

- changes the following organization names: the “Office of the Film Commissioner” to the “Governor’s Office of Film and Entertainment,” the “Florida Film Advisory Council” to the “Florida Film and Entertainment Advisory Council,” and “Film Commissioner” to “Commissioner of Film and Entertainment.”
- authorizes the Institute of Food and Agricultural Sciences at the University of Florida to enter into contracts with the U.S. Department of Agriculture and to receive grants to support the Florida State Rural Development Council.
- adds motion picture production and allied services to eligible businesses for inclusion in the Urban High-Crime Area Job Tax Credit Program and the Rural Job Tax Credit Program.
- allows the Department of Environmental Protection (DEP) and the water management districts to reduce or waive permit processing fees for a county with a population of 75,000 or less, or a county with a population of 100,000 or less that is contiguous to a county with a population of 75,000 or less, based upon the most current census data.
- authorizes an unincorporated federal enterprise community or an incorporated rural city in a nonrural county to be eligible to apply for any program specifically identified in statute as a rural program and to allow such communities to be eligible for any preferential criteria or waivers of any program requirements specifically identified in statute as available for rural counties, cities, or communities.
- changes the qualifying projects in the Capital Investment Tax Credit program to the “target-industry” sector instead of the “high-impact” sector with a minimum of 100 employees and reduces the percentage of the annual corporate income or premium tax liability a qualifying project can receive based on the size of the cumulative capital investment.
- removes “high-impact” and replaces it with “target industries” language used in specifying which companies can receive the Quick Action Closing Fund incentives. The committee substitute requires the applicant to provide an analysis of all other state and local incentives that have been offered in this state, and an analysis of the conditions and incentives offered by other states and their communities.
- establishes a forecast unit within the Office of Tourism, Trade, and Economic Development responsible for identifying extraordinary economic development opportunities and threats, such as a major business relocation or closure, and coordinating implementation of action plans to address such events.
- implements various recommendations of the 21st Century Digital Television and Education Task Force, including: identification of digital occupations; creation of the Digital Media Education Coordination Group; reservation of up to \$1 million in funds dedicated for Incumbent Worker Training for the digital media industry; development of a plan for the use of training funding; creation of a Digital Media Education Infrastructure Fund; requiring an organizational meeting of the digital media industry; provision for the award of a contract for the creation of a digital media incubator; and development of a marketing plan.

- changes OTTED's role from that of administering the enterprise zone program to that of approving the administrative decisions and recommendations made by EFI. This committee substitute changes numerous references of duties for OTTED to duties for EFI and makes a number of changes to the Florida Enterprise Zone Act designed to enhance the ability of rural areas to use the program.
- establishes the Toolkit for Economic Development (TED) program, for the purpose of creating jobs and promoting self-sufficiency among residents of Front Porch Florida Communities and other economically distressed communities.

This committee substitute amends the following sections of the Florida Statutes: 14.2015, 159.8083, 212.097, 212.098, 218.075, 220.191, 240.311, 240.3341, 288.012, 288.018, 288.0656, 288.1088, 288.1162, 288.1168, 288.1169, 288.1185, 288.1223, 288.1226, 288.1229, 288.1251, 288.1252, 288.1253, 288.901, 288.9015, 288.980, 288.99, 290.004, 290.0056, 290.0058, 290.0065, 290.0066, 290.00675, 290.00689, 290.009, 290.014, 290.046, and 373.4149. This committee substitute repeals the following sections of the Florida Statutes: 288.039 and 288.095(3)(c). This committee substitute creates the following sections of the Florida Statutes: 240.710, 288.064, 290.00676, 290.00677, and 290.00694.

II. Present Situation:

Office of Tourism, Trade, and Economic Development -- Administration of Programs

The Office of Tourism, Trade, and Economic Development (OTTED) is authorized by s. 14.2015, F.S., to provide assistance to the Governor in working with the Legislature, state agencies, business leaders, and economic development professionals to formulate and implement coherent and consistent policies and strategies designed to provide economic opportunities for all Floridians. To accomplish such purposes, OTTED administers various programs, grants, and activities, and serves as contract administrator for the state with respect to contracts with Enterprise Florida, Inc. (EFI), the Florida Commission on Tourism, and all direct-support organizations, except the tourism direct-support organization. In addition to the duties and responsibilities provided under that statute, OTTED has been assigned, through other statutory provisions, responsibility for administration of various other programs and activities. Some of the principal economic development programs administered by OTTED include: Qualified Target Industry (QTI) tax refund program; qualified defense contractors; high impact performance incentives; base realignment and closure grants; defense planning grants; defense implementation grants; military installation reuse planning/marketing grants; defense related business adjustment grants; urban high-crime area job tax credit; rural area job tax credit; silicon technology sales tax exemption; brownfield redevelopment; brownfield area guaranteed loan fund; and expedited permitting.

Section 159.8083, F.S., establishes the Florida First Business (FFB) allocation pool to provide written confirmation for private activity bonds to finance FFB projects certified by OTTED as eligible to receive a written confirmation. OTTED and the Division of Bond Finance of the State Board of Administration are to develop rules to ensure that the allocation provided in the pool is available solely to provide written confirmations for private activity bonds to finance FFB projects and ensure the projects are feasible and financially solvent.

Section 288.012, F.S., authorizes OTTED to establish and operate offices in foreign countries for the purpose of promoting the trade and economic development of the state, and to promote the gathering of trade data information and research on trade opportunities in specific countries. OTTED may enter into agreements with governmental and private sector entities to establish and operate offices in foreign countries containing provisions which may be in conflict with general laws of the state pertaining to the purchase of office space, employment of personnel, and contracts for services.

Section 288.039, F.S., authorizes OTTED to develop rules and forms to implement the Employing and Training our Youths (ENTRY) tax refund program. The program is contingent upon annual appropriation by the Legislature and may approve eligible businesses to receive tax refund payments of up to \$1,600 per eligible youth employee.

Section 288.095, F.S., authorizes the Economic Development Incentives Account within the Economic Development Trust Fund to be used only to support the authorized activities and operations of OTTED. Subsection (3)(c) requires OTTED to submit a complete and detailed annual report to the board of directors of EFI of all applications received, final decisions issued, tax refund agreements executed, and tax refunds paid, or other payments made under all programs funded out of the Economic Development Incentives Account, including analyses of benefits and costs, types of projects supported, and employment and investment created. It also requires the inclusion of a separate analysis of the impact of such tax refunds on state enterprise zones and requires the board of directors of EFI to review and comment on the report and submit the report, together with comments of the board, to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The report must discuss whether the authority and moneys appropriated by the Legislature to the Economic Development Incentives Account were managed and expended in a prudent, fiducially sound manner.

Section s. 288.1088, F.S., allows companies locating “high-impact” facilities to receive Quick Action Closing Fund incentives. For the company to receive the funds, the Governor must provide direct approval of the project, after consultation with the President of the Senate and the Speaker of the House of Representatives. The project also must be reviewed under s. 216.177, F.S.

Section 288.1185, F.S., provides for the Recycling Markets Advisory Committee to be administratively housed in OTTED to serve as the mechanism for coordination between state agencies and the private sector to coordinate policy and overall strategic planning for developing new markets and expanding and enhancing existing markets for recovered materials. The committee may not duplicate or replace agency programs, but shall enhance, coordinate, and recommend priorities for those programs.

Rural Economic Development

Thirty-four counties meet a legislatively prescribed definition of “rural community” as meaning a county with a population of 75,000 or less, or a county with a population of 100,000 or less, that is adjacent to a county with a population of 75,000 or less. (*See, e.g.*, s. 288.0656(2)(b), F.S.)

Despite the recent period of high economic growth in Florida, rural communities have not shared in the state's prosperity. Rural Florida makes up 7 percent of the state's population with a growth rate that is out-pacing the state average; however, the income gap is growing. According to data provided by Enterprise Florida, Inc. (EFI), between 1990 and 1997, rural Florida's population has increased by 20 percent compared to the state average of 13.4 percent. The median household income in 32 of 34 of the smallest counties is about 30 percent less than the state's median income, according to a study by the Center on Budget and Policy Priorities. No small county enjoys a per capita personal income that exceeds the state average of \$27,806.

Also of concern are low rates of pay by captured businesses in rural communities. According to 1997 data reported by EFI, manufacturing businesses throughout rural Florida pay lower than average sector wages. In northwest Florida, for example, manufacturing pays on average about 38 percent less per hour than the average manufacturing sector wages for all of Florida. In rural south Florida, manufacturing pays closer to the state manufacturing sector wage average; however, the manufacturing sector employs only 3.6 percent of the rural south Florida population.

Section 212.098, F.S., establishes the Rural Job Tax Credit Program to encourage economic expansion of new and existing businesses in rural areas of the state. Eligible businesses must be located in a qualified county and be predominantly engaged in activities that are classified within specific standard industrial classifications (SIC).

Section 218.075, F.S., allows counties and municipalities with small populations to receive reduced or waived permit processing fees from the Department of Environmental Protection (DEP) and water management districts, on the basis of fiscal hardship or environmental need for a particular project or activity.

Section 288.018, F.S., provides the Regional Rural Development Grants Program (or Rural Staffing Grants) to build the professional capacity of regional economic development organizations made up of rural counties, communities, and organizations. The funds are intended to be used for staffing assistance for regional economic development organizations. The maximum amount an organization may receive in any year is \$35,000 (\$100,000 in a rural area of critical economic concern) and must be matched each year by an equivalent amount of non-state resources.

Section 288.0656, F.S., establishes the Rural Economic Development Initiative (REDI) within OTTED for the purpose of coordinating and focusing the efforts and resources of state and regional agencies on the problems which affect the fiscal, economic, and community viability of Florida's economically distressed rural communities. REDI works with local governments, community-based organizations, and private organizations that have an interest in the growth and development of these communities to find ways to balance environmental and growth management issues with local needs.

Enterprise Zone Program

Florida established one of the first enterprise zone programs in the country in 1980 to encourage economic growth and investment in distressed areas by offering tax advantages to businesses

willing to make such an investment. An “enterprise zone” is a specific geographic area targeted for economic revitalization. Since July 1, 1995, the state has designated 34 enterprise zones.¹

The costs of the program has increased as new areas have been added. The total cost of state and local incentives was \$11.2 million in FY 1996-97, and \$13 million in FY 1997-98. During the fourth full year of the revised Enterprise Zone Program, costs have increased by \$11 million, such that FY 1998-99 totals \$24 million in state and local incentives (\$5.2 million in state tax incentives approved by the Department of Revenue, and \$18.8 million in incentives provided by the local governing bodies; however, some of the local incentives provided are federal pass-through funds.). This increased activity was the result of 776 new businesses moving into enterprise zones creating 5,305 new jobs.

Section 290.0055, F.S., provides requirements for nominating and selecting an enterprise zone. It provides size limitations depending on the community population category and stipulates that for communities having a total population of 20,000 persons or less, the selected enterprise zone area shall not exceed 3 square miles. This section also requires that the selected area suffer from pervasive poverty, unemployment, and general distress, as described and measured pursuant to s. 290.0058, F.S. Section 290.0058(2), F.S., specifies that pervasive poverty “shall be evidenced by a showing that poverty is widespread throughout the nominated area. The poverty rate of the nominated area shall be established using the following criteria: (a) In each census geographic block group within a nominated area, the poverty rate shall be not less than 20 percent. (b) In at least 50 percent of the census geographic block groups within the nominated area, the poverty rate shall not be less than 30 percent.”

The effectiveness of enterprise zone tax incentives was the topic of a 1998 report issued by the Senate Committee on Ways and Means, Subcommittee E. In this report, and in testimony provided to the Legislative Committee on Intergovernmental Relations (LCIR) by the Office of Tourism, Trade, and Economic Development, the overall success of the enterprise zone program was discussed, as was whether rural and net-ban affected areas were sharing in that success. Rural and net-ban affected areas do not appear to be benefitting as much from the program as are urban areas. It was reported that rural enterprise zones claim progress on only 66 percent of goals identified in their strategic plans, compared with an 87 percent rate of progress toward goals for urban areas, and net-ban affected areas report only a 44 percent rate of progress.

In the 1998 report, the lower progress rate for rural and net-ban affected areas was largely attributed to a lack of local resources necessary to formulate, promote, and market an enterprise zone, and an increase in funding to those specific areas was recommended. Another explanation for insufficient progress in rural areas is that the enterprise zone program currently provides certain tax credits to businesses only for employees who reside within the enterprise zone. In rural areas, it is less likely that employees reside in the enterprise zone, as residential patterns differ from those common to densely populated urban areas. Because the enterprise zone program was originally created with urban areas in mind, the structure of some of the benefits remains more suited to urban communities. Currently, because of the unique characteristics of rural

¹ Information from the March 1, 2000, *Florida Enterprise Zone Program Annual Report* by the Office of Tourism, Trade, and Economic Development.

communities, they are not able to fully utilize the benefits conferred by the enterprise zone program under existing law.²

Florida Small Cities Community Development Block Grant Program

Title I of the federal Housing and Community Development Act of 1974 authorizes the distribution of Community Development Block Grant (CDBG) funds to local governments in order to meet the objective of developing viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. (42 U.S.C. s. 5301(c).) Eighty-five percent of CDBG funds are dispersed directly to large urban cities and counties that have been designated entitlement communities. The remaining funds are distributed annually in the form of competitive grants to non-entitlement communities, which are counties with populations not exceeding 200,000 and small cities with populations not exceeding 50,000. The federal act authorizes states to administer the non-entitlement CDBG funds. Under the Florida Small Cities Community Development Block Grant Program Act, ss. 290.0401-290.049, F.S., the Department of Community Affairs allocates CDBG funds to non-entitlement communities in this state.

Applications for CDBG grants under s. 290.046, F.S., specify that each eligible local government may apply up to three times in any one annual funding cycle for a grant under the economic development program category but shall receive no more than one such grant per annual funding cycle. In addition, local governments with an open housing, neighborhood revitalization, or commercial revitalization contract shall not be eligible to apply for another grant in these categories until administrative closeout of their existing contract, unless their open CDBG contract's activities are on schedule in accordance with the expenditure rates and accomplishments, in which case they may apply for an economic development grant. Local governments with an open economic development community development block grant contract whose activities are on schedule may apply for a housing or neighborhood revitalization and a commercial revitalization community development block grant, but may receive no more than one additional economic development grant in each fiscal year (s. 290.046(2)(b) and (c), F.S.).

Retention Enhancing Communities Initiative

The Retention Enhancing Communities Initiative (RECI) proposal during the 1999 legislative session was an attempt to leverage state, federal, and local resources for comprehensive economic development and community redevelopment activities in distressed urban cores, with the goal of benefiting participants in the Work and Gain Economic Self-sufficiency (WAGES) Program, as well as other Floridians, residing and holding or seeking employment in these areas. (See CS/SB 260, 2nd Eng., which died in House messages, 1999 session.) The concept underlying RECI was that communities would organize themselves and come to the table prepared to leverage their resources with state resources. With an effective date of July 1, 1999, CS/SB 260, 2nd Eng., required RECI projects to be fully operational by January 1, 2000, and completed by December 31, 2001. Swift completion of projects was of particular importance because proposed funding for

² Florida Senate Committee on Ways and Means, Subcommittee E, *The Effectiveness of Enterprise Zone Tax Incentives: Florida's Enterprise Zone Program Since 1994*, Interim Project Summary 98-63, October 1998.

RECI was up to \$50 million in Temporary Assistance for Needy Families (TANF) funds, which some policy makers believed would be reclaimed by the federal government if not used.

Interim Project Report 2000-19 titled *Distressed Urban Cores: Linking Community Development and WAGES Strategies* by the Senate Committee on Commerce and Economic Opportunities sought to determine the feasibility of, need for, and merits of an urban community redevelopment initiative, similar to RECI. The project also solicited feedback on how such an initiative should be structured, administered, and funded.

Work and Gain Economic Self-sufficiency

Chapter 96-175, L.O.F., eliminated individual entitlement to public assistance and created the Work and Gain Economic Self-sufficiency (WAGES) Program. Under the WAGES Program, for most individuals, cash assistance is temporary and is tied to a requirement that able-bodied adults must work and be financially responsible for themselves and their families. WAGES Program requirements and administrative responsibilities are established in ch. 414, F.S.

Front Porch Florida Initiative

Section 14.2015(9), F.S., creates the Office of Urban Opportunity (office) within OTTED. The stated purpose of the office is to administer the Front Porch Florida Initiative, “a comprehensive, community-based urban core redevelopment program that will empower urban core residents to craft solutions to the unique challenges of each designated community.”

On October 8, 1999, Governor Bush designated the first six Front Porch Florida Neighborhoods. The Governor’s Front Porch Florida Initiative calls for 20 such designations.

Section 212.097, F.S., establishes the Urban High-Crime Area Job Tax Credit Program to encourage economic expansion of new and existing businesses in urban high-crime areas of the state. Eligible businesses must be located in a qualified county and be predominantly engaged in activities that are classified within specific standard industrial classifications (SIC).

Development of Urban Policy

In recognizing the importance of the vitality of urban cores to their respective regions and the state, the Legislative Committee on Intergovernmental Relations (LCIR) conducted an interim project during the summer of 1997 on developing an urban policy for Florida to preserve, revitalize, and sustain the state’s urban centers. During the course of the interim, the committee heard testimony from many experts including urban policy scholars; federal, state, and local government officials; representatives from regional entities, financial institutions, and residential and commercial developers; and others knowledgeable about urban issues.

The testimony emphasized the need for public/private partnerships, as well as the involvement of the community, to successfully address the varied problems of an urban area. Each urban area has unique needs, and community support is needed in effecting change and directing resources to those needs. In addition, the private sector participants stressed the importance of state and local

governments demonstrating their commitment to urban areas before they were willing to invest in redevelopment projects. Finally, the following specific urban problems were identified:

Vacant and abandoned buildings;

Loss of jobs and corresponding high unemployment rates;

Lack of public transportation facilities;

Concerns for public safety;

Difficulty in recruiting businesses into core areas;

Disincentives to development because of lower land prices and building costs outside of urban areas;

Eroding tax bases;

Deterioration of neighborhoods; and

Lack of sense of regional identity or citizenship by residents in outlying areas.

The LCIR sought to begin establishing a state urban policy by developing and identifying policies essential to revitalization of urban cores. The LCIR initially focused its efforts on promoting urban infill and redevelopment as a method to create jobs, improve neighborhoods, stimulate the economy, and have a general positive affect in rectifying other urban needs. The committee sought to “level the playing field” between the cost of developing downtown versus the urban fringe, and to encourage urban redevelopment generally. The committee’s recommendations are set forth in a report titled *1998 Report On The Development Of A State Urban Policy*.

Florida has various policies that address aspects of urban development including the State Comprehensive Plan, Strategic Regional Policy Plans, Local Government Comprehensive Plans, and Community Redevelopment Agencies, among others. More recently, a law enacted by the 1996 Legislature authorized the Department of Community Affairs to undertake a Sustainable Communities Demonstration Project for the development of models to further enhance local government’s capacity to meet current and future infrastructure needs with existing resources. Additionally, the Governor’s Commission for a Sustainable South Florida and the Department of Community Affairs, in conjunction with regional and local level governmental entities, have initiated a regional approach to urban revitalization through the “Eastward ho!” initiative in southeast Florida.

Workforce Development Board

The state Workforce Development Board operates as a separately incorporated division of Enterprise Florida, Inc., and is given the purpose “to design and implement strategies that help Floridians enter, remain in, and advance in the workplace, becoming more highly skilled and successful, benefiting these Floridians, Florida businesses, and the entire state.” (s. 288.9952,

F.S.) The Workforce Development Board is governed by a 25-voting member board of directors whose membership must be consistent with the federal Workforce Investment Act and contain three representatives of organized labor. The state board charters and monitors 24 regional workforce development boards that coordinate local workforce development activities and designate training service providers. (See ss. 288.9953 and 288.9951, F.S.)

Certified Capital Company Act

Section 288.99, F.S., “The Certified Capital Company Act,” was adopted in 1998 to establish a mechanism to provide financing, via certified capital companies, for qualified small businesses. Insurance companies are provided a premium tax credit to invest in certified capital companies which, in turn, will make investments in qualified small businesses.

Under the 1998 legislation, a corporation, partnership, or limited liability company could file for certification as a certified capital company (CAPCO) on or before December 1, 1998. CAPCOs certified by the Department of Banking and Finance may receive contributions of capital from insurers (and other investors), and the insurers receive a credit against state premium taxes for each dollar contributed to a certified capital company, at the rate of 10 percent a year for ten years, beginning with premium tax filings for the year 2000. The total amount of tax credits may not exceed \$15 million annually, subject to an aggregate cap of \$150 million (s. 288.99(7), F.S.). To be certified, a CAPCO must have net capital of at least \$500,000 and at least two of its principals must demonstrate five years experience in making venture capital investments.

The Office of Tourism, Trade, and Economic Development (OTTED) is responsible for allocating premium tax credits to insurers who apply and submit specified documentation. A CAPCO must annually file a report with OTTED and the Department of Banking and Finance detailing the investments the CAPCO has received from insurers, and the investments it has made in qualified businesses, including the number of jobs created or retained and the average wages of such jobs. The Department of Banking and Finance must conduct an annual review of each CAPCO to determine if it is abiding by the requirements of certification, and the Department of Revenue may audit and examine the records of CAPCOs and insurer investors. In 1999, OTTED allocated tax credits to the CAPCOs.

Sports Development

Section 288.1162, F.S., requires OTTED to serve as the state agency for screening and certifying applicants as: a facility for a new professional sports franchise; a facility for a retained professional sports franchise; or a new spring training franchise facility.

Section 288.1168, F.S., requires OTTED to serve as the state agency for screening and certifying applicants as the professional golf hall of fame facility in the state.

Section 288.1169, F.S., requires OTTED to serve as the state agency for screening and certifying applicants as the International Game Fish Association World Center facility.

Section 288.1229, F.S., permits OTTED to authorize a direct-support organization to assist with the promotion and development of sports-related industries and amateur athletics in the state. Under this authority, OTTED currently contracts with the Florida Sports Foundation.

Tourism Development

Section 288.1223, F.S., creates within OTTED, the Florida Commission on Tourism (commission) to oversee the state's efforts to increase the positive impact of tourism, including increased employment for state citizens, to all sectors of the economy through effective marketing activities; to continually upgrade the image of Florida as a quality destination; to promote tourism objectives with all geographic, socioeconomic, and community sectors considered equitably; and to judge its efforts by the same standards of accountability and integrity as those used by successful, respected private sector businesses.

Section 288.1224, F.S., provides the powers and duties of the Florida Commission on Tourism, specifying that the commission shall contract no later than December 31, 1996, with a direct-support organization incorporated as a private, not-for-profit corporation, defined in section 501(c)(6) of the Internal Revenue Code, to execute the tourism and marketing promotion services of the state. Section 288.1226, F.S., identifies that direct-support organization as the Florida Tourism Industry Marketing Corporation (corporation). The corporation does business under the name "Visit Florida." The commission serves as the contract administrator for this contract. Section 288.1224, F.S., allows OTTED to review such contracts in an expedient manner and to timely make any recommendations so as to allow the date of the contract to be met.

Section 288.1226, F.S., allows the Florida Tourism Industry Marketing Corporation to elect or appoint officers and agents as its affairs require and allow them reasonable compensation.

Film and Entertainment Development

Section 288.1251, F.S., creates the Office of the Film Commissioner within OTTED for the purpose of developing, marketing, promoting, and providing services to the state's entertainment industry.

Section 288.1252, F.S., creates the Florida Film Advisory Council within OTTED for administrative purposes only. The purpose of the council is to serve as an advisory body to OTTED and to the Office of the Film Commissioner to provide these offices with industry insight and expertise related to developing, marketing, promoting, and providing service to the state's entertainment industry.

Section 288.1253, F.S., provides definitions for the Office of Film Commissioner in connection with travel and entertainment expenses.

Enterprise Florida, Inc.

Sections 288.901 and 288.9015, F.S., create a not-for-profit corporation, to be known as "Enterprise Florida, Inc." (EFI), with the Governor serving as the chairperson of the board of directors. EFI is to serve as the principal economic development organization for the state and to

provide leadership for business development in Florida. EFI is also responsible for aggressively marketing Florida's rural communities and distressed urban communities as locations for potential new investment, to aggressively assist in the retention and expansion of existing businesses in these communities, and to aggressively assist these communities in the identification and development of new economic development opportunities for job creation.

Capital Investment Tax Credit Program

Section 220.191, F.S., provides for the Capital Investment Tax Credit program to allow a "qualifying project" an annual tax credit if it is a new or expanding facility in a "high-impact" sector identified by EFI and certified by OTTED. Qualifying projects can receive the following credit percentages of the annual corporate income or premium tax liability generated by or arising out of the qualifying project, depending on the size of the cumulative capital investment: 100 percent for a \$100 million or higher investment; 75 percent for an investment between \$50 million and \$100 million; and 50 percent for an investment between \$25 million and \$50 million.

Military Installations

Section 288.980, F.S., declares the intent of this state to provide the necessary means to assist communities with military installations that would be adversely affected by federal base realignment or closure actions. It is further the intent to encourage communities to initiate a coordinated program of response and plan of action in advance of future actions of the federal Base Realignment and Closure Commission. The Florida Defense Alliance, an organization within Enterprise Florida, Inc., is designated as the organization to ensure that Florida, its resident military bases and missions, and its military host communities are in competitive positions as the United States continues its defense realignment and downsizing. The Florida Defense Alliance may receive funding from appropriations made for that purpose administered by OTTED. OTTED is authorized to award grants from any funds available to it to support activities related to the retention of military installations potentially affected by federal base closure or realignment. The Florida Economic Reinvestment Initiative is established to respond to the need for this state, and defense-dependent communities in this state, to develop alternative economic diversification strategies to lessen reliance on national defense dollars in the wake of base closures and reduced federal defense expenditures, and the need to formulate specific base reuse plans and identify any specific infrastructure needed to facilitate reuse. The initiative consists of grant programs to be administered by OTTED. OTTED is assigned to establish guidelines to implement and carry out the purpose and intent of this section.

Digital Television and Education Task Force

Chapter 99-251, L.O.F., provided for the formation of a 12-member task force to be called the "21st Century Digital Television and Education Task Force." The task force, to be established within the Office of Tourism, Trade, and Economic Development (OTTED), is directed to: devise a plan to recruit digital industries to locate in Florida; recommend economic incentives to assist in the recruitment of certain digital industries to Florida; devise a plan to create and maintain higher education opportunities for students interested in the digital television field; recommend methods to hasten the conversion of existing commercial television studios and sound stages from analog

to digital technology; investigate means of assisting public broadcast stations in their conversion from analog to digital technology; and issue a report to the Legislature prior to February 1, 2000.

The 21st Century Digital Television and Education Task Force Final Report made various recommendations relating to the enhancement of the digital media industry, including:

Recommendation 1: Creation of the Digital Media Education Coordination Group.

The State University System should be directed to create a Digital Media Education Coordination Group assigned to coordinate the use of existing academic programs, research, and faculty resources to promote the development of a digital media industry in Florida. The group should also address strategies to improve opportunities for interdisciplinary study and research within the emerging field of digital media through the development of tracks in existing degree programs, new interdisciplinary degree programs, and interdisciplinary research centers. (*The 21st Century Digital Television and Education Task Force Final Report*, pages 2-4.)

Recommendation 2: Create and Market Digital Media Technical Education Programs.

The State Board of Community Colleges should be authorized to identify, via the Critical Jobs Initiative, the occupational forecasting process, or any other compatible mechanism, a collection of programs designed to train broadband digital media specialists. Programs identified by the board should be added to the statewide lists for demand occupations, if they meet the high skill/high wage criteria. Industry partners and the state community college system should be tasked with preparation of a marketing program to assist those making the transition from working with analog formats to digital formats. (*The 21st Century Digital Television and Education Task Force Final Report*, pages 4 & 5.)

Recommendation 3: Create an A+ Broadband Digital Media Workforce.

- The Workforce Development Board of Enterprise Florida, Inc. (EFI), should reserve up to \$1 million of the next fiscal year funds dedicated for Incumbent Worker Training for this industry. Training may be provided by public or private training providers for broadband digital media jobs listed on the Occupational Forecast List or the Targeted Occupations List.
- The Workforce Development Board should by July 31, 2000 develop a plan for the use of Temporary Assistance to Needy Families (TANF), Workforce Investment Act (WIA), Quick Response, Incumbent Worker Training, and other training related resources to enhance the workforce of digital media related industries.
- The Legislature should establish a Digital Media Education Infrastructure Fund, with an initial General Revenue investment of \$6 million over two years to upgrade the quality of media labs associated with university programs, community college programs, and other educational resources. As many as five media labs will be created and upgraded, with \$1 million of the fund expended the first year for design costs, and the remaining \$5 million expended in year two for implementation. Such funds should be spent according to the priorities established by an industry sector group and should be matched with industry contributions. (*The 21st Century Digital Television and Education Task Force Final Report*, pages 5 & 6.)

Recommendation 4: Designate and Support a Digital Media Education and Industry Sector.

- Enterprise Florida, Inc. (EFI), should convene an organizational meeting for industries involved in broadband digital media to organize and facilitate future activities of associated industry groups or facilitate the ongoing activities of a similar group. This group should be charged with the responsibility of continuing the work begun by the task force.
- Industry representatives should work with EFI to develop a list of priority businesses for EFI recruiting contacts. EFI and industry representatives should ensure a strong Florida presence at critical industry conventions and gatherings.
- Establish a digital media incubator to encourage companies developing content and technology for digital broadband media and digital broadcasting to locate and grow their businesses in Florida. Provide operational and investment seed funding of \$2 million to encourage the financial and strategic participation of venture capital firms, corporate and institutional sponsors, and targeted start-up companies. (*The 21st Century Digital Television and Education Task Force Final Report*, pages 6 & 7.)

Recommendation 5: Finance the Transition.

- The Legislature should continue to support the transition of the public broadcasting stations to digital transmission by fully funding the programs already identified in the Governor's budget.
- The Legislature should implement a commercial and professional digital media equipment sales tax holiday for Florida entities to last no more than 36 months. The tax holiday should be designed to encourage the rapid transition to digital transmission and increase the digital production and manufacturing capacity of the state.
- The Legislature should support sales tax relief lasting 36 months for all professional digital media production equipment purchased by Florida entities and by related industries not already covered by tax relief. (*The 21st Century Digital Television and Education Task Force Final Report*, pages 7 & 8.)

Recommendation 6: Market the State as a Digital Media Leader.

ITFlorida and EFI should be tasked with the responsibility of putting together a marketing plan to promote the state as digital media friendly, a digital media ready environment, and a national leader in the development and distribution of broadband digital media content, technology, and education. (*The 21st Century Digital Television and Education Task Force Final Report*, page 8.)

Chapter 239, F.S., governs vocational, adult, and community education. Section 240.311, F.S., provides for powers and authorities of the State Board of Community Colleges. Section 240.3341, F.S., authorizes community colleges to provide incubator facilities to a business that is independently owned and operated, incorporated in Florida, not an affiliate or a subsidiary of a business dominant in its field of operation, and employs 25 or fewer full-time employees.

III. **Effect of Proposed Changes:**

This committee substitute makes a number of changes to the role that the Office of Tourism, Trade, and Economic Development (OTTED) has in economic development program implementation. This committee substitute reduces OTTED's administrative role over various programs, grants, and activities. This committee substitute will redistribute administrative duties

for various other programs and activities which OTTED has been assigned, through statutory provisions other than the duties and responsibilities provided under s. 14.2015, F.S. This committee substitute also makes revisions to existing economic development programs and creates a number of new initiatives.

Section by Section Analysis

Section 1 amends s. 14.2015, F.S., to remove the Office of Tourism, Trade, and Economic Development (OTTED) from primary administrative responsibility for the following programs:

- the sports franchise facility program under s. 288.1162, F.S.;
- the professional golf hall of fame facility program under s. 288.1168, F.S.;
- the Regional Rural Development Grants Program under s. 288.018, F.S.;
- the Certified Capital Company Act Program under s. 288.99, F.S.;
- the Florida State Rural Development Council;
- the Florida Enterprise Zone Act under ch. 290, F.S.;
- the Florida First Business Bond Pool under ch. 159, F.S.; and
- foreign offices under ch. 288, F.S.

This section of the committee substitute also requires OTTED to submit annually to the Governor, the President of the Senate, and the Speaker of the House of Representatives a complete and detailed report of all applications received and recommendations made or actions taken during the previous fiscal year under all programs funded out of the Economic Development Incentives Account or the Economic Development Transportation Trust Fund. The Office of Tourism, Trade, and Economic Development, with the cooperation of Enterprise Florida, Inc., shall also include in the report a detailed analysis of all final decisions issued; agreements or other contracts executed; and tax refunds paid or other payments made under all programs funded from the above named sources, including analyses of benefits and costs, types of projects supported, and employment and investment created. The report shall also include a separate analysis of the impact of such tax refunds and other payments approved for rural cities or communities as defined in s. 288.106(2)(s) and state enterprise zones designated pursuant to s. 290.0065. Section 54 of the committee substitute repeals a similar reporting requirement under s. 288.095(3)(c), F.S.

Also amended in section 1 of this committee substitute is the title of the “Office of the Film Commissioner” created under s. 288.1251, F.S., which is changed to “the Governor’s Office of Film and Entertainment.”

Section 2 amends s. 159.8083, F.S., to require Enterprise Florida Inc. (EFI), to recommend Florida First Business (FFB) projects that are then certified by OTTED as eligible to receive a written confirmation. This committee substitute also requires EFI to be involved, along with OTTED and the Division of Bond Finance of the State Board of Administration, in the development of rules to ensure that the allocation provided in the pool is available solely to provide written confirmations for private activity bonds to finance FFB projects and ensure the projects are feasible and financially solvent.

Section 3 amends s. 212.097, F.S., to add standard industrial classification (SIC) code 781 (motion picture production and allied services) to the eligible businesses for inclusion in the Urban

High-Crime Area Job Tax Credit Program. This would allow certain movie production and related businesses to make use of this urban job tax credit.

Section 4 amends s. 212.098, F.S., to add SIC code 781 (motion picture production and allied services) to the eligible businesses for inclusion in the Rural Job Tax Credit Program. This would allow certain movie production and related businesses to make use of this rural job tax credit.

Section 5 amends s. 218.075, F.S., to allow the Department of Environmental Protection (DEP) and the water management districts to reduce or waive permit processing fees for a county with a population of 75,000 or less, or a county with a population of 100,000 or less that is contiguous to a county with a population of 75,000 or less, based upon the most current census data.

Section 6 amends s. 220.191, F.S., to make the following changes in the Capital Investment Tax Credit program: 1) the definition is changed for the term “qualifying project” under which the new or expanding facility must be in a “target-industry” sector instead of the “high-impact” sector identified by EFI; 2) a requirement is added that a business must achieve and maintain the employment target specified in its application for certification, but not less than 100 additional employees. This section of the committee substitute also changes the percentage of the annual corporate income or premium tax liability a qualifying project can receive based on the size of the cumulative capital investment: 100 percent for a \$100 million or higher investment is changed to 50 percent; 75 percent for an investment between \$50 million and \$100 million is changed to 25 percent; and 50 percent for an investment between \$25 million and \$50 million is changed to no credit.

Section 7 amends s. 288.012, F.S., to authorize EFI and the Florida Commission on Tourism to act as agents for OTTED in the establishment and operation of offices in foreign countries for the purpose of promoting the trade and economic development of the state, and to promote the gathering of trade data information and research on trade opportunities in specific countries. EFI and the Florida Commission on Tourism are also authorized to enter into agreements with governmental and private sector entities for the establishment and operation of foreign offices. This committee substitute would change OTTED’s role from that of entering into agreements with governmental and private sector entities, to a role in which it would approve the efforts of EFI and the Florida Commission on Tourism to act as agents for OTTED, including the purchase of foreign currency, annual submitting of operating plans, and annual reports on activities and accomplishments of foreign offices during the preceding fiscal year.

Section 8 amends s. 288.018, F.S., to require EFI to administer the Regional Rural Development Grants Program (or Rural Staffing Grants) to build the professional capacity of regional economic development organizations made up of rural counties, communities, and organizations. The funds are intended to be used for staffing assistance for regional economic development organizations. This committee substitute changes OTTED’s role from that of administering the program to that of approving the administrative decisions and recommendations made by EFI.

Section 9 creates s. 288.064, F.S., to provide legislative intent on rural economic development including the intent to “provide for the most efficient and effective delivery of programs of assistance and support to rural communities, including the use, where appropriate, of regulatory flexibility through multiagency coordination and adequate funding.”

Section 10 amends s. 288.0656, F.S., to allow an unincorporated federal enterprise community or an incorporated rural city in a nonrural county to be eligible to apply for any program specifically identified in statute as a rural program provided that it can demonstrate that the county of jurisdiction for such areas is also providing support for each program application. Such communities are also eligible for any preferential criteria or waivers of any program requirements specifically identified in statute as available for rural counties, cities, or communities.

Section 11 amends s. 288.1088, F.S., to remove “high-impact” language and replace it with certain “target industries” language used in specifying which companies can receive the Quick Action Closing Fund incentives. The committee substitute also adds the name “21st Century Fund” to the name Quick Action Closing Fund. The committee substitute changes a reference to business investment from the term “facility” to “project” and requires the applicant to provide an analysis of all other state and local incentives that have been offered in this state, and an analysis of the conditions and incentives offered by other states and their communities.

Section 12 amends s. 288.1162, F.S., to change OTTED’s role from one that requires the office to serve as the state agency for screening and certifying applicants as a facility for a new professional sports franchise; a facility for a retained professional sports franchise; or a new spring training franchise facility, to a role in which OTTED has final approval to support actions and recommendations by the direct-support organization authorized under s. 288.1229, F.S., to promote sports-related businesses.

Section 13 amends s. 288.1168, F.S., to change OTTED’s role from one that requires the office to serve as the state agency for screening and certifying applicants as the professional golf hall of fame facility in the state, to a role in which OTTED has final approval to support actions and recommendations by the direct-support organization authorized under s. 288.1229, F.S., to promote sports-related businesses.

Section 14 amends s. 288.1169, F.S., to change OTTED’s role from one that requires the office to serve as the state agency for screening and certifying applicants as the International Game Fish Association World Center facility, to a role in which OTTED has final approval to support actions and recommendations by the direct-support organization authorized under s. 288.1229, F.S., to promote sports-related businesses.

Section 15 amends s. 288.1185, F.S., to transfer the Recycling Markets Advisory Committee from being administratively housed in OTTED to being administratively housed in the Department of Environmental Protection (DEP). This committee substitute transfers s. 288.1185, F.S., and renumbers it as s. 403.7155, F.S.

Section 16 amends s. 288.1223, F.S., to allow the Governor to choose a designee to represent the Governor’s membership on the Florida Commission on Tourism, provided that the designee is from the public sector.

Section 17 amends s. 288.1226, F.S., to allow the Governor to remove the president of the Florida Tourism Industry Marketing Corporation, who is elected or appointed by the corporation. This committee substitute states that the president of the Florida Tourism Industry Marketing Corporation shall “serve at the pleasure of the Governor.” The Florida Tourism Industry

Marketing Corporation does business under the name “Visit Florida” and is contracted by the Florida Commission on Tourism. This committee substitute also states that no employee of the Florida Tourism Industry Marketing Corporation may receive compensation for employment which exceeds the salary paid to the Governor, unless the board of directors and the employee have executed a contract that prescribes specific, measurable performance outcomes for the employee, the satisfaction of which provides the basis for the award of incentive payments that increase the employee’s total compensation to a level above the salary paid to the governor.

Section 18 amends s. 288.1229, F.S., to require the Florida Sports Foundation to provide OTTED with an annual report on the status of: the professional golf hall of fame facility program certified under s. 288.1168, F.S., and the International Game Fish Association World Center facility certified under s. 288.1169, F.S. The committee substitute further requires the golf-facility report to include the level of attendance and sales tax revenue associated with the facility as compared to the minimum projections established at the time the facility was certified.

Sections 19 - 21 amend s. 288.1251, 288.1252, and 288.1253, F.S., to change the name of the “Office of the Film Commissioner” to the “Governor’s Office of Film and Entertainment.” The committee substitute also changes the name of the “Florida Film Advisory Council” to the “Florida Film and Entertainment Advisory Council,” and the name “Film Commissioner” to “Commissioner of Film and Entertainment.” The committee substitute also authorizes the Governor’s Office of Film and Entertainment, in the performance of its duties to: “Request or accept any grant or gift of funds or property made by this state or by the United States, or any department or agency thereof, or by any individual, firm, corporation, municipality, county, or organization for any or all of the purposes of the Governor’s Office of Film and Entertainment which are consistent with this or any other provision of law. The office may expend such funds in accordance with the terms and conditions of any such grant or gift, in the pursuit of its administration or in support of the programs it administers.”

Sections 22 amends s. 288.901, F.S., to allow the Governor’s designee to serve as chairperson of the board of directors of EFI provided that the designee is from the public sector, and to remove voting authority for at-large members of the board. This section of the committee substitute also corrects a cross reference to the Workforce Development Board.

Section 23 amends s. 288.9015, F.S., to require EFI to promote existing state programs to facilitate the location of new investment, the retention and expansion of existing businesses, and the identification and development of new economic development opportunities for job creation in rural communities and distressed urban communities. This committee substitute specifically requires EFI to use the following programs:

- the Community Contribution Tax Credit Program (ss. 220.183 and 624.5105, F.S.);
- the Urban High-Crime Area Job Tax Credit Program (ss. 212.097 and 220.1895, F.S.);
- the Rural Job Tax Credit Program (ss. 212.098 and 220.1895, F.S.); and
- the state incentives available in enterprise zones (s. 290.007, F.S.).

Section 24 amends s. 288.980, F.S., to change OTTED’s role from being the administrator for military base retention programs to a role of giving final approval to EFI’s decisions as the new administrator. In the following areas regarding military base retention programs, EFI is assigned to be the administrator and OTTED is assigned to give final approval to EFI’s decisions: Florida

Defense Alliance; awarding of grants from any funds available to support activities related to the retention of military installations; the Florida Economic Reinvestment Initiative; the Florida Defense Planning Grant Program; the Florida Defense Implementation Grant Program; the Florida Military Installation Reuse Planning and Marketing Grant Program; the Defense-Related Business Adjustment Program; and the development of guidelines to implement and carry out the purpose and intent of all military base retention programs.

Section 25 amends s. 288.99, F.S., to change administrative duties regarding the Certified Capital Company Act (CAPCO) from OTTED to the Department of Banking and Finance. Specifically the Department of Banking and Finance is assigned to: allocate tax credits; receive notification of a company's failure to receive capital and make a pro rata allocation of available credits among the other certified capital companies; create an annual tax credit claim form and receive the filed form from each certified capital company; review and verify the annual tax credit claim form and any supplemental documentation; send written notice to the address of each certified investor whose premium tax credit has been subject to recapture or forfeiture; report annually to the Governor, the President of the Senate, and the Speaker of the House of Representatives; and to adopt any rules necessary to carry out duties, obligations, and powers related to the administration, review, and reporting provisions of this section, and may perform any other acts necessary for the proper administration and enforcement of such duties, obligations, and powers.

Section 26 amends s. 290.004, F.S., to provide a definition for "rural enterprise zone" for purposes of the Florida Enterprise Zone Act, which means an enterprise zone that is nominated by a county having a population of 75,000 or fewer, or a county having a population of 100,000 or fewer which is contiguous to a county having a population of 75,000 or fewer, or by a municipality in such a county, or by such a county and one or more municipalities. The definition of rural enterprise zone also includes zones created for communities affected by fishing net limitation (net-ban zones) under s. 370.28, F.S. This section of the committee substitute deletes references to the Department of Commerce.

Section 27 amends s. 290.0056, F.S., to require enterprise zone agencies to submit annual reports to EFI instead of OTTED, which conforms this section to other sections of this committee substitute.

Section 28 amends s. 290.0058, F.S., to require EFI instead of OTTED, to round up to whole numbers when calculating whether an area suffers from pervasive poverty, unemployment, and general distress.

Section 29 amends s. 290.0065, F.S., to change numerous references to duties for OTTED to duties for EFI. This committee substitute changes OTTED's role from that of administering the enterprise zone program to that of approving the administrative decisions and recommendations made by EFI. This committee substitute changes reference from "rule" development to "guideline" development, necessary for the approval of enterprise zone areas.

Section 30 amends s. 290.0066, F.S., to require EFI to recommend revocation of enterprise zone designation instead of OTTED. Upon recommendation by EFI, the director of OTTED may revoke the designation of an enterprise zone.

Section 31 amends s. 290.00675, F.S., to require EFI to recommend enterprise zone boundary changes to OTTED.

Section 32 creates s. 290.00676, F.S., to provide rural enterprise zones with an opportunity to amend their zone boundaries by increasing the size of the zone to 15 square miles and to allow one additional noncontiguous area.

Section 33 creates s. 290.00677, F.S., to allow businesses in rural enterprise zones to apply for job tax credits for new hires for county residents (not just zone residents). Currently businesses in the “net ban zones” have this option and are able to apply for tax incentives for new hires residing within the county.

In addition, businesses in the rural enterprise zones would be able to count county residents in calculating the 20 percent enhancement clause (rather than just zone residents) for enterprise zone tax incentives. Under this provision, a business could claim the maximum amount of the tax exemption or credit if no less than 20 percent of its employees are residents of a rural county. The applicable tax incentives are: the building materials sales tax refund under s. 212.08(5)(g), F.S.; the business property sales tax refund under s. 212.08(5)(h), F.S.; the electrical energy sales tax exemption under s. 212.08(15), F.S.; the sales tax credit for job creation under s. 212.096, F.S.; the corporate income tax credit for job creation under s. 220.181, F.S.; and the enterprise zone property tax credit under s. 220.182, F.S.

Businesses eligible to receive these incentives within the period from January 1, 2000, to June 1, 2000, would be given additional time (until December 1, 2000) to apply for them.

Section 34 amends s. 290.00689, F.S., to require EFI to administer enterprise zone pilot projects and make recommendations to OTTED for final approval of tax credits under this section.

Section 35 creates s. 290.00694, F.S., relating to enterprise zone designation for rural champion communities. Under this provision, eight “Rural Champion Communities” would be able to apply for a state rural enterprise zone designation (the areas should be required to meet the enterprise zone eligibility criteria). The “Rural Champion Community” designation is made under federal law.

Section 36 amends s. 290.009, F.S., to require EFI to serve as staff for the Enterprise Zone Interagency Coordinating Council (council). The council then advises EFI and OTTED in the planning, developing, implementing, reporting, and evaluation of activities related to the Florida Enterprise Zone Act.

Section 37 amends s. 290.014, F.S., to require the Department of Revenue to submit annual enterprise zone reports to EFI instead of directly to OTTED, and to require EFI to then submit an annual enterprise zone report to OTTED.

Section 38 amends s. 290.046, F.S., to remove limitations on the number of economic development grants a community may receive under the Small Cities Community Development Block Grant Program, but references a cap on the cumulative amount of such awards.

Section 39 amends s. 373.4149, F.S., to remove OTTED membership on the Miami-Dade County Lake Plan Implementation Committee. Currently the director of OTTED is a member of the committee.

Section 40 creates a yet to be numbered section of the statutes that authorizes the Institute of Food and Agricultural Sciences at the University of Florida to enter into contracts with the U.S. Department of Agriculture and to receive grants to support the Florida State Rural Development Council.

Section 41 directs the Workforce Development Board of EFI to develop, in consultation with the State Board of Community Colleges and the Division of Workforce Development of the Department of Education, a policy authorizing the placement of Workforce Investment Act clients and other training program clients in self-employment as a means job placement. The policy shall define the conditions necessary, including documentation of income, for self-employment to qualify as job placement for Workforce Investment Act programs and Workforce Development Education Fund programs.

Section 42 establishes a forecast unit within the Office of Tourism, Trade, and Economic Development responsible for identifying extraordinary economic development opportunities and threats, such as a major business relocation or closure, and coordinating implementation of action plans to address such events. The committee substitute also creates an Economic Development Leadership Council composed of: the Governor; the President of the Senate; the Speaker of the House of Representatives; the director of OTTED; and the president of EFI. The council convenes at the recommendation of the director of OTTED, with the aid of the forecast unit serving as staff, in response to an extraordinary economic development opportunity or threat.

Section 43 creates the Toolkit for Economic Development (TED) program for the purpose of enabling economically distressed communities to access easily, and use effectively, federal and state tools to improve conditions in the communities and thereby help needy families in the communities avoid public assistance, retain employment, and become self-sufficient. "Economically distressed" is defined as a community that is experiencing conditions affecting its economic viability and hampering the self-sufficiency of its residents, including, but not limited to, low per capita income, low property values, high unemployment, high underemployment, low weekly wages compared to the state average, low housing values compared to the state average, high percentage of the population receiving public assistance, high poverty levels compared to the state average, high percentage of needy families, and a lack of year-round stable employment opportunities. The toolkit comprises six initiatives, or "tools," to meet the program's stated purpose.

Liaisons

Twenty-four agencies are required to designate high level individuals to serve as liaisons for the TED program. The liaison serves as the primary contact for the agency or organization for the TED program to: assist and expedite proposal review; resolve problems; promote flexible assistance; and to identify opportunities for support within the agency or organization. Liaisons must also, as necessary, review proposals from economically distressed communities to determine

if they would be properly referred or submitted to their agencies or organizations. If such referral and submittal is appropriate, the liaison must then assist the community as an ombudsman.

Liaisons are directed to work at the request of the Office of Tourism, Trade, and Economic Development (OTTED) to review statutes and rules for their adverse impact on economically distressed communities and to develop alternative proposals to mitigate their impact. Additionally, liaisons must review their agencies' or organizations' evaluation and scoring procedures for grant, loan, and aid programs to ensure that economically distressed communities are not unfairly disadvantaged, hampered, or handicapped in competing for awards because of community economic hardship. If they are, new evaluation criteria and scoring procedures must be considered that recognize disproportionate requirements that an application process makes of a community that lacks the resources of other more prosperous communities. The evaluation criteria should weight contribution in proportion to the amount of resources available at the local level.

Annually, OTTED must report to the Governor and the head of each agency or organization on the work and accomplishments of the liaisons, recommending commendation or compensation.

Coordinating Partners

The liaisons from OTTED, the Office of Urban Opportunity, the Department of Community Affairs, Enterprise Florida, Inc., and the state Workforce Development Board must serve as coordinating partners for the TED program, acting as an executive committee for the liaisons. The coordinating partners must review any request from a Front Porch Florida Community and provide whatever assistance that the TED program can afford to them.

Fee Waivers & Matching Fund Options

The coordinating partners are authorized to request waivers or pay the application fees or local matching requirements of economically distressed communities for federal, state, or foundation programs. In addition, any in-kind matches may be allowed and applied as matching funds at the request of the coordinating partners. Fee reductions or waivers must be requested on the basis of fiscal hardship or need for a particular project or activity. The coordinating partners must unanimously endorse each request to an agency or organization.

Inventory

The coordinating partners must develop an inventory of recommended federal and state tax credits, incentives, inducements, programs, opportunities, demonstrations or pilot programs, grants, and other resources available through the agencies and organizations which could assist economically distressed communities. The inventory must be organized into seven categories including:

- Leadership - Entries that promote the skills and capacities of local leaders, volunteers, organizations, and employees that work on other categories of the inventory. These entries must include, for example: grants; scholarships; Individual Training Accounts;

Retention Incentive Training Account programs; and other programs that build the resident capacity to create a better community.

- Safety - Entries that increase safety and reduce crime. These entries must include, for example: the training and employment of public safety employees and volunteers; establishing safer businesses and neighborhoods; training residents in safety practices; organizing safety networks and cooperatives; improving lighting; improving the safety of homes, buildings, and streets; and providing for community police and safety projects, including those designed to protect youth in the community.
- Clean Up - Entries that support clean up and enhancement projects that quickly create visible improvements in neighborhoods, including the demolition of drug havens and abandoned buildings. These entries must include, for example: projects that plan, design, or implement clean up strategies; main street redevelopment; and renovation projects.
- Business - Entries that support small business development, including, for example: attraction of national franchises; micro-loans; guaranteed commercial loans; technical assistance; self-employment; linked deposit; loan loss reserves; business incubators; and other activities that support the market economy.
- Schools - Entries that upgrade schools through repair or renovation, as well as training and employment entries to assist with school transportation, services, and security. These entries must include, for example: programs that enable school-based childcare; before, after, and summer school programs; programs that broaden the use of school facilities as a hub and haven within the community; scholarships; and grant programs that assist families and individuals to complete and enhance their education.
- Partners - Entries that provide tax credits, incentives, and other inducements to businesses that contribute to community projects, such as the community contribution tax credit under ss. 220.183 and 624.5105, F.S. These entries must include any programs that help raise federal or foundation grant funds.
- Redevelopment - Entries that support the planning, preparation, construction, marketing, and financing of residential, mixed-use, and commercial redevelopment, as well as residential and business infrastructure projects. These entries must include the workforce development programs that influence business decisions such as the Quick-Response Training Program and Quick-Response Training Program for Work and Gain Economic Self-sufficiency (WAGES) participants.

Start-Up Initiative

To get the communities started using the inventory created in the committee substitute, the coordinating partners must identify 15 communities (seven of which must be from the state's seven largest counties, three of which must be from rural counties, and five of which must be from other counties), and solicit applications from these communities and Front Porch Florida Communities for nine Start-up Initiative Awards. These communities must pledge local resources and plan to use the inventory's programs to make their community rapidly become more

economically self-sufficient. The coordinating partners must provide assistance with inventory programs and back-up funding to effectuate the nine communities' proposals.

The coordinating partners must appoint a liaison to assist each community with its proposal and its implementation, if awarded. These liaisons must have the assistance of the Executive Office of the Governor, the agencies of state government, and their employees. If a state employee is not able to assist a liaison because of state law or regulation, the liaison must notify the coordinating partners and the Office of Program Policy Analysis and Government Accountability concerning the impasse and develop a strategy to resolve such impasse. Upon a written request of a liaison, the Governor may, by executive order or emergency rule, address a regulatory or procedural impasse, enabling prompt implementation of a community's proposal, if awarded.

The coordinating partners may direct funding that is appropriated to their control to fund this initiative and, if necessary, may seek budget amendments to redirect funding to this initiative. Any federal Temporary Assistance for Needy Families (TANF) Block Grant funding appropriated to assist needy families, or to promote job placement and employment retention, that is in excess of revenues necessary to fulfill the appropriated purpose, and which may not be obligated during the budget year, may be redirected to this initiative to support an approved proposal.

Lifelines

If the coordinating partners identify a proposal with the potential to transform a community which cannot be tackled with the other five tools, they can recommend a "lifeline" for the community. If an appropriate agency head concurs with the recommendation, after consultation with the Governor, the President of the Senate and the Speaker of the House of Representatives, the agency head can recommend approval of the project and the Cabinet can approve it to go forward.

The committee substitute provides for measurement of the performance of the TED program. An independent entity is required to develop measures and criteria by October 1, 2001, to evaluate the effectiveness of the TED program, including the liaisons, coordinating partners, waivers and matching options, inventory, Start Up Initiative, and lifelines.

This committee substitute appropriates \$25 million from the TANF Block Grant to the coordinating partners to implement the TED program. All expenditures from the TANF Block Grant must be in accordance with the requirements and limitations of Title IV of the Social Security Act, as amended, or any other applicable federal requirement or limitation in law. The TED program is repealed on June 30, 2002.

Section 44 amends s. 240.311, F.S., to require the State Board of Community Colleges to identify, via the Critical Jobs Initiative, the occupational forecasting process, or any other compatible mechanism, a collection of programs designed to train broadband digital media specialists. Programs identified by the board should be added to the statewide lists for demand occupations, if they meet the high skill/high wage criteria.

Section 45 amends s. 240.3341, F.S., to encourage community colleges to establish incubator facilities through which emerging small businesses supportive of the development of content and technology for digital broadband media and digital broadcasting may be served.

Section 46 requires the Board of Regents to create a Digital Media Education Coordination Group to develop a plan to enhance Florida's ability to meet the current and future workforce needs of the digital media industry. The plan must be submitted to the Governor and Legislature by January 1, 2001. The group is required to:

- Coordinate the use of existing academic programs, research, and faculty resources to promote the development of a digital media industry in Florida;
- Address strategies to improve opportunities for interdisciplinary study and research within the emerging field of digital media through the development of tracks in existing degree programs, new interdisciplinary degree programs, and interdisciplinary research centers;
- Address the sharing of resources among universities in such a way as to allow a student to take courses from multiple departments or multiple educational institutions in pursuit of competency in digital information and media technology.

Section 47 requires the Workforce Development Board of Enterprise Florida, Inc., to reserve up to \$1 million of the next fiscal year funds dedicated for Incumbent Worker Training for the digital media industry. Training may be provided by public or private training providers for broadband digital media jobs listed on the Occupational Forecast List or the Targeted Occupations List. Programs that operate outside the normal semester time periods and coordinate the use of industry and public resources must be given priority status for such reserved funds.

Section 48 requires the Workforce Development Board to develop a plan, by August 31, 2000, for the use of Targeted Assistance to Needy Families, Workforce Investment Act funds, Quick Response funds, Incumbent Worker Training, and other training related resources to enhance the workforce of digital media related industries.

Section 49 creates a Digital Media Education Infrastructure Fund in the Office of Tourism, Trade, and Economic Development (OTTED) for the purpose of upgrading the quality of media labs associated with university programs, community college programs, and other educational resources. For fiscal year 2000-2001, \$1 million is appropriated to the fund, and all funds must be expended according to the priorities established by an industry sector group established by Enterprise Florida, Inc. (EFI), and must be matched with industry contributions.

Section 50 requires EFI to convene an organizational meeting for industries involved in broadband digital media to organize and facilitate future activities of associated industry groups or facilitate the ongoing activities of a similar group. EFI is further required to identify and designate a digital media sector as part of its sector strategy and identify the sector as a priority recruitment and retention set of industries.

Section 51 requires EFI to award a contract for the creation of a digital media incubator to encourage companies developing content and technology for digital broadband media and digital broadcasting to locate and grow their businesses in Florida. To qualify for receipt of the contract, the applicant must meet various qualifications. EFI is appropriated \$2 million for the purpose of providing operational and investment seed funding to encourage the financial and strategic participation of venture capital firms, corporate and institutional sponsors, and targeted start-up companies. Initial state investment in the incubator must be matched with contributions from the industry.

Section 52 requires ITFlorida, by December 31, 2000, to develop a marketing plan to promote the state as digital media friendly, a digital media ready environment, and a national leader in the development and distribution of broadband digital media content, technology, and education.

Section 53 states that the provisions of this act relating to workforce or economic development for digital media are subject to legislative appropriation.

Section 54 repeals s. 288.039, F.S., to remove statutory reference to the Employing and Training our Youths (ENTRY) tax refund program. The program has been contingent upon annual appropriation by the Legislature and would be eliminated from any future funding by this bill. Also this committee substitute repeals s. 288.095(3)(c), F.S., to remove a requirement that OTTED submit a complete and detailed annual report to the board of directors of EFI of all applications received, final decisions issued, tax refund agreements executed, and tax refunds paid or other payments made under all programs funded out of the Economic Development Incentives Account, including analyses of benefits and costs, types of projects supported, and employment and investment created. The provision to be repealed also requires the inclusion of a separate analysis of the impact of such tax refunds on state enterprise zones and requires the board of directors of EFI to review and comment on the report and submit the report together with comments of the board, to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The report must discuss whether the authority and moneys appropriated by the Legislature to the Economic Development Incentives Account were managed and expended in a prudent, fiducially sound manner. A provision similar to this repealed section is established in Section 1 of this committee substitute, and includes within the report activities under the Economic Development Transportation Trust Fund.

Section 55 provides an effective date of July 1, 2000.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

Section 19(f)(1) of Art. III of the State Constitution specifies that a trust fund may only be created in a separate bill, must be limited to that purpose only, and must pass by a three-fifths vote of the membership of each house of the Legislature. Section 215.3207, F.S., establishes criteria, based on the constitutional requirements, for the contents of a bill creating a trust fund, including that such legislation specify at least the following:

- (1) The name of the trust fund;
- (2) The agency or branch of state government responsible for administering the trust fund;
- (3) The requirements or purposes that the trust fund is established to meet; and
- (4) The sources of moneys to be credited to the trust fund or specific sources of receipts to be deposited in the trust fund.

Section 215.3207, F.S., defines a trust fund as moneys received by the state which under law or under a trust agreement are segregated for a purpose authorized by law. To the extent that this committee substitute represents a segregation of funds in the creation of the Digital Media Education Infrastructure Fund, this committee substitute may have the effect of creating a trust fund, which would necessitate separate legislation in order to comply with the constitutional requirements.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

This committee substitute decreases administrative costs and responsibilities for the Office of Tourism, Trade, and Economic Development (OTTED) and potentially increases administrative costs and responsibilities for: Enterprise Florida, Inc. (EFI); the Department of Banking and Finance; the Florida Sports Foundation; and the Department of Environmental Protection.

This committee substitute appropriates \$25 million from Temporary Assistance for Needy Families (TANF) Block Grant to the coordinating partners to implement the TED program.

The committee substitute requires the Workforce Development Board of Enterprise Florida, Inc., to reserve up to \$1 million of the next fiscal year funds dedicated for Incumbent Worker Training for the digital media industry.

Furthermore, the committee substitute appropriates \$1 million from the General Revenue Fund to the newly created Digital Media Education Infrastructure Fund, and \$2 million from the General Revenue Fund to EFI for the support of a digital incubator.

Other entities may experience costs related to implementation of the provisions of this committee substitute, including the development of plans, contracts, and studies by the Workforce Development Board, EFI, and ITFlorida.

VI. Technical Deficiencies:

Page 119, line 29, of the committee substitute uses the term “Targeted Assistance to Needy Families.” This reference should be “Temporary Assistance to Needy Families.”

Page 122, line 8, of the committee substitute refers to “ITFlorida.” If this term is meant to refer to the Internet Task Force, the correct reference would be the “Information Service Technology Development Task Force.”

VII. Related Issues:

None.

VIII. Amendments:

None.