

By Senator Saunders

37-1003-03

See HB 809

1 A bill to be entitled
2 An act relating to economic stimulus; amending
3 s. 212.052, F.S.; exempting machinery and
4 equipment used predominantly for research and
5 development; amending s. 212.08, F.S.; revising
6 sales price criteria for characterizing
7 business property; amending s. 212.097, F.S.;
8 revising provisions providing for an urban job
9 tax credit program to apply to designated urban
10 job tax credit areas rather than high crime
11 areas; revising definitions, eligibility
12 criteria, application procedures and
13 requirements, and area characteristics and
14 criteria; authorizing transfer of unused
15 credits; specifying use of transferred credits;
16 amending s. 220.191, F.S.; revising
17 definitions; amending s. 288.9515, F.S.;
18 revising and clarifying powers of Enterprise
19 Florida, Inc., to develop authorized technology
20 development programs; deleting a preference
21 requirement for contractor selections;
22 clarifying a requirement for capitalization of
23 a technology development financing fund;
24 revising criteria and requirements for
25 investment of moneys in the Florida Technology
26 Research Investment Fund; providing for payment
27 of claims against the program from the fund;
28 specifying nonapplication of state credit or
29 taxing power; specifying absence of state
30 liability for certain claims; repealing s.
31 288.9517, F.S., relating to audits of the

1 technology development board and
2 confidentiality of the identity of certain
3 contributors to the board; providing an
4 effective date.

5
6 Be It Enacted by the Legislature of the State of Florida:

7
8 Section 1. Subsection (2) of section 212.052, Florida
9 Statutes, is amended, subsections (3), (4) and (5) of that
10 section are renumbered as subsections (4), (5), and (6),
11 respectively, and a new subsection (3) is added to that
12 section, to read:

13 212.052 Research or development costs; exemption.--

14 (2) Notwithstanding any provision of this chapter to
15 the contrary, any person, including an affiliated group as
16 defined in s. 1504 of the Internal Revenue Code of 1954, as
17 amended, who manufactures, produces, compounds, processes, or
18 fabricates in any manner tangible personal property for such
19 taxpayer's own use directly and solely in research or
20 development shall not be subject to the tax imposed by this
21 chapter upon the cost of the product so manufactured,
22 produced, compounded, processed, or fabricated. ~~However, the~~
23 ~~tax imposed by this chapter shall be due on the purchase,~~
24 ~~rental, or repair of real property or tangible personal~~
25 ~~property employed in research or development which is subject~~
26 ~~to the tax imposed by this chapter at the time of purchase or~~
27 ~~rental.~~

28 (3)(a) Machinery and equipment are exempt from the tax
29 imposed by this chapter if used predominantly for research and
30 development activities. For purposes of this subsection,
31 "machinery and equipment" includes molds, dies, machine

1 tooling, other appurtenances or accessories to machinery and
2 equipment, testing equipment, test beds, computers, and
3 software, whether purchased or self-fabricated, and, if
4 self-fabricated, includes materials and labor for design,
5 fabrication, and assembly.

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

18 Section 2. Paragraph (h) of subsection (5) of section
19 212.08, Florida Statutes, is amended to read:

20 212.08 Sales, rental, use, consumption, distribution,
21 and storage tax; specified exemptions.--The sale at retail,
22 the rental, the use, the consumption, the distribution, and
23 the storage to be used or consumed in this state of the
24 following are hereby specifically exempt from the tax imposed
25 by this chapter.

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

27 (h) Business property used in an enterprise zone.--

28 1. Business property purchased for use by businesses
29 located in an enterprise zone which is subsequently used in an
30 enterprise zone shall be exempt from the tax imposed by this
31 chapter. This exemption inures to the business only through a

1 refund of previously paid taxes. A refund shall be authorized
2 upon an affirmative showing by the taxpayer to the
3 satisfaction of the department that the requirements of this
4 paragraph have been met.

5 2. To receive a refund, the business must file under
6 oath with the governing body or enterprise zone development
7 agency having jurisdiction over the enterprise zone where the
8 business is located, as applicable, an application which
9 includes:

10 a. The name and address of the business claiming the
11 refund.

12 b. The identifying number assigned pursuant to s.
13 290.0065 to the enterprise zone in which the business is
14 located.

15 c. A specific description of the property for which a
16 refund is sought, including its serial number or other
17 permanent identification number.

18 d. The location of the property.

19 e. The sales invoice or other proof of purchase of the
20 property, showing the amount of sales tax paid, the date of
21 purchase, and the name and address of the sales tax dealer
22 from whom the property was purchased.

23 f. Whether the business is a small business as defined
24 by s. 288.703(1).

25 g. If applicable, the name and address of each
26 permanent employee of the business, including, for each
27 employee who is a resident of an enterprise zone, the
28 identifying number assigned pursuant to s. 290.0065 to the
29 enterprise zone in which the employee resides.

30 3. Within 10 working days after receipt of an
31 application, the governing body or enterprise zone development

1 agency shall review the application to determine if it
2 contains all the information required pursuant to subparagraph
3 2. and meets the criteria set out in this paragraph. The
4 governing body or agency shall certify all applications that
5 contain the information required pursuant to subparagraph 2.
6 and meet the criteria set out in this paragraph as eligible to
7 receive a refund. If applicable, the governing body or agency
8 shall also certify if 20 percent of the employees of the
9 business are residents of an enterprise zone, excluding
10 temporary and part-time employees. The certification shall be
11 in writing, and a copy of the certification shall be
12 transmitted to the executive director of the Department of
13 Revenue. The business shall be responsible for forwarding a
14 certified application to the department within the time
15 specified in subparagraph 4.

16 4. An application for a refund pursuant to this
17 paragraph must be submitted to the department within 6 months
18 after the tax is due on the business property that is
19 purchased.

20 5. The provisions of s. 212.095 do not apply to any
21 refund application made pursuant to this paragraph. The amount
22 refunded on purchases of business property under this
23 paragraph shall be the lesser of 97 percent of the sales tax
24 paid on such business property or \$5,000, or, if no less than
25 20 percent of the employees of the business are residents of
26 an enterprise zone, excluding temporary and part-time
27 employees, the amount refunded on purchases of business
28 property under this paragraph shall be the lesser of 97
29 percent of the sales tax paid on such business property or
30 \$10,000. A refund approved pursuant to this paragraph shall be
31 made within 30 days of formal approval by the department of

1 the application for the refund. No refund shall be granted
2 under this paragraph unless the amount to be refunded exceeds
3 \$100 in sales tax paid on purchases made within a 60-day time
4 period.

5 6. The department shall adopt rules governing the
6 manner and form of refund applications and may establish
7 guidelines as to the requisites for an affirmative showing of
8 qualification for exemption under this paragraph.

9 7. If the department determines that the business
10 property is used outside an enterprise zone within 3 years
11 from the date of purchase, the amount of taxes refunded to the
12 business purchasing such business property shall immediately
13 be due and payable to the department by the business, together
14 with the appropriate interest and penalty, computed from the
15 date of purchase, in the manner provided by this chapter.
16 Notwithstanding this subparagraph, business property used
17 exclusively in:

- 18 a. Licensed commercial fishing vessels,
- 19 b. Fishing guide boats, or
- 20 c. Ecotourism guide boats

21
22 that leave and return to a fixed location within an area
23 designated under s. 370.28 are eligible for the exemption
24 provided under this paragraph if all requirements of this
25 paragraph are met. Such vessels and boats must be owned by a
26 business that is eligible to receive the exemption provided
27 under this paragraph. This exemption does not apply to the
28 purchase of a vessel or boat.

29 8. The department shall deduct an amount equal to 10
30 percent of each refund granted under the provisions of this
31 paragraph from the amount transferred into the Local

1 Government Half-cent Sales Tax Clearing Trust Fund pursuant to
2 s. 212.20 for the county area in which the business property
3 is located and shall transfer that amount to the General
4 Revenue Fund.

5 9. For the purposes of this exemption, "business
6 property" means new or used property defined as "recovery
7 property" in s. 168(c) of the Internal Revenue Code of 1954,
8 as amended, except:

9 a. Property classified as 3-year property under s.
10 168(c)(2)(A) of the Internal Revenue Code of 1954, as amended;

11 b. Industrial machinery and equipment as defined in
12 sub-subparagraph (b)6.a. and eligible for exemption under
13 paragraph (b);

14 c. Building materials as defined in sub-subparagraph
15 (g)8.a.; and

16 d. Business property having a sales price of under
17 ~~\$500~~~~\$5,000~~ per unit.

18 10. The provisions of this paragraph shall expire and
19 be void on December 31, 2005.

20 Section 3. Section 212.097, Florida Statutes, is
21 amended to read:

22 212.097 Designated Urban ~~High-Crime Area~~ Job Tax
23 Credit Area Program.--

24 (1) As used in this section, the term:

25 (a) "Eligible business" means any sole proprietorship,
26 firm, partnership, or corporation that is located in a
27 designated urban job tax credit area ~~qualified county~~ and is
28 predominantly engaged in, or is headquarters for a business
29 predominantly engaged in, activities usually provided for
30 consideration by firms classified within the following
31 standard industrial classifications: SIC 01-SIC 09

1 (agriculture, forestry, and fishing); SIC 20-SIC 39
2 (manufacturing); SIC 52-SIC 57 and SIC 59 (retail); SIC 422
3 (public warehousing and storage); SIC 70 (hotels and other
4 lodging places); SIC 7391 (research and development); SIC 781
5 (motion picture production and allied services); SIC 7992
6 (public golf courses); ~~and~~ SIC 7996 (amusement parks); and a
7 targeted industry eligible for the qualified target industry
8 business tax refund under s. 288.106. A call center or similar
9 customer service operation that services a multistate market
10 or international market is also an eligible business. In
11 addition, the Office of Tourism, Trade, and Economic
12 Development may, as part of its final budget request submitted
13 pursuant to s. 216.023, recommend additions to or deletions
14 from the list of standard industrial classifications used to
15 determine an eligible business, and the Legislature may
16 implement such recommendations. Excluded from eligible
17 receipts are receipts from retail sales, except such receipts
18 for SIC 52-SIC 57 and SIC 59 (retail) hotels and other lodging
19 places classified in SIC 70, public golf courses in SIC 7992,
20 and amusement parks in SIC 7996. For purposes of this
21 paragraph, the term "predominantly" means that more than 50
22 percent of the business's gross receipts from all sources is
23 generated by those activities usually provided for
24 consideration by firms in the specified standard industrial
25 classification. The determination of whether the business is
26 located in a designated urban job tax credit ~~qualified~~
27 ~~high-crime area and the tier ranking of that area~~ must be
28 based on the date of application for the credit under this
29 section. Commonly owned and controlled entities are to be
30 considered a single business entity.
31

1 (b) "Qualified employee" means any employee of an
2 eligible business who performs duties in connection with the
3 operations of the business on a regular, full-time basis for
4 an average of at least 36 hours per week for at least 3 months
5 within the designated urban job tax credit ~~qualified~~
6 ~~high-crime~~ area in which the eligible business is located. An
7 owner or partner of the eligible business is not a qualified
8 employee. The term also includes an employee leased from an
9 employee leasing company licensed under chapter 468, if such
10 employee has been continuously leased to the employer for an
11 average of at least 36 hours per week for more than 6 months.

12 (c) "New business" means any eligible business first
13 beginning operation on a site in a designated urban job tax
14 credit ~~qualified high-crime~~ area and clearly separate from any
15 other commercial or business operation of the business entity
16 within a designated urban job tax credit ~~qualified high-crime~~
17 area. A business entity that operated an eligible business
18 within a designated urban job tax credit ~~qualified high-crime~~
19 area within the 48 months before the period provided for
20 application by subsection (2) is not considered a new
21 business.

22 (d) "Existing business" means any eligible business
23 that does not meet the criteria for a new business.

24 (e) "Designated urban job tax credit ~~Qualified~~
25 ~~high-crime~~ area" means an area selected by the Office of
26 Tourism, Trade, and Economic Development in the following
27 manner: every third year, the office shall rank ~~and tier~~ those
28 areas nominated under subsection (7), according to the highest
29 level of distress experienced in the categories enumerated
30 under subsection (7). The Office of Tourism, Trade, and
31 Economic Development shall designate the 30

1 highest-distress-profile urban areas as eligible participants
2 under the urban job tax credit program following prioritized
3 criteria:

4 1. ~~Highest arrest rates within the geographic area for~~
5 ~~violent crime and for such other crimes as drug sale, drug~~
6 ~~possession, prostitution, vandalism, and civil disturbances;~~

7 2. ~~Highest reported crime volume and rate of specific~~
8 ~~property crimes such as business and residential burglary,~~
9 ~~motor vehicle theft, and vandalism;~~

10 3. ~~Highest percentage of reported index crimes that~~
11 ~~are violent in nature;~~

12 4. ~~Highest overall index crime volume for the area;~~
13 ~~and~~

14 5. ~~Highest overall index crime rate for the geographic~~
15 ~~area.~~

16
17 ~~Tier-one areas are ranked 1 through 5 and represent the~~
18 ~~highest crime areas according to this ranking. Tier-two areas~~
19 ~~are ranked 6 through 10 according to this ranking. Tier-three~~
20 ~~areas are ranked 11 through 15. Notwithstanding this~~
21 ~~definition, "designated urban job tax credit qualified~~
22 ~~high-crime area" also means an area that has been designated~~
23 ~~as a federal Empowerment Zone pursuant to the Taxpayer Relief~~
24 ~~Act of 1997. Such a designated area is ranked in tier three~~
25 ~~until the areas are reevaluated by the Office of Tourism,~~
26 ~~Trade, and Economic Development.~~

27 (2) A new eligible business may apply for a tax credit
28 under this subsection once at any time during its first year
29 of operation. A new eligible business in a designated urban
30 job tax credit tier-one qualified high-crime area which has at
31 least 10 qualified employees on the date of application shall

1 ~~receive a \$1,500 tax credit for each such employee. A new~~
2 ~~eligible business in a tier-two qualified high-crime area~~
3 ~~which has at least 20 qualified employees on the date of~~
4 ~~application shall receive a \$1,000 tax credit for each such~~
5 ~~employee. A new eligible business in a tier-three qualified~~
6 ~~high-crime area which has at least 30 qualified employees on~~
7 ~~the date of application shall receive a \$500 tax credit for~~
8 ~~each such employee.~~

9 (3) An existing eligible business may apply for a tax
10 credit under this subsection at any time it is entitled to
11 such credit, except as restricted by this subsection. An
12 existing eligible business in a designated urban job tax
13 credit tier-one ~~qualified high-crime~~ area which on the date of
14 application has at least 10 ~~5~~ more qualified employees than it
15 had 1 year prior to its date of application shall receive a
16 ~~\$1,500 tax credit for each such additional employee. An~~
17 ~~existing eligible business in a tier-two qualified high-crime~~
18 ~~area which on the date of application has at least 10 more~~
19 ~~qualified employees than it had 1 year prior to its date of~~
20 ~~application shall receive a \$1,000 credit for each such~~
21 ~~additional employee. An existing business in a tier-three~~
22 ~~qualified high-crime area which on the date of application has~~
23 ~~at least 15 more qualified employees than it had 1 year prior~~
24 ~~to its date of application shall receive a \$500 tax credit for~~
25 ~~each such additional employee.~~ An existing eligible business
26 may apply for the credit under this subsection no more than
27 once in any 12-month period. Any existing eligible business
28 that received a credit under subsection (2) may not apply for
29 the credit under this subsection sooner than 12 months after
30 the application date for the credit under subsection (2).

31

1 (4) For any new eligible business receiving a credit
2 pursuant to subsection (2), an additional \$500 credit shall be
3 provided for any qualified employee who is a welfare
4 transition program participant. For any existing eligible
5 business receiving a credit pursuant to subsection (3), an
6 additional \$500 credit shall be provided for any qualified
7 employee who is a welfare transition program participant. Such
8 employee must be employed on the application date and have
9 been employed less than 1 year. This credit shall be in
10 addition to other credits pursuant to this section ~~regardless~~
11 ~~of the tier level of the high-crime area~~. Appropriate
12 documentation concerning the eligibility of an employee for
13 this credit must be submitted as determined by the department.

14 (5) To be eligible for a tax credit under subsection
15 (3), the number of qualified employees employed 1 year prior
16 to the application date must be no lower than the number of
17 qualified employees on the application date on which a credit
18 under this section was based for any previous application,
19 including an application under subsection (2).

20 (6) Any county or municipality, or a county and one or
21 more municipalities together, may apply to the Office of
22 Tourism, Trade, and Economic Development for the designation
23 of an area as a designated urban job tax credit ~~high-crime~~
24 area after the adoption by the governing body or bodies of a
25 resolution that:

26 (a) Finds that an urban ~~a high-crime~~ area exists in
27 such county or municipality, or in both the county and one or
28 more municipalities, which chronically exhibits extreme and
29 unacceptable levels of poverty, unemployment, physical
30 deterioration, and economic disinvestment;

31

1 (b) Determines that the rehabilitation, conservation,
2 or redevelopment, or a combination thereof, of such an urban a
3 ~~high-crime~~ area is necessary in the interest of the health,
4 safety, and welfare of the residents of such county or
5 municipality, or such county and one or more municipalities;
6 and

7 (c) Determines that the revitalization of such an
8 urban a high-crime area can occur if the public sector or
9 private sector can be induced to invest its own resources in
10 productive enterprises that build or rebuild the economic
11 viability of the area.

12 (7) The governing body of the entity nominating the
13 area shall demonstrate provide to the Office of Tourism,
14 Trade, and Economic Development that the area meets the
15 following:

16 (a) Income characteristics:

17 1. Forty percent of area residents earn at or below
18 minimum wage; or

19 2. More than 20 percent of residents or families live
20 below the federal standard of poverty for individuals or a
21 family of four.~~The overall index crime rate for the~~
22 ~~geographic area;~~

23 (b) Education characteristics:

24 1. Has a high school dropout rate higher than the
25 county average; or

26 2. Has a high school graduation rate lower than the
27 state average.~~The overall index crime volume for the area;~~

28 (c) Workforce and employment characteristics:

29 1. Has an unemployment rate at least 3 percentage
30 points higher than the state's unemployment rate;

31

1 2. More than 50 percent of families subject to the
2 welfare-to-work transition time limit are either within 6
3 months of the time limit or are receiving cash assistance
4 under a period of hardship extension to the time limit; or

5 3. Is identified as a labor surplus area using the
6 criteria established by the United States Department of
7 Labor's Employment and Training Administration.~~The percentage~~
8 ~~of reported index crimes that are violent in nature;~~

9 (d) Crime characteristics:

10 1. Has an arrest rate higher than the state's average
11 rate for such crimes as drug sale, drug possession,
12 prostitution, vandalism, and civil disturbances, as recorded
13 by total crime index of the Department of Law Enforcement; or

14 2. Ranks in the top 30 percent of zip codes with
15 reported crimes that are violent in nature.~~The reported crime~~
16 ~~volume and rate of specific property crimes such as business~~
17 ~~and residential burglary, motor vehicle theft, and vandalism;~~
18 ~~and~~

19 (e) Residential and commercial property related
20 characteristics:

21 1. Fifty percent or more of area residents rent;

22 2.a. Property values are within the lower 50 percent
23 of the county's assessed property values;

24 b. More than 5 percent of area homes, apartments, or
25 buildings are abandoned, have been condemned within the
26 previous 24 months, or have a greater number of violations of
27 the Florida Building Code than recorded in the remainder of
28 the county or municipality; or

29 c. Tax or special assessment delinquencies exceed the
30 fair value of the land.~~The arrest rates within the geographic~~
31 ~~area for violent crime and for such other crimes as drug sale,~~

1 ~~drug possession, prostitution, disorderly conduct, vandalism,~~
2 ~~and other public order offenses.~~

3 (8) A municipality, or a county and one or more
4 municipalities together, may not nominate more than one urban
5 ~~high-crime~~ area. However, any county as defined by s.
6 125.011(1) may nominate no more than three urban ~~high-crime~~
7 areas.

8 (9)(a) An area nominated by a county or municipality,
9 or a county and one or more municipalities together, for
10 designation as an urban job tax credit ~~a high-crime~~ area shall
11 be eligible only if it meets the following criteria:

12 1.(a) ~~The selected area does not exceed 20 square~~
13 ~~miles and either~~ has a continuous boundary or consists of not
14 more than three noncontiguous parcels.~~†~~

15 2.(b) The selected area does not exceed the following
16 mileage limitation:

17 a.1. For areas ~~communities~~ having a total population
18 of 150,000 persons or more, the selected area does not exceed
19 20 square miles and is within 10 miles of the central business
20 district of a city.

21 b.2. For areas ~~communities~~ having a total population
22 of 50,000 persons or more, but fewer than 150,000 persons, the
23 selected area does not exceed 10 square miles and is within
24 7.5 miles of the central business district of a city.

25 c.3. For areas ~~communities~~ having a total population
26 of 20,000 persons or more, but fewer than 50,000 persons, the
27 selected area does not exceed 5 square miles and is within 5
28 miles of the central business district of a city.

29 d.4. For areas ~~communities~~ having a total population
30 of fewer than 20,000 persons, the selected area does not
31

1 exceed 3 square miles and is within 3 miles of the central
2 business district of a city.

3 (b) A designated urban core or inner city may not
4 include any portion of a central business district, as that
5 term is used for purposes of the most recent Census of Retail
6 Trade, unless the poverty rate for each census geographic
7 block group in the district is not less than 30 percent.

8 (10)(a) In order to claim this credit, an eligible
9 business must file under oath with the Office of Tourism,
10 Trade, and Economic Development a statement that includes the
11 name and address of the eligible business and any other
12 information that is required to process the application.

13 (b) Within 30 working days after receipt of an
14 application for credit, the Office of Tourism, Trade, and
15 Economic Development shall review the application to determine
16 whether it contains all the information required by this
17 subsection and meets the criteria set out in this section.
18 Subject to the provisions of paragraph (c), the Office of
19 Tourism, Trade, and Economic Development shall approve all
20 applications that contain the information required by this
21 subsection and meet the criteria set out in this section as
22 eligible to receive a credit.

23 (c) The maximum credit amount that may be approved
24 during any calendar year is \$5 million, ~~of which \$1 million~~
25 ~~shall be exclusively reserved for tier-one areas.~~ The
26 Department of Revenue, in conjunction with the Office of
27 Tourism, Trade, and Economic Development, shall notify the
28 governing bodies in areas designated under this section ~~as~~
29 ~~urban high-crime areas~~ when the \$5 million maximum amount has
30 been reached. Applications must be considered for approval in
31 the order in which they are received without regard to whether

1 the credit is for a new or existing business. This limitation
2 applies to the value of the credit as contained in approved
3 applications. Approved credits may be taken in the time and
4 manner allowed pursuant to this section.

5 (11) If the application is insufficient to support the
6 credit authorized in this section, the Office of Tourism,
7 Trade, and Economic Development shall deny the credit and
8 notify the business of that fact. The business may reapply for
9 this credit within 3 months after such notification.

10 (12) If the credit under this section is greater than
11 can be taken on a single tax return, excess amounts may be
12 taken as credits on any tax return submitted within 12 months
13 after the approval of the application by the department.

14 (13) It is the responsibility of each business to
15 affirmatively demonstrate to the satisfaction of the
16 Department of Revenue that it meets the requirements of this
17 section.

18 (14) Any person who fraudulently claims this credit is
19 liable for repayment of the credit plus a mandatory penalty of
20 100 percent of the credit and is guilty of a misdemeanor of
21 the second degree, punishable as provided in s. 775.082 or s.
22 775.083.

23 (15) A corporation may take the credit under this
24 section against its corporate income tax liability, as
25 provided in s. 220.1895. However, a corporation that applies
26 its job tax credit against the tax imposed by chapter 220 may
27 not receive the credit provided for in this section. A credit
28 may be taken against only one tax.

29 (16) A corporation may transfer any unused credit in
30 whole or in units of no less than 25 percent of the remaining
31 credit. The entity acquiring such credit may use it in the

1 same manner and with the same limitation as described in this
2 section. Such transferred credits may not be transferred again
3 although they may succeed to a surviving or acquiring entity
4 subject to the same conditions and limitations described in
5 this section.

6 (17)~~(16)~~ The department shall adopt rules governing
7 the manner and form of applications for credit or transfers of
8 credit and may establish guidelines concerning the requisites
9 for an affirmative showing of qualification for the credit
10 under this section.

11 Section 4. Paragraphs (e) and (h) of subsection (1) of
12 section 220.191, Florida Statutes, are amended to read:

13 220.191 Capital investment tax credit.--

14 (1) DEFINITIONS.--For purposes of this section:

15 (e) "Jobs" means full-time equivalent positions, as
16 such term is consistent with terms used by the Agency for
17 Workforce Innovation ~~Department of Labor and Employment~~
18 ~~Security~~ and the United States Department of Labor for
19 purposes of unemployment tax administration and employment
20 estimation, resulting directly from a project in this state.
21 Such term does not include temporary construction jobs
22 involved in the construction of the project facility.

23 (h) "Qualifying project" means a new or expanding
24 facility in this state which creates at least 100 new jobs in
25 this state and is otherwise eligible for certification by the
26 office as a qualified target industry business pursuant to s.
27 288.106 ~~in one of the high-impact sectors identified by~~
28 ~~Enterprise Florida, Inc., and certified by the office pursuant~~
29 ~~to s. 288.108(6), including, but not limited to, aviation,~~
30 ~~aerospace, automotive, and silicon technology industries.~~

1 Section 5. Section 288.9515, Florida Statutes, is
2 amended to read:

3 288.9515 Authorized technology development programs.--

4 (1) Enterprise Florida, Inc., may create technology
5 development and applications services, and may serve as an
6 umbrella organization for the coordination of information that
7 provides technology applications service providers throughout
8 the state which provide critical, managerial, technological,
9 scientific, and related financial and business expertise
10 essential for international and domestic competitiveness to
11 small-sized and medium-sized manufacturing and knowledge-based
12 service firms. Enterprise Florida, Inc., is authorized the
13 following powers in order to carry out these functions:

14 (a) Providing communication and coordination services
15 among technology development and applications service
16 providers throughout the state.

17 ~~(b) Providing coordinated marketing services to~~
18 ~~small-sized and medium-sized manufacturers in the state on~~
19 ~~behalf of, and in partnership with, technology applications~~
20 ~~service providers.~~

21 ~~(b)(c)~~ Securing additional sources of funds on behalf
22 of, and in partnership with, technology-based businesses
23 technology applications service providers.

24 ~~(c)(d)~~ Developing plans and policies to assist
25 small-sized and medium-sized manufacturing companies or other
26 knowledge-based firms in Florida.

27 ~~(e) Entering into contracts with technology~~
28 ~~applications service providers for expanded availability of~~
29 ~~high-quality assistance to small-sized and medium-sized~~
30 ~~manufacturing companies or knowledge-based service firms,~~
31 ~~including, but not limited to, technological, human resources~~

1 ~~development, market planning, finance, and interfirm~~
2 ~~collaboration. Enterprise Florida, Inc., shall ensure that all~~
3 ~~contracts in excess of \$20,000 for the delivery of such~~
4 ~~assistance to Florida firms shall be based on competitive~~
5 ~~requests for proposals and shall establish clear standards for~~
6 ~~the delivery of services under such contracts. Such standards~~
7 ~~include, but are not limited to:~~

8 ~~1. The ability and capacity to deliver services in~~
9 ~~sufficient quality and quantity.~~

10 ~~2. The ability and capacity to deliver services in a~~
11 ~~timely manner.~~

12 ~~3. The ability and capacity to meet the needs of firms~~
13 ~~in the proposed market area.~~

14 ~~(d)(f)~~ Assisting other educational institutions,
15 enterprises, or the entities providing business assistance to
16 small-sized and medium-sized manufacturing and knowledge-based
17 services enterprises.

18 ~~(g)~~ ~~Establishing a system to evaluate the~~
19 ~~effectiveness and efficiency of technology applications~~
20 ~~services provided to small-sized and medium-sized enterprises.~~

21 ~~(e)(h)~~ Establishing special education and
22 informational programs for Florida enterprises and for
23 educational institutions and enterprises providing business
24 assistance to Florida enterprises.

25 ~~(f)(i)~~ Assisting in evaluating and documenting the
26 needs of firms in this state for technology development and
27 application services, and developing means to ensure that
28 these needs are met, consistent with the powers provided for
29 in this subsection.

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1 (g)~~(j)~~ Maintaining an office in such place or places
2 as the board of directors of Enterprise Florida, Inc.,
3 approves.

4 (h)~~(k)~~ Making and executing contracts with any person,
5 enterprise, educational institution, association, or any other
6 entity necessary or convenient for the performance of its
7 duties and the exercise of the powers and functions of
8 Enterprise Florida, Inc., under this subsection.

9 (i)~~(l)~~ Receiving funds from any source to carry out
10 the purposes of providing technology development and
11 applications services, including, but not limited to, gifts or
12 grants from any department, agency, or instrumentality of the
13 United States or of the state, or any enterprise or person,
14 for any purpose consistent with the provisions of this
15 subsection.

16 (2) ~~When choosing contractors under this section,~~
17 ~~preference shall be given to existing institutions,~~
18 ~~organizations, and enterprises so long as these existing~~
19 ~~institutions, organizations, and enterprises demonstrate the~~
20 ~~ability to perform at standards established by Enterprise~~
21 ~~Florida, Inc., under paragraph (1)(e).~~ Neither the provisions
22 of ss. 288.9511-288.9517 nor the actions taken by Enterprise
23 Florida, Inc., under this section shall impair or hinder the
24 operations, performance, or resources of any existing
25 institution, organization, or enterprise.

26 (3) Enterprise Florida, Inc., may create a technology
27 development financing fund, to be called the Florida
28 Technology Research Investment Fund. The fund shall increase
29 technology development in this state by investing in
30 technology development projects that have the potential to
31 generate investment-grade technologies of importance to the

1 state's economy as evidenced by the willingness of private
2 businesses to coinvest in such projects. Enterprise Florida,
3 Inc., may also demonstrate and develop effective approaches
4 to, and benefits of, commercially oriented research
5 collaborations between businesses, universities, and state and
6 federal agencies and organizations. Enterprise Florida, Inc.,
7 shall endeavor to maintain the fund as a self-supporting fund
8 once the fund is sufficiently capitalized pursuant to
9 Enterprise Florida, Inc., program guidelines ~~as reflected in~~
10 ~~the minimum funding report required in s. 288.9516.~~ The
11 technology research investment projects may include, but are
12 not limited to:

13 (a) Technology development projects expected to lead
14 to a specific investment-grade technology that is of
15 importance to industry in this state.

16 (b) Technology development centers and facilities
17 expected to generate a stream of products and processes with
18 commercial application of importance to industry in this
19 state.

20 (c) Technology development projects that have, or are
21 currently using, other federal or state funds such as federal
22 Small Business Innovation Research awards.

23 (4) Enterprise Florida, Inc., shall invest moneys
24 contained in the Florida Technology Research Investment Fund
25 in technology application research or for technology
26 development projects that have the potential for commercial
27 market application. ~~The partnership shall coordinate any~~
28 ~~investment in any space-related technology projects with the~~
29 ~~Florida Space Authority and the Technological Research and~~
30 ~~Development Authority.~~

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1 (a) The investment of moneys contained in the Florida
2 Technology Research Investment Fund is limited to qualified
3 ~~investments in qualified securities~~ in which a private
4 enterprise in this state coinvests at least 40 percent of the
5 total project costs, in conjunction with other cash or noncash
6 investments from state educational institutions, state and
7 federal agencies, or other institutions.

8 (b) All moneys in the small business technology growth
9 account, established as provided in s. 288.95155 for purposes
10 of the Florida Small Business Technology Growth Program, shall
11 be continuously appropriated to the account and may be used
12 for loan guarantees, letter of credit guarantees, cash
13 reserves for loan and letter of credit guarantees, payments of
14 claims pursuant to contracts for guarantees, subordinated
15 loans, loans with warrants, royalty investments, equity
16 investments, For the purposes of this fund, qualified
17 ~~securities include loans, loans convertible to equity, equity,~~
18 ~~loans with warrants attached that are beneficially owned by~~
19 ~~the board, royalty agreements, or any other contractual~~
20 ~~arrangements through which the Florida Technology Research~~
21 ~~Investment Fund receives an interest, rights, return of funds,~~
22 ~~or other consideration, and operations of the Florida Small~~
23 ~~Business Technology Growth Program. All such uses of funds are~~
24 ~~qualified investments in which the board is providing~~
25 ~~scientific and technological services to any federal, state,~~
26 ~~county, or municipal agency, or to any individual,~~
27 ~~corporation, enterprise, association, or any other entity~~
28 ~~involving technology development. Any claim against the~~
29 ~~program shall be paid solely from the fund. Neither the credit~~
30 ~~nor the taxing power of the state shall be pledged to secure~~
31 ~~the fund or moneys in the fund other than from moneys~~

1 appropriated or assigned to the fund, and the state shall not
2 be liable or obligated in any way for any claims against the
3 fund or against Enterprise Florida, Inc.

4 (c) Not more than \$175,000 or 5 percent of the
5 revenues generated by investment of moneys contained in the
6 Florida Technology Research Investment Fund plus 5 percent of
7 the revenues generated by investments under The Florida Small
8 Business Technology Growth Program, whichever is greater, may
9 be used on an annual basis to pay operating expenses
10 associated with operation of the Florida Technology Research
11 Investment Fund and the Florida Small Business Technology
12 Growth Program.

13 (d) In the event of liquidation or dissolution of
14 Enterprise Florida, Inc., or the Florida Technology Research
15 Investment Fund, any rights or interests in a qualified
16 security or portion of a qualified security purchased with
17 moneys invested by the State of Florida shall vest in the
18 state, under the control of the State Board of Administration.
19 The state is entitled to, in proportion to the amount of
20 investment in the fund by the state, any balance of funds
21 remaining in the Florida Technology Research Investment Fund
22 after payment of all debts and obligations upon liquidation or
23 dissolution of Enterprise Florida, Inc., or the fund.

24 (e) The investment of funds contained in the Florida
25 Technology Research Investment Fund does not constitute a
26 debt, liability, or obligation of the State of Florida or of
27 any political subdivision thereof, or a pledge of the faith
28 and credit of the state or of any such political subdivision.

29 (5) Enterprise Florida, Inc., may create technology
30 commercialization programs in partnership with private
31 enterprises, educational institutions, and other institutions

1 to increase the rate at which technologies with potential
2 commercial application are moved from university, public, and
3 industry laboratories into the marketplace. Such programs
4 shall be created based upon research to be conducted by
5 Enterprise Florida, Inc.

6 Section 6. Section 288.9517, Florida Statutes, is
7 repealed.

8 Section 7. This act shall take effect upon becoming a
9 law.

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