

By the Committee on Commerce and Economic Opportunities

310-912A-00

1                                   A bill to be entitled  
2           An act relating to infrastructure development  
3           in small communities; amending s. 220.701,  
4           F.S.; revising the distribution of corporate  
5           income tax revenues collected under ch. 220,  
6           F.S.; amending s. 288.0655, F.S.; revising  
7           deadlines relating to implementation of the  
8           Rural Infrastructure Fund; amending s.  
9           403.1835, F.S.; eliminating authority for the  
10          Department of Environmental Protection to  
11          assess grant allocations on loans made through  
12          the sewage treatment facilities revolving loan  
13          fund; making conforming changes; amending s.  
14          403.1838, F.S.; expanding the criteria  
15          governing communities eligible for grants under  
16          the Small Community Sewer Construction  
17          Assistance Act; prescribing grant evaluation  
18          criteria; directing the Department of  
19          Environmental Protection and the Environmental  
20          Regulation Commission to make conforming rule  
21          changes; requiring development of a strategic  
22          plan for rural infrastructure; providing an  
23          effective date.

24

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

26

27           Section 1. Section 220.701, Florida Statutes, is  
28 amended to read:

29           220.701 Collection authority.--The department shall  
30 deposit the revenues it collects from ~~collect~~ the taxes  
31 imposed by this chapter as follows:

1           (1) Seven percent of the amount collected each year is  
2 to be deposited into the Department of Environmental  
3 Protection Grants and Donations Trust Fund in support of the  
4 Small Community Sewer Construction Assistance Act under s.  
5 403.1838;

6           (2) Seven percent of the amount collected in fiscal  
7 year 2000-2001, and 1 percent of the amount collected in each  
8 year thereafter, is to be deposited into the Rural Economic  
9 Development Trust Fund if that trust fund is otherwise created  
10 by law; and

11           (3) The remaining balance collected each year is to be  
12 deposited into the General Revenue Fund.~~and shall pay all~~  
13 ~~moneys received by it into the General Revenue Fund of the~~  
14 ~~state.~~

15           Section 2. Paragraph (d) of subsection (2) and  
16 subsection (4) of section 288.0655, Florida Statutes, are  
17 amended to read:

18           288.0655 Rural Infrastructure Fund.--

19           (2)

20           (d) By September 1, 2000 ~~1999~~, the office shall pursue  
21 execution of a memorandum of agreement with the United States  
22 Department of Agriculture under which state funds available  
23 through the Rural Infrastructure Fund may be advanced, in  
24 excess of the prescribed state share, for a project that has  
25 received from the department a preliminary determination of  
26 eligibility for federal financial support. State funds in  
27 excess of the prescribed state share which are advanced  
28 pursuant to this paragraph and the memorandum of agreement  
29 shall be reimbursed when funds are awarded under an  
30 application for federal funding.

31

1           (4) By September 1, 2000 ~~1999~~, the office shall, in  
2 consultation with the organizations listed in subsection (3),  
3 and other organizations, develop guidelines and criteria  
4 governing submission of applications for funding, review and  
5 evaluation of such applications, and approval of funding under  
6 this section. The office shall consider factors including, but  
7 not limited to, the project's potential for enhanced job  
8 creation or increased capital investment, the demonstration of  
9 local public and private commitment, the location of the  
10 project in an enterprise zone, the location of the project in  
11 a community development corporation service area ~~as defined in~~  
12 ~~s. 290.035(2)~~, the location of the project in a county  
13 designated under s. 212.097, the unemployment rate of the  
14 surrounding area, and the poverty rate of the community.

15           Section 3. Subsections (3) and (4) and paragraph (b)  
16 of subsection (9) of section 403.1835, Florida Statutes, are  
17 amended to read:

18           403.1835 Sewage treatment facilities revolving loan  
19 program.--

20           (3) The department is authorized to make loans and  
21 grants to local governmental agencies to assist them in  
22 planning, designing, and constructing sewage treatment  
23 facilities and stormwater management systems. The department  
24 may administer the resulting portfolio of loans, including the  
25 authority to sell or pledge the loans, or any portion of the  
26 loans, with the approval of the Governor, the Treasurer, and  
27 the Comptroller, acting as the State Board of Administration,  
28 to ensure compliance with subsection (1).

29           (a) The department is authorized to make loans, to  
30 provide loan guarantees, to purchase loan insurance, and to  
31 refinance local debt through the issue of new loans for

1 projects approved by the department. Local governmental  
2 agencies are authorized to borrow funds made available  
3 pursuant to this section and may pledge any revenue available  
4 to them to repay any funds borrowed. The department shall  
5 administer loans to local governmental agencies so that at  
6 least 15 percent of each annual allocation for loans is  
7 reserved for small communities.

8 ~~(b) The department may make grants to financially~~  
9 ~~disadvantaged small communities, as defined in s. 403.1838,~~  
10 ~~using funds made available from grant allocations on loans~~  
11 ~~authorized under subsection (4). The grants must be~~  
12 ~~administered in accordance with s. 403.1838.~~

13 (b)(c) The department may make grants to local  
14 government agencies as authorized under the Federal Water  
15 Pollution Control Act, or as a result of other federal action.  
16 The grants must be administered in accordance with this  
17 section and applicable federal requirements.

18 (4) The term of loans made pursuant to this section  
19 shall not exceed 30 years. ~~The department may assess grant~~  
20 ~~allocations on the loans for the purpose of making grants to~~  
21 ~~financially disadvantaged small communities.~~ The combined rate  
22 of interest ~~and grant allocations~~ on loans shall be no greater  
23 than the interest rate paid on the last bonds sold pursuant to  
24 s. 14, Art. VII of the State Constitution. ~~The grant~~  
25 ~~allocations on a loan shall be equal to or less than the~~  
26 ~~interest rate on the loan.~~

27 (9) Funds for the loans and grants authorized under  
28 this section must be managed as follows:

29 (b) Revenues from ~~the loan grant allocations~~  
30 ~~authorized under subsection (4),~~ federal appropriations, state  
31 matching funds for grants authorized by federal statute or

1 other federal action, and service fees, and all earnings  
2 thereon, shall be deposited into the department's Grants and  
3 Donations Trust Fund. Service fees and all earnings thereon  
4 must be used solely for program administration. ~~The loan grant~~  
5 ~~allocation revenues and earnings thereon must be used solely~~  
6 ~~for the purpose of making grants to financially disadvantaged~~  
7 ~~small communities.~~ Federal appropriations and state matching  
8 funds for grants authorized by federal statute or other  
9 federal action, and earnings thereon, must be used solely for  
10 the purposes authorized. All deposits into the department's  
11 Grants and Donations Trust Fund under this section, and  
12 earnings thereon, must be accounted for separately from all  
13 other moneys deposited into the fund.

14 Section 4. Section 403.1838, Florida Statutes, is  
15 amended to read:

16 403.1838 Small Community Sewer Construction Assistance  
17 Act.--

18 (1) This section may be cited as the "Small Community  
19 Sewer Construction Assistance Act."

20 (2) The department shall use funds specifically  
21 appropriated to award grants under this section to assist  
22 financially disadvantaged small communities with their needs  
23 for adequate sewer facilities. For purposes of this section,  
24 the term "financially disadvantaged small community" means a  
25 municipality or an unincorporated area with a population of  
26 15,000 ~~7,500~~ or less, according to the latest decennial census  
27 and a per capita annual income less than the state per capita  
28 annual income as determined by the United States Department of  
29 Commerce. A grant awarded for an unincorporated area must be  
30 administered under the authority of a unit of local  
31 government.

1           (3)(a) In accordance with rules adopted by the  
2 Environmental Regulation Commission under this section, the  
3 department may provide grants, from funds specifically  
4 appropriated for this purpose, to financially disadvantaged  
5 small communities for up to 100 percent of the costs of  
6 planning, designing, constructing, upgrading, or replacing  
7 wastewater collection, transmission, treatment, disposal, and  
8 reuse facilities, including necessary legal and administrative  
9 expenses.

10           (b) The rules of the Environmental Regulation  
11 Commission must be adopted in consultation with the Office of  
12 Tourism, Trade, and Economic Development and Enterprise  
13 Florida, Inc., and must:

14           1. Require that projects to plan, design, construct,  
15 upgrade, or replace wastewater collection, transmission,  
16 treatment, disposal, and reuse facilities be cost-effective,  
17 environmentally sound, permittable, and implementable.

18           2. Require appropriate user charges, connection fees,  
19 and other charges sufficient to ensure the long-term  
20 operation, maintenance, and replacement of the facilities  
21 constructed under each grant.

22           3. Require grant applications to be submitted on  
23 appropriate forms with appropriate supporting documentation,  
24 such as documentation of need for the project and  
25 documentation that the community is economically  
26 disadvantaged,and require records to be maintained.

27           4. Establish a system to determine eligibility of  
28 grant applications.

29           5. Establish a system and criteria to determine the  
30 relative priority of grant applications. The system and  
31 criteria must consider at a minimum:

1           a. Public health protection;  
2           b. Water pollution abatement; and  
3           c. The potential impact of the project on the economic  
4 development of the community.~~public health protection and~~  
5 ~~water pollution abatement.~~  
6           6. Establish requirements for competitive procurement  
7 of engineering and construction services, materials, and  
8 equipment.  
9           7. Provide for termination of grants when program  
10 requirements are not met.  
11           (c) The department must perform adequate overview of  
12 each grant, including technical review, regular inspections,  
13 disbursement approvals, and auditing, to successfully  
14 implement this section.  
15           (d) The department may use up to 2 percent of the  
16 grant funds made available each year for the costs of program  
17 administration.  
18           (e) Any grant awarded before July 1, 1994, under this  
19 section, remains subject to the applicable department rules in  
20 existence on June 30, 1993, until all rule requirements have  
21 been met.  
22           (4) The department shall consult with the Office of  
23 Tourism, Trade, and Economic Development and Enterprise  
24 Florida, Inc., in assessing the potential economic development  
25 impact of a project proposed for funding under this section.  
26           Section 5. The Department of Environmental Protection  
27 and the Environmental Regulation Commission shall adopt rules  
28 necessary and appropriate for administering the changes made  
29 by this act to sections 403.1835 and 403.1838, Florida  
30 Statutes.  
31

1           Section 6. The Office of Tourism, Trade, and Economic  
2 Development, Enterprise Florida, Inc., and the Florida Tourism  
3 Industry Marketing Corporation, in consultation with the  
4 participating agencies and organizations of the Rural Economic  
5 Development Initiative, shall develop a strategic plan for the  
6 use of the Rural Infrastructure Fund under section 288.0655,  
7 Florida Statutes, as well as other available programs, to  
8 support economic development activities in rural communities  
9 in the state. The plan shall, at a minimum, consider the  
10 appropriate timing and priority for development of  
11 infrastructure in support of nature-based and other rural  
12 tourism, implementation of marketing initiatives directed  
13 toward the use of such tourism infrastructure, creation of  
14 microenterprise and other businesses in the tourism industry,  
15 and development of infrastructure in support of other economic  
16 development activities. This plan must be submitted to the  
17 Governor, the President of the Senate, and the Speaker of the  
18 House of Representatives by October 1, 2000.

19           Section 7. This act shall take effect July 1, 2000.  
20

21           \*\*\*\*\*

22           SENATE SUMMARY

23           Revises the allocation of corporate income tax revenues.  
24           Changes deadlines for administration of the Rural  
25           Infrastructure Fund. Revises the authority of the  
26           Department of Environmental Protection to administer the  
27           sewage treatment facilities revolving loan program.  
28           Expands criteria for grants under the Small Community  
29           Sewer Construction Assistance Act. Directs the Office of  
30           Tourism, Trade, and Economic Development, Enterprise  
31           FLorida, Inc., and the Florida Tourism Industry Marketing  
            Corporation to develop a strategic plan for use of the  
            Rural Infrastructure Fund.