

By the Committee on Commerce, Economic Opportunities, and Consumer Services; and Senators Saunders, Miller and Siplin

310-2151-03

1                                   A bill to be entitled  
2           An act relating to economic stimulus; amending  
3           s. 212.08, F.S.; revising sales price criteria  
4           for characterizing business property; amending  
5           s. 212.097, F.S.; revising provisions providing  
6           for an urban job tax credit program to apply to  
7           designated urban job tax credit areas rather  
8           than high crime areas; revising and providing  
9           definitions, eligibility criteria, application  
10          procedures and requirements, and area  
11          characteristics and criteria; authorizing  
12          transfer of unused credits; specifying use of  
13          transferred credits; amending s. 220.1895,  
14          F.S.; conforming changes; removing a historical  
15          reference; amending s. 220.191, F.S.; revising  
16          definitions; amending s. 288.1045, F.S.;  
17          revising the definition of "Department of  
18          Defense contract" under the tax refund program  
19          for qualified defense contractors; extending  
20          the period applicable to a program exemption  
21          under certain conditions; amending s. 288.106,  
22          F.S.; providing for special consideration to be  
23          given to defense and homeland security under  
24          the tax refund program for qualified target  
25          industry businesses; extending the period  
26          applicable to a program exemption under certain  
27          conditions; reenacting and amending s.  
28          288.9515, F.S.; revising and clarifying powers  
29          of Enterprise Florida, Inc., to develop  
30          authorized technology development programs;  
31          deleting a preference requirement for

1 contractor selections; clarifying a requirement  
2 for capitalization of a technology development  
3 financing fund; revising criteria and  
4 requirements for investment of moneys in the  
5 Florida Technology Research Investment Fund;  
6 providing for payment of certain claims from  
7 the fund; specifying nonapplication of state  
8 credit or taxing power; specifying absence of  
9 state liability for certain claims; repealing  
10 s. 288.9517, F.S., relating to audits of the  
11 technology development board and  
12 confidentiality of the identity of certain  
13 contributors to the board; repealing s. 14, ch.  
14 93-187, Laws of Florida, relating to the future  
15 repeal and review by the Legislature of  
16 statutes governing certain technology  
17 development programs of Enterprise Florida,  
18 Inc.; providing an effective date.

19  
20 Be It Enacted by the Legislature of the State of Florida:

21  
22 Section 1. Paragraph (h) of subsection (5) of section  
23 212.08, Florida Statutes, is amended to read:

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

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

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

1           1. Business property purchased for use by businesses  
2 located in an enterprise zone which is subsequently used in an  
3 enterprise zone shall be exempt from the tax imposed by this  
4 chapter. This exemption inures to the business only through a  
5 refund of previously paid taxes. A refund shall be authorized  
6 upon an affirmative showing by the taxpayer to the  
7 satisfaction of the department that the requirements of this  
8 paragraph have been met.

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

14           a. The name and address of the business claiming the  
15 refund.

16           b. The identifying number assigned pursuant to s.  
17 290.0065 to the enterprise zone in which the business is  
18 located.

19           c. A specific description of the property for which a  
20 refund is sought, including its serial number or other  
21 permanent identification number.

22           d. The location of the property.

23           e. The sales invoice or other proof of purchase of the  
24 property, showing the amount of sales tax paid, the date of  
25 purchase, and the name and address of the sales tax dealer  
26 from whom the property was purchased.

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

29           g. If applicable, the name and address of each  
30 permanent employee of the business, including, for each  
31 employee who is a resident of an enterprise zone, the

1 identifying number assigned pursuant to s. 290.0065 to the  
2 enterprise zone in which the employee resides.

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

20           4. An application for a refund pursuant to this  
21 paragraph must be submitted to the department within 6 months  
22 after the tax is due on the business property that is  
23 purchased.

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

1 property under this paragraph shall be the lesser of 97  
2 percent of the sales tax paid on such business property or  
3 \$10,000. A refund approved pursuant to this paragraph shall be  
4 made within 30 days of formal approval by the department of  
5 the application for the refund. No refund shall be granted  
6 under this paragraph unless the amount to be refunded exceeds  
7 \$100 in sales tax paid on purchases made within a 60-day time  
8 period.

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

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

- 22           a. Licensed commercial fishing vessels,
- 23           b. Fishing guide boats, or
- 24           c. Ecotourism guide boats

25  
26 that leave and return to a fixed location within an area  
27 designated under s. 370.28 are eligible for the exemption  
28 provided under this paragraph if all requirements of this  
29 paragraph are met. Such vessels and boats must be owned by a  
30 business that is eligible to receive the exemption provided

31

1 under this paragraph. This exemption does not apply to the  
2 purchase of a vessel or boat.

3 8. The department shall deduct an amount equal to 10  
4 percent of each refund granted under the provisions of this  
5 paragraph from the amount transferred into the Local  
6 Government Half-cent Sales Tax Clearing Trust Fund pursuant to  
7 s. 212.20 for the county area in which the business property  
8 is located and shall transfer that amount to the General  
9 Revenue Fund.

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

14 a. Property classified as 3-year property under s.  
15 168(c)(2)(A) of the Internal Revenue Code of 1954, as amended;

16 b. Industrial machinery and equipment as defined in  
17 sub-subparagraph (b)6.a. and eligible for exemption under  
18 paragraph (b);

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

21 d. Business property having a sales price of under  
22 ~~\$500~~~~\$5,000~~ per unit.

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

25 Section 2. Section 212.097, Florida Statutes, is  
26 amended to read:

27 212.097 Designated Urban ~~High-Crime Area~~ Job Tax  
28 Credit Area Program.--

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

30 (a) "Eligible business" means any sole proprietorship,  
31 firm, partnership, or corporation that is located in a

1 designated urban job tax credit area ~~qualified county~~ and is  
2 predominantly engaged in, or is headquarters for a business  
3 predominantly engaged in, activities usually provided for  
4 consideration by firms classified within the following  
5 standard industrial classifications: SIC 01-SIC 09  
6 (agriculture, forestry, and fishing); SIC 20-SIC 39  
7 (manufacturing); SIC 52-SIC 57 and SIC 59 (retail); SIC 422  
8 (public warehousing and storage); SIC 70 (hotels and other  
9 lodging places); SIC 7391 (research and development); SIC 781  
10 (motion picture production and allied services); SIC 7992  
11 (public golf courses); ~~and~~ SIC 7996 (amusement parks); and a  
12 targeted industry eligible for the qualified target industry  
13 business tax refund under s. 288.106. A call center or similar  
14 customer service operation that services a multistate market  
15 or international market is also an eligible business. In  
16 addition, the Office of Tourism, Trade, and Economic  
17 Development may, as part of its final budget request submitted  
18 pursuant to s. 216.023, recommend additions to or deletions  
19 from the list of standard industrial classifications used to  
20 determine an eligible business, and the Legislature may  
21 implement such recommendations. Excluded from eligible  
22 receipts are receipts from retail sales, except such receipts  
23 for SIC 52-SIC 57 and SIC 59 (retail) hotels and other lodging  
24 places classified in SIC 70, public golf courses in SIC 7992,  
25 and amusement parks in SIC 7996. For purposes of this  
26 paragraph, the term "predominantly" means that more than 50  
27 percent of the business's gross receipts from all sources is  
28 generated by those activities usually provided for  
29 consideration by firms in the specified standard industrial  
30 classification. The determination of whether the business is  
31 located in a designated urban job tax credit ~~qualified~~

1 ~~high-crime area and the tier ranking of that area~~ must be  
2 based on the date of application for the credit under this  
3 section. Commonly owned and controlled entities are to be  
4 considered a single business entity.

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

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

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

28 (e) "Designated urban job tax credit ~~Qualified~~  
29 ~~high-crime~~ area" means an area selected by the Office of  
30 Tourism, Trade, and Economic Development in the following  
31 manner: every third year, the office shall rank ~~and tier~~ those



1 areas nominated under subsection (7), according to the highest  
2 level of distress experienced in the categories enumerated  
3 under subsection (7). The Office of Tourism, Trade, and  
4 Economic Development shall designate the 30  
5 highest-distress-profile urban areas as eligible participants  
6 under the urban job tax credit program following prioritized  
7 criteria:

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

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

14 3. ~~Highest percentage of reported index crimes that~~  
15 ~~are violent in nature;~~

16 4. ~~Highest overall index crime volume for the area;~~  
17 ~~and~~

18 5. ~~Highest overall index crime rate for the geographic~~  
19 ~~area.~~

20  
21 ~~Tier-one areas are ranked 1 through 5 and represent the~~  
22 ~~highest crime areas according to this ranking. Tier-two areas~~  
23 ~~are ranked 6 through 10 according to this ranking. Tier-three~~  
24 ~~areas are ranked 11 through 15. Notwithstanding this~~  
25 ~~definition, "designated urban job tax credit qualified~~  
26 ~~high-crime area" also means an area that has been designated~~  
27 ~~as a federal Empowerment Zone pursuant to the Taxpayer Relief~~  
28 ~~Act of 1997 or the Community Tax Relief Act of 2000. Such a~~  
29 ~~designated area is ranked in tier three until the areas are~~  
30 ~~reevaluated by the Office of Tourism, Trade, and Economic~~  
31 ~~Development.~~

1           (f) "Central business district" means an area  
2 comprised of at least 80 percent commercial and government  
3 buildings and properties; characterized by a high  
4 concentration of retail businesses, service businesses,  
5 offices, theaters, and hotels; and located in a Department of  
6 Transportation Urban Service Area.

7           (g) "Urban" means a densely populated nonrural area  
8 located within an urban county which consists of a cluster of  
9 one or more census blocks, each of which has a population  
10 density of at least 400 people per square mile, or an area  
11 defined by the most recent United States Census as urban.

12           (2) A new eligible business may apply for a tax credit  
13 under this subsection once at any time during its first year  
14 of operation. A new eligible business in a designated urban  
15 job tax credit ~~tier-one qualified high-crime~~ area which has at  
16 least 10 qualified employees on the date of application shall  
17 receive a ~~\$1,500 tax credit for each such employee.~~ A new  
18 ~~eligible business in a tier-two qualified high-crime area~~  
19 ~~which has at least 20 qualified employees on the date of~~  
20 ~~application shall receive a \$1,000 tax credit for each such~~  
21 ~~employee.~~ A new eligible business in a ~~tier-three qualified~~  
22 ~~high-crime area which has at least 30 qualified employees on~~  
23 ~~the date of application shall receive a \$500 tax credit for~~  
24 ~~each such employee.~~

25           (3) An existing eligible business may apply for a tax  
26 credit under this subsection at any time it is entitled to  
27 such credit, except as restricted by this subsection. An  
28 existing eligible business in a designated urban job tax  
29 credit ~~tier-one qualified high-crime~~ area which on the date of  
30 application has at least 10 ~~5~~ more qualified employees than it  
31 had 1 year prior to its date of application shall receive a

1 ~~\$1,500 tax credit for each such additional employee. An~~  
2 ~~existing eligible business in a tier-two qualified high-crime~~  
3 ~~area which on the date of application has at least 10 more~~  
4 ~~qualified employees than it had 1 year prior to its date of~~  
5 ~~application shall receive a \$1,000 credit for each such~~  
6 ~~additional employee. An existing business in a tier-three~~  
7 ~~qualified high-crime area which on the date of application has~~  
8 ~~at least 15 more qualified employees than it had 1 year prior~~  
9 ~~to its date of application shall receive a \$500 tax credit for~~  
10 ~~each such additional employee.~~ An existing eligible business  
11 may apply for the credit under this subsection no more than  
12 once in any 12-month period. Any existing eligible business  
13 that received a credit under subsection (2) may not apply for  
14 the credit under this subsection sooner than 12 months after  
15 the application date for the credit under subsection (2).

16 (4) For any new eligible business receiving a credit  
17 pursuant to subsection (2), an additional \$500 credit shall be  
18 provided for any qualified employee who is a welfare  
19 transition program participant. For any existing eligible  
20 business receiving a credit pursuant to subsection (3), an  
21 additional \$500 credit shall be provided for any qualified  
22 employee who is a welfare transition program participant. Such  
23 employee must be employed on the application date and have  
24 been employed less than 1 year. This credit shall be in  
25 addition to other credits pursuant to this section regardless  
26 ~~of the tier-level of the high-crime area.~~ Appropriate  
27 documentation concerning the eligibility of an employee for  
28 this credit must be submitted as determined by the department.

29 (5) To be eligible for a tax credit under subsection  
30 (3), the number of qualified employees employed 1 year prior  
31 to the application date must be no lower than the number of

1 qualified employees on the application date on which a credit  
2 under this section was based for any previous application,  
3 including an application under subsection (2).

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

10 (a) Finds that an urban ~~a high-crime~~ area exists in  
11 such county or municipality, or in both the county and one or  
12 more municipalities, which chronically exhibits extreme and  
13 unacceptable levels of poverty, unemployment, physical  
14 deterioration, and economic disinvestment;

15 (b) Determines that the rehabilitation, conservation,  
16 or redevelopment, or a combination thereof, of such an urban ~~a~~  
17 ~~high-crime~~ area is necessary in the interest of the health,  
18 safety, and welfare of the residents of such county or  
19 municipality, or such county and one or more municipalities;  
20 and

21 (c) Determines that the revitalization of such an  
22 urban ~~a high-crime~~ area can occur if the public sector or  
23 private sector can be induced to invest its own resources in  
24 productive enterprises that build or rebuild the economic  
25 viability of the area.

26 (7) The governing body of the entity nominating the  
27 area shall demonstrate ~~provide~~ to the Office of Tourism,  
28 Trade, and Economic Development that the area meets the  
29 following:

30 (a) Income characteristics:

31

- 1           1. Forty percent of area residents are earning wages  
2 on an annual basis that are equal to or less than the annual  
3 wage of a person who is earning minimum wage; or  
4           2. More than 20 percent of residents or families live  
5 below the federal standard of poverty for individuals or a  
6 family of four.~~The overall index crime rate for the~~  
7 ~~geographic area;~~  
8           (b) Education characteristics:  
9           1. Has a high school dropout rate higher than the  
10 county average; or  
11           2. Has a high school graduation rate lower than the  
12 state average.~~The overall index crime volume for the area;~~  
13           (c) Workforce and employment characteristics:  
14           1. Has an unemployment rate at least 3 percentage  
15 points higher than the state's unemployment rate;  
16           2. More than 50 percent of families subject to the  
17 welfare-to-work transition time limit are either within 6  
18 months of the time limit or are receiving cash assistance  
19 under a period of hardship extension to the time limit; or  
20           3. Is identified as a labor surplus area using the  
21 criteria established by the United States Department of  
22 Labor's Employment and Training Administration.~~The percentage~~  
23 ~~of reported index crimes that are violent in nature;~~  
24           (d) Crime characteristics:  
25           1. Has an arrest rate higher than the state's average  
26 rate for such crimes as drug sale, drug possession,  
27 prostitution, vandalism, and civil disturbances, as recorded  
28 by total crime index of the Department of Law Enforcement; or  
29           2. Ranks in the top 30 percent of zip codes with  
30 reported crimes that are violent in nature.~~The reported crime~~  
31 ~~volume and rate of specific property crimes such as business~~

1 ~~and residential burglary, motor vehicle theft, and vandalism;~~  
2 and

3 (e) Residential and commercial property related  
4 characteristics:

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

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

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

13 c. Tax or special assessment delinquencies exceed the  
14 fair value of the land.~~The arrest rates within the geographic~~  
15 ~~area for violent crime and for such other crimes as drug sale,~~  
16 ~~drug possession, prostitution, disorderly conduct, vandalism,~~  
17 ~~and other public-order offenses.~~

18 (8) A municipality, or a county and one or more  
19 municipalities together, may not nominate more than one urban  
20 ~~high-crime~~ area. However, any county as defined by s.  
21 125.011(1) may nominate no more than three urban high-crime  
22 areas.

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

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

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

1            a.1. For areas ~~communities~~ having a total population  
2 of 150,000 persons or more, the selected area does not exceed  
3 20 square miles and is within 10 miles of the central business  
4 district of a city.

5            b.2. For areas ~~communities~~ having a total population  
6 of 50,000 persons or more, but fewer than 150,000 persons, the  
7 selected area does not exceed 10 square miles and is within  
8 7.5 miles of the central business district of a city.

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

13            d.4. For areas ~~communities~~ having a total population  
14 of fewer than 20,000 persons, the selected area does not  
15 exceed 3 square miles and is within 3 miles of the central  
16 business district of a city.

17            (b) A designated urban job tax credit area may not  
18 include any portion of a central business district, unless the  
19 poverty rate for each census geographic block group in the  
20 district is not less than 30 percent.

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

26            (b) Within 30 working days after receipt of an  
27 application for credit, the Office of Tourism, Trade, and  
28 Economic Development shall review the application to determine  
29 whether it contains all the information required by this  
30 subsection and meets the criteria set out in this section.  
31 Subject to the provisions of paragraph (c), the Office of

1 Tourism, Trade, and Economic Development shall approve all  
2 applications that contain the information required by this  
3 subsection and meet the criteria set out in this section as  
4 eligible to receive a credit.

5 (c) The maximum credit amount that may be approved  
6 during any calendar year is \$5 million, ~~of which \$1 million~~  
7 ~~shall be exclusively reserved for tier-one areas.~~ The  
8 Department of Revenue, in conjunction with the Office of  
9 Tourism, Trade, and Economic Development, shall notify the  
10 governing bodies in areas designated under this section ~~as~~  
11 ~~urban high-crime areas~~ when the \$5 million maximum amount has  
12 been reached. Applications must be considered for approval in  
13 the order in which they are received without regard to whether  
14 the credit is for a new or existing business. This limitation  
15 applies to the value of the credit as contained in approved  
16 applications. Approved credits may be taken in the time and  
17 manner allowed pursuant to this section.

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

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

27 (13) It is the responsibility of each business to  
28 affirmatively demonstrate to the satisfaction of the  
29 Department of Revenue that it meets the requirements of this  
30 section.

31



1           (14) Any person who fraudulently claims this credit is  
2 liable for repayment of the credit plus a mandatory penalty of  
3 100 percent of the credit and is guilty of a misdemeanor of  
4 the second degree, punishable as provided in s. 775.082 or s.  
5 775.083.

6           (15) A corporation may take the credit under this  
7 section against its corporate income tax liability, as  
8 provided in s. 220.1895. However, a corporation that applies  
9 its job tax credit against the tax imposed by chapter 220 may  
10 not receive the credit provided for in this section. A credit  
11 may be taken against only one tax.

12           (16) An eligible business may transfer any unused  
13 credit in whole or in units of no less than 25 percent of the  
14 remaining credit. The entity acquiring such credit may use it  
15 in the same manner and with the same limitation as described  
16 in this section. Such transferred credits may not be  
17 transferred again although they may succeed to a surviving or  
18 acquiring entity subject to the same conditions and  
19 limitations described in this section.

20           (17)~~(16)~~ The department shall adopt rules governing  
21 the manner and form of applications for credit or transfers of  
22 credit and may establish guidelines concerning the requisites  
23 for an affirmative showing of qualification for the credit  
24 under this section.

25           Section 3. Section 220.1895, Florida Statutes, is  
26 amended to read:

27           220.1895 Rural Job Tax Credit and Designated Urban  
28 ~~High-Crime Area~~ Job Tax Credit Area.--There shall be allowed a  
29 credit against the tax imposed by this chapter amounts  
30 approved by the Office of Tourism, Trade, and Economic  
31 Development pursuant to the Rural Job Tax Credit Program in s.

1 212.098 and the Designated Urban ~~High-Crime Area~~ Job Tax  
2 Credit Area Program in s. 212.097. A corporation that uses its  
3 credit against the tax imposed by this chapter may not take  
4 the credit against the tax imposed by chapter 212. If any  
5 credit granted under this section is not fully used in the  
6 first year for which it becomes available, the unused amount  
7 may be carried forward for a period not to exceed 5 years. The  
8 carryover may be used in a subsequent year when the tax  
9 imposed by this chapter for such year exceeds the credit for  
10 such year under this section after applying the other credits  
11 and unused credit carryovers in the order provided in s.  
12 220.02(8). ~~The Office of Tourism, Trade, and Economic~~  
13 ~~Development shall conduct a review of the Urban High-Crime~~  
14 ~~Area Job Tax Credit and the Rural Job Tax Credit Program and~~  
15 ~~submit its report to the Governor, the President of the~~  
16 ~~Senate, and the Speaker of the House of Representatives by~~  
17 ~~February 1, 2000.~~

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

20 220.191 Capital investment tax credit.--

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

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

30 (h) "Qualifying project" means a new or expanding  
31 facility in this state which creates at least 100 new jobs in

1 this state, ~~and~~ is otherwise eligible for certification by the  
2 office as a qualified target industry business pursuant to s.  
3 288.106, and exports at least 50 percent of its product or  
4 service outside of this state in one of the high-impact  
5 ~~sectors identified by Enterprise Florida, Inc., and certified~~  
6 ~~by the office pursuant to s. 288.108(6), including, but not~~  
7 ~~limited to, aviation, aerospace, automotive, and silicon~~  
8 ~~technology industries.~~

9 Section 5. Paragraph (e) of subsection (1) and  
10 paragraph (b) of subsection (4) of section 288.1045, Florida  
11 Statutes, are amended to read:

12 288.1045 Qualified defense contractor tax refund  
13 program.--

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

15 (e) "Department of Defense contract" means a  
16 competitively bid Department of Defense contract or  
17 subcontract or a competitively bid federal agency contract or  
18 subcontract issued on behalf of the Department of Defense for  
19 manufacturing, assembling, fabricating, research, development,  
20 or design with a duration of 2 or more years, but excluding  
21 any contract or subcontract to provide goods, improvements to  
22 real or tangible property, or services directly to or for any  
23 particular military base or installation in this state. The  
24 term includes contracts or subcontracts for products or  
25 services for military or homeland security use which contracts  
26 or subcontracts are approved by the United States Department  
27 of Defense, the United States Department of State, or the  
28 United States Department of Homeland Security ~~Coast Guard~~.

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

31

1 (b) Compliance with the terms and conditions of the  
2 agreement is a condition precedent for receipt of tax refunds  
3 each year. The failure to comply with the terms and conditions  
4 of the agreement shall result in the loss of eligibility for  
5 receipt of all tax refunds previously authorized pursuant to  
6 this section, and the revocation of the certification as a  
7 qualified applicant by the director, unless the qualified  
8 applicant is eligible to receive and elects to accept a  
9 prorated refund under paragraph (5)(g) or the office grants  
10 the qualified applicant an economic-stimulus exemption.

11 1. A qualified applicant may submit, in writing, a  
12 request to the office for an economic-stimulus exemption. The  
13 request must provide quantitative evidence demonstrating how  
14 negative economic conditions in the qualified applicant's  
15 industry, or specific acts of terrorism affecting the  
16 qualified applicant, have prevented the qualified applicant  
17 from complying with the terms and conditions of its tax refund  
18 agreement.

19 2. Upon receipt of a request under subparagraph 1.,  
20 the director shall have 45 days to notify the requesting  
21 qualified applicant, in writing, if its exemption has been  
22 granted or denied. In determining if an exemption should be  
23 granted, the director shall consider the extent to which  
24 negative economic conditions in the requesting qualified  
25 applicant's industry, or specific acts of terrorism affecting  
26 the qualified applicant, have prevented the qualified  
27 applicant from complying with the terms and conditions of its  
28 tax refund agreement.

29 3. As a condition for receiving a prorated refund  
30 under paragraph (5)(g) or an economic-stimulus exemption under  
31 this paragraph, a qualified applicant must agree to

1 renegotiate its tax refund agreement with the office to, at a  
2 minimum, ensure that the terms of the agreement comply with  
3 current law and office procedures governing application for  
4 and award of tax refunds. Upon approving the award of a  
5 prorated refund or granting an economic-stimulus exemption,  
6 the office shall renegotiate the tax refund agreement with the  
7 qualified applicant as required by this subparagraph. When  
8 amending the agreement of a qualified applicant receiving an  
9 economic-stimulus exemption, the office may extend the  
10 duration of the agreement for a period not to exceed 1 year.

11 4. A qualified applicant may submit a request for an  
12 economic-stimulus exemption to the office in lieu of any tax  
13 refund claim scheduled to be submitted after January 1, 2001,  
14 but before June 30, 2004 ~~July 1, 2003~~. However, a qualified  
15 applicant that has received at least one economic-stimulus  
16 exemption may not apply for an additional exemption.

17 5. A qualified applicant that receives an  
18 economic-stimulus exemption may not receive a tax refund for  
19 the period covered by the exemption.

20 Section 6. Paragraph (o) of subsection (1) and  
21 paragraph (b) of subsection (4) of section 288.106, Florida  
22 Statutes, are amended to read:

23 288.106 Tax refund program for qualified target  
24 industry businesses.--

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

26 (o) "Target industry business" means a corporate  
27 headquarters business or any business that is engaged in one  
28 of the target industries identified pursuant to the following  
29 criteria developed by the office in consultation with  
30 Enterprise Florida, Inc.:

31

1           1. Future growth.--Industry forecasts should indicate  
2 strong expectation for future growth in both employment and  
3 output, according to the most recent available data. Special  
4 consideration should be given to Florida's growing access to  
5 international markets or to replacing imports.

6           2. Stability.--The industry should not be subject to  
7 periodic layoffs, whether due to seasonality or sensitivity to  
8 volatile economic variables such as weather. The industry  
9 should also be relatively resistant to recession, so that the  
10 demand for products of this industry is not necessarily  
11 subject to decline during an economic downturn.

12          3. High wage.--The industry should pay relatively high  
13 wages compared to statewide or area averages.

14          4. Market and resource independent.--The location of  
15 industry businesses should not be dependent on Florida markets  
16 or resources as indicated by industry analysis.

17          5. Industrial base diversification and  
18 strengthening.--The industry should contribute toward  
19 expanding or diversifying the state's or area's economic base,  
20 as indicated by analysis of employment and output shares  
21 compared to national and regional trends. Special  
22 consideration should be given to industries that strengthen  
23 regional economies by adding value to basic products or  
24 building regional industrial clusters as indicated by industry  
25 analysis. Special consideration also should be given to  
26 developing strong industrial clusters, including defense and  
27 homeland security.

28          6. Economic benefits.--The industry should have strong  
29 positive impacts on or benefits to the state and regional  
30 economies.

31

1 The office, in consultation with Enterprise Florida, Inc.,  
2 shall develop a list of such target industries annually and  
3 submit such list as part of the final agency legislative  
4 budget request submitted pursuant to s. 216.023(1). A target  
5 industry business may not include any industry engaged in  
6 retail activities; any electrical utility company; any  
7 phosphate or other solid minerals severance, mining, or  
8 processing operation; any oil or gas exploration or production  
9 operation; or any firm subject to regulation by the Division  
10 of Hotels and Restaurants of the Department of Business and  
11 Professional Regulation.

12 (4) TAX REFUND AGREEMENT.--

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

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

1           2. Upon receipt of a request under subparagraph 1.,  
2 the director shall have 45 days to notify the requesting  
3 business, in writing, if its exemption has been granted or  
4 denied. In determining if an exemption should be granted, the  
5 director shall consider the extent to which negative economic  
6 conditions in the requesting business's industry, or specific  
7 acts of terrorism affecting the qualified target industry  
8 business, have prevented the business from complying with the  
9 terms and conditions of its tax refund agreement.

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

23           4. A qualified target industry business may submit a  
24 request for an economic-stimulus exemption to the office in  
25 lieu of any tax refund claim scheduled to be submitted after  
26 January 1, 2001, but before June 30, 2004 ~~July 1, 2003~~.  
27 However, a qualified target industry business that has  
28 received at least one economic-stimulus exemption may not  
29 apply for an additional exemption.



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

4           Section 7. Notwithstanding section 14 of chapter  
5 93-187, Laws of Florida, section 288.9515, Florida Statutes,  
6 shall not stand repealed on December 31, 2003, as scheduled by  
7 such law, but that section is reenacted and amended to read:

8           288.9515 Authorized technology development programs.--

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

19           (a) Providing communication and coordination services  
20 among technology development and applications service  
21 providers throughout the state.

22           ~~(b) Providing coordinated marketing services to~~  
23 ~~small-sized and medium-sized manufacturers in the state on~~  
24 ~~behalf of, and in partnership with, technology applications~~  
25 ~~service providers.~~

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

29           (c)(d) Developing plans and policies to assist  
30 small-sized and medium-sized manufacturing companies or other  
31 knowledge-based firms in Florida.

1           ~~(e) Entering into contracts with technology~~  
2 ~~applications service providers for expanded availability of~~  
3 ~~high-quality assistance to small-sized and medium-sized~~  
4 ~~manufacturing companies or knowledge-based service firms,~~  
5 ~~including, but not limited to, technological, human resources~~  
6 ~~development, market planning, finance, and interfirm~~  
7 ~~collaboration. Enterprise Florida, Inc., shall ensure that all~~  
8 ~~contracts in excess of \$20,000 for the delivery of such~~  
9 ~~assistance to Florida firms shall be based on competitive~~  
10 ~~requests for proposals and shall establish clear standards for~~  
11 ~~the delivery of services under such contracts. Such standards~~  
12 ~~include, but are not limited to:~~

13           ~~1. The ability and capacity to deliver services in~~  
14 ~~sufficient quality and quantity.~~

15           ~~2. The ability and capacity to deliver services in a~~  
16 ~~timely manner.~~

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

19           ~~(d)(f)~~ Assisting other educational institutions,  
20 enterprises, or the entities providing business assistance to  
21 small-sized and medium-sized manufacturing and knowledge-based  
22 services enterprises.

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

26           ~~(e)(h)~~ Establishing special education and  
27 informational programs for Florida enterprises and for  
28 educational institutions and enterprises providing business  
29 assistance to Florida enterprises.

30           ~~(f)(i)~~ Assisting in evaluating and documenting the  
31 needs of firms in this state for technology development and

1 application services, and developing means to ensure that  
2 these needs are met, consistent with the powers provided for  
3 in this subsection.

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

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

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

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

29 (3) Enterprise Florida, Inc., may create a technology  
30 development financing fund, to be called the Florida  
31 Technology Research Investment Fund. The fund shall increase

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

16 (a) Technology development projects expected to lead  
17 to a specific investment-grade technology that is of  
18 importance to industry in this state.

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

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

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

1 ~~Florida Space Authority and the Technological Research and~~  
2 ~~Development Authority.~~

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

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

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

5 (c) Not more than \$175,000 or 5 percent of the  
6 revenues generated by investment of moneys contained in the  
7 Florida Technology Research Investment Fund plus 5 percent of  
8 the revenues generated by investments under the Florida Small  
9 Business Technology Growth Program under s. 288.95155,  
10 whichever is greater, may be used on an annual basis to pay  
11 the combined operating expenses associated with operation of  
12 the Florida Technology Research Investment Fund and the  
13 Florida Small Business Technology Growth Program.

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

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

30 (5) Enterprise Florida, Inc., may create technology  
31 commercialization programs in partnership with private

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

7 Section 8. Section 288.9517, Florida Statutes, is  
8 repealed.

9 Section 9. Section 14 of chapter 93-187, Laws of  
10 Florida, is repealed.

11 Section 10. This act shall take effect July 1, 2003.

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1                   STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
2                   COMMITTEE SUBSTITUTE FOR  
3                   Senate Bills 2328 & 2252

4 The committee substitute makes the following changes to the  
5 underlying bills comprising the committee substitute:

- 6 1. deletes provisions that would have created a sales and  
7 use tax exemption on materials, tools, and labor used for  
8 research and development purposes;
- 9 2. revises the types of businesses eligible to receive the  
10 capital investment tax credit for new or expanding  
11 facilities that create at least 100 new jobs in this  
12 state to include businesses that may qualify as a  
13 qualified target industry business and that export at  
14 least 50 percent of their products or services outside of  
15 Florida;
- 16 3. modifies the definition of "Department of Defense  
17 contract" under the Tax Refund Program for Qualified  
18 Defense Contractors to include contracts with the  
19 Department of Homeland Security;
- 20 4. extends the deadline for certain qualified defense  
21 contractors participating in a tax refund program, which  
22 have not received an economic-stimulus exemption, to  
23 apply for an exemption before June 30, 2004;
- 24 5. extends the deadline for certain qualified target  
25 industry businesses participating in a tax refund  
26 program, which have not received an economic-stimulus  
27 exemption, to apply for an exemption before June 30,  
28 2004;
- 29 6. clarifies the authorized uses of moneys in the Florida  
30 Technology Research Investment Fund; and
- 31 7. limits the liability of Enterprise Florida, Inc., for  
loan guarantees and other investments under a technology  
program to funds within the Florida Technology Research  
Investment Fund.