

By the Committees on Comprehensive Planning; Commerce,  
Economic Opportunities, and Consumer Services; and Senators  
Saunders, Miller and Siplin

316-2222-03

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; directing  
10 Enterprise Florida, Inc., to facilitate the  
11 formation of investor networks; repealing s.  
12 288.9517, F.S., relating to audits of the  
13 technology development board and  
14 confidentiality of the identity of certain  
15 contributors to the board; repealing s. 14, ch.  
16 93-187, Laws of Florida, relating to the future  
17 repeal and review by the Legislature of  
18 statutes governing certain technology  
19 development programs of Enterprise Florida,  
20 Inc.; providing an effective date.

21

22 Be It Enacted by the Legislature of the State of Florida:

23

24 Section 1. Paragraph (h) of subsection (5) of section  
25 212.08, Florida Statutes, is amended to read:

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

1           (5) EXEMPTIONS; ACCOUNT OF USE.--  
2           (h) Business property used in an enterprise zone.--  
3           1. Business property purchased for use by businesses  
4 located in an enterprise zone which is subsequently used in an  
5 enterprise zone shall be exempt from the tax imposed by this  
6 chapter. This exemption inures to the business only through a  
7 refund of previously paid taxes. A refund shall be authorized  
8 upon an affirmative showing by the taxpayer to the  
9 satisfaction of the department that the requirements of this  
10 paragraph have been met.  
11           2. To receive a refund, the business must file under  
12 oath with the governing body or enterprise zone development  
13 agency having jurisdiction over the enterprise zone where the  
14 business is located, as applicable, an application which  
15 includes:  
16           a. The name and address of the business claiming the  
17 refund.  
18           b. The identifying number assigned pursuant to s.  
19 290.0065 to the enterprise zone in which the business is  
20 located.  
21           c. A specific description of the property for which a  
22 refund is sought, including its serial number or other  
23 permanent identification number.  
24           d. The location of the property.  
25           e. The sales invoice or other proof of purchase of the  
26 property, showing the amount of sales tax paid, the date of  
27 purchase, and the name and address of the sales tax dealer  
28 from whom the property was purchased.  
29           f. Whether the business is a small business as defined  
30 by s. 288.703(1).  
31

1           g. If applicable, the name and address of each  
2 permanent employee of the business, including, for each  
3 employee who is a resident of an enterprise zone, the  
4 identifying number assigned pursuant to s. 290.0065 to the  
5 enterprise zone in which the employee resides.

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

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

27           5. The provisions of s. 212.095 do not apply to any  
28 refund application made pursuant to this paragraph. The amount  
29 refunded on purchases of business property under this  
30 paragraph shall be the lesser of 97 percent of the sales tax  
31 paid on such business property or \$5,000, or, if no less than

1 20 percent of the employees of the business are residents of  
2 an enterprise zone, excluding temporary and part-time  
3 employees, the amount refunded on purchases of business  
4 property under this paragraph shall be the lesser of 97  
5 percent of the sales tax paid on such business property or  
6 \$10,000. A refund approved pursuant to this paragraph shall be  
7 made within 30 days of formal approval by the department of  
8 the application for the refund. No refund shall be granted  
9 under this paragraph unless the amount to be refunded exceeds  
10 \$100 in sales tax paid on purchases made within a 60-day time  
11 period.

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

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

- 25           a. Licensed commercial fishing vessels,
- 26           b. Fishing guide boats, or
- 27           c. Ecotourism guide boats

28

29 that leave and return to a fixed location within an area  
30 designated under s. 370.28 are eligible for the exemption  
31 provided under this paragraph if all requirements of this

1 paragraph are met. Such vessels and boats must be owned by a  
2 business that is eligible to receive the exemption provided  
3 under this paragraph. This exemption does not apply to the  
4 purchase of a vessel or boat.

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

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

16           a. Property classified as 3-year property under s.  
17 168(c)(2)(A) of the Internal Revenue Code of 1954, as amended;

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

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

23           d. Business property having a sales price of under  
24 ~~\$500~~~~\$5,000~~ per unit.

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

27           Section 2. Section 212.097, Florida Statutes, is  
28 amended to read:

29           212.097 Designated Urban ~~High-Crime Area~~ Job Tax  
30 Credit Area Program.--

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

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

1 classification. The determination of whether the business is  
2 located in a designated urban job tax credit ~~qualified~~  
3 ~~high-crime~~ area and the tier ranking of that area must be  
4 based on the date of application for the credit under this  
5 section. Commonly owned and controlled entities are to be  
6 considered a single business entity.

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

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

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

30 (e) "Designated urban job tax credit ~~Qualified~~  
31 ~~high-crime~~ area" means an area selected by the Office of

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

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

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

16 3. ~~Highest percentage of reported index crimes that~~  
17 ~~are violent in nature;~~

18 4. ~~Highest overall index crime volume for the area;~~  
19 ~~and~~

20 5. ~~Highest overall index crime rate for the geographic~~  
21 ~~area.~~

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

1 ~~reevaluated by the Office of Tourism, Trade, and Economic~~  
2 ~~Development.~~

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

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

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

27 (3) An existing eligible business may apply for a tax  
28 credit under this subsection at any time it is entitled to  
29 such credit, except as restricted by this subsection. An  
30 existing eligible business in a designated urban job tax  
31 credit tier-one qualified high-crime area which on the date of

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

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

31

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

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

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

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

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

29           (7) The governing body of the entity nominating the  
30 area shall demonstrate ~~provide~~ to the Office of Tourism,  
31

1 Trade, and Economic Development that the area meets the  
2 following:

3 (a) Income characteristics:

4 1. Forty percent of area residents are earning wages  
5 on an annual basis that are equal to or less than the annual  
6 wage of a person who is earning minimum wage; or

7 2. More than 20 percent of residents or families live  
8 below the federal standard of poverty for individuals or a  
9 family of four.~~The overall index crime rate for the~~  
10 ~~geographic area.~~

11 (b) Education characteristics:

12 1. Has a high school dropout rate higher than the  
13 county average; or

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

16 (c) Workforce and employment characteristics:

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

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

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

27 (d) Crime characteristics:

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

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

6           (e) Residential and commercial property related  
7 characteristics:

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

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

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

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

21           (8) A municipality, or a county and one or more  
22 municipalities together, may not nominate more than one urban  
23 ~~high-crime~~ area. However, any county as defined by s.  
24 125.011(1) may nominate no more than three urban ~~high-crime~~  
25 areas.

26           (9)(a) An area nominated by a county or municipality,  
27 or a county and one or more municipalities together, for  
28 designation as an urban job tax credit ~~a high-crime~~ area shall  
29 be eligible only if it meets the following criteria:  
30  
31

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

4           ~~2.(b)~~ The selected area does not exceed the following  
5 mileage limitation:

6           ~~a.1.~~ For areas ~~communities~~ having a total population  
7 of 150,000 persons or more, the selected area does not exceed  
8 20 square miles and is within 10 miles of the central business  
9 district of a city.

10           ~~b.2.~~ For areas ~~communities~~ having a total population  
11 of 50,000 persons or more, but fewer than 150,000 persons, the  
12 selected area does not exceed 10 square miles and is within  
13 7.5 miles of the central business district of a city.

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

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

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

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

31

1           (b) Within 30 working days after receipt of an  
2 application for credit, the Office of Tourism, Trade, and  
3 Economic Development shall review the application to determine  
4 whether it contains all the information required by this  
5 subsection and meets the criteria set out in this section.  
6 Subject to the provisions of paragraph (c), the Office of  
7 Tourism, Trade, and Economic Development shall approve all  
8 applications that contain the information required by this  
9 subsection and meet the criteria set out in this section as  
10 eligible to receive a credit.

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

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

29           (12) If the credit under this section is greater than  
30 can be taken on a single tax return, excess amounts may be  
31

1 taken as credits on any tax return submitted within 12 months  
2 after the approval of the application by the department.

3 (13) It is the responsibility of each business to  
4 affirmatively demonstrate to the satisfaction of the  
5 Department of Revenue that it meets the requirements of this  
6 section.

7 (14) Any person who fraudulently claims this credit is  
8 liable for repayment of the credit plus a mandatory penalty of  
9 100 percent of the credit and is guilty of a misdemeanor of  
10 the second degree, punishable as provided in s. 775.082 or s.  
11 775.083.

12 (15) A corporation may take the credit under this  
13 section against its corporate income tax liability, as  
14 provided in s. 220.1895. However, a corporation that applies  
15 its job tax credit against the tax imposed by chapter 220 may  
16 not receive the credit provided for in this section. A credit  
17 may be taken against only one tax.

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

26 (17)~~(16)~~ The department shall adopt rules governing  
27 the manner and form of applications for credit or transfers of  
28 credit and may establish guidelines concerning the requisites  
29 for an affirmative showing of qualification for the credit  
30 under this section.

31

1           Section 3. Section 220.1895, Florida Statutes, is  
2 amended to read:

3           220.1895 Rural Job Tax Credit and Designated Urban  
4 ~~High-Crime Area~~ Job Tax Credit Area.--There shall be allowed a  
5 credit against the tax imposed by this chapter amounts  
6 approved by the Office of Tourism, Trade, and Economic  
7 Development pursuant to the Rural Job Tax Credit Program in s.  
8 212.098 and the Designated Urban ~~High-Crime Area~~ Job Tax  
9 Credit Area Program in s. 212.097. A corporation that uses its  
10 credit against the tax imposed by this chapter may not take  
11 the credit against the tax imposed by chapter 212. If any  
12 credit granted under this section is not fully used in the  
13 first year for which it becomes available, the unused amount  
14 may be carried forward for a period not to exceed 5 years. The  
15 carryover may be used in a subsequent year when the tax  
16 imposed by this chapter for such year exceeds the credit for  
17 such year under this section after applying the other credits  
18 and unused credit carryovers in the order provided in s.  
19 220.02(8). ~~The Office of Tourism, Trade, and Economic~~  
20 ~~Development shall conduct a review of the Urban High-Crime~~  
21 ~~Area Job Tax Credit and the Rural Job Tax Credit Program and~~  
22 ~~submit its report to the Governor, the President of the~~  
23 ~~Senate, and the Speaker of the House of Representatives by~~  
24 ~~February 1, 2000.~~

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

27           220.191 Capital investment tax credit.--

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

29           (e) "Jobs" means full-time equivalent positions, as  
30 such term is consistent with terms used by the Agency for  
31 Workforce Innovation ~~Department of Labor and Employment~~

1 ~~Security~~ and the United States Department of Labor for  
2 purposes of unemployment tax administration and employment  
3 estimation, resulting directly from a project in this state.  
4 Such term does not include temporary construction jobs  
5 involved in the construction of the project facility.

6 (h) "Qualifying project" means a new or expanding  
7 facility in this state which creates at least 100 new jobs in  
8 this state, and is otherwise eligible for certification by the  
9 office as a qualified target industry business pursuant to s.  
10 288.106, and exports at least 50 percent of its product or  
11 service outside of this state in one of the high-impact  
12 sectors identified by Enterprise Florida, Inc., and certified  
13 by the office pursuant to s. 288.108(6), including, but not  
14 limited to, aviation, aerospace, automotive, and silicon  
15 technology industries.

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

19 288.1045 Qualified defense contractor tax refund  
20 program.--

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

22 (e) "Department of Defense contract" means a  
23 competitively bid Department of Defense contract or  
24 subcontract or a competitively bid federal agency contract or  
25 subcontract issued on behalf of the Department of Defense for  
26 manufacturing, assembling, fabricating, research, development,  
27 or design with a duration of 2 or more years, but excluding  
28 any contract or subcontract to provide goods, improvements to  
29 real or tangible property, or services directly to or for any  
30 particular military base or installation in this state. The  
31 term includes contracts or subcontracts for products or

1 services for military or homeland security use which contracts  
2 or subcontracts are approved by the United States Department  
3 of Defense, the United States Department of State, or the  
4 United States Department of Homeland Security ~~Coast Guard~~.

5 (4) QUALIFIED DEFENSE CONTRACTOR TAX REFUND  
6 AGREEMENT.--

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

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

25 2. Upon receipt of a request under subparagraph 1.,  
26 the director shall have 45 days to notify the requesting  
27 qualified applicant, in writing, if its exemption has been  
28 granted or denied. In determining if an exemption should be  
29 granted, the director shall consider the extent to which  
30 negative economic conditions in the requesting qualified  
31 applicant's industry, or specific acts of terrorism affecting

1 the qualified applicant, have prevented the qualified  
2 applicant from complying with the terms and conditions of its  
3 tax refund agreement.

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

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

23 5. A qualified applicant that receives an  
24 economic-stimulus exemption may not receive a tax refund for  
25 the period covered by the exemption.

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

29 288.106 Tax refund program for qualified target  
30 industry businesses.--

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

1           (o) "Target industry business" means a corporate  
2 headquarters business or any business that is engaged in one  
3 of the target industries identified pursuant to the following  
4 criteria developed by the office in consultation with  
5 Enterprise Florida, Inc.:

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

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

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

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

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

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1 developing strong industrial clusters, including defense and  
2 homeland security.

3           6. Economic benefits.--The industry should have strong  
4 positive impacts on or benefits to the state and regional  
5 economies.

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

18           (4) TAX REFUND AGREEMENT.--

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

30           1. A qualified target industry business may submit, in  
31 writing, a request to the office for an economic-stimulus

1 exemption. The request must provide quantitative evidence  
2 demonstrating how negative economic conditions in the  
3 business's industry, or specific acts of terrorism affecting  
4 the qualified target industry business, have prevented the  
5 business from complying with the terms and conditions of its  
6 tax refund agreement.

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

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

29         4. A qualified target industry business may submit a  
30 request for an economic-stimulus exemption to the office in  
31 lieu of any tax refund claim scheduled to be submitted after

1 January 1, 2001, but before June 30, 2004 ~~July 1, 2003~~.

2 However, a qualified target industry business that has  
3 received at least one economic-stimulus exemption may not  
4 apply for an additional exemption.

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

8 Section 7. Notwithstanding section 14 of chapter  
9 93-187, Laws of Florida, section 288.9515, Florida Statutes,  
10 shall not stand repealed on December 31, 2003, as scheduled by  
11 such law, but that section is reenacted and amended to read:

12 288.9515 Authorized technology development programs.--

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

23 (a) Providing communication and coordination services  
24 among technology development and applications service  
25 providers throughout the state.

26 ~~(b) Providing coordinated marketing services to~~  
27 ~~small-sized and medium-sized manufacturers in the state on~~  
28 ~~behalf of, and in partnership with, technology applications~~  
29 ~~service providers.~~

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1           **(b)**~~(c)~~ Securing additional sources of funds on behalf  
2 of, and in partnership with, technology-based businesses  
3 ~~applications service providers.~~

4           **(c)**~~(d)~~ Developing plans and policies to assist  
5 small-sized and medium-sized manufacturing companies or other  
6 knowledge-based firms in Florida.

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

19           ~~1. The ability and capacity to deliver services in~~  
20 ~~sufficient quality and quantity.~~

21           ~~2. The ability and capacity to deliver services in a~~  
22 ~~timely manner.~~

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

25           **(d)**~~(f)~~ Assisting other educational institutions,  
26 enterprises, or the entities providing business assistance to  
27 small-sized and medium-sized manufacturing and knowledge-based  
28 services enterprises.

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

1           ~~(e)(h)~~ Establishing ~~special education and~~  
2 informational programs for Florida enterprises and for  
3 educational institutions and enterprises providing business  
4 assistance to Florida enterprises.

5           ~~(f)(i)~~ Assisting in evaluating and documenting the  
6 needs of firms in this state for technology development and  
7 application services, and developing means to ensure that  
8 these needs are met, consistent with the powers provided for  
9 in this subsection.

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

13           ~~(h)(k)~~ Making and executing contracts with any person,  
14 enterprise, educational institution, association, or any other  
15 entity necessary or convenient for the performance of its  
16 duties and the exercise of the powers and functions of  
17 Enterprise Florida, Inc., under this subsection.

18           ~~(i)(l)~~ Receiving funds from any source to carry out  
19 the purposes of providing technology development and  
20 applications services, including, but not limited to, gifts or  
21 grants from any department, agency, or instrumentality of the  
22 United States or of the state, or any enterprise or person,  
23 for any purpose consistent with the provisions of this  
24 subsection.

25           (2) ~~When choosing contractors under this section,~~  
26 ~~preference shall be given to existing institutions,~~  
27 ~~organizations, and enterprises so long as these existing~~  
28 ~~institutions, organizations, and enterprises demonstrate the~~  
29 ~~ability to perform at standards established by Enterprise~~  
30 ~~Florida, Inc., under paragraph (1)(e).~~Neither the provisions  
31 of ss. 288.9511-288.9517 nor the actions taken by Enterprise

1 Florida, Inc., under this section shall impair or hinder the  
2 operations, performance, or resources of any existing  
3 institution, organization, or enterprise.

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

22 (a) Technology development projects expected to lead  
23 to a specific investment-grade technology that is of  
24 importance to industry in this state.

25 (b) Technology development centers and facilities  
26 expected to generate a stream of products and processes with  
27 commercial application of importance to industry in this  
28 state.

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

1           (4) Enterprise Florida, Inc., shall invest moneys  
2 contained in the Florida Technology Research Investment Fund  
3 in technology application research or for technology  
4 development projects that have the potential for commercial  
5 market application. ~~The partnership shall coordinate any~~  
6 ~~investment in any space-related technology projects with the~~  
7 ~~Florida Space Authority and the Technological Research and~~  
8 ~~Development Authority.~~

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

16           (b) All moneys in the Florida Technology Research  
17 Investment Fund shall be continuously appropriated to the fund  
18 and may be used for loan guarantees, letter of credit  
19 guarantees, cash reserves for loan and letter of credit  
20 guarantees, payments of claims pursuant to contracts for  
21 guarantees, subordinated loans, loans with warrants, royalty  
22 investments, equity investments, and ~~For the purposes of this~~  
23 ~~fund, qualified securities include loans, loans convertible to~~  
24 ~~equity, equity, loans with warrants attached that are~~  
25 ~~beneficially owned by the board, royalty agreements, or any~~  
26 other contractual arrangements through which the Florida  
27 Technology Research Investment Fund receives an interest,  
28 rights, return of funds, or other consideration, and may be  
29 used for operations of the fund. All such uses of moneys in  
30 the fund are qualified investments ~~arrangement in which the~~  
31 ~~board is providing scientific and technological services to~~

1 ~~any federal, state, county, or municipal agency, or to any~~  
2 ~~individual, corporation, enterprise, association, or any other~~  
3 ~~entity involving technology development. Any claim against the~~  
4 ~~fund or Enterprise Florida, Inc., relating to investment of~~  
5 ~~moneys in the fund shall be paid solely from the fund. Neither~~  
6 ~~the credit nor the taxing power of the state shall be pledged~~  
7 ~~to secure the fund or moneys in the fund, other than from~~  
8 ~~moneys appropriated or assigned to the fund, and the state~~  
9 ~~shall not be liable or obligated in any way for any claims~~  
10 ~~against the fund or against Enterprise Florida, Inc.~~

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

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

31

1 (e) The investment of funds contained in the Florida  
2 Technology Research Investment Fund does not constitute a  
3 debt, liability, or obligation of the State of Florida or of  
4 any political subdivision thereof, or a pledge of the faith  
5 and credit of the state or of any such political subdivision.

6 (5) Enterprise Florida, Inc., may create technology  
7 commercialization programs in partnership with private  
8 enterprises, educational institutions, and other institutions  
9 to increase the rate at which technologies with potential  
10 commercial application are moved from university, public, and  
11 industry laboratories into the marketplace. Such programs  
12 shall be created based upon research to be conducted by  
13 Enterprise Florida, Inc.

14 (6) Enterprise Florida, Inc., shall coordinate with  
15 local and regional economic development organizations to  
16 facilitate a statewide entrepreneurship strategy to stimulate  
17 the growth of start-up businesses and technology innovations  
18 in this state. This strategy should include, but need not be  
19 limited to, technology transfer coordination, university  
20 linkages, entrepreneurial networks and training, and start-up  
21 capital access, including the formation and growth of  
22 individual and business networks that may be willing to invest  
23 in start-up businesses in this state.

24 Section 8. Section 288.9517, Florida Statutes, is  
25 repealed.

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

28 Section 10. This act shall take effect July 1, 2003.  
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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
COMMITTEE SUBSTITUTE FOR  
CS/SB 2328 & 2252

The CS differs from the bill as filed in that it requires Enterprise Florida to coordinate with local and regional economic development organizations to facilitate a statewide entrepreneurship strategy to stimulate the growth of start-up businesses and technology innovations in Florida.