

By the Committees on Finance and Taxation; Commerce, Economic Opportunities, and Consumer Services; and Senator Garcia

314-2524-03

1 A bill to be entitled
 2 An act relating to economic stimulus; amending
 3 s. 220.191, F.S.; redefining the term
 4 "qualifying project" for purposes of capital
 5 investment tax credits; amending s. 288.1045,
 6 F.S.; revising the definition of "Department of
 7 Defense contract" under the tax refund program
 8 for qualified defense contractors; extending
 9 the period applicable to a program exemption
 10 under certain conditions; amending s. 288.106,
 11 F.S.; providing for special consideration to be
 12 given to defense and homeland security under
 13 the tax refund program for qualified target
 14 industry businesses; extending the period
 15 applicable to a program exemption under certain
 16 conditions; amending s. 288.1088, F.S.;

17 revising requirements and providing powers of
 18 the Governor with respect to using funds in the
 19 Quick Action Closing Fund; amending s. 445.048,
 20 F.S.; continuing and expanding the Passport to
 21 Economic Progress demonstration project;
 22 providing appropriations; providing an
 23 effective date.

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

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 27 Section 1. Paragraph (h) of subsection (1) of section
 28 220.191, Florida Statutes, is amended to read:
 29 220.191 Capital investment tax credit.--
 30 (1) DEFINITIONS.--For purposes of this section:
 31 (h) "Qualifying project" means:

1 1. A new or expanding facility in this state which
2 creates at least 100 new jobs in this state and is in one of
3 the high-impact sectors identified by Enterprise Florida,
4 Inc., and certified by the office pursuant to s. 288.108(6),
5 including, but not limited to, aviation, aerospace,
6 automotive, and silicon technology industries; or-

7 2. A new financial services facility in this state
8 which creates at least 2,000 new jobs in this state, pays an
9 average annual wage of at least \$50,000, and makes a capital
10 investment of at least \$30 million. This subparagraph expires
11 June 30, 2004.

12 Section 2. Paragraph (e) of subsection (1) and
13 paragraph (b) of subsection (4) of section 288.1045, Florida
14 Statutes, are amended to read:

15 288.1045 Qualified defense contractor tax refund
16 program.--

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

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

1 (4) QUALIFIED DEFENSE CONTRACTOR TAX REFUND
2 AGREEMENT.--

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

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

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

31

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

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

20 5. A qualified applicant that receives an
21 economic-stimulus exemption may not receive a tax refund for
22 the period covered by the exemption.

23 Section 3. Paragraph (o) of subsection (1) and
24 paragraph (b) of subsection (4) of section 288.106, Florida
25 Statutes, are amended to read:

26 288.106 Tax refund program for qualified target
27 industry businesses.--

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

29 (o) "Target industry business" means a corporate
30 headquarters business or any business that is engaged in one
31 of the target industries identified pursuant to the following

1 criteria developed by the office in consultation with
2 Enterprise Florida, Inc.:

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

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

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

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

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

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

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

16 (4) TAX REFUND AGREEMENT.--

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

28 1. A qualified target industry business may submit, in
29 writing, a request to the office for an economic-stimulus
30 exemption. The request must provide quantitative evidence
31 demonstrating how negative economic conditions in the

1 business's industry, or specific acts of terrorism affecting
2 the qualified target industry business, have prevented the
3 business from complying with the terms and conditions of its
4 tax refund agreement.

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

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

27 4. A qualified target industry business may submit a
28 request for an economic-stimulus exemption to the office in
29 lieu of any tax refund claim scheduled to be submitted after
30 January 1, 2001, but before June 30, 2004 ~~July 1, 2003~~.
31 However, a qualified target industry business that has

1 received at least one economic-stimulus exemption may not
2 apply for an additional exemption.

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

6 Section 4. Subsection (4) is added to section
7 288.1088, Florida Statutes, to read:

8 288.1088 Quick Action Closing Fund.--

9 (4) The Governor may, in an emergency or special
10 circumstance and with the approval of the President of the
11 Senate and the Speaker of the House of Representatives,
12 reallocate unencumbered funds appropriated to the Quick Action
13 Closing Fund to supplement statutorily created economic
14 development programs and operations. The Executive Office of
15 the Governor shall recommend approval of the transfer and
16 release of funds pursuant to the legislative consultation and
17 review requirements set forth in s. 216.177.

18 Section 5. Section 445.048, Florida Statutes, is
19 amended to read:

20 445.048 Passport to Economic Progress demonstration
21 program.--

22 (1) AUTHORIZATION.--Notwithstanding any law to the
23 contrary, Workforce Florida, Inc., in conjunction with the
24 Department of Children and Family Services and the Agency for
25 Workforce Innovation, shall implement a Passport to Economic
26 Progress demonstration program ~~by November 1, 2001,~~ consistent
27 with the provisions of this section in Hillsborough, ~~and~~
28 Manatee, and Sarasota counties. Workforce Florida, Inc., must
29 consult with the applicable regional workforce boards and the
30 applicable local offices of the department which serve the
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1 demonstration areas and must encourage community input into
2 the implementation process.

3 (2) WAIVERS.--If Workforce Florida, Inc., in
4 consultation with the Department of Children and Family
5 Services, finds that federal waivers would facilitate
6 implementation of the demonstration program, the department
7 shall immediately request such waivers, and Workforce Florida,
8 Inc., shall report to the Governor, the President of the
9 Senate, and the Speaker of the House of Representatives if any
10 refusal of the federal government to grant such waivers
11 prevents the implementation of the demonstration program. If
12 Workforce Florida, Inc., finds that federal waivers to
13 provisions of the Food Stamp Program would facilitate
14 implementation of the demonstration program, the Department of
15 Children and Family Services shall immediately request such
16 waivers in accordance with s. 414.175.

17 ~~(3) INCOME DISREGARD.--In order to provide an~~
18 ~~additional incentive for employment, and notwithstanding the~~
19 ~~amount specified in s. 414.095(12), for individuals residing~~
20 ~~in the areas designated for this demonstration program, the~~
21 ~~first \$300 plus one-half of the remainder of earned income~~
22 ~~shall be disregarded in determining eligibility for temporary~~
23 ~~cash assistance. All other conditions and requirements of s.~~
24 ~~414.095(12) shall continue to apply to such individuals.~~

25 (3)(4) TRANSITIONAL BENEFITS AND SERVICES.--In order
26 to assist them in making the transition to economic
27 self-sufficiency, former recipients of temporary cash
28 assistance residing within the areas designated for this
29 demonstration program shall be eligible for the following
30 benefits and services:

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1 (a) Notwithstanding the time period specified in s.
2 445.030, transitional education and training support services
3 as specified in s. 445.030 for up to 4 years after the family
4 is no longer receiving temporary cash assistance;

5 (b) Notwithstanding the time period specified in s.
6 445.031, transitional transportation support services as
7 specified in s. 445.031 for up to 4 years after the family is
8 no longer receiving temporary cash assistance; and

9 (c) Notwithstanding the time period specified in s.
10 445.032, transitional child care as specified in s. 445.032
11 for up to 4 years after the family is no longer receiving
12 temporary cash assistance.

13
14 All other provisions of ss. 445.030, 445.031, and 445.032
15 shall apply to such individuals, as appropriate. This
16 subsection does not constitute an entitlement to transitional
17 benefits and services. If funds are insufficient to provide
18 benefits and services under this subsection, the board of
19 directors of Workforce Florida, Inc., may limit such benefits
20 and services or otherwise establish priorities for the
21 provisions of such benefits and services.

22 (4) INCENTIVES TO ECONOMIC SELF-SUFFICIENCY.--

23 (a) The Legislature finds that:

24 1. There are former recipients of temporary cash
25 assistance who are working full time but whose incomes are
26 below the poverty level.

27 2. Having incomes below the federal poverty level
28 makes such individuals particularly vulnerable to reliance on
29 public assistance despite their best efforts to achieve or
30 maintain economic independence through employment.

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1 3. It is necessary to implement a performance-based
2 program that defines economic incentives for achieving
3 specific benchmarks toward self-sufficiency while the
4 individual is working full time.

5 (b) Workforce Florida, Inc., in cooperation with the
6 Department of Children and Family Services and the Agency for
7 Workforce Innovation, shall offer performance-based incentive
8 bonuses as a component of the Passport to Economic Progress
9 demonstration program in the areas of the state which are
10 designated for demonstration programs. The bonuses do not
11 represent a program entitlement and shall be contingent on
12 achieving specific benchmarks prescribed in the
13 self-sufficiency plan. If the funds appropriated for this
14 purpose are insufficient to provide this financial incentive,
15 the board of directors of Workforce Florida, Inc., shall
16 reduce or suspend the bonuses in order not to exceed the
17 appropriation.

18 ~~(5) WAGE SUPPLEMENTATION.--~~

19 ~~(a) The Legislature finds that:~~

20 ~~1. There are former recipients of temporary cash~~
21 ~~assistance who are working full time but whose incomes are~~
22 ~~below the federal poverty level.~~

23 ~~2. Having incomes below the federal poverty level~~
24 ~~makes such individuals particularly vulnerable to reliance on~~
25 ~~public assistance despite their best efforts to achieve or~~
26 ~~maintain economic independence through employment.~~

27 ~~3. It is necessary to supplement the wages of such~~
28 ~~individuals for a limited period of time in order to assist~~
29 ~~them in fulfilling the transition to economic~~
30 ~~self-sufficiency.~~

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1 ~~(b) Workforce Florida, Inc., in cooperation with the~~
2 ~~Department of Children and Family Services and the Agency for~~
3 ~~Workforce Innovation, shall create a transitional wage~~
4 ~~supplementation program by November 1, 2001, as a component of~~
5 ~~the Passport to Economic Progress demonstration program in the~~
6 ~~areas designated for the demonstration program. This wage~~
7 ~~supplementation program does not constitute an entitlement to~~
8 ~~wage supplementation. If funds appropriated are insufficient~~
9 ~~to provide wage supplementation, the board of directors of~~
10 ~~Workforce Florida, Inc., may limit wage supplementation or~~
11 ~~otherwise establish priorities for wage supplementation.~~

12 (c) To be eligible for wage supplementation under this
13 subsection, an individual must:

14 1. Be a former recipient of temporary cash assistance
15 who last received such assistance on or after January 1, 2000;

16 2. Be employed full time, which for the purposes of
17 this subsection means employment averaging at least 32 hours
18 per week, or, following Congressional passage of legislation
19 reauthorizing Temporary Assistance to Needy Families, comply
20 with the employment requirements of the reauthorized law; and

21 3. Have an average family income for the 6 months
22 preceding the date of application for wage supplementation
23 which is less than 100 percent of the federal poverty level.

24 ~~(d) Workforce Florida, Inc., shall determine the~~
25 ~~schedule for the payment of wage supplementation under this~~
26 ~~subsection. An individual eligible for wage supplementation~~
27 ~~under this subsection may receive a payment that equals the~~
28 ~~amount necessary to bring the individual's total family income~~
29 ~~for the period covered by the payment to 100 percent of the~~
30 ~~federal poverty level. An individual may not receive wage~~
31 ~~supplementation payments for more than a total of 12 months.~~

1 ~~(e) The wage supplementation program authorized by~~
2 ~~this subsection shall be administered through the regional~~
3 ~~workforce boards and the one-stop delivery system, under~~
4 ~~policy guidelines, criteria, and applications developed by~~
5 ~~Workforce Florida, Inc., in cooperation with the Department of~~
6 ~~Children and Family Services and the Agency for Workforce~~
7 ~~Innovation. To the maximum extent possible, the regional~~
8 ~~workforce boards shall use electronic debit card technologies~~
9 ~~to provide wage supplementation payments under this program.~~

10 (5)~~(6)~~ EVALUATIONS AND RECOMMENDATIONS.--Workforce
11 Florida, Inc., in conjunction with the Department of Children
12 and Family Services, the Agency for Workforce Innovation, and
13 the regional workforce boards in the areas designated for this
14 demonstration program, shall conduct a comprehensive
15 evaluation of the effectiveness of the demonstration program
16 operated under this section. By January 1, 2005 ~~2003~~,
17 Workforce Florida, Inc., shall submit a report on such
18 evaluation to the Governor, the President of the Senate, and
19 the Speaker of the House of Representatives. The report must
20 include recommendations as to whether the demonstration
21 program should be expanded to other service areas or statewide
22 and whether the program should be revised to enhance its
23 administration or effectiveness.

24 (6)~~(7)~~ CONFLICTS.--If there is a conflict between the
25 implementation procedures described in this section and
26 federal requirements and regulations, federal requirements and
27 regulations shall control.

28 Section 6. The sum of \$1,785,000 is appropriated for
29 the 2003-2004 fiscal year from the Federal Grants Trust Fund
30 to the Department of Children and Family Services to provide
31 bonus payments pursuant to section 445.048(4), Florida

1 Statutes, and the sum of \$1,074,200 is appropriated for the
2 2003-2004 fiscal year from the Welfare Transition Trust Fund
3 to the Agency for Workforce Innovation to extend transitional
4 benefits and services.

5 Section 7. This act shall take effect upon becoming a
6 law.

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8 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
9 COMMITTEE SUBSTITUTE FOR
10 CS/SB 2410

11 This committee substitute retains the current law requirement
12 that the Governor consult with the Legislature concerning uses
13 of the Quick Action Closing Fund. It also enacts
14 modifications to the Passport to Economic Progress
15 demonstration project that were recommended by Workforce
16 Florida, Inc. It provides appropriations from the TANF block
17 grant to the Department of Children and Families and the
18 Agency for Workforce Innovation.
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