

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

310-1888-00

1 A bill to be entitled
2 An act relating to information technology;
3 creating a not-for-profit corporation known as
4 itflorida.com, Inc.; providing for board
5 membership, organization, meetings, and
6 disclosure requirements; requiring coordination
7 by the State Technology Office; providing for
8 the purpose and duties of itflorida.com, Inc.;
9 requiring Enterprise Florida, Inc., to create
10 and implement a marketing and image campaign;
11 requiring development and maintenance of a
12 website for information and technology industry
13 marketing and workforce recruitment; requiring
14 a study group to explore the use of state
15 employee pension funds for venture capital
16 support; expressing support of activities to
17 enhance information technology, including a
18 Network Access Point; amending s. 212.08, F.S.;
19 providing a sales tax exemption on certain
20 equipment used to deploy broadband technologies
21 associated with a Network Access Point;
22 amending s. 364.386, F.S.; requiring a study by
23 the Legislature to identify obstacles related
24 to the affordable access to consumers by
25 Internet service providers; requiring a plan
26 for the establishment of information technology
27 business incubators in the state; prescribing
28 incubator components; providing an effective
29 date.
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1 WHEREAS, to maintain economic competitiveness, it is
2 incumbent upon the state to create an entity that can
3 represent, promote, and enhance the information technology
4 industry in Florida, and

5 WHEREAS, the information technology industry is growing
6 rapidly and provides high-wage, high-skill jobs, and

7 WHEREAS, Florida can capitalize on its geographic
8 location and human-resource assets to develop an information
9 technology sector, and

10 WHEREAS, Florida can be recognized as a global leader
11 in the information technology industry, particularly in Latin
12 America, and

13 WHEREAS, it is in the interest of the Legislature and
14 the State of Florida to encourage and promote new information
15 technology businesses and to ensure that those businesses have
16 available to them technical, management, and business
17 counseling to provide the highest probability of success, NOW,
18 THEREFORE,

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

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22 Section 1. Short title.--Sections 1 through 8 of this
23 act may be cited as the "itflorida.com Act of 2000."

24 Section 2. itflorida.com, Inc.; creation; membership;
25 organization; meetings; disclosure.--

26 (1) There is created a not-for-profit corporation,
27 "itflorida.com, Inc.," which shall be registered,
28 incorporated, organized, and operated in compliance with
29 chapter 617, Florida Statutes, and which shall not be a unit
30 or entity of state government. The Legislature determines,
31 however, that public policy dictates that itflorida.com, Inc.,

1 operate in the most open and accessible manner consistent with
2 its public purpose. To this end, the Legislature specifically
3 declares that itflorida.com, Inc., and any advisory committees
4 or similar groups created by itflorida.com, Inc., are subject
5 to the provisions of chapter 119, Florida Statutes, relating
6 to public records, and those provisions of chapter 286,
7 Florida Statutes, relating to public meetings and records.

8 (2) itflorida.com, Inc., shall be governed by a board
9 of directors. The board of directors shall consist of the
10 following members:

11 (a) The director of the State Technology Office.

12 (b) The president of Enterprise Florida, Inc.

13 (c) A member of the Senate who shall be appointed by
14 the President of the Senate as an ex officio, non-voting
15 member of the board and serve at the pleasure of the
16 President.

17 (d) A member of the House of Representatives who shall
18 be appointed by the Speaker of the House of Representatives as
19 an ex officio, nonvoting member of the board and serve at the
20 pleasure of the Speaker.

21 (e) Thirteen private-sector members from the
22 information technology industry, five of whom shall be
23 appointed by the Governor, four of whom shall be appointed by
24 the President of the Senate, and four of whom shall be
25 appointed by the Speaker of the House of Representatives.

26 Private-sector members must include, but are not limited to,
27 representatives of businesses that are telecommunication
28 providers or manufacturers, Internet service providers,
29 Internet solutions businesses, computer software developers,
30 and computer manufacturers. All private-sector appointees are
31 subject to Senate confirmation. In making such appointments,

1 the Governor, the President of the Senate, and the Speaker of
2 the House of Representatives shall work collaboratively to
3 ensure that the composition of the board is reflective of the
4 diversity of Florida's business community, including
5 individuals representing large companies, medium-sized
6 companies, small companies, and minority-owned companies. The
7 Governor, the President of the Senate, and the Speaker of the
8 House of Representatives shall also consider whether the
9 current board members, together with potential appointees,
10 reflect the racial, ethnic, and gender diversity, as well as
11 the geographic distribution, of the population of the state.

12 (3)(a) Members shall be appointed for terms of 4
13 years, except the initial terms shall be staggered:

14 1. The Governor shall appoint one member for a 2-year
15 term, two members for 3-year terms, and two members for 4-year
16 terms.

17 2. The President of the Senate shall appoint one
18 member for a 2-year term, one member for a 3-year term, and
19 two members for 4-year terms.

20 3. The Speaker of the House of Representatives shall
21 appoint one member for a 2-year term, one member for a 3-year
22 term, and two members for 4-year terms.

23 (b) Any member is eligible for reappointment.

24 (c) Vacancies on the board shall be filled by
25 appointment by the Governor, the President of the Senate, or
26 the Speaker of the House of Representatives, respectively,
27 depending on who appointed the member whose vacancy is to be
28 filled or whose term has expired.

29 (d) A vacancy on the board of directors shall be
30 filled for the remainder of the unexpired term.

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1 (4) The board of directors shall biennially elect,
2 from its private-sector appointive members, a chairperson and
3 vice chairperson.

4 (5) Private-sector appointive members may be removed
5 by the chairperson for cause. Absence from three consecutive
6 meetings results in automatic removal.

7 (6) The board of directors shall meet at least four
8 times each year, upon the call of the chairperson or at the
9 request of a majority of the membership. A majority of the
10 total number of all voting members shall constitute a quorum.
11 The board of directors may take official action by a majority
12 vote of the members present at any meeting at which a quorum
13 is present.

14 (7) Members of the board of directors shall serve
15 without compensation, but members and staff may be reimbursed
16 for all reasonable, necessary, and actual expenses, as
17 determined by the board of directors of itflorida.com, Inc.

18 (8) Each member of the board of directors of
19 itflorida.com, Inc., who is not otherwise required to file
20 financial disclosure pursuant to section 8, Art. II of the
21 State Constitution or section 112.3144, Florida Statutes,
22 shall file disclosure of financial interests pursuant to
23 section 112.3145, Florida Statutes.

24 (9) The board of directors of itflorida.com, Inc., has
25 the authority to hire an executive director who shall serve at
26 the pleasure of the board.

27 Section 3. The State Technology Office shall
28 coordinate the initial organization of itflorida.com, Inc.,
29 and shall facilitate the development of a Network Access Point
30 (NAP) in Florida until such time as itflorida.com, Inc.,
31 assumes this responsibility.

1 Section 4. itflorida.com, Inc.; purpose; duties.--It
2 shall be the responsibility of itflorida.com, Inc., to
3 represent, promote, and enhance the information technology
4 industry in Florida, including efforts that further advance
5 the efforts of the Information Service Technology Development
6 Task Force. Efforts of itflorida.com, Inc., shall complement
7 and not duplicate efforts of Enterprise Florida, Inc. Duties
8 of itflorida.com, Inc., include, but are not limited to:

9 (1) Monitoring and responding to the rapidly changing
10 needs of the information technology industry in Florida;

11 (2) Promoting Florida's information technology
12 industry globally;

13 (3) Generating private-sector financial support for
14 information technology activities which leverages any state
15 appropriations for such activities;

16 (4) Providing an ongoing forum for private and public
17 leadership to identify, address, and resolve issues impacting
18 the growth of information technology industry in the state;

19 (5) Providing a focused message regarding research and
20 development successes in Florida; and

21 (6) Facilitating the development of a Network Access
22 Point (NAP) in Florida.

23 Section 5. Creation and implementation of a marketing
24 and image campaign.--

25 (1) Enterprise Florida, Inc., in collaboration with
26 the private sector and itflorida.com, Inc., shall create a
27 marketing campaign to help attract, retain, and grow
28 information technology businesses in Florida. The campaign
29 must be coordinated with any existing Florida economic
30 development promotion efforts and must be jointly funded from
31 private and public resources.

1 (2) The message of the campaign must be to increase
2 national and international awareness of Florida as a state
3 ideally suited for the successful advancement of the
4 information technology business sector. Marketing strategies
5 must include development of promotional materials, Internet
6 and print advertising, public relations and media placement,
7 trade show attendance at information technology events, and
8 appropriate follow-up activities. Efforts to promote Florida
9 as a high-tech business leader must include identification and
10 coordination of existing business technology resources,
11 partnerships with economic development organizations and
12 private sector businesses, continued retention and growth of
13 Florida-based businesses that produce high-tech products or
14 use high-tech skills for manufacturing, and recruitment of new
15 business in such area.

16 Section 6. Development of an Internet-based system for
17 information technology industry promotion and workforce
18 recruitment.--

19 (1) itflorida.com, Inc., shall facilitate efforts to
20 ensure the development and maintenance of a website that
21 promotes and markets the information technology industry in
22 this state. The website must be designed to inform the public
23 concerning the scope of the information technology industry in
24 the state and must also be designed to address the workforce
25 needs of the industry. The website must include, through links
26 or actual content, information concerning information
27 technology businesses in this state, including links to these
28 businesses; information concerning employment available at
29 these businesses; and means by which a jobseeker may post a
30 resume on the website.

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1 (2) itflorida.com, Inc., shall coordinate with the
2 State Technology Office, the Department of Management
3 Services, the Department of Labor and Employment Security, and
4 the Workforce Development Board of Enterprise Florida, Inc.,
5 to ensure links, where feasible and appropriate, to existing
6 job-information websites maintained by the state and its
7 agencies and to ensure that information technology positions
8 offered by the state and its agencies are posted on the
9 information technology website.

10 Section 7. itflorida.com, Inc., shall establish a
11 study group to explore the feasibility of using state employee
12 pension funds to support venture capital funds that are either
13 domiciled in Florida or do regular investing in technology
14 companies that are headquartered in this state. If the study
15 group determines that this concept is feasible, the group
16 shall prepare a working proposal governing the use of such
17 funds, including any recommendations for action by the
18 Legislature. itflorida.com, Inc., shall submit a report on the
19 findings of the study group and the working proposal, if
20 prepared, to the Governor, the President of the Senate, and
21 the Speaker of the House of Representatives by October 1,
22 2000.

23 Section 8. Establishment of a Network Access
24 Point.--The state actively supports efforts that enhance the
25 information technology industry in Florida, particularly those
26 efforts that increase broadband technology. A critical
27 initiative to enhance this industry in Florida is determined
28 to be the development of a Network Access Point (NAP), a
29 carrier-neutral public-private Internet traffic exchange
30 point. The state encourages private information technology
31 businesses to forge partnerships to develop a NAP in Florida.

1 Moreover, the state recognizes the importance of a NAP that
2 addresses the needs of small information technology
3 businesses.

4 Section 9. Paragraph (n) is added to subsection (5) of
5 section 212.08, Florida Statutes, to read:

6 212.08 Sales, rental, use, consumption, distribution,
7 and storage tax; specified exemptions.--The sale at retail,
8 the rental, the use, the consumption, the distribution, and
9 the storage to be used or consumed in this state of the
10 following are hereby specifically exempt from the tax imposed
11 by this chapter.

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

13 (n) Equipment used to deploy broadband technologies.--

14 1. Beginning July 1, 2000, equipment purchased by a
15 communications service provider which is necessary for use in
16 the deployment of broadband technologies in the state as part
17 of the direct participation by the communications service
18 provider in the Network Access Point (NAP), or
19 carrier-neutral, public-private Internet traffic exchange
20 point, in this state shall be exempt from the tax imposed by
21 this chapter. This exemption inures to the communications
22 service provider only through a refund of previously paid
23 taxes. A refund shall be authorized upon an affirmative
24 showing by the taxpayer to the satisfaction of the department
25 that the requirements of this paragraph have been met.

26 2. To be entitled to a refund, an eligible
27 communications service provider must file under oath with the
28 department an application that includes:

29 a. The name and address of the communications service
30 provider claiming to be entitled to the refund.

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1 b. A specific description of the property for which
2 the exemption is sought, including its serial number or other
3 permanent identification number.

4 c. The location of the property.

5 d. The sales invoice or other proof of purchase of the
6 property, showing the amount of sales tax paid, the date of
7 purchase, and the name and address of the sales tax dealer
8 from whom the property was purchased.

9 3. An application for a refund pursuant to this
10 paragraph must be submitted to the department within 6 months
11 after the eligible property is purchased.

12 4. The provisions of s. 212.095 do not apply to any
13 refund application made pursuant to this paragraph. The
14 department shall adopt rules governing the manner and form of
15 refund applications and may establish guidelines as to the
16 requisites for an affirmative showing of qualification for
17 exemption under this paragraph.

18 5. For the purposes of this paragraph, the term:

19 a. "Broadband technology" means packetized technology
20 that has the capability of supporting transmission speeds of
21 at least 1.544 megabits per second in both directions.

22 b. "Communications service provider" means a company
23 that supports or provides individuals and other companies with
24 access to the Internet and other related services.

25 c. "Equipment" includes Asynchronous Transfer Mode
26 switches, Digital Subscriber Line Access Multiplexers,
27 routers, servers, multiplexers, fiber optic connector
28 equipment, database equipment, and other network equipment
29 used to provide broadband technology and information services.

30 6. The provisions of this paragraph expire June 30,
31 2005.

1 Section 10. By October 1, 2000, the Legislature,
2 through its appropriate committee structure, and using the
3 resources of the Governor's Chief Technology Officer and the
4 Information Service Technology Task Force, shall perform a
5 study that identifies obstacles related to the ability of
6 Internet service providers to have affordable access to
7 consumers, including, when appropriate, the identification of
8 solutions that potentially eliminate such obstacles.

9 Section 11. Establishment of information technology
10 business incubators.--

11 (1) To foster the growth of the information technology
12 industry in this state, itflorida.com, Inc., shall review the
13 state's existing business incubators to determine whether they
14 are meeting the needs of the industry. If itflorida.com,
15 Inc., finds that additional incubators are needed to fill an
16 unmet need, it must develop a plan to establish information
17 technology business incubators in this state. The plan may
18 include recommendations for consideration by the Legislature
19 which promote the location of private information technology
20 business incubators in the state, or it may include
21 recommendations to establish or promote information technology
22 business incubators associated with public or private
23 universities or colleges in this state. If the plan recommends
24 the establishment of an incubator that would be associated
25 with a university or college, the plan must provide for the
26 financial self-sufficiency of the incubator within 2 years.
27 The review and the plan, if developed, must be presented to
28 the Governor, the President of the Senate, and the Speaker of
29 the House of Representatives by December 1, 2000.

30 (2) For the purposes of this section, an information
31 technology business incubator is a facility that allows new

1 businesses engaged in information technology to increase their
2 probability of success through sharing needed equipment,
3 services, and facilities, including substantially all of the
4 following:

- 5 (a) Reception and meeting areas.
6 (b) Secretarial services.
7 (c) Accounting and bookkeeping services.
8 (d) Research libraries.
9 (e) Onsite financial, management, legal, and technical
10 counseling.
11 (f) Flexible lease arrangements for flexible space.
12 (g) Computer and word-processing facilities.
13 (h) Office furniture rentals.
14 (i) Management and entrepreneurial training programs.

15 Section 12. This act shall take effect upon becoming a
16 law.

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1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 SB 1334

4 This committee substitute makes various revisions to Senate
5 Bill 1334, including:

6 -Creating a not-for-profit corporation, itflorida.com, Inc.,
7 to represent, recruit, and enhance the information technology
8 business sector in Florida;

9 -Requiring creation and implementation of a marketing campaign
10 by Enterprise Florida, Inc., to help attract, retain, and grow
11 information technology businesses in Florida;

12 -Requiring exploration of the use of pension fund dollars to
13 support venture capital in Florida;

14 -Creating a five-year program of tax exemptions to offset
15 sales tax on equipment used to deploy broadband technologies
16 for communications service providers directly participating in
17 a NAP;

18 -Requiring a study by the Legislature which identifies
19 obstacles related to the ability of Internet service providers
20 to have affordable access to consumers;

21 -Removing the requirement for a NAP study by the State
22 Technology Office, and instead requiring itflorida.com, Inc.,
23 to facilitate efforts for the development of a NAP in Florida;
24 and

25 -Requiring itflorida.com, Inc., rather than the State
26 Technology Office, to review, by December 1, 2000, the state's
27 existing incubators to determine if they are meeting the needs
28 of information technology businesses, and to ensure the
29 development and maintenance of a website that informs the
30 public about the information technology industry in Florida.
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