

Bill No. HB 743, 2nd Eng.

Amendment No. Barcode 233314

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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11 Senator Clary moved the following amendment:

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13 **Senate Amendment (with title amendment)**

14 Delete everything after the enacting clause

15

16 and insert:

17 Section 1. Paragraphs (a) and (d) of subsection (2)
18 and subsection (6) of section 212.055, Florida Statutes, are
19 amended to read:

20 212.055 Discretionary sales surtaxes; legislative
21 intent; authorization and use of proceeds.--It is the
22 legislative intent that any authorization for imposition of a
23 discretionary sales surtax shall be published in the Florida
24 Statutes as a subsection of this section, irrespective of the
25 duration of the levy. Each enactment shall specify the types
26 of counties authorized to levy; the rate or rates which may be
27 imposed; the maximum length of time the surtax may be imposed,
28 if any; the procedure which must be followed to secure voter
29 approval, if required; the purpose for which the proceeds may
30 be expended; and such other requirements as the Legislature
31 may provide. Taxable transactions and administrative

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1 procedures shall be as provided in s. 212.054.

2 (2) LOCAL GOVERNMENT INFRASTRUCTURE SURTAX.--

3 (a)1. The governing authority in each county may levy
4 a discretionary sales surtax of 0.5 percent or 1 percent. The
5 levy of the surtax shall be pursuant to ordinance enacted by a
6 two-thirds vote majority of the members of the county
7 governing authority or pursuant to ordinance enacted by a
8 majority of the members of the county governing authority and
9 approved by a majority of the electors of the county voting in
10 a referendum on the surtax. If the governing bodies of the
11 municipalities representing a majority of the county's
12 population adopt uniform resolutions establishing the rate of
13 the surtax and calling for a referendum on the surtax, the
14 levy of the surtax shall be placed on the ballot and shall
15 take effect if approved by a majority of the electors of the
16 county voting in the referendum on the surtax.

17 2. If the surtax was levied pursuant to a referendum
18 held before July 1, 1993, the surtax may not be levied beyond
19 the time established in the ordinance, or, if the ordinance
20 did not limit the period of the levy, the surtax may not be
21 levied for more than 15 years. The levy of such surtax may be
22 extended only by approval of a majority of the electors of the
23 county voting in a referendum on the surtax or pursuant to
24 ordinance enacted by a two-thirds vote of the members of the
25 county governing authority.

26 (d)1. The proceeds of the surtax authorized by this
27 subsection and approved by referendum and any interest accrued
28 thereto shall be expended by the school district or within the
29 county and municipalities within the county, or, in the case
30 of a negotiated joint county agreement, within another county,
31 to finance, plan, and construct infrastructure and to acquire

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1 land for public recreation or conservation or protection of
2 natural resources and to finance the closure of county-owned
3 or municipally owned solid waste landfills that are already
4 closed or are required to close by order of the Department of
5 Environmental Protection. Any use of such proceeds or interest
6 for purposes of landfill closure prior to July 1, 1993, is
7 ratified. Neither the proceeds nor any interest accrued
8 thereto shall be used for operational expenses of any
9 infrastructure, except that any county with a population of
10 less than 75,000 that is required to close a landfill by order
11 of the Department of Environmental Protection may use the
12 proceeds or any interest accrued thereto for long-term
13 maintenance costs associated with landfill closure. Counties,
14 as defined in s. 125.011(1), and charter counties may, in
15 addition, use the proceeds and any interest accrued thereto to
16 retire or service indebtedness incurred for bonds issued prior
17 to July 1, 1987, for infrastructure purposes, and for bonds
18 subsequently issued to refund such bonds. Any use of such
19 proceeds or interest for purposes of retiring or servicing
20 indebtedness incurred for such refunding bonds prior to July
21 1, 1999, is ratified.

22 2. The proceeds of the surtax where the surtax is
23 levied by a two-thirds vote of the governing body of the
24 county and any interest accrued thereto shall be expended by
25 the school district or within the county and municipalities
26 within the county for infrastructure located within the urban
27 service area that is identified in the local government
28 comprehensive plan of the county or municipality and is
29 identified in that local government's capital improvements
30 element adopted pursuant to s. 163.3177(3) or that is
31 identified in the school district's educational facilities

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1 plan adopted pursuant to s. 235.185.

2 ~~3.2.~~ For the purposes of this paragraph,
3 "infrastructure" means:

4 a. Any fixed capital expenditure or fixed capital
5 outlay associated with the construction, reconstruction, or
6 improvement of public facilities which have a life expectancy
7 of 5 or more years and any land acquisition, land improvement,
8 design, and engineering costs related thereto.

9 b. A fire department vehicle, an emergency medical
10 service vehicle, a sheriff's office vehicle, a police
11 department vehicle, or any other vehicle, and such equipment
12 necessary to outfit the vehicle for its official use or
13 equipment that has a life expectancy of at least 5 years.

14 ~~4.3.~~ Notwithstanding any other provision of this
15 subsection, a discretionary sales surtax imposed or extended
16 after the effective date of this act may provide for an amount
17 not to exceed 15 percent of the local option sales surtax
18 proceeds to be allocated for deposit to a trust fund within
19 the county's accounts created for the purpose of funding
20 economic development projects of a general public purpose
21 targeted to improve local economies, including the funding of
22 operational costs and incentives related to such economic
23 development. If applicable, the ballot statement must indicate
24 the intention to make an allocation under the authority of
25 this subparagraph.

26 (6) SCHOOL CAPITAL OUTLAY SURTAX.--

27 (a) The school board in each county may levy, pursuant
28 to resolution conditioned to take effect only upon approval by
29 a majority vote of the electors of the county voting in a
30 referendum, a discretionary sales surtax at a rate that may
31 not exceed 0.5 percent.

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1 associated with the construction, reconstruction, or
2 improvement of school facilities and campuses which have a
3 useful life expectancy of 5 or more years, and any land
4 acquisition, land improvement, design, and engineering costs
5 related thereto. Additionally, the plan shall include the
6 costs of retrofitting and providing for technology
7 implementation, including hardware and software, for the
8 various sites within the school district. Surtax revenues may
9 be used for the purpose of servicing bond indebtedness to
10 finance projects authorized by this subsection, and any
11 interest accrued thereto may be held in trust to finance such
12 projects. Neither the proceeds of the surtax nor any interest
13 accrued thereto shall be used for operational expenses. If the
14 district school board has been recognized by the State Board
15 of Education as having a Florida Frugal Schools Program, the
16 district's plan for use of the surtax proceeds must be
17 consistent with this subsection and with uses assured under
18 the Florida Frugal Schools Program.

19 (e)~~(d)~~ Any school board imposing the surtax shall
20 implement a freeze on noncapital local school property taxes,
21 at the millage rate imposed in the year prior to the
22 implementation of the surtax, for a period of at least 3 years
23 from the date of imposition of the surtax. This provision
24 shall not apply to existing debt service or required state
25 taxes.

26 (f)~~(e)~~ Surtax revenues collected by the Department of
27 Revenue pursuant to this subsection shall be distributed to
28 the school board imposing the surtax in accordance with law.

29 Section 2. Paragraphs (a) and (b) of subsection (2) of
30 section 288.0655, Florida Statutes, are amended to read:

31 288.0655 Rural Infrastructure Fund.--

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1 (2)(a) Funds appropriated by the Legislature shall be
2 distributed by the office through ~~a grant programs program~~
3 that maximize ~~maximizes~~ the use of federal, local, and private
4 resources, including, but not limited to, those available
5 under the Small Cities Community Development Block Grant
6 Program.

7 (b) To facilitate access of rural communities and
8 rural areas of critical economic concern as defined by the
9 Rural Economic Development Initiative to infrastructure
10 funding programs of the Federal Government, such as those
11 offered by the United States Department of Agriculture and the
12 United States Department of Commerce, and state programs,
13 including those offered by Rural Economic Development
14 Initiative agencies, and to facilitate local government or
15 private infrastructure funding efforts,the office may award
16 grants ~~to applicants for such federal programs~~ for up to 30
17 percent of the total infrastructure project cost. Eligible
18 projects must be related to specific job-creation or
19 job-retention ~~job-creating~~ opportunities. Eligible projects
20 may also include improving any inadequate infrastructure that
21 has resulted in regulatory action that prohibits economic or
22 community growth or reducing the costs to community users of
23 proposed infrastructure improvements that exceed such costs in
24 comparable communities.Eligible uses of funds shall include
25 improvements to public infrastructure for industrial or
26 commercial sites and upgrades to or development of public
27 tourism infrastructure. Authorized infrastructure may include
28 the following public or public-private partnership facilities:
29 storm water systems; telecommunications facilities; roads or
30 other remedies to transportation impediments; nature-based
31 tourism facilities; or other physical requirements necessary

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1 to facilitate tourism, trade, and economic development
 2 activities in the community. Authorized infrastructure may
 3 also include publicly owned self-powered nature-based tourism
 4 facilities and additions to the distribution facilities of the
 5 existing natural gas utility as defined in s. 366.04(3)(c),
 6 the existing electric utility as defined in s. 366.02, or the
 7 existing water or wastewater utility as defined in s.
 8 367.021(12), or any other existing water or wastewater
 9 facility, which owns a gas or electric distribution system or
 10 a water or wastewater system in this state where:

11 1. A contribution-in-aid of construction is required
 12 to serve public or public-private partnership facilities under
 13 the tariffs of any natural gas, electric, water, or wastewater
 14 utility as defined herein; and

15 2. Such utilities as defined herein are willing and
 16 able to provide such service.

17 Section 3. Paragraphs (b) and (c) of subsection (3) of
 18 section 288.095, Florida Statutes, are amended to read:

19 288.095 Economic Development Trust Fund.--

20 (3)

21 (b) The total amount of tax refund claims approved for
 22 payment by the Office of Tourism, Trade, and Economic
 23 Development based on actual project performance may not exceed
 24 the amount appropriated to the Economic Development Incentives
 25 Account for such purposes for the fiscal year. In the event
 26 the Legislature does not appropriate an amount sufficient to
 27 satisfy estimates ~~projections~~ by the office for tax refunds
 28 under ss. 288.1045 and 288.106 in a fiscal year, the Office of
 29 Tourism, Trade, and Economic Development shall, not later than
 30 July 15 of such year, determine the proportion of each refund
 31 claim which shall be paid by dividing the amount appropriated

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1 for tax refunds for the fiscal year by the estimated projected
2 total of refund claims for the fiscal year. The amount of each
3 claim for a tax refund shall be multiplied by the resulting
4 quotient. If, after the payment of all such refund claims,
5 funds remain in the Economic Development Incentives Account
6 for tax refunds, the office shall recalculate the proportion
7 for each refund claim and adjust the amount of each claim
8 accordingly.

9 (c) By December 31 ~~September 30~~ of each year,
10 Enterprise Florida, Inc., the Office of Tourism, Trade, and
11 ~~Economic Development~~ shall submit a complete and detailed
12 report to the Governor, the President of the Senate, the
13 Speaker of the House of Representatives, and the director of
14 the Office of Tourism, Trade, and Economic Development board
15 ~~of directors of Enterprise Florida, Inc., created under part~~
16 ~~VII of this chapter,~~ of all applications received,
17 recommendations made to the Office of Tourism, Trade, and
18 Economic Development, final decisions issued, tax refund
19 agreements executed, and tax refunds paid or other payments
20 made under all programs funded out of the Economic Development
21 Incentives Account, including analyses of benefits and costs,
22 types of projects supported, and employment and investment
23 created. Enterprise Florida, Inc., The Office of Tourism,
24 ~~Trade, and Economic Development~~ shall also include a separate
25 analysis of the impact of such tax refunds on state enterprise
26 zones designated pursuant to s. 290.0065, rural communities,
27 brownfield areas, and distressed urban communities. By
28 ~~December 1~~ of each year, ~~the board of directors of Enterprise~~
29 ~~Florida, Inc., shall review and comment on the report, and the~~
30 ~~board shall submit the report, together with the comments of~~
31 ~~the board, to the Governor, the President of the Senate, and~~

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1 ~~the Speaker of the House of Representatives.~~The report must
2 discuss whether the authority and moneys appropriated by the
3 Legislature to the Economic Development Incentives Account
4 were managed and expended in a prudent, fiducially sound
5 manner. The Office of Tourism, Trade, and Economic Development
6 shall assist Enterprise Florida, Inc., in the collection of
7 data related to business performance and incentive payments.

8 Section 4. Section 288.1045, Florida Statutes, is
9 amended to read:

10 288.1045 Qualified defense contractor tax refund
11 program.--

12 (1) DEFINITIONS.--As used in this section:

13 (a) "Consolidation of a Department of Defense
14 contract" means the consolidation of one or more of an
15 applicant's facilities under one or more Department of Defense
16 contracts either from outside this state or from inside and
17 outside this state, into one or more of the applicant's
18 facilities inside this state.

19 (b) "Average wage in the area" means the average of
20 all wages and salaries in the state, the county, or in the
21 standard metropolitan area in which the business unit is
22 located.

23 (c) "Applicant" means any business entity that holds a
24 valid Department of Defense contract or any business entity
25 that is a subcontractor under a valid Department of Defense
26 contract or any business entity that holds a valid contract
27 for the reuse of a defense-related facility, including all
28 members of an affiliated group of corporations as defined in
29 s. 220.03(1)(b).

30 (d) "Office" means the Office of Tourism, Trade, and
31 Economic Development.

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1 (e) "Department of Defense contract" means a
2 competitively bid Department of Defense contract or
3 subcontract or a competitively bid federal agency contract or
4 subcontract issued on behalf of the Department of Defense for
5 manufacturing, assembling, fabricating, research, development,
6 or design with a duration of 2 or more years, but excluding
7 any contract or subcontract to provide goods, improvements to
8 real or tangible property, or services directly to or for any
9 particular military base or installation in this state. The
10 term includes contracts or subcontracts for products or
11 services for military use which contracts or subcontracts are
12 approved by the United States Department of Defense, the
13 United States Department of State, or the United States Coast
14 Guard.

15 (f) "New Department of Defense contract" means a
16 Department of Defense contract entered into after the date
17 application for certification as a qualified applicant is made
18 and after January 1, 1994.

19 (g) "Jobs" means full-time equivalent positions,
20 consistent with the use of such terms by the Agency for
21 Workforce Innovation ~~Department of Labor and Employment~~
22 ~~Security~~ for the purpose of unemployment compensation tax,
23 resulting directly from a project in this state. This number
24 does not include temporary construction jobs involved with the
25 construction of facilities for the project.

26 (h) "Nondefense production jobs" means employment
27 exclusively for activities that, directly or indirectly, are
28 unrelated to the Department of Defense.

29 (i) "Project" means any business undertaking in this
30 state under a new Department of Defense contract,
31 consolidation of a Department of Defense contract, or

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1 conversion of defense production jobs over to nondefense
2 production jobs or reuse of defense-related facilities.

3 (j) "Qualified applicant" means an applicant that has
4 been approved by the director to be eligible for tax refunds
5 pursuant to this section.

6 (k) "Director" means the director of the Office of
7 Tourism, Trade, and Economic Development.

8 (l) "Taxable year" means the same as in s.
9 220.03(1)(z).

10 (m) "Fiscal year" means the fiscal year of the state.

11 (n) "Business unit" means an employing unit, as
12 defined in s. 443.036, that is registered with the Agency for
13 Workforce Innovation ~~Department of Labor and Employment~~
14 ~~Security~~ for unemployment compensation purposes or means a
15 subcategory or division of an employing unit that is accepted
16 by the Agency for Workforce Innovation ~~Department of Labor and~~
17 ~~Employment Security~~ as a reporting unit.

18 (o) "Local financial support" means funding from local
19 sources, public or private, which is paid to the Economic
20 Development Trust Fund and which is equal to 20 percent of the
21 annual tax refund for a qualified applicant. Local financial
22 support may include excess payments made to a utility company
23 under a designated program to allow decreases in service by
24 the utility company under conditions, regardless of when
25 application is made. A qualified applicant may not provide,
26 directly or indirectly, more than 5 percent of such funding in
27 any fiscal year. The sources of such funding may not include,
28 directly or indirectly, state funds appropriated from the
29 General Revenue Fund or any state trust fund, excluding tax
30 revenues shared with local governments pursuant to law.

31 (p) "Contract for reuse of a defense-related facility"

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1 means a contract with a duration of 2 or more years for the
2 use of a facility for manufacturing, assembling, fabricating,
3 research, development, or design of tangible personal
4 property, but excluding any contract to provide goods,
5 improvements to real or tangible property, or services
6 directly to or for any particular military base or
7 installation in this state. Such facility must be located
8 within a port, as defined in s. 313.21, and have been occupied
9 by a business entity that held a valid Department of Defense
10 contract or occupied by any branch of the Armed Forces of the
11 United States, within 1 year of any contract being executed
12 for the reuse of such facility. A contract for reuse of a
13 defense-related facility may not include any contract for
14 reuse of such facility for any Department of Defense contract
15 for manufacturing, assembling, fabricating, research,
16 development, or design.

17 (q) "Local financial support exemption option" means
18 the option to exercise an exemption from the local financial
19 support requirement available to any applicant whose project
20 is located in a county designated by the Rural Economic
21 Development Initiative, if the county commissioners of the
22 county in which the project will be located adopt a resolution
23 requesting that the applicant's project be exempt from the
24 local financial support requirement. Any applicant that
25 exercises this option is not eligible for more than 80 percent
26 of the total tax refunds allowed such applicant under this
27 section.

28 (2) GRANTING OF A TAX REFUND; ELIGIBLE AMOUNTS.--

29 (a) There shall be allowed, from the Economic
30 Development Trust Fund, a refund to a qualified applicant for
31 the amount of eligible taxes certified by the director which

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1 were paid by such qualified applicant. The total amount of
2 refunds for all fiscal years for each qualified applicant
3 shall be determined pursuant to subsection (3). The annual
4 amount of a refund to a qualified applicant shall be
5 determined pursuant to subsection (5).

6 (b) A qualified applicant may not be qualified for any
7 project to receive more than \$5,000 times the number of jobs
8 provided in the tax refund agreement pursuant to subparagraph
9 (4)(a)1. A qualified applicant may not receive refunds of more
10 than 25 percent of the total tax refunds provided in the tax
11 refund agreement pursuant to subparagraph (4)(a)1. in any
12 fiscal year, provided that no qualified applicant may receive
13 more than \$2.5 million in tax refunds pursuant to this section
14 in any fiscal year.

15 (c) A qualified applicant may not receive more than
16 \$7.5 million in tax refunds pursuant to this section in all
17 fiscal years.

18 (d) Contingent upon an annual appropriation by the
19 Legislature, the director may approve not more in tax refunds
20 than the amount appropriated to the Economic Development Trust
21 Fund for tax refunds, for a fiscal year pursuant to subsection
22 (5) and s. 288.095.

23 (e) For the first 6 months of each fiscal year, the
24 director shall set aside 30 percent of the amount appropriated
25 for refunds pursuant to this section by the Legislature to
26 provide tax refunds only to qualified applicants who employ
27 500 or fewer full-time employees in this state. Any
28 unencumbered funds remaining undisbursed from this set-aside
29 at the end of the 6-month period may be used to provide tax
30 refunds for any qualified applicants pursuant to this section.

31 (f) After entering into a tax refund agreement

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1 pursuant to subsection (4), a qualified applicant may receive
2 refunds from the Economic Development Trust Fund for the
3 following taxes due and paid by the qualified applicant
4 beginning with the applicant's first taxable year that begins
5 after entering into the agreement:

6 1. Taxes on sales, use, and other transactions paid
7 pursuant to chapter 212.

8 2. Corporate income taxes paid pursuant to chapter
9 220.

10 3. Intangible personal property taxes paid pursuant to
11 chapter 199.

12 4. Emergency excise taxes paid pursuant to chapter
13 221.

14 5. Excise taxes paid on documents pursuant to chapter
15 201.

16 6. Ad valorem taxes paid, as defined in s.
17 220.03(1)(a) on June 1, 1996.

18
19 However, a qualified applicant may not receive a tax refund
20 pursuant to this section for any amount of credit, refund, or
21 exemption granted such contractor for any of such taxes. If a
22 refund for such taxes is provided by the office, which taxes
23 are subsequently adjusted by the application of any credit,
24 refund, or exemption granted to the qualified applicant other
25 than that provided in this section, the qualified applicant
26 shall reimburse the Economic Development Trust Fund for the
27 amount of such credit, refund, or exemption. A qualified
28 applicant must notify and tender payment to the office within
29 20 days after receiving a credit, refund, or exemption, other
30 than that provided in this section.

31 (g) Any qualified applicant who fraudulently claims

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1 this refund is liable for repayment of the refund to the
2 Economic Development Trust Fund plus a mandatory penalty of
3 200 percent of the tax refund which shall be deposited into
4 the General Revenue Fund. Any qualified applicant who
5 fraudulently claims this refund commits a felony of the third
6 degree, punishable as provided in s. 775.082, s. 775.083, or
7 s. 775.084.

8 (h) Funds made available pursuant to this section may
9 not be expended in connection with the relocation of a
10 business from one community to another community in this state
11 unless the Office of Tourism, Trade, and Economic Development
12 determines that without such relocation the business will move
13 outside this state or determines that the business has a
14 compelling economic rationale for the relocation which creates
15 additional jobs.

16 (3) APPLICATION PROCESS; REQUIREMENTS; AGENCY
17 DETERMINATION.--

18 (a) To apply for certification as a qualified
19 applicant pursuant to this section, an applicant must file an
20 application with the office which satisfies the requirements
21 of paragraphs (b) and (e), paragraphs (c) and (e), or
22 paragraphs (d) and (e). An applicant may not apply for
23 certification pursuant to this section after a proposal has
24 been submitted for a new Department of Defense contract, after
25 the applicant has made the decision to consolidate an existing
26 Department of Defense contract in this state for which such
27 applicant is seeking certification, or after the applicant has
28 made the decision to convert defense production jobs to
29 nondefense production jobs for which such applicant is seeking
30 certification.

31 (b) Applications for certification based on the

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1 consolidation of a Department of Defense contract or a new
2 Department of Defense contract must be submitted to the office
3 as prescribed by the office and must include, but are not
4 limited to, the following information:

5 1. The applicant's federal employer identification
6 number, the applicant's Florida sales tax registration number,
7 and a notarized signature of an officer of the applicant.

8 2. The permanent location of the manufacturing,
9 assembling, fabricating, research, development, or design
10 facility in this state at which the project is or is to be
11 located.

12 3. The Department of Defense contract numbers of the
13 contract to be consolidated, the new Department of Defense
14 contract number, or the "RFP" number of a proposed Department
15 of Defense contract.

16 4. The date the contract was executed or is expected
17 to be executed, and the date the contract is due to expire or
18 is expected to expire.

19 5. The commencement date for project operations under
20 the contract in this state.

21 6. The number of net new full-time equivalent Florida
22 jobs included in ~~this state which are or will be dedicated to~~
23 the project as of December 31 of each ~~during the~~ year and the
24 average wage of such jobs.

25 7. The total number of full-time equivalent employees
26 employed by the applicant in this state.

27 8. The percentage of the applicant's gross receipts
28 derived from Department of Defense contracts during the 5
29 taxable years immediately preceding the date the application
30 is submitted.

31 9. The amount of:

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1 Development Initiative, a resolution adopted by the county
2 commissioners of such county requesting that the applicant's
3 project be exempt from the local financial support
4 requirement.

5 13. Any additional information requested by the
6 office.

7 (c) Applications for certification based on the
8 conversion of defense production jobs to nondefense production
9 jobs must be submitted to the office as prescribed by the
10 office and must include, but are not limited to, the following
11 information:

12 1. The applicant's federal employer identification
13 number, the applicant's Florida sales tax registration number,
14 and a notarized signature of an officer of the applicant.

15 2. The permanent location of the manufacturing,
16 assembling, fabricating, research, development, or design
17 facility in this state at which the project is or is to be
18 located.

19 3. The Department of Defense contract numbers of the
20 contract under which the defense production jobs will be
21 converted to nondefense production jobs.

22 4. The date the contract was executed, and the date
23 the contract is due to expire or is expected to expire, or was
24 canceled.

25 5. The commencement date for the nondefense production
26 operations in this state.

27 6. The number of net new full-time equivalent Florida
28 jobs included in this state which are or will be dedicated to
29 the nondefense production project as of December 31 of each
30 during the year and the average wage of such jobs.

31 7. The total number of full-time equivalent employees

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1 employed by the applicant in this state.
 2 8. The percentage of the applicant's gross receipts
 3 derived from Department of Defense contracts during the 5
 4 taxable years immediately preceding the date the application
 5 is submitted.
 6 9. The amount of:
 7 a. Taxes on sales, use, and other transactions paid
 8 pursuant to chapter 212;
 9 b. Corporate income taxes paid pursuant to chapter
 10 220;
 11 c. Intangible personal property taxes paid pursuant to
 12 chapter 199;
 13 d. Emergency excise taxes paid pursuant to chapter
 14 221;
 15 e. Excise taxes paid on documents pursuant to chapter
 16 201; and
 17 f. Ad valorem taxes paid
 18
 19 during the 5 fiscal years immediately preceding the date of
 20 the application, and the projected amounts of such taxes to be
 21 due in the 3 fiscal years immediately following the date of
 22 the application.
 23 10. The estimated amount of tax refunds to be claimed
 24 for ~~in~~ each fiscal year.
 25 11. A brief statement concerning the applicant's need
 26 for tax refunds, and the proposed uses of such refunds by the
 27 applicant.
 28 12. A resolution adopted by the county commissioners
 29 of the county in which the project will be located, which
 30 recommends the applicant be approved as a qualified applicant,
 31 and which indicates that the necessary commitments of local

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1 financial support for the applicant exist. Prior to the
2 adoption of the resolution, the county commission may review
3 the proposed public or private sources of such support and
4 determine whether the proposed sources of local financial
5 support can be provided or, for any applicant whose project is
6 located in a county designated by the Rural Economic
7 Development Initiative, a resolution adopted by the county
8 commissioners of such county requesting that the applicant's
9 project be exempt from the local financial support
10 requirement.

11 13. Any additional information requested by the
12 office.

13 (d) Applications for certification based on a contract
14 for reuse of a defense-related facility must be submitted to
15 the office as prescribed by the office and must include, but
16 are not limited to, the following information:

17 1. The applicant's Florida sales tax registration
18 number and a notarized signature of an officer of the
19 applicant.

20 2. The permanent location of the manufacturing,
21 assembling, fabricating, research, development, or design
22 facility in this state at which the project is or is to be
23 located.

24 3. The business entity holding a valid Department of
25 Defense contract or branch of the Armed Forces of the United
26 States that previously occupied the facility, and the date
27 such entity last occupied the facility.

28 4. A copy of the contract to reuse the facility, or
29 such alternative proof as may be prescribed by the office that
30 the applicant is seeking to contract for the reuse of such
31 facility.

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1 5. The date the contract to reuse the facility was
2 executed or is expected to be executed, and the date the
3 contract is due to expire or is expected to expire.

4 6. The commencement date for project operations under
5 the contract in this state.

6 7. The number of net new full-time equivalent Florida
7 jobs included in this state which are or will be dedicated to
8 the project as of December 31 of each during the year and the
9 average wage of such jobs.

10 8. The total number of full-time equivalent employees
11 employed by the applicant in this state.

12 9. The amount of:

13 a. Taxes on sales, use, and other transactions paid
14 pursuant to chapter 212.

15 b. Corporate income taxes paid pursuant to chapter
16 220.

17 c. Intangible personal property taxes paid pursuant to
18 chapter 199.

19 d. Emergency excise taxes paid pursuant to chapter
20 221.

21 e. Excise taxes paid on documents pursuant to chapter
22 201.

23 f. Ad valorem taxes paid during the 5 fiscal years
24 immediately preceding the date of the application, and the
25 projected amounts of such taxes to be due in the 3 fiscal
26 years immediately following the date of the application.

27 10. The estimated amount of tax refunds to be claimed
28 for in each fiscal year.

29 11. A brief statement concerning the applicant's need
30 for tax refunds, and the proposed uses of such refunds by the
31 applicant.

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1 12. A resolution adopted by the county commissioners
2 of the county in which the project will be located, which
3 recommends the applicant be approved as a qualified applicant,
4 and which indicates that the necessary commitments of local
5 financial support for the applicant exist. Prior to the
6 adoption of the resolution, the county commission may review
7 the proposed public or private sources of such support and
8 determine whether the proposed sources of local financial
9 support can be provided or, for any applicant whose project is
10 located in a county designated by the Rural Economic
11 Development Initiative, a resolution adopted by the county
12 commissioners of such county requesting that the applicant's
13 project be exempt from the local financial support
14 requirement.

15 13. Any additional information requested by the
16 office.

17 (e) To qualify for review by the office, the
18 application of an applicant must, at a minimum, establish the
19 following to the satisfaction of the office:

20 1. The jobs proposed to be provided under the
21 application, pursuant to subparagraph (b)6. or subparagraph
22 (c)6., must pay an estimated annual average wage equaling at
23 least 115 percent of the average wage in the area where the
24 project is to be located.

25 2. The consolidation of a Department of Defense
26 contract must result in a net increase of at least 25 percent
27 in the number of jobs at the applicant's facilities in this
28 state or the addition of at least 80 jobs at the applicant's
29 facilities in this state.

30 3. The conversion of defense production jobs to
31 nondefense production jobs must result in net increases in

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1 nondefense employment at the applicant's facilities in this
2 state.

3 4. The Department of Defense contract cannot allow the
4 business to include the costs of relocation or retooling in
5 its base as allowable costs under a cost-plus, or similar,
6 contract.

7 5. A business unit of the applicant must have derived
8 not less than 60 ~~70~~ percent of its gross receipts in this
9 state from Department of Defense contracts over the
10 applicant's last fiscal year, and must have derived not less
11 than an average of 60 ~~80~~ percent of its gross receipts in this
12 state from Department of Defense contracts over the 5 years
13 preceding the date an application is submitted pursuant to
14 this section. This subparagraph does not apply to any
15 application for certification based on a contract for reuse of
16 a defense-related facility.

17 6. The reuse of a defense-related facility must result
18 in the creation of at least 100 jobs at such facility.

19 (f) Each application meeting the requirements of
20 paragraphs (b) and (e), paragraphs (c) and (e), or paragraphs
21 (d) and (e) must be submitted to the office for a
22 determination of eligibility. The office shall review,
23 evaluate, and score each application based on, but not limited
24 to, the following criteria:

25 1. Expected contributions to the state strategic
26 economic development plan adopted by Enterprise Florida, Inc.,
27 taking into account the extent to which the project
28 contributes to the state's high-technology base, and the
29 long-term impact of the project and the applicant on the
30 state's economy.

31 2. The economic benefit of the jobs created or

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1 retained by the project in this state, taking into account the
2 cost and average wage of each job created or retained, and the
3 potential risk to existing jobs.

4 3. The amount of capital investment to be made by the
5 applicant in this state.

6 4. The local commitment and support for the project
7 and applicant.

8 5. The impact of the project on the local community,
9 taking into account the unemployment rate for the county where
10 the project will be located.

11 6. The dependence of the local community on the
12 defense industry.

13 7. The impact of any tax refunds granted pursuant to
14 this section on the viability of the project and the
15 probability that the project will occur in this state if such
16 tax refunds are granted to the applicant, taking into account
17 the expected long-term commitment of the applicant to economic
18 growth and employment in this state.

19 8. The length of the project, or the expected
20 long-term commitment to this state resulting from the project.

21 (g) The office shall forward its written findings and
22 evaluation on each application meeting the requirements of
23 paragraphs (b) and (e), paragraphs (c) and (e), or paragraphs
24 (d) and (e) to the director within 60 calendar days after of
25 receipt of a complete application. The office shall notify
26 each applicant when its application is complete, and when the
27 60-day period begins. In its written report to the director,
28 the office shall specifically address each of the factors
29 specified in paragraph (f), and shall make a specific
30 assessment with respect to the minimum requirements
31 established in paragraph (e). The office shall include in its

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1 report projections of the tax refunds the applicant would be
2 eligible to receive ~~refund claims that will be sought by the~~
3 ~~applicant~~ in each fiscal year based on the creation and
4 maintenance of the net new Florida jobs specified in
5 subparagraphs (b)6., (c)6., or (d)7. as of December 31 of the
6 preceding state fiscal year ~~information submitted in the~~
7 ~~application.~~

8 (h) Within 30 days after receipt of the office's
9 findings and evaluation, the director shall issue a letter of
10 certification which ~~enter a final order that~~ either approves
11 or disapproves an application. The decision must be in writing
12 and provide the justifications for either approval or
13 disapproval. If appropriate, the director shall enter into a
14 written agreement with the qualified applicant pursuant to
15 subsection (4).

16 (i) The director may not certify ~~enter any final order~~
17 ~~that certifies~~ any applicant as a qualified applicant when the
18 value of tax refunds to be included in that letter of
19 certification ~~final order~~ exceeds the available amount of
20 authority to certify new businesses ~~enter final orders~~ as
21 determined in s. 288.095(3). A letter of certification ~~final~~
22 ~~order~~ that approves an application must specify the maximum
23 amount of a tax refund that is to be available to the
24 contractor for ~~in~~ each fiscal year and the total amount of tax
25 refunds for all fiscal years.

26 (j) This section does not create a presumption that an
27 applicant should receive any tax refunds under this section.

28 (4) QUALIFIED DEFENSE CONTRACTOR TAX REFUND
29 AGREEMENT.--

30 (a) A qualified applicant shall enter into a written
31 agreement with the office containing, but not limited to, the

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1 following:

2 1. The total number of full-time equivalent jobs in
3 this state that are or will be dedicated to the qualified
4 applicant's project, the average wage of such jobs, the
5 definitions that will apply for measuring the achievement of
6 these terms during the pendency of the agreement, and a time
7 schedule or plan for when such jobs will be in place and
8 active in this state. ~~This information must be the same as the~~
9 ~~information contained in the application submitted by the~~
10 ~~contractor pursuant to subsection (3).~~

11 2. The maximum amount of a refund that the qualified
12 applicant is eligible to receive for in each fiscal year,
13 based on the job creation or retention and maintenance
14 schedule specified in subparagraph 1.

15 3. An agreement with the office allowing the office to
16 review and verify the financial and personnel records of the
17 qualified applicant to ascertain whether the qualified
18 applicant is complying with the requirements of this section.

19 4. The date by after which, in each fiscal year, the
20 qualified applicant may file a an annual claim pursuant to
21 subsection (5) to be considered to receive a tax refund in the
22 following fiscal year.

23 5. That local financial support shall be annually
24 available and will be paid to the Economic Development Trust
25 Fund.

26 (b) Compliance with the terms and conditions of the
27 agreement is a condition precedent for receipt of tax refunds
28 each year. The failure to comply with the terms and conditions
29 of the agreement shall result in the loss of eligibility for
30 receipt of all tax refunds previously authorized pursuant to
31 this section, and the revocation of the certification as a

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1 qualified applicant by the director, unless the qualified
2 applicant is eligible to receive and elects to accept a
3 prorated refund under paragraph (5)(g) or the office grants
4 the qualified applicant an economic-stimulus exemption.

5 1. A qualified applicant may submit, in writing, a
6 request to the office for an economic-stimulus exemption. The
7 request must provide quantitative evidence demonstrating how
8 negative economic conditions in the qualified applicant's
9 industry have prevented the qualified applicant from complying
10 with the terms and conditions of its tax refund agreement.

11 2. Upon receipt of a request under subparagraph 1.,
12 the director shall have 45 days to notify the requesting
13 qualified applicant, in writing, if its exemption has been
14 granted or denied. In determining if an exemption should be
15 granted, the director shall consider the extent to which
16 negative economic conditions in the requesting qualified
17 applicant's industry have prevented the qualified applicant
18 from complying with the terms and conditions of its tax refund
19 agreement.

20 3. As a condition for receiving a prorated refund
21 under paragraph (5)(g) or an economic-stimulus exemption under
22 this paragraph, a qualified applicant must agree to
23 renegotiate its tax refund agreement with the office to, at a
24 minimum, ensure that the terms of the agreement comply with
25 current law and office procedures governing application for
26 and award of tax refunds. Upon approving the award of a
27 prorated refund or granting an economic-stimulus exemption,
28 the office shall renegotiate the tax refund agreement with the
29 qualified applicant as required by this subparagraph. When
30 amending the agreement of a qualified applicant receiving an
31 economic-stimulus exemption, the office may extend the

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1 duration of the agreement for a period not to exceed 1 year.

2 4. A qualified applicant may submit a request for an
3 economic-stimulus exemption to the office in lieu of any tax
4 refund claim scheduled to be submitted after June 30, 2001,
5 but before July 1, 2003.

6 5. A qualified applicant that receives an
7 economic-stimulus exemption may not receive a tax refund for
8 the period covered by the exemption.

9 (c) The agreement shall be signed by the director and
10 the authorized officer of the qualified applicant.

11 (d) The agreement must contain the following legend,
12 clearly printed on its face in bold type of not less than 10
13 points:

14
15 "This agreement is neither a general obligation
16 of the State of Florida, nor is it backed by
17 the full faith and credit of the State of
18 Florida. Payment of tax refunds are conditioned
19 on and subject to specific annual
20 appropriations by the Florida Legislature of
21 funds sufficient to pay amounts authorized in
22 s. 288.1045, Florida Statutes."
23

24 (5) ANNUAL CLAIM FOR REFUND FROM A QUALIFIED DEFENSE
25 CONTRACTOR.--

26 (a) To be eligible to claim any scheduled tax refund,
27 qualified applicants who have entered into a written agreement
28 with the office pursuant to subsection (4) and who have
29 entered into a valid new Department of Defense contract,
30 commenced the consolidation of a Department of Defense
31 contract, commenced the conversion of defense production jobs

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1 to nondefense production jobs, ~~or who have~~ entered into a
2 valid contract for reuse of a defense-related facility must
3 ~~may~~ apply by January 31 of once each fiscal year to the office
4 for tax refunds scheduled to be paid from the appropriation
5 for the fiscal year that begins on July 1 following the
6 January 31 claims-submission date. The office may, upon
7 written request, grant a 30-day extension of the filing date.

8 ~~The application must be made on or after the date contained in~~
9 ~~the agreement entered into pursuant to subsection (4) and must~~
10 include a notarized signature of an officer of the applicant.

11 (b) The claim for refund by the qualified applicant
12 must include a copy of all receipts pertaining to the payment
13 of taxes for which a refund is sought, and data related to
14 achieving each performance item contained in the tax refund
15 agreement pursuant to subsection (4). The amount requested as
16 a tax refund may not exceed the amount for the relevant fiscal
17 year in the written agreement entered pursuant to subsection
18 (4).

19 (c) A tax refund may not be approved for any qualified
20 applicant unless local financial support has been paid to the
21 Economic Development Trust Fund for in that refund fiscal
22 year. If the local financial support is less than 20 percent
23 of the approved tax refund, the tax refund shall be reduced.
24 The tax refund paid may not exceed 5 times the local financial
25 support received. Funding from local sources includes tax
26 abatement under s. 196.1995 provided to a qualified applicant.
27 The amount of any tax refund for an applicant approved under
28 this section shall be reduced by the amount of any such tax
29 abatement, and the limitations in subsection (2) and paragraph
30 (3)(h) shall be reduced by the amount of any such tax
31 abatement. A report listing all sources of the local financial

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1 support shall be provided to the office when such support is
2 paid to the Economic Development Trust Fund.

3 (d) The director, with assistance from the office, the
4 Department of Revenue, and the Agency for Workforce Innovation
5 ~~Department of Labor and Employment Security~~, shall, by June 30
6 following the scheduled date for submitting the tax-refund
7 claim, specify by written order the approval or disapproval of
8 the tax refund claim and, if approved, determine the amount of
9 the tax refund that is authorized to be paid to for the
10 qualified applicant for the fiscal year in a written final
11 order within 30 days after the date the claim for the annual
12 tax refund is received by the office. The office may grant an
13 extension of this date upon the request of the qualified
14 applicant for the purpose of filing additional information in
15 support of the claim.

16 (e) The total amount of tax refunds approved by the
17 director under this section in any fiscal year may not exceed
18 the amount appropriated to the Economic Development Trust Fund
19 for such purposes for the fiscal year. If the Legislature does
20 not appropriate an amount sufficient to satisfy projections by
21 the office for tax refunds in a fiscal year, the director
22 shall, not later than July 15 of such year, determine the
23 proportion of each refund claim which shall be paid by
24 dividing the amount appropriated for tax refunds for the
25 fiscal year by the projected total amount of refund claims for
26 the fiscal year. The amount of each claim for a tax refund
27 shall be multiplied by the resulting quotient. If, after the
28 payment of all such refund claims, funds remain in the
29 Economic Development Trust Fund for tax refunds, the director
30 shall recalculate the proportion for each refund claim and
31 adjust the amount of each claim accordingly.

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1 the appropriate agency or authority including the Department
2 of Revenue, the Agency for Workforce Innovation ~~Department of~~
3 ~~Labor and Employment Security~~, or any local government or
4 authority.

5 (c) To facilitate the process of monitoring and
6 auditing applications made under this program, the office may
7 provide a list of qualified applicants to the Department of
8 Revenue, to the Agency for Workforce Innovation ~~Department of~~
9 ~~Labor and Employment Security~~, or to any local government or
10 authority. The office may request the assistance of said
11 entities with respect to monitoring jobs, wages, and the
12 payment of the taxes listed in subsection (2).

13 (d) By December 1 of each year, the office shall
14 submit a complete and detailed report to the Governor, the
15 President of the Senate, and the Speaker of the House of
16 Representatives of all tax refunds paid under this section,
17 including analyses of benefits and costs, types of projects
18 supported, employment and investment created, geographic
19 distribution of tax refunds granted, and minority business
20 participation. The report must indicate whether the moneys
21 appropriated by the Legislature to the qualified applicant tax
22 refund program were expended in a prudent, fiducially sound
23 manner.

24 (e) Funds specifically appropriated for the tax refund
25 program under this section may not be used for any purpose
26 other than the payment of tax refunds authorized by this
27 section.

28 (7) EXPIRATION.--An applicant may not be certified as
29 qualified under this section after June 30, 2004.

30 Section 5. Paragraphs (a) and (d) of subsection (3),
31 paragraphs (a), (b), and (c) of subsection (4), and

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1 subsections (5) and (6) of section 288.106, Florida Statutes,
2 are amended, and subsection (7) of that section is reenacted,
3 to read:

4 288.106 Tax refund program for qualified target
5 industry businesses.--

6 (3) APPLICATION AND APPROVAL PROCESS.--

7 (a) To apply for certification as a qualified target
8 industry business under this section, the business must file
9 an application with the office before the business has made
10 the decision to locate a new business in this state or before
11 the business had made the decision to expand an existing
12 business in this state. The application shall include, but is
13 not limited to, the following information:

14 1. The applicant's federal employer identification
15 number and the applicant's state sales tax registration
16 number.

17 2. The permanent location of the applicant's facility
18 in this state at which the project is or is to be located.

19 3. A description of the type of business activity or
20 product covered by the project, including four-digit SIC codes
21 for all activities included in the project.

22 4. The number of net new full-time equivalent Florida
23 jobs at the qualified target industry business as of December
24 31 of each year included in this state that are or will be
25 ~~dedicated to~~ the project and the average wage of those jobs.
26 If more than one type of business activity or product is
27 included in the project, the number of jobs and average wage
28 for those jobs must be separately stated for each type of
29 business activity or product.

30 5. The total number of full-time equivalent employees
31 employed by the applicant in this state.

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1 6. The anticipated commencement date of the project.

2 7. A brief statement concerning the role that the tax
3 refunds requested will play in the decision of the applicant
4 to locate or expand in this state.

5 8. An estimate of the proportion of the sales
6 resulting from the project that will be made outside this
7 state.

8 9. A resolution adopted by the governing board of the
9 county or municipality in which the project will be located,
10 which resolution recommends that certain types of businesses
11 be approved as a qualified target industry business and states
12 that the commitments of local financial support necessary for
13 the target industry business exist. In advance of the passage
14 of such resolution, the office may also accept an official
15 letter from an authorized local economic development agency
16 that endorses the proposed target industry project and pledges
17 that sources of local financial support for such project
18 exist. For the purposes of making pledges of local financial
19 support under this subsection, the authorized local economic
20 development agency shall be officially designated by the
21 passage of a one-time resolution by the local governing
22 authority.

23 10. Any additional information requested by the
24 office.

25 (d) The office shall forward its written findings and
26 evaluation concerning each application meeting the
27 requirements of paragraph (b) to the director within 45
28 calendar days after receipt of a complete application. The
29 office shall notify each target industry business when its
30 application is complete, and of the time when the 45-day
31 period begins. In its written report to the director, the

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1 office shall specifically address each of the factors
2 specified in paragraph (c) and shall make a specific
3 assessment with respect to the minimum requirements
4 established in paragraph (b). The office shall include in its
5 report projections of the tax refunds the business would be
6 eligible to receive ~~refund claim that will be sought by the~~
7 ~~target industry business~~ in each fiscal year based on the
8 creation and maintenance of the net new Florida jobs specified
9 in subparagraph (a)4. as of December 31 of the preceding state
10 fiscal year information submitted in the application.

11 (4) TAX REFUND AGREEMENT.--

12 (a) Each qualified target industry business must enter
13 into a written agreement with the office which specifies, at a
14 minimum:

15 1. The total number of full-time equivalent jobs in
16 this state that will be dedicated to the project, the average
17 wage of those jobs, the definitions that will apply for
18 measuring the achievement of these terms during the pendency
19 of the agreement, and a time schedule or plan for when such
20 jobs will be in place and active in this state. ~~This~~
21 ~~information must be the same as the information contained in~~
22 ~~the application submitted by the business under subsection~~
23 ~~(3).~~

24 2. The maximum amount of tax refunds which the
25 qualified target industry business is eligible to receive on
26 the project and the maximum amount of a tax refund that the
27 qualified target industry business is eligible to receive for
28 in each fiscal year, based on the job creation and maintenance
29 schedule specified in subparagraph 1.

30 3. That the office may review and verify the financial
31 and personnel records of the qualified target industry

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1 business to ascertain whether that business is in compliance
2 with this section.

3 4. The date by ~~after~~ which, in each fiscal year, the
4 qualified target industry business may file a an annual claim
5 under subsection (5) to be considered to receive a tax refund
6 in the following fiscal year.

7 5. That local financial support will be annually
8 available and will be paid to the account. The director may
9 not enter into a written agreement with a qualified target
10 industry business if the local financial support resolution is
11 not passed by the local governing authority within 90 days
12 after he or she has issued the letter of certification under
13 subsection (3).

14 (b) Compliance with the terms and conditions of the
15 agreement is a condition precedent for the receipt of a tax
16 refund each year. The failure to comply with the terms and
17 conditions of the tax refund agreement results in the loss of
18 eligibility for receipt of all tax refunds previously
19 authorized under this section and the revocation by the
20 director of the certification of the business entity as a
21 qualified target industry business, unless the business is
22 eligible to receive and elects to accept a prorated refund
23 under paragraph (5)(d) or the office grants the business an
24 economic-stimulus exemption.

25 1. A qualified target industry business may submit, in
26 writing, a request to the office for an economic-stimulus
27 exemption. The request must provide quantitative evidence
28 demonstrating how negative economic conditions in the
29 business's industry have prevented the business from complying
30 with the terms and conditions of its tax refund agreement.

31 2. Upon receipt of a request under subparagraph 1.,

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1 the director shall have 45 days to notify the requesting
2 business, in writing, if its exemption has been granted or
3 denied. In determining if an exemption should be granted, the
4 director shall consider the extent to which negative economic
5 conditions in the requesting business's industry have
6 prevented the business from complying with the terms and
7 conditions of its tax refund agreement.

8 3. As a condition for receiving a prorated refund
9 under paragraph (5)(d) or an economic-stimulus exemption under
10 this paragraph, a qualified target industry business must
11 agree to renegotiate its tax refund agreement with the office
12 to, at a minimum, ensure that the terms of the agreement
13 comply with current law and office procedures governing
14 application for and award of tax refunds. Upon approving the
15 award of a prorated refund or granting an economic-stimulus
16 exemption, the office shall renegotiate the tax refund
17 agreement with the business as required by this subparagraph.
18 When amending the agreement of a business receiving an
19 economic-stimulus exemption, the office may extend the
20 duration of the agreement for a period not to exceed 1 year.

21 4. A qualified target industry business may submit a
22 request for an economic-stimulus exemption to the office in
23 lieu of any tax refund claim scheduled to be submitted after
24 June 30, 2001, but before July 1, 2003.

25 5. A qualified target industry business that receives
26 an economic-stimulus exemption may not receive a tax refund
27 for the period covered by the exemption.

28 (c) The agreement must be signed by the director and
29 by an authorized officer of the qualified target industry
30 business within 120 days after the issuance of the letter of
31 certification under subsection (3), but not before passage and

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1 receipt of the resolution of local financial support. The
2 office may grant an extension of this period at the written
3 request of the qualified target industry business.

4 (5) ANNUAL CLAIM FOR REFUND.--

5 (a) To be eligible to claim any scheduled tax refund,
6 a qualified target industry business that has entered into a
7 tax refund agreement with the office under subsection (4) must
8 may apply by January 31 of once each fiscal year to the office
9 for the a tax refund scheduled to be paid from the
10 appropriation for the fiscal year that begins on July 1
11 following the January 31 claims-submission date. The office
12 may, upon written request, grant a 30-day extension of the
13 filing date.~~The application must be made on or after the date~~
14 ~~specified in that agreement.~~

15 (b) The claim for refund by the qualified target
16 industry business must include a copy of all receipts
17 pertaining to the payment of taxes for which the refund is
18 sought and data related to achievement of each performance
19 item specified in the tax refund agreement. The amount
20 requested as a tax refund may not exceed the amount specified
21 for the relevant ~~that~~ fiscal year in that agreement.

22 (c) A tax refund may not be approved for a qualified
23 target industry business unless the required local financial
24 support has been paid into the account for that refund in that
25 ~~fiscal year~~. If the local financial support provided is less
26 than 20 percent of the approved tax refund, the tax refund
27 must be reduced. In no event may the tax refund exceed an
28 amount that is equal to 5 times the amount of the local
29 financial support received. Further, funding from local
30 sources includes any tax abatement granted to that business
31 under s. 196.1995 or the appraised market value of municipal

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1 or county land conveyed or provided at a discount to that
2 business. The amount of any tax refund for such business
3 approved under this section must be reduced by the amount of
4 any such tax abatement granted or the value of the land
5 granted; and the limitations in subsection (2) and paragraph
6 (3)(f) must be reduced by the amount of any such tax abatement
7 or the value of the land granted. A report listing all sources
8 of the local financial support shall be provided to the office
9 when such support is paid to the account.

10 (d) A prorated tax refund, less a 5-percent penalty,
11 shall be approved for a qualified target industry business
12 provided all other applicable requirements have been satisfied
13 and the business proves to the satisfaction of the director
14 that it has achieved at least 80 percent of its projected
15 employment and that the average wage paid by the business is
16 at least 90 percent of the average wage specified in the tax
17 refund agreement, but in no case less than 115 percent of the
18 average private-sector wage in the area available at the time
19 of certification, or 150 percent or 200 percent of the average
20 private-sector wage if the business requested the additional
21 per-job tax refund authorized in paragraph (2)(b) for wages
22 above those levels. The prorated tax refund shall be
23 calculated by multiplying the tax refund amount for which the
24 qualified target industry business would have been eligible,
25 if all applicable requirements had been satisfied, by the
26 percentage of the average employment specified in the tax
27 refund agreement which was achieved, and by the percentage of
28 the average wages specified in the tax refund agreement which
29 was achieved.

30 (e) The director, with such assistance as may be
31 required from the office, the Department of Revenue, or the

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1 Agency for Workforce Innovation ~~Department of Labor and~~
2 ~~Employment Security~~, shall, by June 30 following the scheduled
3 date for submission of the tax-refund claim, specify by
4 written ~~final~~ order the approval or disapproval of the tax
5 refund claim and, if approved, the amount of the tax refund
6 that is authorized to be paid to ~~for~~ the qualified target
7 industry business for the ~~fiscal year within 30 days after the~~
8 date that the claim for the annual tax refund is received by
9 the office. The office may grant an extension of this date on
10 the request of the qualified target industry business for the
11 purpose of filing additional information in support of the
12 claim.

13 (f) The total amount of tax refund claims approved by
14 the director under this section in any fiscal year must not
15 exceed the amount authorized under s. 288.095(3).

16 (g) This section does not create a presumption that a
17 tax refund claim will be approved and paid.

18 (h)(g) Upon approval of the tax refund under
19 paragraphs (c), (d), and (e), the Comptroller shall issue a
20 warrant for the amount specified in the written ~~final~~ order.
21 If the written ~~final~~ order is appealed, the Comptroller may
22 not issue a warrant for a refund to the qualified target
23 industry business until the conclusion of all appeals of that
24 order.

25 (6) ADMINISTRATION.--

26 (a) The office is authorized to verify information
27 provided in any claim submitted for tax credits under this
28 section with regard to employment and wage levels or the
29 payment of the taxes to the appropriate agency or authority,
30 including the Department of Revenue, the Agency for Workforce
31 Innovation ~~Department of Labor and Employment Security~~, or any

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1 local government or authority.

2 (b) To facilitate the process of monitoring and
3 auditing applications made under this program, the office may
4 provide a list of qualified target industry businesses to the
5 Department of Revenue, to the Agency for Workforce Innovation
6 ~~Department of Labor and Employment Security~~, or to any local
7 government or authority. The office may request the assistance
8 of those entities with respect to monitoring jobs, wages, and
9 the payment of the taxes listed in subsection (2).

10 (c) Funds specifically appropriated for the tax refund
11 program for qualified target industry businesses may not be
12 used for any purpose other than the payment of tax refunds
13 authorized by this section.

14 (7) EXPIRATION.--This section expires June 30, 2004.

15 Section 6. Paragraph (k) of subsection (7) of section
16 213.053, Florida Statutes, is amended to read:

17 213.053 Confidentiality and information sharing.--

18 (7) Notwithstanding any other provision of this
19 section, the department may provide:

20 (k)1. Payment information relative to chapters 199,
21 201, 212, 220, and 221, and 624 to the Office of Tourism,
22 Trade, and Economic Development, or its employees or agents
23 that are identified in writing by the office to the
24 department, in the its administration of the tax refund
25 program for qualified defense contractors authorized by s.
26 288.1045 and the tax refund program for qualified target
27 industry businesses authorized by s. 288.106.

28 2. Information relative to tax credits taken by a
29 business under s. 220.191 and exemptions or tax refunds
30 received by a business under s. 212.08(5)(j) to the Office of
31 Tourism, Trade, and Economic Development, or its employees or

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1 agents that are identified in writing by the office to the
 2 department, in the administration and evaluation of the
 3 capital investment tax credit program authorized in s. 220.191
 4 and the semiconductor, defense, and space tax exemption
 5 program authorized in s. 212.08(5)(j).

6
 7 Disclosure of information under this subsection shall be
 8 pursuant to a written agreement between the executive director
 9 and the agency. Such agencies, governmental or
 10 nongovernmental, shall be bound by the same requirements of
 11 confidentiality as the Department of Revenue. Breach of
 12 confidentiality is a misdemeanor of the first degree,
 13 punishable as provided by s. 775.082 or s. 775.083.

14 Section 7. Sections 7 and 8 of this act may be cited
 15 as the "Tourism Industry Recovery Act of 2002."

16 Section 8. Paragraphs (l) and (n) of subsection (3) of
 17 section 125.0104, Florida Statutes, are amended to read:

18 125.0104 Tourist development tax; procedure for
 19 levying; authorized uses; referendum; enforcement.--

20 (3) TAXABLE PRIVILEGES; EXEMPTIONS; LEVY; RATE.--

21 (1) In addition to any other tax which is imposed
 22 pursuant to this section, a county may impose up to an
 23 additional 1-percent tax on the exercise of the privilege
 24 described in paragraph (a) by majority vote of the governing
 25 board of the county in order to:

26 1. Pay the debt service on bonds issued to finance the
 27 construction, reconstruction, or renovation of a professional
 28 sports franchise facility, or the acquisition, construction,
 29 reconstruction, or renovation of a retained spring training
 30 franchise facility, either publicly owned and operated, or
 31 publicly owned and operated by the owner of a professional

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1 sports franchise or other lessee with sufficient expertise or
2 financial capability to operate such facility, and to pay the
3 planning and design costs incurred prior to the issuance of
4 such bonds.

5 2. Pay the debt service on bonds issued to finance the
6 construction, reconstruction, or renovation of a convention
7 center, and to pay the planning and design costs incurred
8 prior to the issuance of such bonds.

9 3. Pay the operation and maintenance costs of a
10 convention center for a period of up to 10 years. Only
11 counties that have elected to levy the tax for the purposes
12 authorized in subparagraph 2. may use the tax for the purposes
13 enumerated in this subparagraph. Any county that elects to
14 levy the tax for the purposes authorized in subparagraph 2.
15 after July 1, 2000, may use the proceeds of the tax to pay the
16 operation and maintenance costs of a convention center for the
17 life of the bonds.

18 4. Promote and advertise tourism in the State of
19 Florida and nationally and internationally; however, if tax
20 revenues are expended for an activity, service, venue, or
21 event, the activity, service, venue, or event shall have as
22 one of its main purposes the attraction of tourists as
23 evidenced by the promotion of the activity, service, venue, or
24 event to tourists.

25
26 The provision of paragraph (b) which prohibits any county
27 authorized to levy a convention development tax pursuant to s.
28 212.0305 from levying more than the 2-percent tax authorized
29 by this section, and the provisions of paragraphs (4)(a)-(d),
30 shall not apply to the additional tax authorized in this
31 paragraph. The effective date of the levy and imposition of

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1 the tax authorized under this paragraph shall be the first day
2 of the second month following approval of the ordinance by the
3 governing board or the first day of any subsequent month as
4 may be specified in the ordinance. A certified copy of such
5 ordinance shall be furnished by the county to the Department
6 of Revenue within 10 days after approval of such ordinance.

7 (n) In addition to any other tax that is imposed under
8 this section, a county that has imposed the tax under
9 paragraph (l) may impose an additional tax that is no greater
10 than 1 percent on the exercise of the privilege described in
11 paragraph (a) by a majority plus one vote of the membership of
12 the board of county commissioners in order to:

13 1. Pay the debt service on bonds issued to finance:
14 a.1. The construction, reconstruction, or renovation
15 of a facility either publicly owned and operated, or publicly
16 owned and operated by the owner of a professional sports
17 franchise or other lessee with sufficient expertise or
18 financial capability to operate such facility, and to pay the
19 planning and design costs incurred prior to the issuance of
20 such bonds for a new professional sports franchise as defined
21 in s. 288.1162.

22 b.2. The acquisition, construction, reconstruction, or
23 renovation of a facility either publicly owned and operated,
24 or publicly owned and operated by the owner of a professional
25 sports franchise or other lessee with sufficient expertise or
26 financial capability to operate such facility, and to pay the
27 planning and design costs incurred prior to the issuance of
28 such bonds for a retained spring training franchise.

29 2. Promote and advertise tourism in the State of
30 Florida and nationally and internationally; however, if tax
31 revenues are expended for an activity, service, venue, or

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1 event, the activity, service, venue, or event shall have as
2 one of its main purposes the attraction of tourists as
3 evidenced by the promotion of the activity, service, venue, or
4 event to tourists.

5
6 A county that imposes the tax authorized in this paragraph may
7 not expend any ad valorem tax revenues for the acquisition,
8 construction, reconstruction, or renovation of a that facility
9 for which tax revenues are used pursuant to subparagraph 1.

10 The provision of paragraph (b) which prohibits any county
11 authorized to levy a convention development tax pursuant to s.
12 212.0305 from levying more than the 2-percent tax authorized
13 by this section shall not apply to the additional tax
14 authorized by this paragraph in counties which levy convention
15 development taxes pursuant to s. 212.0305(4)(a). Subsection
16 (4) does not apply to the adoption of the additional tax
17 authorized in this paragraph. The effective date of the levy
18 and imposition of the tax authorized under this paragraph is
19 the first day of the second month following approval of the
20 ordinance by the board of county commissioners or the first
21 day of any subsequent month specified in the ordinance. A
22 certified copy of such ordinance shall be furnished by the
23 county to the Department of Revenue within 10 days after
24 approval of the ordinance.

25 Section 9. Notwithstanding section 18 of CS for CS for
26 SB 1360, 2002 Regular Session, section 197.1722, Florida
27 Statutes, as created by section 16 of that bill, shall not
28 take effect January 1, 2003, but shall take effect on the date
29 CS for CS for SB 1360, Regular Session, becomes a law and
30 shall apply retroactively to January 1, 2002.

31 Section 10. Notwithstanding any provisions in section

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1 290.0055, Florida Statutes, regarding the size of an
2 enterprise zone, a county as defined in section 125.011(1),
3 Florida Statutes, may apply to the Office of Tourism, Trade,
4 and Economic Development before October 1, 2002, to amend the
5 boundary lines of its existing enterprise zone in order to add
6 an area not exceeding 4 square miles. The area proposed for
7 addition to the enterprise zone under this section must be
8 contiguous to a portion of the existing enterprise zone and
9 must be part of a revitalization area that has been targeted
10 for assistance by the county or by a municipality within the
11 county. The area proposed for addition to the enterprise zone
12 also must contain a high concentration of individuals who have
13 immigrated to this state from Haiti. The Office of Tourism,
14 Trade, and Economic Development shall approve an amendment to
15 the enterprise zone boundary lines, effective January 1, 2003,
16 provided that the area proposed for addition to the enterprise
17 zone is consistent with the criteria and conditions imposed by
18 section 290.0055, Florida Statutes, upon the establishment of
19 enterprise zones, including the requirement that the area
20 suffer from pervasive poverty, unemployment, and general
21 distress.

22 Section 11. Notwithstanding any provisions in section
23 290.0055, Florida Statutes, regarding the size of an
24 enterprise zone, a county as defined in section 125.011(1),
25 Florida Statutes, may apply to the Office of Tourism, Trade,
26 and Economic Development before October 1, 2002, to amend the
27 boundary lines of its existing enterprise zone in order to add
28 an area not exceeding 4 square miles. The area proposed for
29 addition to the enterprise zone under this section must be
30 contiguous to a portion of the existing enterprise zone and
31 must be part of a revitalization area that has been targeted

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1 for assistance by a commission authorized in section 163.06,
2 Florida Statutes. The Office of Tourism, Trade, and Economic
3 Development shall approve an amendment to the enterprise zone
4 boundary lines, effective January 1, 2003, provided that the
5 area proposed for addition to the enterprise zone is
6 consistent with the criteria and conditions imposed by section
7 290.0055, Florida Statutes, upon the establishment of
8 enterprise zones, including the requirement that the area
9 suffer from pervasive poverty, unemployment, and general
10 distress. The area proposed for addition to the enterprise
11 zone under this section may not include any property used for
12 the benefit of a professional sports franchise. Any portion of
13 the area designated under this section by the Office of
14 Tourism, Trade, and Economic Development as an addition to an
15 enterprise zone shall automatically lose its status as part of
16 an enterprise zone if such portion subsequently includes
17 property used for the benefit of a professional sports
18 franchise.

19 Section 12. Sections of this act authorizing a county
20 as defined in section 125.011(1), Florida Statutes, to amend
21 and expand the boundary lines of an existing enterprise zone
22 are not mutually exclusive.

23 Section 13. Section 290.00686, Florida Statutes, is
24 created to read:

25 290.00686 Enterprise zone designation for Brevard
26 County, Cocoa, or Brevard County and Cocoa.--Brevard County,
27 the City of Cocoa, or Brevard County and the City of Cocoa
28 jointly, may apply to the Office of Tourism, Trade, and
29 Economic Development for designation of one enterprise zone
30 encompassing an area which includes the boundaries of the
31 three community redevelopment areas established pursuant to

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1 part III of chapter 163. The application must be submitted by
2 December 31, 2002, and must comply with the requirements of
3 section 290.0055. Notwithstanding the provisions of section
4 290.0065 limiting the total number of enterprise zones
5 designated and the number of enterprise zones within a
6 population category, the Office of Tourism, Trade, and
7 Economic Development may designate one enterprise zone under
8 this section. The Office of Tourism, Trade, and Economic
9 Development shall establish the initial effective date of the
10 enterprise zone designated pursuant to this section.

11 Section 14. Enterprise zone designation for the City
12 of Pensacola.--The City of Pensacola may apply to the Office
13 of Tourism, Trade, and Economic Development for designation of
14 one enterprise zone within the city, which zone encompasses an
15 area up to 10 contiguous square miles. The application must
16 be submitted by December 31, 2002, and must comply with the
17 requirements of section 290.0055, Florida Statutes, except
18 subsection (3) thereof. Notwithstanding the provisions of
19 section 290.0065, Florida Statutes, limiting the total number
20 of enterprise zones designated and the number of enterprise
21 zones within a population category, the Office of Tourism,
22 Trade, and Economic Development may designate one enterprise
23 zone under this section. The Office of Tourism, Trade, and
24 Economic Development shall establish the initial effective
25 date of the enterprise zone designated pursuant to this
26 section.

27 Section 15. Enterprise zone designation for Leon
28 County.--Leon County, or Leon County and the City of
29 Tallahassee jointly, may apply to the Office of Tourism,
30 Trade, and Economic Development for designation of one
31 enterprise zone, the selected area of which shall not exceed

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1 20 square miles and shall have a continuous boundary, or
2 consist of not more than three noncontiguous areas per section
3 290.0055(4)(a), Florida Statutes. The enterprise zone shall
4 encompass an area or areas within the following Census tracts
5 for Leon County pursuant to the 1990 Census:

6
7 Census tract 1, block group 1; census tract 2, block group 1;
8 census tract 2, block group 3; census tract 2, block group 4;
9 census tract 3, block group 1; census tract 4, block group 1;
10 census tract 4, block group 2; census tract 5, block group 1;
11 census tract 5, block group 2; census tract 6, block group 1;
12 census tract 6, block group 2; census tract 6, block group 3;
13 census tract 6, block group 4; census tract 7, block group 1;
14 census tract 7, block group 2; census tract 7, block group 3;
15 census tract 10.01, block group 1; census tract 10.01, block
16 group 2; census tract 10.01, block group 3; census tract
17 11.01, block group 1; census tract 11.01, block group 2;
18 census tract 11.01, block group 3; census tract 11.02, block
19 group 1; census tract 11.02, block group 3; census tract 12,
20 block group 1; census tract 13, block group 1; census tract
21 13, block group 2; census tract 14, block group 1; census
22 tract 14, block group 2; census tract 14, block group 3;
23 census tract 14, block group 4; census tract 14, block group
24 5; census tract 15, block group 1; census tract 16.01, block
25 group 1; census tract 18, block group 3; census tract 18,
26 block group 4; census tract 19, block group 1; census tract
27 19, block group 3; census tract 19, block group 4; census
28 tract 20.01, block group 1; census tract 20.01, block group 2;
29 census tract 20.01, block group 3; census tract 20.01, block
30 group 4; census tract 20.01, block group 5; census tract
31 20.02, block group 1; census tract 20.02, block group 2;

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1 census tract 20.02, block group 3; census tract 20.02, block
2 group 5; census tract 21, block group 1; census tract 21,
3 block group 3; census tract 21, block group 4; census tract
4 21, block group 5; census tract 21, block group 7; census
5 tract 22.01, block group 1; census tract 23.01, block group 3;
6 census tract 23.01, block group 5; census tract 26.02, block
7 group 4.

8
9 The application must be submitted by December 31, 2002, and
10 must comply with the requirements of section 290.0055, Florida
11 Statutes. Notwithstanding the provisions of section 290.0065,
12 Florida Statutes, limiting the total number of enterprise
13 zones designated and the number of enterprise zones within a
14 population category, the Office of Tourism, Trade, and
15 Economic Development may designate one enterprise zone under
16 this section. The Office of Tourism, Trade, and Economic
17 Development shall establish the initial effective date of the
18 enterprise zone designated pursuant to this section.

19 Section 16. Effective upon this act becoming a law,
20 section 11.35, Florida Statutes, is created to read:

21 11.35 Joint Legislative Committee on Tax Exemptions;
22 membership; duties.--

23 (1) The Joint Legislative Committee on Tax Exemptions
24 is created as a joint standing committee of the Legislature
25 composed of 12 members, 6 of whom are members of the Senate
26 appointed by the President of the Senate and 6 of whom are
27 members of the House of Representatives appointed by the
28 Speaker of the House of Representatives. The terms of members
29 are 2 years and run from one organization session of the
30 Legislature to the following organization session. In each
31 even-numbered year, the President of the Senate shall appoint

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1 a member of the Senate to serve as chair for a term of 1 year;
2 and, in each odd-numbered year, the Speaker of the House of
3 Representatives shall appoint a member of the House of
4 Representatives to serve as chair for a term of 1 year. A
5 vacancy is to be filled for the unexpired portion of the term
6 in the same manner as the original appointment.

7 (2) The committee shall conduct a periodic review of
8 all exemptions from taxation under chapter 212, Florida
9 Statutes, except those specified in section 212.25(3), Florida
10 Statutes. The committee must complete the first of its reviews
11 by December 1, 2004, and its initial review of all exemptions
12 by December 1, 2009. For purposes of the review, the committee
13 shall:

14 (a) Assign each exemption to a discrete category of
15 exemptions, placing, to the extent practicable, similar and
16 related exemptions within the same category. The committee
17 shall identify discrete classes of transactions exempted by s.
18 212.25(2) and assign the exemption of each class to the
19 appropriate category.

20 (b) Schedule, for each year, one or more of the
21 categories to be reviewed before the following regular session
22 of the Legislature. Each category must be reviewed once by
23 December 1, 2009. By December 1, 2003, the committee shall
24 prepare, and submit to the President of the Senate and the
25 Speaker of the House of Representatives for introduction at
26 the 2004 regular session of the Legislature, a proposed bill
27 that amends the statutes to set the expiration date for each
28 exemption 18 months after the year in which it is scheduled
29 for review. The proposed bill shall set July 1, 2006, as the
30 expiration date for those exemptions which are scheduled to be
31 reviewed by December 1, 2004.

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1 (c) Adopt standards and criteria that it will use for
2 its review of exemptions and upon which it will base its
3 recommendation to reauthorize an exemption. In developing
4 these standards and criteria, the committee should consider
5 the following principles of taxation:

6 1. Equity.--The Florida tax system should treat
7 individuals equitably. It should impose similar tax burdens on
8 people in similar circumstances and should minimize
9 regressivity.

10 2. Compliance.--The Florida tax system should
11 facilitate taxpayer compliance. It should be simple and easy
12 to understand so as to minimize compliance costs and increase
13 the visibility and awareness of the taxes being paid.
14 Enforcement and collection of tax revenues should be done in a
15 fair, consistent, professional, predictable, and
16 cost-effective manner.

17 3. Promotion of competition.--The Florida tax system
18 should be responsive to interstate and international
19 competition in order to encourage savings and investment in
20 plant, equipment, people, and technology.

21 4. Neutrality.--The Florida tax system should affect
22 competitors uniformly and not become a tool for "social
23 engineering." It should minimize government involvement in
24 investment decisions, making any such involvement explicit,
25 and should minimize pyramiding.

26 5. Stability.--The Florida tax system should produce
27 revenues in a stable and reliable manner which are sufficient
28 to fund appropriate governmental functions and expenditures.

29 6. Integration.--The Florida tax system should balance
30 the need for integration of federal, state, and local
31 taxation.

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1 7. Public purpose.--Any sales tax exemption should be
2 based upon a determination that the exemption promotes an
3 important state interest, including, but not limited to,
4 economic development, job creation and retention, economic
5 diversification, and community revitalization.

6 (3) By December 1 of each year, the committee shall
7 submit to the President of the Senate and the Speaker of the
8 House of Representatives a separate report for each category
9 of exemptions reviewed during that year. Each report must
10 contain the committee's recommendations with respect to each
11 exemption assigned to that category and include, for
12 consideration at the next regular session of the Legislature,
13 a proposed bill to reauthorize, for a period not to exceed 10
14 years, those exemptions that the committee recommends be
15 reauthorized and to cleanse the statutes of those exemptions
16 that the committee recommends be allowed to expire. Each
17 report must also include, for each exemption for which the
18 committee makes no recommendation, a separate bill to
19 reauthorize that exemption for a period not to exceed 10
20 years. Each proposed bill must provide that each reauthorized
21 exemption expires on a specified date occurring no more than
22 10 years after the effective date of the bill and is to be
23 reviewed pursuant to this section at least 18 months prior to
24 its expiration.

25 Section 17. Effective upon this act becoming a law,
26 section 212.25, Florida Statutes, is created to read:

27 212.25 Expiration and review of tax exemptions; status
28 of transactions neither expressly taxable nor exempt.--

29 (1) Effective July 1, 2011, and on July 1 of every
30 10th year thereafter, each exemption from taxation under this
31 chapter expires, except those specified in subsection (3) and

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1 those specifically set by law to expire on another date. Prior
2 to its expiration, each such exemption shall be reviewed by
3 the Joint Legislative Committee on Tax Exemptions in
4 accordance with the law governing such reviews.

5 (2) Until July 1, 2011, any sale of goods or services
6 that is neither expressly taxable nor expressly exempt from
7 taxation under this chapter is exempt from such taxation, and
8 the exemptions provided by this subsection are subject to
9 review under s. 11.35. Effective July 1, 2011, any sale of
10 goods or services that is neither expressly taxable nor
11 expressly exempt from taxation under this chapter is subject
12 to tax at the same rate as the general tax rate prescribed by
13 this chapter for the retail sale of items of tangible personal
14 property.

15 (3) Notwithstanding the other provisions of this
16 section, the following transactions remain exempt from
17 taxation under this chapter and are not subject to expiration
18 or review under this section or s. 11.35: the sale of
19 groceries, prescription drugs, health services, real property,
20 intangible personal property, or communications services; the
21 sale of tangible personal property purchased for resale or
22 imported, produced, or manufactured in this state for export;
23 and the payment of residential rent or employee salaries or
24 benefits.

25 Section 18. Paragraph (j) of subsection (5) of section
26 212.08, Florida Statutes, is amended to read:

27 212.08 Sales, rental, use, consumption, distribution,
28 and storage tax; specified exemptions.--The sale at retail,
29 the rental, the use, the consumption, the distribution, and
30 the storage to be used or consumed in this state of the
31 following are hereby specifically exempt from the tax imposed

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1 by this chapter.

2 (5) EXEMPTIONS; ACCOUNT OF USE.--

3 (j) Machinery and equipment used in semiconductor,
4 defense, or space technology production and research and
5 development.--

6 1.a. Industrial machinery and equipment used in
7 semiconductor technology facilities certified under
8 subparagraph 6. to manufacture, process, compound, or produce
9 semiconductor technology products for sale or for use by these
10 facilities are exempt from the tax imposed by this chapter.
11 For purposes of this paragraph, industrial machinery and
12 equipment includes molds, dies, machine tooling, other
13 appurtenances or accessories to machinery and equipment,
14 testing equipment, test beds, computers, and software, whether
15 purchased or self-fabricated, and, if self-fabricated,
16 includes materials and labor for design, fabrication, and
17 assembly.

18 b. Industrial machinery and equipment used in defense
19 or space technology facilities certified under subparagraph 6.
20 to manufacture, process, compound, or produce defense
21 technology products or space technology products for sale or
22 for use by these facilities are exempt from 25 percent of the
23 tax imposed by this chapter.

24 2.a. Machinery and equipment are exempt from the tax
25 imposed by this chapter if used predominately in semiconductor
26 wafer research and development activities in a semiconductor
27 technology research and development facility certified under
28 subparagraph 6. For purposes of this paragraph, machinery and
29 equipment includes molds, dies, machine tooling, other
30 appurtenances or accessories to machinery and equipment,
31 testing equipment, test beds, computers, and software, whether

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1 purchased or self-fabricated, and, if self-fabricated,
2 includes materials and labor for design, fabrication, and
3 assembly.

4 b. Machinery and equipment are exempt from 25 percent
5 of the tax imposed by this chapter if used predominately in
6 defense or space research and development activities in a
7 defense or space technology research and development facility
8 certified under subparagraph 6.

9 3. Building materials purchased for use in
10 manufacturing or expanding clean rooms in
11 semiconductor-manufacturing facilities are exempt from the tax
12 imposed by this chapter.

13 4. In addition to meeting the criteria mandated by
14 subparagraph 1., subparagraph 2., or subparagraph 3., a
15 business must be certified by the Office of Tourism, Trade,
16 and Economic Development as authorized in this paragraph in
17 order to qualify for exemption under this paragraph.

18 5. For items purchased tax exempt pursuant to this
19 paragraph, possession of a written certification from the
20 purchaser, certifying the purchaser's entitlement to exemption
21 pursuant to this paragraph, relieves the seller of the
22 responsibility of collecting the tax on the sale of such
23 items, and the department shall look solely to the purchaser
24 for recovery of tax if it determines that the purchaser was
25 not entitled to the exemption.

26 6.a. To be eligible to receive the exemption provided
27 by subparagraph 1., subparagraph 2., or subparagraph 3., a
28 qualifying business entity shall apply to Enterprise Florida,
29 Inc. The application shall be developed by the Office of
30 Tourism, Trade, and Economic Development in consultation with
31 Enterprise Florida, Inc.

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1 b. Enterprise Florida, Inc., shall review each
2 submitted application and information and determine whether or
3 not the application is complete within 5 working days. Once an
4 application is complete, Enterprise Florida, Inc., shall,
5 within 10 working days, evaluate the application and recommend
6 approval or disapproval of the application to the Office of
7 Tourism, Trade, and Economic Development.

8 c. Upon receipt of the application and recommendation
9 from Enterprise Florida, Inc., the Office of Tourism, Trade,
10 and Economic Development shall certify within 5 working days
11 those applicants who are found to meet the requirements of
12 this section and notify the applicant, Enterprise Florida,
13 Inc., and the department of the certification. If the Office
14 of Tourism, Trade, and Economic Development finds that the
15 applicant does not meet the requirements of this section, it
16 shall notify the applicant and Enterprise Florida, Inc.,
17 within 10 working days that the application for certification
18 has been denied and the reasons for denial. The Office of
19 Tourism, Trade, and Economic Development has final approval
20 authority for certification under this section.

21 7.a. A business may apply once each year for the
22 exemption.

23 b. The application must indicate, for program
24 evaluation purposes only, the average number of full-time
25 equivalent employees at the facility over the preceding
26 calendar year, the average wage and benefits paid to those
27 employees over the preceding calendar year, the total
28 investment made in real and tangible personal property over
29 the preceding calendar year, and the total value of tax-exempt
30 purchases and taxes exempted during the previous year. The
31 department shall assist the Office of Tourism, Trade, and

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1 Economic Development in evaluating and verifying information
2 provided in the application for exemption.

3 c. The Office of Tourism, Trade, and Economic
4 Development may use the information reported on the
5 application for evaluation purposes only and shall prepare an
6 annual report on the exemption program and its cost and
7 impact. The annual report for the preceding fiscal year shall
8 be submitted to the Governor, the President of the Senate, and
9 the Speaker of the House of Representatives by September 30 of
10 each fiscal year. ~~This report may be submitted in conjunction
11 with the annual report required in s. 288.095(3)(c).~~

12 8. A business certified to receive this exemption may
13 elect to designate one or more state universities or community
14 colleges as recipients of up to 100 percent of the amount of
15 the exemption for which they may qualify. To receive these
16 funds, the institution must agree to match the funds so earned
17 with equivalent cash, programs, services, or other in-kind
18 support on a one-to-one basis in the pursuit of research and
19 development projects as requested by the certified business.
20 The rights to any patents, royalties, or real or intellectual
21 property must be vested in the business unless otherwise
22 agreed to by the business and the university or community
23 college.

24 9. As used in this paragraph, the term:

25 a. "Predominately" means at least 50 percent of the
26 time in qualifying research and development.

27 b. "Research and development" means basic and applied
28 research in the science or engineering, as well as the design,
29 development, and testing of prototypes or processes of new or
30 improved products. Research and development does not include
31 market research, routine consumer product testing, sales

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1 research, research in the social sciences or psychology,
2 nontechnological activities, or technical services.

3 c. "Semiconductor technology products" means raw
4 semiconductor wafers or semiconductor thin films that are
5 transformed into semiconductor memory or logic wafers,
6 including wafers containing mixed memory and logic circuits;
7 related assembly and test operations; active-matrix flat panel
8 displays; semiconductor chips; semiconductor lasers;
9 optoelectronic elements; and related semiconductor technology
10 products as determined by the Office of Tourism, Trade, and
11 Economic Development.

12 d. "Clean rooms" means manufacturing facilities
13 enclosed in a manner that meets the clean manufacturing
14 requirements necessary for high-technology
15 semiconductor-manufacturing environments.

16 e. "Defense technology products" means products that
17 have a military application, including, but not limited to,
18 weapons, weapons systems, guidance systems, surveillance
19 systems, communications or information systems, munitions,
20 aircraft, vessels, or boats, or components thereof, which are
21 intended for military use and manufactured in performance of a
22 contract with the United States Department of Defense or the
23 military branch of a recognized foreign government or a
24 subcontract thereunder which relates to matters of national
25 defense.

26 f. "Space technology products" means products that are
27 specifically designed or manufactured for application in space
28 activities, including, but not limited to, space launch
29 vehicles, missiles, satellites or research payloads, avionics,
30 and associated control systems and processing systems. The
31 term does not include products that are designed or

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1 manufactured for general commercial aviation or other uses
2 even though those products may also serve an incidental use in
3 space applications.

4 Section 19. Subsection (7) of section 288.108, Florida
5 Statutes, is amended to read:

6 288.108 High-impact business.--

7 (7) REPORTING.--The office shall by December 1 of each
8 year issue a complete and detailed report of all designated
9 high-impact sectors, all applications received and their
10 disposition, all final orders issued, and all payments made,
11 including analyses of benefits and costs, types of projects
12 supported, and employment and investments created. The report
13 shall be submitted to the Governor, the President of the
14 Senate, and the Speaker of the House of Representatives. ~~The~~
15 ~~report may be combined with the incentives report required in~~
16 ~~s. 288.095.~~

17 Section 20. Except as otherwise provided in this act,
18 this act shall take effect upon becoming a law.

19
20

21 ===== T I T L E A M E N D M E N T =====

22 And the title is amended as follows:

23 Delete everything before the enacting clause

24

25 and insert:

26 A bill to be entitled
27 An act relating to economic development;
28 amending s. 212.055, F.S.; providing for the
29 levy of the infrastructure sales surtax and the
30 school capital outlay surtax by a two-thirds
31 vote and requiring certain educational facility

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1 planning prior to the levy of the school
2 capital outlay surtax; providing for the uses
3 of the surtax proceeds; amending s. 288.0655,
4 F.S.; providing for additional uses of moneys
5 in the Rural Infrastructure Fund; amending s.
6 288.095, F.S.; revising terminology relating to
7 certain incentive payment schedules; revising
8 the due date and content for an annual report
9 on incentives and reassigning responsibility
10 for such report to Enterprise Florida, Inc.;
11 amending s. 288.1045, F.S.; revising
12 definitions; revising conditions and procedures
13 governing applications for tax refunds;
14 revising provisions relating to the order
15 authorizing a tax refund; revising the required
16 elements of a tax refund agreement; providing
17 an exemption from mandatory loss of tax refund
18 eligibility and decertification resulting from
19 agreement breach in cases of uncontrollable
20 economic factors; prescribing a deadline for
21 applying for tax refunds; authorizing the
22 office to grant extensions to certain
23 application and notification deadlines;
24 revising conditions under which a prorated tax
25 refund will be approved; providing for
26 calculation of such prorated refund; specifying
27 that the section does not create a presumption
28 a claim will be approved and paid; revising the
29 agencies with which the office may verify
30 information and to which the office may provide
31 information; expanding purposes for which the

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1 office may seek assistance from certain
2 entities; specifying that certain
3 appropriations may not be used for any purpose
4 other than the payment of specified tax
5 refunds; amending s. 288.106, F.S., relating to
6 the tax refund program for qualified target
7 industry businesses; revising requirements for
8 application for certification as such business
9 with respect to the number of current and new
10 jobs at the business and projections by the
11 Office of Tourism, Trade, and Economic
12 Development of refunds based thereon; revising
13 requirements relating to the tax refund
14 agreement with respect to job creation and the
15 time for filing of claims for refund; providing
16 for an exemption from mandatory loss of tax
17 refund eligibility and decertification
18 resulting from agreement breach in cases of
19 uncontrollable economic factors; revising
20 provisions relating to annual claims for
21 refund; authorizing an extension of time for
22 signing the tax refund agreement; providing an
23 application deadline; revising provisions
24 relating to the order authorizing a tax refund;
25 revising conditions under which a prorated tax
26 refund will be approved; providing for
27 calculation of such prorated tax refund;
28 specifying that the section does not create a
29 presumption that a claim will be approved and
30 paid; revising the agencies with which the
31 office may verify information and to which the

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1 office may provide information; expanding
2 purposes for which the office may seek
3 assistance from certain entities; specifying
4 that certain appropriations may not be used for
5 any purpose other than the payment of specified
6 tax refunds; amending s. 213.053, F.S.;
7 authorizing the Department of Revenue to
8 provide certain information concerning
9 specified tax-refund programs with the Office
10 of Tourism, Trade, and Economic Development and
11 specified agents; providing a short title;
12 amending s. 125.0104, F.S.; providing that the
13 additional tax authorized for bonds for a
14 professional sports franchise facility, a
15 retained spring training franchise facility, or
16 a convention center, and for operation and
17 maintenance costs of a convention center, and
18 the additional tax authorized for bonds for
19 facilities for a new professional sports
20 franchise or a retained spring training
21 franchise, may also be used to promote and
22 advertise tourism; providing for earlier effect
23 and retroactive application of s. 197.1722,
24 F.S., relating to a limited waiver of certain
25 mandatory charges and interest on certain real
26 property taxes; authorizing certain counties to
27 apply for amendment of enterprise zone boundary
28 lines; providing deadlines; prescribing
29 conditions applicable to the areas proposed for
30 addition to the enterprise zones; directing the
31 Office of Tourism, Trade, and Economic

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1 Development to approve such amendments under
2 certain conditions; providing for application
3 of this act; creating s. 290.00686, F.S.;
4 authorizing the Office of Tourism, Trade, and
5 Economic Development to designate an enterprise
6 zone in Brevard County; providing requirements
7 with respect thereto; authorizing the City of
8 Pensacola to apply to the Office of Tourism,
9 Trade, and Economic Development to designate an
10 enterprise zone in the City of Pensacola;
11 authorizing the office to designate one
12 enterprise zone in the City of Pensacola;
13 providing requirements with respect thereto;
14 authorizing Leon County, or Leon County and the
15 City of Tallahassee jointly, to apply to the
16 Office of Tourism, Trade, and Economic
17 Development to designate an enterprise zone in
18 Leon County; authorizing the office to
19 designate one enterprise zone notwithstanding
20 certain limitations; providing requirements
21 with respect thereto; creating s. 11.35, F.S.;
22 creating the Joint Legislative Committee on Tax
23 Exemptions; providing for its membership and
24 prescribing its duties; requiring it to
25 periodically review and make recommendations
26 concerning tax exemptions prescribed in ch.
27 212, F.S.; creating s. 212.25, F.S.; providing
28 for the periodic expiration and review of tax
29 exemptions under ch. 212, F.S.; providing that
30 sales of goods or services that are neither
31 expressly taxable nor expressly exempt from

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1 taxation by a specified date become taxable;
2 exempting specified transactions from taxation
3 and from the the expiration and review
4 requirements of the act; amending ss. 212.08
5 and 288.108, F.S.; removing references, to
6 conform; providing effective dates.

7
8 WHEREAS, the Legislature has identified a crisis in the
9 economy which compels the Legislature to take a broad and
10 comprehensive approach to economic development, addressing its
11 many facets, including both economic stimulus and the state's
12 tax policy, and

13 WHEREAS, the Legislature recognizes the obvious natural
14 and logical connection between economic development and the
15 distribution of the tax burden among the diverse segments of
16 the economy, and

17 WHEREAS, the Legislature seeks by this legislation to
18 accomplish goals that are not separate or disassociated
19 objects of legislative effort, but that are integrated and
20 dependent elements of a comprehensive approach to a rational
21 economic policy that will fairly and equitably promote
22 economic development throughout the diverse segments of the
23 economy, and

24 WHEREAS, the Legislature, as part of this comprehensive
25 approach to a rational economic policy, seeks to create a
26 process by which the Legislature will periodically review, on
27 an orderly schedule, the array of tax exemptions and identify
28 those that serve as a widespread stimulus to the economy and
29 those that hamper economic development by unfairly
30 distributing the tax burden or giving an undue competitive
31 advantage to a business over others similarly situated, NOW,

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1 THEREFORE,
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