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DATE: March 5, 2002

**HOUSE OF REPRESENTATIVES
AS REVISED BY
COUNCIL FOR COMPETITIVE COMMERCE
ANALYSIS**

BILL #: CS/HB 1557
RELATING TO: Spaceport Florida Authority
SPONSOR(S): Representative Allen
TIED BILL(S):

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

- (1) ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE YEAS 9 NAYS 0
 - (2) TRANSPORTATION & ECONOMIC DEVELOPMENT COMMITTEE YEAS 17 NAYS 0
 - (3) COUNCIL FOR COMPETITIVE COMMERCE YEAS 10 NAYS 0
 - (4)
 - (5)
-

I. SUMMARY:

This bill changes the statutory name of the Spaceport Florida Authority (authority) to "Florida Space Authority," in order to reflect the name change adopted by the authority's board of supervisors. Statutory occurrences of the phrase "Spaceport Florida Authority" are also amended accordingly. This bill also:

- revises the membership of and procedures related to the authority's board of supervisors, including increasing the board membership from seven to eight members, designating the Lieutenant Governor as the chair of the board and as the state's space policy leader, and providing that four of the board members shall represent the space industry;
- amends the membership, mission, administration, and reporting requirements of the Spaceport Management Council;
- provides a name reference for certain authority territory and revises the description of authority territory to more accurately reflect existing territorial boundaries; and
- conforms the authority's statutory fiscal year to the fiscal year it administratively adopted in October 2000.

The bill takes effect upon becoming a law, except as otherwise provided within the bill.

The Committee on Economic Development & International Trade adopted two amendments which are traveling with the bill.

On February 22, 2002, the Committee on Transportation & Economic Development Appropriations adopted a substitute amendment for one of the Economic Development and International Trade amendments.

On March 4, 2002, the Council for Competitive Commerce adopted one amendment revising the membership of the authority's board of supervisors. This amendment was incorporated into the bill as a Council Substitute and had the effect of replacing the traveling amendments.

See section VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES for details.

SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

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

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

B. PRESENT SITUATION:

Spaceport Florida Authority

The Spaceport Florida Authority¹ (the “authority”) was created as a state government space agency in 1989. The authority’s mission is to retain, expand, and diversify the state’s space-related industry.

Chapter 331, F.S., gives the authority governmental powers similar to other types of transportation authorities (airport, seaport, etc.) to support and regulate the state’s space transportation industry. With regard to spaceport development and operations, the authority is broadly empowered to own, operate, construct, finance, acquire, extend, equip, and improve the following types of spaceport infrastructure: launch pads, landing areas, ranges, space flight hardware, payloads, payload assembly buildings, payload processing facilities, laboratories, and space business incubators. In addition to these specific types of infrastructure, the authority is empowered to support facilities and equipment for the construction of payloads, space flight hardware, rockets and other launch vehicles, and other spaceport facilities and related systems (utility infrastructure, fire and police services, mosquito control, etc.).

The authority is administered by a seven-member, Governor-appointed board of supervisors (the “board”). There are also two *ex officio* nonvoting members on the board, one of whom is a state senator selected by the President of the Senate and one of whom is a state representative selected by the Speaker of the House of Representatives. The authority’s executive director reports to the board and provides day-to-day management of the authority. Functionally, the authority reports to the Governor through the Office of Tourism, Trade, and Economic Development (OTTED). As the state’s space agency, the authority provides overall space policy advice to the Governor, Florida’s congressional delegation, the Legislature, and other state-level elected officials.

Changing the Name of the Spaceport Florida Authority

Section 331.310(14), F.S., provides the authority’s board of supervisors with the power to change the name of the authority. On November 20, 2001, the board voted to change the official name of the authority, effective January 1, 2002, from “Spaceport Florida Authority, Inc.,” to “Florida Space

¹ See part II, ch. 331, F.S.

Authority.” The new name is intended to reflect the shift in scope of the authority’s mission from primarily facilitating launches to comprehensively planning and implementing all phases of space business and economic development, including research and development.² Authority staff estimated that the cost of the name change would be “minimal” given that existing stationery would be exhausted prior to redesign and planned signage adjustments were scheduled to be performed, regardless of the name change.³

Spaceport Florida Authority Territory

Section 331.304, F.S., provides that certain property in the state constitutes “spaceport territory.” This property includes certain real property in Brevard, Gulf, Santa Rosa, Okaloosa, and Walton Counties.

Fiscal Year of the Spaceport Florida Authority

Section 331.349, F.S., provides that the authority’s board of supervisors has the power to establish, and periodically change, the authority’s fiscal year. Unless the board otherwise provides, the authority’s fiscal year is October 1 through September 30. Effective October 1, 2000, the board adopted a fiscal year which conforms to the state fiscal year (July through June).⁴

Spaceport Management Council

As part of the Spaceport Florida Authority, the Spaceport Management Council (the “council”) provides coordination and recommendations on projects and activities that will increase the operability and capabilities of Florida’s space launch facilities, increase statewide space-related industry and opportunities, and promote space education and research within the state.⁵ The council develops integrated facility and programmatic development plans to address commercial, state, and federal requirements and to identify appropriate private, state, and federal resources to implement these plans. The council also makes recommendations regarding:

- the development of a spaceport master plan;
- the projects and levels of commercial financing required from the Florida Commercial Space Financing Corporation;⁶
- development and expansion of space-related education and research programs within Florida, including recommendations to be provided to the State University System, the Division of Community Colleges, and the Department of Education;
- the regulation of spaceports and federal and state policy; and
- Florida’s approach to the federal government regarding requests for funding of space development.

² See Florida Space Authority, *2001 Annual Report*, p. 2, and Office of Tourism, Trade, and Economic Development, *2002 Bill Analysis – SB 688*, January 18, 2002.

³ Spaceport Florida Authority, *Transcript of the Board of Supervisors Meeting of November 20, 2001*, pp. 32-34; Interview of authority staff by staff of the Senate Committee on Commerce and Economic Opportunities, January 14, 2002.

⁴ Berman Hopkins Wright & LaHam, CPAs, LLP, *Spaceport Florida Authority Financial Statements and Supplemental Information, for the nine-month period ended June 30, 2001*, July 27, 2001, p. 6.

⁵ Section 331.367, F.S.

⁶ The Florida Commercial Space Financing Corporation is a not-for-profit corporation established to expand employment and income opportunities for residents of this state by providing businesses domiciled in this state with information, technical assistance, and financial assistance to support space-related transactions, in order to increase the development within the state of commercial aerospace products, activities, services, and facilities [s. 331.407(1), F.S.].

The council consists of an executive board and a Space Industry Committee. The following individuals (or their designees) serve on the executive board: the executive director of the Spaceport Florida Authority, the director of the John F. Kennedy Space Center, the Commander of the United States Air Force 45th Space Wing, the Commander of the Naval Ordnance Test Unit, the Secretary of Transportation, the president of Enterprise Florida, Inc., (as an ex officio nonvoting member), and the director of OTTED (as an ex officio nonvoting member). However, a recent federal interpretation of the council's statutes does not allow the federal members of the council (*i.e.*, the director of the John F. Kennedy Space Center, the Commander of the United States Air Force 45th Space Wing, and the Commander of the Naval Ordnance Test Unit) to participate as voting members of the executive board.⁷ The Space Industry Committee is composed of representatives of Florida's space industry.

C. EFFECT OF PROPOSED CHANGES:

This bill changes the statutory name of the Spaceport Florida Authority (authority) to "Florida Space Authority," in order to reflect the name change adopted by the authority's board of supervisors. Statutory occurrences of the phrase "Spaceport Florida Authority" are also amended accordingly. Additionally, the following sections of this bill provide for other substantive changes to current statute:

Section 12. This section amends s. 331.303, F.S., to define the term "Spaceport Florida" to mean the Florida Space Authority or its facilities and projects.

Section 13. This section amends s. 331.304, F.S., to provide that certain authority territory may be referred to as the "Cape Canaveral Spaceport"; to delete an obsolete location reference from the description of authority territory; and to revise the description of authority territory to more accurately reflect existing territorial boundaries.⁸

Section 14. This section amends s. 331.308, F.S., to revise the membership of and procedures related to the authority's board of supervisors. More specifically, this section:

- changes the membership of the authority's board of supervisors to the following:
 - the Lieutenant Governor as chair of the board;
 - eight regular members, appointed by the Governor, four of whom are to represent the space industry (at least one of whom must also be from a small business), one to represent organized labor, and one to represent minority interests; and
 - two ex officio nonvoting members who are legislators.
- provides that only regular members of the board are subject to Senate confirmation;
- designates the Lieutenant Governor as the state's space policy leader and provides that the Lieutenant Governor shall cast the deciding vote in case of a tie of the regular members;
- prohibits any legal entity from having more than one representative on the board at any one time; and
- deletes obsolete provisions related to the initial creation of the board.

The committee substitute defines "space industry," for the purpose of representation on the board authority to include: private sector industries engaged in space flight business (as defined in s. 212.031, F.S.); research & technology development of space-based products and services; space station commercialization; development of spaceport & range technology; remote sensing products

⁷ Office of Tourism, Trade, and Economic Development, *supra* note 2.

⁸ According to authority staff, the Gulf County property currently referenced in s. 331.304(2), F.S., is no longer used by the authority. (Interview of authority staff by staff of the Senate Committee on Commerce and Economic Opportunities, January 17, 2002.)

& services; space biotechnology, measurement & calibration of space assets; space-related software & information technology development; design & architecture of space-based assets and facilities for manufacturing & other purposes; space-related nanotechnology; space tourism; and other commercial enterprises utilizing uniquely space-based capabilities.

Specifies that this act does not affect the terms or conditions of current members of the board, but applies to any vacancy that occurs on or after the effective date of the act. Directs that vacancies created by or occurring after the passage of this act shall be filled by representatives of the space industry until the composition of the board is in compliance with the provisions in the bill.⁹

Section 16. This section amends s. 331.349, F.S., to conform the authority's statutory fiscal year to the fiscal year (July through June) it administratively adopted in October 2000.

Section 18. This section amends s. 331.367, F.S., to revise the membership, mission, administration, and reporting requirements of the Spaceport Management Council. The revisions include:

- clarifying the council's working relationship with federal and state agencies;
- removing representatives of the federal government (*i.e.*, the director of the John F. Kennedy Space Center, the Commander of the United States Air Force 45th Space Wing, and the Commander of the Naval Ordnance Test Unit) from the council's executive board but allowing for federal liaison officials to attend council meetings while recognizing that the role of these officials is limited by federal statutes and other constraints;
- requiring the council to submit its recommendations to the Governor and the Lieutenant Governor, as well as to other state and federal agencies; and
- providing for the executive board, rather than the full council, to adopt council bylaws.

Section 21. This section amends s. 331.411, F.S., to delete obsolete references related to the creation of the board of directors of the Florida Commercial Space Financing Corporation.

Effective date - Originally, the provisions relating to board authority membership (Section 14 of the bill) were to take effect on July 1, 2002. The amendment adopted to the Senate companion (SB 688) on third reading in the Senate deleted the July 1, 2002, effective date for this section of the bill. The amendment adopted to HB 1557 in the Council for Competitive Commerce and included in the council substitute likewise deleted that effective date from the board authority membership section of the House bill. Therefore, all provisions of the bill would be effective upon becoming a law.

D. SECTION-BY-SECTION ANALYSIS:

See "Effect of Proposed Changes" portion of this analysis.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

⁹ According to authority staff, there is the potential for three of the current regular board positions to be vacant as of July 1, 2002. (Interview of authority staff by staff of the Senate Committee on Commerce and Economic Opportunities, January 18, 2002.)

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

Authority staff estimated that the cost of the name change would be “minimal” given that existing stationery would be exhausted prior to redesign and planned signage adjustments were scheduled to be performed, regardless of the name change.

III. 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 money.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the revenue raising authority of counties or municipalities.

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

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

IV. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On February 13, 2002, the Committee on Economic Development & International Trade adopted two amendments. The first changes the membership of the Board of Supervisors to eight regular members appointed by the Governor and two ex-officio, non-voting members selected by the President of the Senate and the Speaker of the House, respectively. The Lieutenant Governor serves as the chair of the board and casts the deciding vote in case of a tie among the regular members. The amendment provides that current board members are not prohibited from reappointment and that regular members are subject to Senate confirmation. Four of the Governor's appointees are required to be representatives of Florida's space-flight related businesses, and one of these is to be from a small business.

The second amendment corrects language in the bill which limits ex-officio, nonvoting legislative members to a single two-year term.

On February 22, 2002, the Committee on Transportation & Economic Development Appropriations adopted a substitute amendment for the first amendment by the Economic Development and International Trade. This amendment makes technical and conforming changes.

On March 4, 2002, the Council for Competitive Commerce adopted one amendment which changes the membership of the Board of Supervisors to eight regular members appointed by the Governor and two ex-officio, non-voting members selected by the President of the Senate and the Speaker of the House, respectively. The Lieutenant Governor serves as the Chair of the board, is the state's space policy leader, and casts the deciding vote in case of a tie among the regular members. Four of the Governor's appointees are to be representatives of Florida's space industry, and one of these is to be from a small business. The amendment defines "space industry" for the purpose of these appointments and directs that the act does not affect the terms or conditions of current members but applies to any vacancy occurring on or after the passage of this act. The amendment provides that current board members are not prohibited from reappointment and that regular members are subject to Senate confirmation. The amendment was adopted as a council substitute which had the effect of replacing the traveling amendments.

VI. SIGNATURES:

COUNCIL FOR COMPETITIVE COMMERCE:

Prepared by:

J Paul Whitfield Jr

Staff Director:

J Paul Whitfield Jr

AS REVISED BY THE COMMITTEE ON TRANSPORTATION & ECONOMIC DEVELOPMENT
COMMITTEE:

Prepared by:

Kurt Hamon

Staff Director:

Eliza Hawkins

STORAGE NAME: h1557s1.ccc.doc

DATE: March 5, 2002

PAGE: 8

AS FURTHER REVISED BY THE COUNCIL FOR COMPETITIVE COMMERCE:

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