

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

310-1811A-00

1                                   A bill to be entitled  
2           An act relating to economic development;  
3           amending s. 163.3164, F.S.; exempting certain  
4           activities from the term "development" for the  
5           purposes of the Local Government Comprehensive  
6           Planning and Land Development Regulation Act;  
7           amending s. 290.004, F.S.; defining the term  
8           "rural enterprise zone"; creating s. 290.00676,  
9           F.S.; authorizing the Office of Tourism, Trade,  
10          and Economic Development to amend the  
11          boundaries of a rural enterprise zone and  
12          providing requirements with respect thereto;  
13          creating s. 290.00677, F.S.; modifying the  
14          employee residency requirements for the  
15          enterprise zone job credit against the sales  
16          tax and corporate income tax if the business is  
17          located in a rural enterprise zone; modifying  
18          the employee residency requirements for maximum  
19          exemptions or credits with respect to the sales  
20          tax credits for enterprise zone job creation,  
21          for building materials used in the  
22          rehabilitation of real property in an  
23          enterprise zone, for business property used in  
24          an enterprise zone, and for electrical energy  
25          used in an enterprise zone, and the corporate  
26          income tax enterprise zone job creation and  
27          property tax credits if the business is located  
28          in a rural enterprise zone; providing  
29          application time limitations; providing an  
30          extended application period for certain  
31          businesses to claim tax incentives; creating s.

1           290.00694, F.S.; authorizing the Office of  
2           Tourism, Trade, and Economic Development to  
3           designate rural champion communities as  
4           enterprise zones; providing requirements with  
5           respect thereto; amending s. 290.046, F.S.,  
6           increasing the number of economic development  
7           grants that an eligible local government may  
8           receive under the Florida Small Cities  
9           Community Development Block Grant Program;  
10          authorizing certain businesses to earn  
11          additional premium tax credits under the  
12          Certified Capital Company Act; specifying  
13          conditions governing the receipt of such  
14          additional tax credits; providing an effective  
15          date.

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

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19           Section 1. Subsection (6) of section 163.3164, Florida  
20 Statutes, is amended to read:

21           163.3164 Definitions.--As used in this act:

22           (6) "Development" has the meaning given it in s.  
23 380.04 and the exemptions given it in s. 380.04(3).

24           Section 2. Present subsections (8) and (9) of section  
25 290.004, Florida Statutes, are redesignated as subsections (9)  
26 and (10), respectively, and a new subsection (8) is added to  
27 that section to read:

28           290.004 Definitions.--As used in ss. 290.001-290.016:

29           (8) "Rural enterprise zone" means an enterprise zone  
30 that is nominated by a county having a population of 75,000 or  
31 fewer, or a county having a population of 100,000 or fewer

1 which is contiguous to a county having a population of 75,000  
2 or fewer, or by a municipality in such a county, or by such a  
3 county and one or more municipalities. An enterprise zone  
4 designated in accordance with s. 370.28 shall be considered a  
5 rural enterprise zone.

6 Section 3. Section 290.00676, Florida Statutes, is  
7 created to read:

8 290.00676 Amendment of rural enterprise zone  
9 boundaries.--Notwithstanding any other provision of law, the  
10 Office of Tourism, Trade, and Economic Development may amend  
11 the boundaries of a rural enterprise zone. For purposes of  
12 boundary amendments, an enterprise zone designated under s.  
13 370.28 shall be considered a rural enterprise zone and is  
14 eligible for amendment of its boundaries. Boundary amendments  
15 authorized by this section are subject to the following  
16 requirements:

17 (1) The amendment may increase the size of the rural  
18 enterprise zone to 15 square miles.

19 (2) The amendment may increase the number of  
20 noncontiguous areas by one, if that noncontiguous area has  
21 zero population. For purposes of this subsection, the  
22 pervasive poverty criteria may be set aside for the addition  
23 of a noncontiguous parcel.

24 (3) The local enterprise zone development agency must  
25 request the amendment prior to December 30, 2000. The request  
26 must contain maps and sufficient information to allow the  
27 office to determine the number of noncontiguous areas and the  
28 total size of the rural enterprise zone.

29 Section 4. Section 290.00677, Florida Statutes, is  
30 created to read:

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1           290.00677 Rural enterprise zones; special  
2 qualifications.--

3           (1) Notwithstanding the enterprise zone residency  
4 requirements set out in ss. 212.096(1)(c) and 220.03(1)(q),  
5 businesses located in rural enterprise zones may receive the  
6 credit provided under s. 212.096 or s. 220.181 for hiring any  
7 person within the jurisdiction of a rural county, as defined  
8 by s. 288.106(2)(r). All other provisions of ss. 212.096,  
9 220.03(1)(q), and 220.181 apply to such businesses.

10           (2) Notwithstanding the requirement specified in ss.  
11 212.08(5)(g)5., (5)(h)5., and (15)(a), 212.096(2)(b)1.,  
12 220.181(1)(a)1., and 220.182(1)(b) that no less than 20  
13 percent of a business's employees, excluding temporary and  
14 part-time employees, must be residents of an enterprise zone  
15 for the business to qualify for the maximum exemption or  
16 credit provided in ss. 212.08(5)(g) and (h) and (15),  
17 212.096(2)(b)1., 220.181(1)(a)1., and 220.182, a business that  
18 is located in a rural enterprise zone shall be qualified for  
19 those maximum exemptions or credits if no less than 20 percent  
20 of such employees of the business are residents of a rural  
21 county, as defined by s. 288.106(2)(r). All other provisions  
22 of ss. 212.08(5)(g) and (h) and (15), 212.096, 220.181, and  
23 220.182 apply to such business.

24           (3) Notwithstanding the time limitations contained in  
25 chapters 212 and 220, a business eligible to receive tax  
26 credits under this section from January 1, 2000, to June 1,  
27 2000, must submit an application for the tax credits by  
28 December 1, 2000. All other requirements of the enterprise  
29 zone program apply to such a business.

30           Section 5. Section 290.00694, Florida Statutes, is  
31 created to read:

1           290.00694 Enterprise zone designation for rural  
2 champion communities.--An area designated as a rural champion  
3 community pursuant to the Taxpayer Relief Act of 1997 may  
4 apply to the Office of Tourism, Trade, and Economic  
5 Development for designation as an enterprise zone. The  
6 application must be submitted by December 31, 2000, and must  
7 comply with the requirements of s. 290.0055. Notwithstanding  
8 the provisions of s. 290.0065 limiting the total number of  
9 enterprise zones designated and the number of enterprise zones  
10 within a population category, the Office of Tourism, Trade,  
11 and Economic Development may designate enterprise zones under  
12 this section. The Office of Tourism, Trade, and Economic  
13 Development shall establish the initial effective date of the  
14 enterprise zones designated pursuant to this section.

15           Section 6. Subsection (2) of section 290.046, Florida  
16 Statutes, is amended to read:

17           290.046 Applications for grants; procedures;  
18 requirements.--

19           (2)(a) Except as provided in paragraph (c), each  
20 eligible local government may submit an application for a  
21 grant under either the housing program category or the  
22 neighborhood revitalization program category during each  
23 annual funding cycle. An applicant may not receive more than  
24 one grant in any state fiscal year from any of the following  
25 categories: housing, neighborhood revitalization, or  
26 commercial revitalization.

27           (b) Except as provided in paragraph (c), each eligible  
28 local government may apply up to three times in any one annual  
29 funding cycle for a grant under the economic development  
30 program category but shall receive no more than two ~~one~~ such  
31 grants ~~grant~~ per annual funding cycle. Applications for

1 grants under the economic development program category may be  
2 submitted at any time during the annual funding cycle, and  
3 such grants shall be awarded no less frequently than three  
4 times per funding cycle. The department shall establish  
5 minimum criteria pertaining to the number of jobs created for  
6 persons of low or moderate income, the degree of private  
7 sector financial commitment, and the economic feasibility of  
8 the proposed project and shall establish any other criteria  
9 the department deems appropriate. Assistance to a private,  
10 for-profit business may not be provided from a grant award  
11 unless sufficient evidence exists to demonstrate that without  
12 such public assistance the creation or retention of such jobs  
13 would not occur.

14 (c)1. Local governments with an open housing,  
15 neighborhood revitalization, or commercial revitalization  
16 contract shall not be eligible to apply for another housing,  
17 neighborhood revitalization, or commercial revitalization  
18 grant until administrative closeout of their existing  
19 contract. The department shall notify a local government of  
20 administrative closeout or of any outstanding closeout issues  
21 within 45 days of receipt of a closeout package from the local  
22 government. Local governments with an open housing,  
23 neighborhood revitalization, or commercial revitalization  
24 community development block grant contract whose activities  
25 are on schedule in accordance with the expenditure rates and  
26 accomplishments described in the contract may apply for an  
27 economic development grant, which grant is in addition to the  
28 two economic development grants authorized under paragraph  
29 (b).

30 2. Local governments with an open economic development  
31 community development block grant contract whose activities

1 are on schedule in accordance with the expenditure rates and  
2 accomplishments described in the contract may apply for a  
3 housing or neighborhood revitalization and a commercial  
4 revitalization community development block grant. Local  
5 governments with an open economic development contract whose  
6 activities are on schedule in accordance with the expenditure  
7 rates and accomplishments described in the contract may  
8 receive no more than one additional economic development grant  
9 in each fiscal year.

10 (d) Beginning October 1, 1988, the department shall  
11 award no grant until the department has determined, based upon  
12 a site visit, that the proposed area matches and adheres to  
13 the written description contained within the applicant's  
14 request. If, based upon review of the application or a site  
15 visit, the department determines that any information provided  
16 in the application which affects eligibility or scoring has  
17 been misrepresented, the applicant's request shall be rejected  
18 by the department pursuant to s. 290.0475(7). Mathematical  
19 errors in applications which may be discovered and corrected  
20 by readily computing available numbers or formulas provided in  
21 the application shall not be a basis for such rejection.

22 Section 7. Notwithstanding the limitations set forth  
23 in section 288.99(7), Florida Statutes, insurance companies  
24 that earned premium tax credits as certified investors under  
25 section 288.99, Florida Statutes, during 1999 may earn, by  
26 investing an additional amount of certified capital in a  
27 Florida certified capital company on or before December 31,  
28 2000, an additional vested credit against premium tax  
29 liability equal to 100 percent of such additional amount of  
30 certified capital invested by the certified investor. No  
31 certified investor, however, is entitled to earn an additional

1 credit under this section that exceeds an amount equal to the  
2 difference between the amount of premium tax credits requested  
3 on behalf of such certified investor under section  
4 288.99(7)(c), Florida Statutes, on or before March 15, 1999,  
5 and the amount of certified capital invested by such certified  
6 investor in 1999. For purposes of the additional certified  
7 capital invested and premium tax credits earned under this  
8 section and the certified investors who invest such capital  
9 and certified capital companies that receive such investments,  
10 the provisions of section 288.99, Florida Statutes, other than  
11 section 288.99(7), Florida Statutes, shall apply without  
12 changes, except that, with respect to such additional  
13 certified capital only, the dates listed in section  
14 288.99(5)(a)1.-4., Florida Statutes, will be December 31,  
15 2001, December 31, 2002, December 31, 2003, and December 31,  
16 2004, respectively. These additional funds must be invested in  
17 qualified businesses located in a designated Front Porch  
18 Florida community; enterprise zone; urban high-crime area  
19 under section 212.097, Florida Statutes; rural job tax credit  
20 county under section 212.098, Florida Statutes; or nationally  
21 recognized historic district.

22           Section 8. This act shall take effect upon becoming a  
23 law.

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1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
2 COMMITTEE SUBSTITUTE FOR  
3 SB 1668

4 This committee substitute differs substantially from Senate  
5 Bill 1668 in that it:

6 Revises the term "development" for purposes of the Local  
7 Government Comprehensive Planning and Land Development  
8 Regulation Act to specify that the term is given certain  
9 exemptions contained in s. 380.04(3), F.S.

10 Provides a definition of the term "rural enterprise zone," to  
11 include an enterprise zone within a county with a population  
12 of 75,000 or fewer persons, or a county with a population of  
13 100,000 or fewer persons that is contiguous to a county with a  
14 population of 75,000 or fewer persons. An enterprise zone  
15 relating to communities affected by the fishing net  
16 limitations would be considered a rural enterprise zone as  
17 well.

18 Provides rural enterprise zones with an opportunity to amend  
19 their zone boundaries. The boundary amendment may increase the  
20 size of the zone to 15 square miles and may include one  
21 additional noncontiguous area.

22 Allows businesses in rural enterprise zones to apply for jobs  
23 tax credits for new hires for county residents (not just zone  
24 residents). In addition, businesses in the rural enterprise  
25 zones would be able to count rural county residents in  
26 calculating the 20 percent enhancement clause (rather than  
27 just zone residents) for enterprise zone tax incentives. Under  
28 this provision, a business could claim the maximum amount of  
29 certain tax exemptions or credits if no less than 20 percent  
30 of employees are residents of a rural county.

31 Provides that eight "Rural Champion Communities" would be able  
to apply for a state rural enterprise zone designation. The  
"Rural Champion Community" designation is made under federal  
law.

Increases the number of economic development grants that an  
eligible local government may receive in one fiscal year under  
the Florida Small Cities Community Development Block Grant  
Program. Currently, such governments may receive one economic  
development grant (plus one additional economic development  
grant under certain conditions). This committee substitute  
would allow such governments to receive two economic  
development grants (plus one additional economic development  
grant under certain conditions).

Allows some insurance companies to make additional investments  
in certified capital companies (CAPCOs) under the Certified  
Capital Company Act and thereby receive additional tax credits  
for these investments. The credits could not exceed the  
difference between what the insurance company originally  
pledged to invest and what it actually invested during 1999.  
In addition, all new funds are to be invested by the CAPCOs in  
businesses that are located in the following areas:  
designated, distressed rural areas; Front Porch Florida

1 Communities; enterprise zones; urban high-crime areas; or  
2 historic districts.  
3 Provides that the act shall take effect upon becoming a law.  
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