

STORAGE NAME: h0771.bdt

DATE: February 9, 2000

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

BILL #: HB 771

RELATING TO: Enterprise Zones/Boundaries

SPONSOR(S): Representative Chestnut

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 for a change in the boundaries of the enterprise zone located within the City of Gainesville and provide conditions for such a boundary change.

The bill would take effect upon becoming law.

The bill does not address the issue of rulemaking.

The Revenue Estimating Conference has yet to address this bill.

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. For purposes of state designated enterprise zones, s. 290.0058(1), F.S., states that data from the most current decennial census and information published by the Bureau of the Census and the Bureau of Labor Statistics will be used to determine whether an area suffers from pervasive poverty, unemployment, and general distress. Since July 1, 1995, the state has designated thirty-four enterprise zones.

In 1994, the Legislature passed the Florida Enterprise Zone Act, which repealed the existing zones and established guidelines for the designation of new zones. The act transferred administrative duties from the Department of Community Affairs to the Department of Commerce. With the creation of new zones, 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 businesses owners with state and local incentives. In 1996, the Department of Commerce was dissolved, and 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.

The enterprise zone in Gainesville was designated on July 1, 1995, and is scheduled to expire on June 30, 2005. The zone is currently 9.99 square miles. According to the 1990 U.S. Census, the population of Alachua County was 181, 596.

C. EFFECT OF PROPOSED CHANGES:

The bill would create subsection (12) of section 290.0065, F.S., providing that the governing body of a municipality located in a county with a population of less than 200,000, may apply to OTTED to amend the boundaries of an enterprise zone located in that county. The change will be approved if the overall size of the enterprise zone does not increase and is contiguous to the existing zone. A municipality must submit its request before June 1, 2001.

The bill would allow the City of Gainesville to request OTTED to amend the boundaries of its enterprise zone.

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 of this bill is indeterminate at this time.

According to OTTED, the local economy would expand by a factor greater than the specific investment due to a multiplier effect if the enterprise zone is successful in attracting new jobs and investment.

The Revenue Estimating Conference has yet to address this bill.

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.

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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:

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