

By Senator King

8-1808-99

See HB

1                                   A bill to be entitled  
2           An act relating to enterprise zones; creating  
3           s. 290.0069, F.S.; directing the Office of  
4           Tourism, Trade, and Economic Development to  
5           designate a pilot project area within an  
6           enterprise zone; providing qualifications for  
7           such area; providing that certain businesses in  
8           such area are eligible for credits against the  
9           tax on sales, use, and other transactions and  
10          corporate income tax; providing for computation  
11          of such credits; providing application  
12          procedures and requirements; providing  
13          rulemaking authority; requiring a review and  
14          report by the Office of Program Policy Analysis  
15          and Government Accountability; providing for  
16          future repeal and revocation of such  
17          designation; providing an effective date.

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

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21           Section 1. Section 290.0069, Florida Statutes, is  
22 created to read:

23           290.0069 Designation of enterprise zone pilot project  
24 area.--

25           (1) The Office of Tourism, Trade, and Economic  
26 Development shall designate one pilot project area within one  
27 state enterprise zone. The Office of Tourism, Trade, and  
28 Economic Development shall select a pilot project area by July  
29 1, 1999, which meets the following qualifications:

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1           (a) The area is contained within an enterprise zone  
2 that is composed of one contiguous area and is placed in the  
3 category delineated in s. 290.0065(3)(a)1.

4           (b) The local government having jurisdiction over the  
5 enterprise zone grants economic development ad valorem tax  
6 exemptions in the enterprise zone pursuant to s. 196.1995, and  
7 electrical energy public service tax exemptions pursuant to s.  
8 166.231(8).

9           (c) The local government having jurisdiction over the  
10 enterprise zone has developed a plan for revitalizing the  
11 pilot project area or for revitalizing an area within the  
12 enterprise zone that contains the pilot project area, and has  
13 committed at least \$5 million to redevelop an area including  
14 the pilot project area.

15           (d) The pilot project area is contiguous and is  
16 limited to no more than 70 acres, or equivalent square miles,  
17 to avoid a dilution of additional state assistance and  
18 effectively concentrate these additional resources on  
19 revitalizing the acute area of economic distress.

20           (e) The pilot project area contains a diverse cluster  
21 or grouping of facilities or space for a mix of retail,  
22 restaurant, or service related businesses necessary to an  
23 overall revitalization of surrounding neighborhoods through  
24 community involvement, investment, and enhancement of  
25 employment markets.

26           (2)(a) Beginning December 1, 1999, no more than four  
27 businesses located within the pilot project area are eligible  
28 for a credit against any tax due for a taxable year under  
29 chapters 212 and 220.

30           (b) The credit shall be computed as \$5,000 times the  
31 number of full-time employees of the business and \$2,500 times

1 the number of part-time employees of the business. For  
2 purposes of this section, a person shall be deemed to be  
3 employed by such a business on a full-time basis if the person  
4 performs duties in connection with the operations of the  
5 business for an average of at least 36 hours per week each  
6 month, or on a part-time basis if the person is performing  
7 such duties for an average of at least 20 hours per week each  
8 month throughout the year. The person must be performing such  
9 duties at a business site located in the pilot project area.

10 (c) The total amount of tax credits that may be  
11 granted under this section is \$1 million annually. In the  
12 event the Office of Tourism, Trade, and Economic Development  
13 receives applications that total more than \$1 million in any  
14 year, the director shall prorate the amount of tax credit each  
15 applicant is eligible to receive to ensure that all eligible  
16 applicants receive a tax credit.

17 (d) In order to be eligible to apply to the Office of  
18 Tourism, Trade, and Economic Development for tax credits under  
19 this section a business must:

20 1. Have entered into a contract with the developer of  
21 the diverse cluster or grouping of facilities or space located  
22 in the pilot project area, governing lease of commercial space  
23 in a facility.

24 2. Have commenced operations in the facility after  
25 July 1, 1999, and before July 1, 2000.

26 3. Be a business predominantly engaged in activities  
27 usually provided for consideration by firms classified under  
28 the Standard Industrial Classification Manual Industry Number  
29 5311, Industry Number 5399, or Industry Number 7832.

30 (e) All applications for the granting of the tax  
31 credits allowed under this section shall require the prior

1 approval of the director of the Office of Tourism, Trade, and  
2 Economic Development. The director shall establish one  
3 submittal date each year for the receipt of applications for  
4 such tax credits.

5 (f) Any business wishing to receive tax credits  
6 pursuant to this section must submit an application to the  
7 Office of Tourism, Trade, and Economic Development which sets  
8 forth the business name and address and the number of  
9 employees of the business.

10 (g) The decision of the director shall be in writing,  
11 and, if approved, the application shall state the maximum  
12 credits allowable to the business. A copy of the decision  
13 shall be transmitted to the executive director of the  
14 Department of Revenue, who shall apply such credits to the tax  
15 liabilities of the business firm.

16 (h) If any credit granted pursuant to this section is  
17 not fully used in any one year because of insufficient tax  
18 liability on the part of the business, the unused amount may  
19 be carried forward for a period not to exceed 5 years.

20 (4) The Office of Tourism, Trade, and Economic  
21 Development is authorized to adopt all rules necessary to  
22 administer this section, including rules for the approval or  
23 disapproval of applications for tax incentives by businesses.

24 (5) The Department of Revenue shall adopt any rules  
25 necessary to ensure the orderly implementation and  
26 administration of this section.

27 (6) For purposes of this section, "business" and  
28 "taxable year" shall have the same meaning as in s. 220.03.

29 (7) Prior to the 2001 Regular Session of the  
30 Legislature, the Office of Program Policy Analysis and  
31 Government Accountability shall review and evaluate the

1 effectiveness and viability of the pilot project area created  
2 under this section, using the research design prescribed  
3 pursuant to s. 290.015. The office shall specifically evaluate  
4 whether relief from certain taxes induced new investment and  
5 development in the area, increased the number of jobs created  
6 or retained in the area, induced the renovation,  
7 rehabilitation, restoration, improvement, or new construction  
8 of businesses or housing within the area, and contributed to  
9 the economic viability and profitability of business and  
10 commerce located within the area. The office shall submit a  
11 report of its findings and recommendations to the Speaker of  
12 the House of Representatives and the President of the Senate  
13 no later than January 15, 2001.

14 (8) This section shall stand repealed on June 30,  
15 2015, and any designation made pursuant to this section shall  
16 be revoked on that date.

17 Section 2. This act shall take effect upon becoming a  
18 law.

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21 HOUSE SUMMARY

22 Directs the Office of Tourism, Trade, and Economic  
23 Development to designate a pilot project area within an  
24 enterprise zone and specifies qualifications such area  
25 must meet. Provides that up to four businesses within  
26 such area are eligible for credits against the sales tax  
27 and corporate income tax, computed on the basis of the  
28 number of employees of the business. Limits the amount of  
29 such credits to \$1 million annually. Provides eligibility  
30 requirements for such businesses and application  
31 requirements and procedures. Requires a review and report  
by the Office of Program Policy Analysis and Government  
Accountability. Provides for revocation of such  
designation in 2015.