

STORAGE NAME: h1557a.teda.doc

DATE: February 22, 2002

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
TRANSPORTATION & ECONOMIC DEVELOPMENT COMMITTEE
ANALYSIS**

BILL #: 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
- (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 designating the Lieutenant Governor as the chair of the board and as the state's space policy leader;
- 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.

This bill amends the following sections of the Florida Statutes: 74.011, 196.012, 212.02, 288.063, 288.075, 288.35, 288.9415, 288.9515, 330.30, 331.301, 331.302, 331.303, 331.304, 331.308, 331.3101, 331.349, 331.360, 331.367, 331.368, 331.405, 331.411, 339.137, 339.175, and 768.28.

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

THIS DOCUMENT IS NOT INTENDED TO BE USED FOR THE PURPOSE OF CONSTRUING STATUTES, OR TO BE CONSTRUED AS AFFECTING, DEFINING, LIMITING, CONTROLLING, SPECIFYING, CLARIFYING, OR MODIFYING ANY LEGISLATION OR STATUTE.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

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

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

B. PRESENT SITUATION:

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 Authority.” The new name is intended to reflect the shift in scope of the authority’s mission from

¹ See part II, ch. 331, F.S.

primarily launch facilitation to the comprehensive planning and implementation of 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 June 30 year-end.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, effective July 1, 2002, 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;
 - six regular members, appointed by the Governor;
 - two ex officio nonvoting members who are legislators; and
 - the director of the Governor's Office of Tourism, Trade, and Economic Development (OTTED) as an ex officio nonvoting member;⁹
- provides that only regular members of the board are subject to Senate confirmation;
- designates the Lieutenant Governor as the state's space policy leader;
- provides for the Lieutenant Governor to designate a regular member as vice-chair;
- provides that the vice-chair may preside over a board meeting in the Lieutenant Governor's absence;
- provides for the Lieutenant Governor to appoint the director of OTTED as his or her proxy for voting purposes; and
- deletes certain obsolete provisions related to the initial creation of the board.

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.)

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.)

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 (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.

Except for section 14 of this act, this bill shall take effect upon becoming a law.

D. SECTION-BY-SECTION ANALYSIS:

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

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

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.

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 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.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

VI. 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 the 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 from Economic Development and International Trade amendment. This amendment makes technical and conforming changes.

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VII. SIGNATURES:

COMMITTEE ON ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE:

Prepared by:

Staff Director:

J Paul Whitfield Jr

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

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