

STORAGE NAME: h2113a.bdt

DATE: April 10, 2000

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
BUSINESS DEVELOPMENT & INTERNATIONAL TRADE
ANALYSIS**

BILL #: HB 2113

RELATING TO: Florida-Africa Trade Program

SPONSOR(S): Representative Roberts

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) BUSINESS DEVELOPMENT & INTERNATIONAL TRADE YEAS 6 NAYS 0
 - (2) GOVERNMENTAL OPERATIONS
 - (3) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
 - (4)
 - (5)
-

I. SUMMARY:

This bill requires the Office of Tourism, Trade and Economic Development (OTTED) to establish the Florida-Africa Trade Program in the Executive Office of the Governor with the intent of helping small and medium-sized Florida businesses and manufacturers develop export markets in Africa. The program would also provide assistance to companies from African nations with respect to developing export markets in Florida or investing in the state.

The bill does not include an appropriation and takes effect upon becoming a law.

The Committee on Business Development and International Trade adopted a strike-all amendment that is traveling with the bill. The changes are discussed in the AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES section of the analysis. The strike-all amendment essentially gives Enterprise Florida, Inc., responsibility for implementing the Florida-Africa Trade Program and makes EFI's creation of the program discretionary rather than mandatory.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

According to Enterprise Florida, Inc., Florida-Africa trade accounts for less than 1% of the state's total trade but is growing at about 20% annually. Of the state's trade with Africa 55% is conducted with the Republic of South Africa.

C. EFFECT OF PROPOSED CHANGES:

The bill creates a new program in the Office of Tourism, Trade and Economic Development that is devoted exclusively to promoting Florida-Africa trade.

See Section-By-Section analysis for more detail.

D. SECTION-BY-SECTION ANALYSIS:

SECTION 1 Requires the Office of Tourism, Trade and Economic Development (OTTED) to establish the Florida-Africa Trade Program in the Executive Office of the Governor. The purpose of the program is to assist small and medium-sized Florida businesses and manufacturers in exporting their products to African nations and to provide assistance to Africa-based companies interested in exporting products to or investing in Florida.

Requires OTTED to pursue incentives to encourage African governments to locate trade or commercial offices in the state.

Requires OTTED to coordinate with appropriate organizations and educational institutions in developing a comprehensive plan to expand trade between Florida and Africa. OTTED is authorized to contract with individuals or entities for this purpose. The coordinating effort may encompass market development, market promotion and research and educational and information services.

Authorizes OTTED to develop and administer other programs it considers advisable and appropriate for collecting and disseminating Africa-Florida trade and investment information to prospective businesses and manufacturers.

SECTION 2 Provides the act shall take effect upon becoming a law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

Enterprise Florida, Inc., estimates that the annual cost of carrying out a Florida-Africa trade initiative would be approximately \$500,000. EFI states that its projections are based on a trade initiative that would be focused on the Republic of South Africa and that the money would be used to establish a Florida Office in South Africa; initiate a Team Florida mission to Africa; fund support for regional trade development efforts with priority given to minority organizations; create a new staff position; and cover travel and promotional expenses.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

N/A

D. FISCAL COMMENTS:

The bill does not have an appropriation.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

In its analysis of HB 2113, OTTED advises that the provision requiring OTTED to provide incentives to foreign governments for locating trade or commercial offices in the state would conflict with the Secretary of State's duties as authorized by s. 288.816(5), F.S., which provides that:

The Secretary of State shall have the power and the duty to encourage the relocation to Florida of consular offices and multilateral and international agencies and organizations.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The strike-all amendment authorizes, but does not require, Enterprise Florida, Inc., to establish the Florida-Africa Trade Program. As introduced the bill required OTTED to establish the program. Rather than requiring OTTED to pursue incentive programs to encourage African governments to locate trade offices in Florida, the amendment states that the Florida-Africa Trade Program should encourage African governments to do so. The amendment authorizes EFI to coordinate with other entities to develop a comprehensive plan for expanding Florida-Africa trade. In its original version, the bill required OTTED to coordinate with other entities in developing a comprehensive plan.

As amended, the bill has no fiscal impact and takes effect upon becoming a law.

VII. SIGNATURES:

COMMITTEE ON BUSINESS DEVELOPMENT & INTERNATIONAL TRADE:

Prepared by:

Staff Director:

Lisa Munroe

J. Paul Whitfield, Jr.