

STORAGE NAME: h0699.bdt

DATE: January 25, 2000

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

BILL #: HB 699

RELATING TO: Enterprise Zone/Sarasota County

SPONSOR(S): Representative Brown

TIED BILL(S):

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

- (1) BUSINESS DEVELOPMENT & INTERNATIONAL TRADE
 - (2) COMMUNITY AFFAIRS
 - (3) FINANCE & TAXATION
 - (4) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
 - (5)
-

I. SUMMARY:

The bill would allow Sarasota County, or Sarasota County and the City of Sarasota, jointly, to apply for one enterprise zone.

The fiscal impact is indeterminate.

The bill does not address the issue of rulemaking.

The bill would take effect upon becoming law.

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 checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input 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:

Established in 1980, the Florida Enterprise Zone program targets areas for economic revitalization and provides incentives to businesses located in designated areas found in urban and rural communities. An "enterprise zone" is a specific geographic area targeted for economic revitalization. Presently, the state has thirty-four enterprise zones.

By the early nineties, the program had become overwhelmed with the number of zones allowed. To remedy the situation, the legislature passed the Florida Enterprise Zone Act in 1994. As a result, the existing zones were repealed on December 31, 1994, and guidelines were established for the designation of new zones. The act transferred administrative duties from the Department of Community Affairs to the Department of Commerce.

In 1995, nineteen enterprise zones were designated throughout the state. Local governments were required to establish a community based Enterprise Zone Development Agency (EZDA). Each EZDA is responsible for overseeing the implementation of its individual plan and reducing local barriers to revitalization efforts. The agencies are required to market their zones to interested parties and assist local business owners with state and local incentives.

With the dissolution of the Department of Commerce in 1996, the legislature amended the program and transferred the administrative responsibilities to the newly created Office of Tourism, Trade, and Economic Development (OTTED) within the Executive Office of the Governor. In addition, the revision added Work and Gain Economic Self-Sufficiency (WAGES) Program participants (residing in a zone) as eligible employees for a 15 percent jobs tax credit. The legislature also authorized the designation of eleven additional enterprise zones.

In 1997, the legislature authorized twelve new zones. The following year, the program was amended to include a new zone and to allow businesses located within an enterprise zone to claim jobs tax credits for hiring WAGES or Job Training Partnership Act (JTPA) program participants regardless of where they live.

Costs of the program have increased slowly as new areas have been added. The total cost of state and local incentives were \$11.2 million in FY 1996-97 and \$13 million in FY 1997-98.

C. EFFECT OF PROPOSED CHANGES:

The bill authorizes OTTED to designate one enterprise zone under this section, notwithstanding provisions found in s. 290.0065, Florida Statutes, which limit the number of enterprise zones.

The bill would create section 290.00694, F.S., to allow Sarasota County, or Sarasota County and the City of Sarasota, jointly, to apply for one enterprise zone designation.

D. SECTION-BY-SECTION ANALYSIS:

This section need be completed only in the discretion of the Committee.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

N/A

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 fiscal impact is indeterminate.

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 an 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 a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON BUSINESS DEVELOPMENT & INTERNATIONAL TRADE:

Prepared by:

Staff Director:

James Marshall Cox

J. Paul Whitfield, Jr.