as defined by s. 331.304.

3 Section 5. Subsection (1) of section 288.075, Florida
4 Statutes, is amended to read:

5 288.075 Confidentiality of records.--

6 (1) As used in this section, the term "economic
7 development agency" means the Division of Economic Development
8 of the Department of Commerce, any industrial development
9 authority created in accordance with part III of chapter 159
10 or by special law, the Spaceport Florida Authority created in
11 part II of chapter 331,the public economic development agency
12 that advises the county commission on the issuance of
13 industrial revenue bonds of a county that does not have an
14 industrial development authority created in accordance with
15 part III of chapter 159 or by special law, or any research and
16 development authority created in accordance with part V of
17 chapter 159. The term also includes any private agency,
18 person, partnership, corporation, or business entity when
19 authorized by the state, a municipality, or a county to
20 promote the general business interests or industrial interests
21 of the state or that municipality or county.

22 Section 6. Subsection (2) of section 288.35, Florida
23 Statutes, is amended to read:

24 288.35 Definitions.--The following terms, wherever
25 used or referred to in this part, shall have the following
26 meanings:

27 (2) "Government agency" means the state or any county
28 or political subdivision thereof; any state agency; any
29 consolidated government of a county, and some or all of the
30 municipalities located within said county; any chartered
31 municipality in the state; and any of the institutions of such

1 consolidated governments, counties, or municipalities.
2 Specifically included are airports, port authorities, ~~and~~
3 industrial authorities, and the Spaceport Florida Authority.

4 Section 7. Subsection (2) of section 288.9415, Florida
5 Statutes, is amended to read:

6 288.9415 International Trade Grants.--

7 (2) A county, municipality, economic development
8 council, the Spaceport Florida Authority, or a not-for-profit
9 association of businesses organized to assist in the promotion
10 of international trade may apply for a grant of state funds
11 for the promotion of international trade.

12 Section 8. Subsections (1) and (18) of section
13 331.305, Florida Statutes, is amended to read:

14 331.305 Powers of the authority.--The authority shall
15 have the power to:

16 (1) Exercise all powers granted to corporations under
17 the Florida Business ~~General~~ Corporation Act, chapter 607.

18 (18) Establish a personnel management system for
19 hiring employees and setting employee benefit packages. The
20 personnel of the authority are ~~shall not be~~ considered to be
21 within the state employment system, but are eligible to
22 participate in state employee education and training
23 opportunities established under s. 110.1099.

24 Section 9. Subsection (2) of section 331.309, Florida
25 Statutes, 1998 Supplement, is amended to read:

26 331.309 Treasurer; depositories; fiscal agent.--

27 (2) The board is authorized to select as depositories
28 in which the funds of the board and of the authority shall be
29 deposited any qualified public depository as defined in s.
30 280.02, upon such terms and conditions as to the payment of
31 interest by such depository upon the funds so deposited as the

1 board may deem just and reasonable. Funds of the authority may
2 also be deposited with the Florida Commercial Space Financing
3 Corporation created by s. 331.407.The funds of the authority
4 may be kept in or removed from the State Treasury upon written
5 notification from the chair of the board to the State
6 Comptroller.

7 Section 10. Section 331.3475, Florida Statutes, is
8 created to read:

9 331.3475 Spaceport Facility Loan Guarantee Program.--

10 (1) The Spaceport Florida Authority may determine the
11 situations and circumstances for its participation in
12 agreements with the Federal Government, financial
13 institutions, and others associated with the development of
14 aerospace facilities pursuant to this section for a limited
15 state guaranty of up to 30 years of loan guarantees or loan
16 loss reserves issued pursuant to law. The limited state loan
17 guaranty applies only to the primary lenders loans for
18 development of projects as defined in s. 331.303(16) in
19 spaceport territories where a federal agency, federal
20 contractor, or affiliated entity or contractor is the
21 leaseholder. A state guaranty of private loans or a loan loss
22 reserve may be authorized for lenders licensed to operate in
23 the state upon a determination by the authority that such an
24 arrangement would be in the public interest and the likelihood
25 of the success of the loan is great.

26 (2) Approval of a proposed loan guarantee shall be by
27 an Aerospace Facility Financing Review Council, which shall
28 consist of the Secretary of Transportation or the secretary's
29 designee, the Executive Director of the State Board of
30 Administration or the executive director's designee, and the
31 director of the Governor's Office of Tourism, Trade, and

1 Economic Development or the director's designee. The
2 chairperson of the council shall be the director of the
3 Governor's Office of Tourism, Trade, and Economic Development.
4 Staff services for activities of the council shall be provided
5 as needed by the member agencies.

6 (3) The Spaceport Florida Authority may enter into an
7 investment agreement with the Department of Revenue or the
8 State Board of Administration concerning the investment of the
9 earnings accrued and collected upon the investment of the
10 balance of funds maintained in the Working Capital Fund. The
11 investment must be limited as follows:

12 (a) Not more than \$100 million of the investment
13 earnings earned on the investment of the minimum balance of
14 the Working Capital Fund in a fiscal year may be at risk at
15 any time on loan guarantees or as loan loss reserves.

16 (b) The investment earnings may not be used to
17 guarantee any loan guaranty or loan loss reserve agreement for
18 a period longer than 30 years.

19 (4) A lender seeking approval of a limited state
20 guaranty for a loan from the Aerospace Facility Financing
21 Review Council must first provide to the Spaceport Florida
22 Authority and the council a report demonstrating that the
23 lender has reviewed the project and determined its feasibility
24 in accordance with its standard procedures. The procedures
25 include, but are not limited to:

26 (a) Obtaining a satisfactory credit report from a
27 source deemed reliable by the lender;

28 (b) Investigating the background and experience of the
29 manager of the project and determining that the managing
30 entity appears to possess the experience, competence, and
31 capacity to manage the project;

1 (c) Determining that conditions exist to establish a
2 financially sound development project that exposes the state
3 loan guarantee program to a reasonable or negligible level of
4 risk;

5 (d) Determining that the federal agency with
6 jurisdiction over the area where the development project is
7 located has committed in-kind resources, financial incentives,
8 or financial resources to the total project cost; and

9 (e) Evaluating the prospects for continued funding of
10 the program or programs that will be the primary users of the
11 project.

12 (5) A lender covered by a limited state guaranty for a
13 loan is not entitled to file a claim for loss pursuant to the
14 guaranty unless all reasonable and normal remedies available
15 to and customary for lending institutions for resolving
16 problems of loan repayments are exhausted. If the lender has
17 received collateral security in connection with the loan, the
18 lender must first exhaust all available remedies against the
19 collateral security.

20 (6) The council may establish requirements for the
21 issuance of loan guarantees, including contractual provisions
22 to foster reimbursement, in the event of default, to the
23 guarantee fund.

24 (7) The council may receive public and private funds,
25 federal grants, and private donations in carrying out its
26 responsibilities.

27 (8) The authority shall include in the annual report
28 required under s. 331.310(13), a description of its activities
29 and agreements approved relating to development of spaceport
30 territory under this section. This section shall be reviewed
31 by the Legislature by October 1, 2004, and a determination

1 made related to the need to continue or modify this section.
2 New loan guarantees may not be approved in 2004 until the
3 review by the Legislature has been completed and a
4 determination has been made as to the feasibility of
5 continuing the use of the Working Capital Fund to guarantee
6 portions of loans under this section.

7 Section 11. Part III of chapter 331, Florida Statutes,
8 consisting of sections 331.401, 331.403, 331.405, 331.407,
9 331.409, 331.411, 331.415, 331.417, 331.419, and 331.421, is
10 created to read:

11 331.401 Short title.--Sections 331.401-331.421 may be
12 cited as the "Florida Commercial Space Financing Corporation
13 Act."

14 331.403 Legislative findings and intent.--The
15 Legislature finds that the expansion of state and federal
16 support for the aerospace industry in Florida is critical to
17 the continued development of a viable commercial space
18 industry and the technical and scientific job base for its
19 citizens. This development of commercial opportunities in
20 Florida is slowed by the lack of traditional business
21 financing tools such as securitization for industrial
22 development. Florida's launch industry is also being
23 challenged by the provision of such industry assistance by
24 other countries. Florida's aerospace industry could be
25 assisted by a corporation established to work with the United
26 States Export-Import Bank, the Small Business Administration,
27 the National Aeronautics and Space Administration, and other
28 federal, state, and private sources to provide information,
29 technical assistance, and financial support. It is the
30 intention of the Legislature to retain and expand job
31 opportunities for Florida citizens through this mechanism.

1 331.405 Definitions.--As used in this part:
2 (1) "Account" means the account established pursuant
3 to s. 331.415.
4 (2) "Authority" means the Spaceport Florida Authority
5 created by s. 331.302.
6 (3) "Board" means the governing body of the
7 corporation.
8 (4) "Corporation" means the Florida Commercial Space
9 Financing Corporation.
10 (5) "Domiciled in this state" means registered to do
11 business in Florida.
12 (6) "Financing agreement" has the same meaning as in
13 s. 331.303(10).
14 (7) "Financial institution" has the same meaning as in
15 s. 655.005(1)(h).
16 (8) "Member" means an individual appointed to be a
17 member of the board.
18 (9) "President" means the chief executive officer of
19 the corporation.
20 331.407 Florida Commercial Space Financing
21 Corporation.--
22 (1) The Florida Commercial Space Financing Corporation
23 is created as a corporation not for profit. The corporation
24 shall have all the powers, rights, privileges, and authority
25 as provided under chapter 617 and this part. The corporation
26 shall be organized on a nonstock basis. The purpose of the
27 corporation is to expand employment and income opportunities
28 for residents of this state by providing businesses domiciled
29 in this state with information, technical assistance, and
30 financial assistance to support space-related transactions, in
31 order to increase the development within the state of

1 commercial aerospace products, activities, services, and
2 facilities.

3 (2) The corporation shall have the power and authority
4 to carry out the following functions:

5 (a) To coordinate its efforts with programs and goals
6 of the United States Air Force, the National Aeronautics and
7 Space Administration, the Export-Import Bank, the
8 International Trade Administration of the United States
9 Department of Commerce, the Foreign Credit Insurance
10 Association, Enterprise Florida, Inc., and its boards, and
11 other private and public programs and organizations, domestic
12 and foreign.

13 (b) To establish a network of contacts among those
14 domestic and foreign public and private organizations which
15 provide information, technical assistance, and financial
16 support to the aerospace industry.

17 (c) To assemble, publish, and disseminate information
18 on financing opportunities and techniques of financing
19 aerospace projects, programs, and activities; sources of
20 public and private aerospace financing assistance; and sources
21 of space-related financing.

22 (d) To organize, host, and participate in seminars and
23 other forums designed to disseminate information and technical
24 assistance regarding space-related financing.

25 (e) To insure, coinsure, lend, and guarantee loans,
26 and to originate for sale direct space-related loans, pursuant
27 to criteria, bylaws, policies, and procedures adopted by the
28 board.

29 (f) To capitalize, underwrite, and secure funding for
30 aerospace infrastructure, satellites, launch vehicles, and any
31 service which supports aerospace launches.

1 (g) To construct, lease, or sell aerospace
2 infrastructure, satellites, launch vehicles, and any other
3 related activities and services.

4 (h) To acquire property, including real, personal,
5 tangible, intangible, or mixed, under such conditions as the
6 board may deem necessary or desirable, and sell or otherwise
7 dispose of the same.

8 (i) To make and exercise any and all contracts or
9 other instruments necessary or convenient to the exercise of
10 its powers, including financing agreements.

11 331.409 Powers and limitations.--

12 (1) The corporation may charge fees to help defray the
13 operating expenses of its programs. The amount of fees shall
14 be determined by the board.

15 (2) The total of loans, guarantees, direct loan
16 originations for sale, and insured transactions outstanding
17 shall not be more than five times the balance of the account.
18 The board may elect to require a higher reserve.

19 (3) The board shall adopt rules with respect to the
20 terms and limits for loans, guarantees, and direct loan
21 originations, but a loan guarantee or a direct loan
22 origination shall not exceed 90 percent of the transaction
23 contract.

24 (4) In providing assistance, the board shall create a
25 fiscal strategy for Florida which will guide and facilitate
26 the successful expansion of space-related jobs.

27 (5) The board shall explore the possibility of
28 organizing financial institutions and international bank
29 syndicates for the purpose of offering nonrecourse financing
30 to the Florida aerospace industry.

31

1 (6) The board may exercise all powers granted to
2 not-for-profit corporations under chapter 617.

3 (7) The board shall manage all funds in its possession
4 and invest in permissible securities.

5 331.411 Board of directors; powers and duties.--

6 (1) There is created a board of directors of the
7 corporation, which shall consist of up to 17 voting members as
8 follows:

9 (a) One representative appointed by each of the
10 following:

11 1. The board of supervisors of the Spaceport Florida
12 Authority.

13 2. The board of directors of the Florida Export
14 Finance Corporation.

15 3. The governing board of the Economic Development
16 Commission of Florida's Space Coast.

17 4. The Secretary of Transportation.

18 5. The Insurance Commissioner and Treasurer.

19 6. The Florida office of the United States Department
20 of Commerce.

21 7. The Florida office of the United States Department
22 of Transportation.

23 8. The Comptroller.

24 (b) The Governor shall appoint the following members:

25 1. Up to three members representing national banks.

26 2. A member representing a state bank.

27 3. A member representing the investment banking
28 industry.

29 4. A member representing the aerospace industry,
30 preferably a financial officer.

31 5. An attorney at law in private practice.

1 6. A member representing the public accounting
2 industry.

3 7. A member representing the defense industry.

4
5 The board shall also include two ex officio nonvoting members,
6 a member of the House of Representatives selected by the
7 Speaker of the House of Representatives, and a member of the
8 Senate selected by the President of the Senate, both of whom
9 shall serve 2-year terms.

10 (2) Each voting member shall serve a 3-year term,
11 beginning on July 1. Members appointed pursuant to paragraph
12 (1)(a) shall serve at the pleasure of the appointing
13 authority. Members appointed pursuant to paragraph (1)(b)
14 shall serve at the pleasure of the Governor. Initial
15 appointments shall be made no later than 60 days after the
16 effective date of this act.

17 (3)(a) No person appointed pursuant to paragraph
18 (1)(a) may be employed full time by any entity that applies
19 for financial support.

20 (b) The members of the board who are federal employees
21 shall not vote on any financial matter, but may vote on all
22 corporate policies and procedures.

23 (c) All board members must be residents of the state.

24 (4) The board shall hold its initial meeting no later
25 than 30 days after the members have been appointed.

26 (5) At its first meeting, the board shall appoint a
27 president of the corporation from qualified candidates who
28 have been screened and interviewed by the Spaceport Florida
29 Authority.

30 (6) Board members shall serve without compensation but
31 may be reimbursed for all necessary expenses in the

1 performance of their duties, including attending board
2 meetings and conducting board business.

3 (7) The board shall:

4 (a) Prior to the expenditure of funds from the
5 account, adopt bylaws, rules, and policies necessary to carry
6 out its responsibilities under this part, particularly with
7 respect to the implementation of the corporation's programs to
8 insure, coinsure, lend, provide loan guarantees, and make
9 direct, guaranteed, or collateralized loans to support
10 space-related transactions.

11 (b) Hold regularly scheduled meetings, at least
12 quarterly, in order to carry out the objectives and
13 responsibilities of the board.

14 (c) Adopt policies, including criteria, establishing
15 which space-related transactions shall be eligible for
16 insurance, coinsurance, loan guarantees, and direct,
17 guaranteed, or collateralized loans which may be extended by
18 the corporation. To implement this paragraph, the board shall
19 adopt rules which include the following criteria:

20 1. Any individual signing any corporation loan
21 application and loan or guarantee agreement must have an
22 equity interest in the business applying for financial
23 assistance.

24 2. Applicants must be domiciled in this state and will
25 be contractually obligated to use Florida launch facilities to
26 the maximum extent possible.

27 (d) Adopt requirements to ensure the full repayment of
28 loans and loan guarantees, plus accrued interest,
29 full-recourse claims, and indemnities on direct loan
30 originations sold by the corporation, and the solvency of any
31 insurance and coinsurance program extended under this part.

1 (e) Approve any extension of insurance, coinsurance,
2 loans, loan guarantees, or direct loan originations for sale
3 under this part.

4 (f) Consult with Enterprise Florida, Inc., and its
5 boards, or any state or federal agency, to ensure that their
6 respective loan guarantee or working capital loan origination
7 programs are not duplicative and that each program makes full
8 use, to the extent practicable, of the resources of the other.

9 (g) Work to secure a delegated line of authority from
10 the United States Export-Import Bank or other appropriate
11 federal or state agency or private sector entity in order to
12 take advantage of possible funding or guarantee sources.

13 (h) Develop a streamlined application and review
14 process.

15 331.415 Authority to create account.--

16 (1) The board shall create an account for the purposes
17 of this part to receive state, federal, and private financial
18 resources, and the return from investments of those resources.
19 The account shall be under the exclusive control of the board.

20 (2) Resources in the account shall be allocated for
21 operating expenses of the corporation and for other purposes
22 authorized by this part.

23 (3)(a) Appropriations for the corporation shall be
24 deposited into the account.

25 (b) The board may deposit the resources of the account
26 with state or federally chartered financial institutions in
27 this state and may invest the remaining portion in permissible
28 securities.

29 (c) At all times, the board shall attempt to maximize
30 the returns on funds in the account.

31

1 (d) All funds received from the activities of the
2 corporation shall be redeposited in the account to be used to
3 support the purposes of this part.

4 (4) Any claims against the account shall be paid
5 solely from the account. Under no circumstances shall the
6 credit of the state be pledged other than funds appropriated
7 by law to the account, nor shall the state be liable or
8 obligated in any way for claims on the account or against the
9 corporation.

10 331.417 President.--

11 (1) The board shall appoint a president. The president
12 shall be knowledgeable about the aerospace industry and its
13 financing programs.

14 (2) The president shall serve at the pleasure of the
15 board and shall receive a salary and benefits as fixed by the
16 board.

17 (3) The president shall administer the programs of the
18 corporation and perform such duties as are delegated by the
19 board.

20 (4) The president may, upon approval of the board:

21 (a) Contract for services.

22 (b) Hold public hearings.

23 (c) Call upon and reimburse for services any state
24 agency or department for assistance in carrying out the
25 objectives of this part.

26 (d) Participate with government or private industry in
27 programs for technical assistance, loans, technology transfer,
28 or any other programs related to this part.

29 (e) Undertake or commission studies on methods to
30 increase financial resources to expand the financial
31 assistance to aerospace-related industries in this state.

1 (f) Hire staff and provide training for them and other
2 individuals involved in finance assistance, including such
3 training sessions as may be provided by the United States
4 Export-Import Bank and other organizations.

5 (g) Exercise any other powers as may be necessary to
6 carry out the purposes of this part.

7 (5) The president shall provide staff to the board as
8 requested.

9 (6) The president shall submit an annual budget to be
10 approved by the board.

11 331.419 Reports and audits.--

12 (1) By December 31 of each year, the corporation shall
13 submit to the Governor, the President of the Senate, the
14 Speaker of the House of Representatives, the Senate Minority
15 Leader, and the House Minority Leader a complete and detailed
16 report setting forth:

17 (a) An evaluation of its activities and
18 recommendations for change.

19 (b) The corporation's impact on the participation of
20 private banks and other private organizations and individuals
21 in the corporation's financing programs, and other economic
22 and social benefits to businesses in this state.

23 (c) Its assets and liabilities at the end of its most
24 recent fiscal year.

25 (2) By September 1, 2000, the corporation, in
26 cooperation with the Office of Program Policy Analysis and
27 Government Accountability, shall develop a research design,
28 including goals and measurable objectives for the corporation,
29 which will provide the Legislature with a quantitative
30 evaluation of the corporation. The corporation shall utilize
31 the monitoring mechanisms and reports developed in the designs

1 and provide these reports to the Governor, the President of
2 the Senate, the Speaker of the House of Representatives, and
3 the Office of Program Policy Analysis and Government
4 Accountability.

5 (3) Prior to the 2001 Regular Session of the
6 Legislature, the Office of Program Policy Analysis and
7 Government Accountability shall perform a review and
8 evaluation of the corporation using the research design
9 promulgated pursuant to subsection (2). The report shall
10 critique the corporation. A report of the findings and
11 recommendations of the Auditor General shall be submitted to
12 the President of the Senate and the Speaker of the House of
13 Representatives prior to the 2001 Regular Session.

14 (4) The Division of Banking of the Department of
15 Banking and Finance shall review the corporation's activities
16 once every 24 months to determine compliance with this part
17 and related laws and rules and to evaluate the corporation's
18 operations. The division shall prepare a report based on its
19 review and evaluation with recommendation for any corrective
20 action. The president shall submit to the division regular
21 reports on the corporation's activities. The content and
22 frequency of such reports shall be determined by the division.
23 The division may charge a fee for conducting the review and
24 evaluation and preparing the related report, which fee shall
25 not be in excess of the examination fee paid by chartered or
26 licensed financial institutions.

27 331.421 Pledge of revenues by authority.--The
28 Spaceport Florida Authority may pledge existing revenues on
29 deposit or future revenues projected to be available for
30 deposit in the segregated account provided for by s.
31 331.365(2) in order to guarantee, in whole or in part, the

1 payment of principal and interest on a loan made by the
2 corporation.

3 Section 12. Section 331.365, Florida Statutes, is
4 created to read:

5 331.365 Florida Space Industry and Research Facility
6 Development Program.--

7 (1) There is created the Florida Space Industry and
8 Research Facility Development Program within the Spaceport
9 Florida Authority to finance space industry research,
10 manufacturing, and other industrial support facilities,
11 projects, and programs that will improve the statewide
12 development of space-related economic and academic
13 opportunities.

14 (2) State taxes imposed pursuant to chapter 212 which
15 are collected at the Kennedy Space Center Visitor Complex
16 shall be distributed to the Spaceport Florida Authority as
17 provided by s. 212.20(6)(f) and shall be used to fund the
18 Florida Space Industry and Research Facility Development
19 Program. Such funds shall be distributed quarterly by the
20 Department of Revenue to the Spaceport Florida Authority. The
21 Spaceport Florida Authority shall place all of such funds in a
22 segregated account, and the account and its activity shall be
23 subject to an annual audit.

24 (3) Program funds shall be used to fund approved
25 projects as defined by s. 331.303(16) that have been
26 recommended by the Spaceport Management Council created by s.
27 331.367 and approved by the Spaceport Florida Authority board
28 of supervisors. The Office of Tourism, Trade, and Economic
29 Development shall review and certify funding proposals for
30 consistency with this section.

31

1 (4) Any project or project user which receives funding
2 under this program shall institute procedures to ensure that
3 jobs created as a result of the state funding shall be subject
4 to equal opportunity hiring practices in the manner provided
5 in s. 110.112.

6 (5) The Office of Tourism, Trade, and Economic
7 Development shall subject any project that receives funds
8 pursuant to this section to a final audit. The office may
9 adopt rules and perform such other acts as are necessary to
10 ensure that the final audits are conducted and that any
11 deficiency or questioned costs noted by the audit are
12 resolved.

13 Section 13. Present paragraph (f) of subsection (6) of
14 section 212.20, Florida Statutes, 1998 Supplement, is
15 redesignated as paragraph (g), and a new paragraph (f) is
16 added to that subsection, to read:

17 212.20 Funds collected, disposition; additional powers
18 of department; operational expense; refund of taxes
19 adjudicated unconstitutionally collected.--

20 (6) Distribution of all proceeds under this chapter
21 shall be as follows:

22 (f) Proceeds from the state taxes imposed pursuant to
23 this chapter which are collected at the Kennedy Space Center
24 Visitor Complex shall be distributed by the department to the
25 Spaceport Florida Authority for use as provided in s. 331.365.
26 However, the authority shall receive a minimum of \$4 million
27 each fiscal year under this paragraph and, if in any fiscal
28 year such proceeds are less than \$4 million, additional
29 proceeds under this chapter shall be distributed to the
30 authority to assure such minimum distribution.

31

1 Section 14. Section 331.367, Florida Statutes, is
2 created to read:

3 331.367 Spaceport Management Council.--

4 (1) The Spaceport Management Council is created within
5 the Spaceport Florida Authority to provide coordination and
6 recommendations on projects and activities that will increase
7 the operability and capabilities of Florida's space launch
8 facilities, increase statewide space-related industry and
9 opportunities, and promote space education and research within
10 the state. The council shall work to develop integrated
11 facility and programmatic development plans to address
12 commercial, state, and federal requirements and to identify
13 appropriate private, state, and federal resources to implement
14 these plans.

15 (2) The council shall make recommendations regarding:

16 (a) Projects to be funded under the Florida Space
17 Industry and Research Facility Development Program created by
18 s. 331.365.

19 (b) The development of a spaceport master plan.

20 (c) The projects and levels of commercial financing
21 required from the Florida Commercial Space Financing
22 Corporation created by s. 331.407.

23 (d) Development and expansion of space-related
24 education and research programs within Florida, including
25 recommendations to be provided to the State University System,
26 the Division of Community Colleges, and the Department of
27 Education.

28 (e) The regulation of spaceports and federal and state
29 policy.

30 (f) Florida's approach to the Federal Government
31 regarding requests for funding of space development.

1 (3)(a) The council shall consist of an executive
2 board, which shall consist of representatives of governmental
3 organizations with responsibilities for developing or
4 operating space transportation facilities, and a Space
5 Industry Committee, which shall consist of representatives of
6 Florida's space industry.

7 (b) The following individuals shall serve on the
8 executive board:

9 1. The executive director of the Spaceport Florida
10 Authority or his or her designee.

11 2. The director of the John F. Kennedy Space Center or
12 his or her designee.

13 3. The Commander of the United States Air Force 45th
14 Space Wing or his or her designee.

15 4. The Commander of the Naval Ordnance Test Unit or
16 his or her designee.

17 5. The Secretary of Transportation or his or her
18 designee.

19 6. The president of Enterprise Florida, Inc., or his
20 or her designee, as an ex officio nonvoting member.

21 7. The director of the Office of Tourism, Trade, and
22 Economic Development or his or her designee, as an ex officio
23 nonvoting member.

24 8. The Secretary of Management Services or his or her
25 designee, as an ex officio nonvoting member.

26 9. The chair of the State Board of Independent
27 Colleges and Universities or his or her designee, as an ex
28 officio nonvoting member.

29 10. The executive director of the Division of
30 Community Colleges or his or her designee, as an ex officio
31 nonvoting member.

1 11. The Chancellor of the State University System or
2 his or her designee, as an ex officio nonvoting member.

3 12. The member of the Senate and the member of the
4 House of Representatives appointed to the Spaceport Florida
5 Authority board of supervisors pursuant to s. 331.308(1), as
6 ex officio nonvoting members.

7 (c) The Space Industry Committee shall consist of 15
8 members representing companies or divisions of companies
9 predominantly involved in providing space-related goods and
10 services who are significant employers within Florida. A
11 public application process to solicit and review potential
12 nominees shall be instituted. The executive director of the
13 Spaceport Florida Authority shall nominate 15 members of the
14 committee from the list of qualified applicants, who shall
15 then be subject to confirmation by the authority's board of
16 supervisors.

17 (4) Each member shall be appointed to serve for a
18 3-year term, beginning July 1. Initial appointments shall be
19 made no later than 60 days after the effective date of this
20 act.

21 (5) The executive board shall hold its initial meeting
22 no later than 30 days after the members have been appointed.
23 The Space Industry Committee shall hold its initial meeting no
24 later than 60 days after the members have been appointed.

25 (6) All council members must be residents of the
26 state.

27 (7) The council shall adopt bylaws governing the
28 manner in which the business of the council shall be
29 conducted. The bylaws shall specify the procedure by which the
30 chairperson of the council is elected.

31

1 (8) The council shall provide infrastructure and
2 program requirements and develop other information to be
3 utilized in a 5-year spaceport master plan. The council shall
4 define goals and objectives concerning the development of
5 spaceport facilities and an intermodal transportation system
6 consistent with the goals of the Florida Transportation Plan
7 developed pursuant to s. 339.155.

8 (9)(a) The council shall provide requirements and
9 other information to be utilized in the development of a
10 5-year Spaceport Economic Development Plan, defining the goals
11 and objectives of the council concerning the development of
12 space manufacturing, research and development, and educational
13 facilities.

14 (b) The council shall update the 5-year Spaceport
15 Economic Development Plan annually and shall submit the plan
16 no later than February 1 of each year to the President of the
17 Senate, the Speaker of the House of Representatives, the
18 Office of Tourism, Trade, and Economic Development, the
19 Department of Transportation, and the Department of Community
20 Affairs.

21 (10) The council shall develop programs, based on an
22 examination of existing programs in Florida and other states,
23 for the training of minorities and secondary school students
24 in job skills associated with employment opportunities in the
25 aerospace industry, and report on progress and recommendations
26 for further action to the President of the Senate and the
27 Speaker of the House of Representatives annually, no later
28 than February 1, beginning in 2000.

29 (11)(a) The council shall adopt procedures for
30 evaluating projects which may be funded under s. 331.365. The
31 rules shall provide criteria for evaluating the economic

1 benefit of the project, measured by the potential for the
2 proposed project to increase manufacturing activity,
3 international commerce, spaceport revenues, and the number of
4 jobs.

5 (b) The council shall review and recommend projects
6 eligible to be funded pursuant to the Florida Space Industry
7 and Research Facility Development Program. The council shall
8 annually submit to the Secretary of Transportation, the
9 director of the Office of Tourism, Trade, and Economic
10 Development, and the Secretary of Community Affairs a list of
11 projects which have been approved by the council. The list
12 shall specify the recommended funding level for each project
13 and, if staged implementation of the project is appropriate,
14 the funding requirements for each stage shall be specified.

15 (c) The Department of Community Affairs shall review
16 the list of projects approved by the council to determine
17 consistency with approved local government comprehensive plans
18 of the units of local government in which the project is
19 located. The Department of Community Affairs shall identify
20 and notify the council of those projects that are not
21 consistent with such comprehensive plans to the maximum extent
22 feasible.

23 (d) The Office of Tourism, Trade, and Economic
24 Development shall review the list of projects approved by the
25 council to evaluate the economic benefit of the projects. The
26 office shall identify those projects that it determines do not
27 offer an economic benefit to the state, and shall notify the
28 council of its findings.

29 (e) The council shall review the findings of the
30 Department of Community Affairs, the Office of Tourism, Trade,
31 and Economic Development, and the Department of

1 Transportation. Projects found to be inconsistent pursuant to
2 paragraph (c) or inconsistent with the Florida Transportation
3 Plan or projects which have been determined not to offer an
4 economic benefit to the state pursuant to paragraph (d) shall
5 not be included in the list of projects to be funded.

6 (12) The council shall meet at the call of its
7 chairperson, at the request of a majority of its membership,
8 or at such times as may be prescribed in its bylaws. However,
9 the council must meet at least semiannually. A majority of
10 voting members of the council constitutes a quorum for the
11 purpose of transacting the business of the council. A vote of
12 the majority of the voting members present is sufficient for
13 any action of the council, unless the bylaws of the council
14 require a greater vote for a particular action.

15 (13) Members of the council shall serve without
16 compensation but are entitled to receive reimbursement for per
17 diem and travel expenses as provided in s. 112.061. The
18 council may elect to establish an administrative staff to
19 provide services to the council on matters relating to the
20 Florida Space Industry and Research Facility Development
21 Program and the council's other activities. The Spaceport
22 Florida Authority shall pay the cost for such administrative
23 services.

24 Section 15. (1) There is created the Florida Space
25 Research Institute as a Type I Institute under the Board of
26 Regents at the University of Florida. The principal purposes
27 of the institute are to function as an academic center of
28 excellence for space-related research and development; to
29 educate and train individuals for employment in space-related
30 occupations and thereby address the workforce development
31 needs of the space industry and its support businesses; and to

1 facilitate linkages between the private-sector, government,
2 and educational institutions that will help foster the
3 development of the commercial space industry in this state.

4 (2) The institute shall be managed by the University
5 of Florida and shall be operated, in part, on property at Cape
6 Canaveral owned or leased by the Spaceport Florida Authority,
7 or otherwise under the authority's control.

8 (3) Florida State University, the University of
9 Central Florida, the Florida Institute of Technology, and the
10 University of Miami shall serve as partners in the institute.
11 The institute may establish regional centers at such
12 institutions.

13 (4) The institute shall function as a public-private
14 partnership, and, to that end, shall ensure the active
15 participation of private-sector businesses in the planning,
16 operation, and financial support of the institute.

17 (5) By December 1 of each year, the institute shall
18 submit a report on its activities and accomplishments for the
19 prior fiscal year to the Governor, the President of the
20 Senate, and the Speaker of the House of Representatives. As
21 part of this report, the institute shall make findings and
22 recommendations regarding actions the state could take to
23 enhance the effectiveness of the institute, to facilitate
24 space-related research and development, and to further the
25 development of space-related business in the state.

26 Section 16. The sum of \$5 million is appropriated from
27 the General Revenue Fund to the Florida Commercial Space
28 Financing Corporation Trust Fund for the purpose of
29 implementing sections 331.401-331.421, Florida Statutes,
30 during the 1999-2000 fiscal year. The sum of \$500,000 is
31 appropriated from the General Revenue Fund to the Florida

1 Commercial Space Financing Corporation for corporate
2 operations for the 1999-2000 fiscal year.

3 Section 17. This act shall take effect July 1, 1999.
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 Senate Bill 2540

4 The committee substitute (CS) differs substantially and
5 principally from Senate Bill 2540 in that it:

6 Creates Part III of ch. 331, F.S., consisting of ss.
7 331.401, 331.403, 331.405, 331.407, 331.409, 331.411,
8 331.415, 331.417, 331.419, and 331.421, F.S., to be
9 cited as the "Florida Commercial Space Financing
10 Corporation Act."

11 Creates an account for the Florida Commercial Space
12 Financing Corporation within a qualified depository,
13 with the account under the responsibility of the
14 governing board of the corporation.

15 Creates the Florida Space Research Institute as a Type I
16 institute under the Board of Regents at the University
17 of Florida. The institute will function as an academic
18 center for space-related research and development.
19 Florida State University, the University of Central
20 Florida, the Florida Institute of Technology, and the
21 University of Miami shall serve as partners in the
22 institute, and the institute may establish regional
23 centers at such institutions.

24 In addition, the CS eliminates multiple provisions
25 contained in the original bill, including provisions
26 that:

27 Assign Spaceport Florida Authority (SFA) a role in
28 assisting with preparation of an annual business climate
29 report and providing recommendations to the Office of
30 Tourism, Trade, and Economic Development in connection
31 with general economic development grants.

32 Expand an existing property tax exemption for goods
33 carried aboard the space shuttle (Spacehab Modules), to
34 include other space transportation systems.

35 Expand sales tax definitions to allow exemptions for
36 space operations and property used or consumed by a
37 government contractor.

38 Redirect sales tax from the Kennedy Space Center (KSC)
39 bus tours to NASA's Florida Space Grant Consortium, for
40 the purpose of funding university research grants.

41 Exempt from taxes, the sale to, or use by, a government
42 contractor of certain tangible personal property
43 (overhead materials) used or consumed in the performance
44 of a government contract.

45 Provide Spaceport Florida Authority (SFA) a role in
46 making economic development transportation project (road
47 fund) recommendations to OTTED.

48 Designate commercial space-related development as a

1 high-impact sector for purposes of the high impact
2 business grant program.

3 Add the chairperson of the Board of Supervisors of the
4 Spaceport Florida Authority as a member of the board of
5 directors of Enterprise Florida, Inc.

6 Add promotion of commercial space opportunities to the
7 list of required topics in the annual economic
8 development strategic plan prepared by Enterprise
9 Florida, Inc.

10 Add the chairperson of the Board of Supervisors of the
11 Spaceport Florida Authority as a member of the board of
12 directors of the International Trade and Economic
13 Development Board.

14 Add space transportation to the transportation element
15 of military base reuse plans and that add the Spaceport
16 Florida Authority to a list of agencies that review
17 proposed military base reuse plans.

18 Include Spaceport Florida Authority as a state agency
19 with responsibilities to support and assist the military
20 base closure and reuse process.

21 Include Spaceport Florida Authority as a state agency
22 allowed to apply for surplus military facilities and
23 equipment in the event of a military base disposition.

24 Allow Spaceport Florida Authority to apply for military
25 base retention grants for activities within spaceport
26 territory.

27 Appropriate \$5 million from the General Revenue Fund to
28 the Spaceport Florida Authority for funding the Florida
29 Space Industry and Research Facility Development
30 Program.

31