



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

CHAMBER ACTION

The Commerce Committee recommends the following:

Committee Substitute

Remove the entire bill and insert:

A bill to be entitled

An act relating to economic development incentive programs; amending s. 220.191, F.S.; including certain financial services facilities as a qualified project for purposes of the capital investment tax credit; providing for future repeal; amending s. 288.1045, F.S.; revising a definition; amending s. 288.106, F.S.; revising a definition of target industry business to include defense and homeland security businesses; extending a deadline for application for a prorated tax refund under an economic stimulus exemption; amending s. 288.1088, F.S.; deleting a function of the Executive Office of the Governor relating to project approval recommendations and release of certain funds; authorizing the Governor to reallocate unencumbered funds in the Quick Action Closing Fund to supplement certain economic development programs and operations in emergency or special circumstances; providing for reallocation approval and fund release recommendations by



HB 0691

2003
CS

28 | the Executive Office of the Governor; providing an
29 | effective date.

30 |
31 | Be It Enacted by the Legislature of the State of Florida:

32 |
33 | Section 1. Section 220.191, Florida Statutes, is amended
34 | to read:

35 | 220.191 Capital investment tax credit.--

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

37 | (h) "Qualifying project" means:

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

44 | 2. A new financial services facility in this state, which
45 | creates at least 2,000 new jobs in this state, pays an average
46 | annual wage of at least \$50,000, and makes a cumulative capital
47 | investment of at least \$30 million. This subparagraph is
48 | repealed June 30, 2004.

49 | Section 2. Paragraph (e) of subsection (1) of section
50 | 288.1045, Florida Statutes, is amended to read:

51 | 288.1045 Qualified defense contractor tax refund
52 | program.--

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

54 | (e) "Department of Defense contract" means a competitively
55 | bid Department of Defense contract or subcontract or a



HB 0691

2003
CS

56 competitively bid federal agency contract or subcontract issued
 57 on behalf of the Department of Defense for manufacturing,
 58 assembling, fabricating, research, development, or design with a
 59 duration of 2 or more years, but excluding any contract or
 60 subcontract to provide goods, improvements to real or tangible
 61 property, or services directly to or for any particular military
 62 base or installation in this state. The term includes contracts
 63 or subcontracts for products or services for military use or
 64 homeland security which contracts or subcontracts are approved
 65 by the United States Department of Defense, the United States
 66 Department of State, or the United States Department of Homeland
 67 Security Coast Guard.

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

71 288.106 Tax refund program for qualified target industry
 72 businesses.--

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

74 (o) "Target industry business" means a corporate
 75 headquarters business or any business that is engaged in one of
 76 the target industries identified pursuant to the following
 77 criteria developed by the office in consultation with Enterprise
 78 Florida, Inc.:

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



HB 0691

2003
CS

84 | 2. Stability.--The industry should not be subject to
85 | periodic layoffs, whether due to seasonality or sensitivity to
86 | volatile economic variables such as weather. The industry should
87 | also be relatively resistant to recession, so that the demand
88 | for products of this industry is not necessarily subject to
89 | decline during an economic downturn.

90 | 3. High wage.--The industry should pay relatively high
91 | wages compared to statewide or area averages.

92 | 4. Market and resource independent.--The location of
93 | industry businesses should not be dependent on Florida markets
94 | or resources as indicated by industry analysis. Special
95 | consideration should be given to the development of strong
96 | industrial clusters which include defense and homeland security
97 | businesses.

98 | 5. Industrial base diversification and strengthening.--The
99 | industry should contribute toward expanding or diversifying the
100 | state's or area's economic base, as indicated by analysis of
101 | employment and output shares compared to national and regional
102 | trends. Special consideration should be given to industries that
103 | strengthen regional economies by adding value to basic products
104 | or building regional industrial clusters as indicated by
105 | industry analysis.

106 | 6. Economic benefits.--The industry should have strong
107 | positive impacts on or benefits to the state and regional
108 | economies.

109 |
110 | The office, in consultation with Enterprise Florida, Inc., shall
111 | develop a list of such target industries annually and submit



HB 0691

2003
CS

112 such list as part of the final agency legislative budget request
113 submitted pursuant to s. 216.023(1). A target industry business
114 may not include any industry engaged in retail activities; any
115 electrical utility company; any phosphate or other solid
116 minerals severance, mining, or processing operation; any oil or
117 gas exploration or production operation; or any firm subject to
118 regulation by the Division of Hotels and Restaurants of the
119 Department of Business and Professional Regulation.

120 (4) TAX REFUND AGREEMENT.--

121 (b) Compliance with the terms and conditions of the
122 agreement is a condition precedent for the receipt of a tax
123 refund each year. The failure to comply with the terms and
124 conditions of the tax refund agreement results in the loss of
125 eligibility for receipt of all tax refunds previously authorized
126 under this section and the revocation by the director of the
127 certification of the business entity as a qualified target
128 industry business, unless the business is eligible to receive
129 and elects to accept a prorated refund under paragraph (5)(d) or
130 the office grants the business an economic-stimulus exemption.

131 1. A qualified target industry business may submit, in
132 writing, a request to the office for an economic-stimulus
133 exemption. The request must provide quantitative evidence
134 demonstrating how negative economic conditions in the business's
135 industry, or specific acts of terrorism affecting the qualified
136 target industry business, have prevented the business from
137 complying with the terms and conditions of its tax refund
138 agreement.



HB 0691

2003
CS

139 2. Upon receipt of a request under subparagraph 1., the
140 director shall have 45 days to notify the requesting business,
141 in writing, if its exemption has been granted or denied. In
142 determining if an exemption should be granted, the director
143 shall consider the extent to which negative economic conditions
144 in the requesting business's industry, or specific acts of
145 terrorism affecting the qualified target industry business, have
146 prevented the business from complying with the terms and
147 conditions of its tax refund agreement.

148 3. As a condition for receiving a prorated refund under
149 paragraph (5)(d) or an economic-stimulus exemption under this
150 paragraph, a qualified target industry business must agree to
151 renegotiate its tax refund agreement with the office to, at a
152 minimum, ensure that the terms of the agreement comply with
153 current law and office procedures governing application for and
154 award of tax refunds. Upon approving the award of a prorated
155 refund or granting an economic-stimulus exemption, the office
156 shall renegotiate the tax refund agreement with the business as
157 required by this subparagraph. When amending the agreement of a
158 business receiving an economic-stimulus exemption, the office
159 may extend the duration of the agreement for a period not to
160 exceed 1 year.

161 4. A qualified target industry business may submit a
162 request for an economic-stimulus exemption to the office in lieu
163 of any tax refund claim scheduled to be submitted after January
164 1, 2001, but before June 30, 2004 ~~July 1, 2003~~.



HB 0691

2003
CS

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

168 Section 4. Paragraph (b) of subsection (3) of section
169 288.1088, Florida Statutes, is amended, and subsection (4) is
170 added to said section, to read:

171 288.1088 Quick Action Closing Fund.--

172 (3)

173 (b) Upon receipt of the evaluation and recommendation from
174 Enterprise Florida, Inc., the director shall recommend approval
175 or disapproval of a project for receipt of funds from the Quick
176 Action Closing Fund to the Governor. In recommending a project,
177 the director shall include proposed performance conditions that
178 the project must meet to obtain incentive funds. The Governor
179 shall consult with the President of the Senate and the Speaker
180 of the House of Representatives before giving final approval for
181 a project. ~~The Executive Office of the Governor shall recommend~~
182 ~~approval of a project and release of funds pursuant to the~~
183 ~~legislative consultation and review requirements set forth in s.~~
184 ~~216.177. The recommendation must include proposed performance~~
185 ~~conditions the project must meet to obtain funds.~~

186 (4) The Governor may, in an emergency or special
187 circumstance, and in consultation with the President of the
188 Senate and the Speaker of the House of Representatives,
189 reallocate unencumbered funds appropriated to the Quick Action
190 Closing Fund to supplement statutorily created economic
191 development programs and operations. The Executive Office of the
192 Governor shall recommend approval of the transfer and release of



HB 0691

2003
CS

193 | funds pursuant to the legislative consultation and review
194 | requirements set forth in s. 216.177.

195 | Section 5. This act shall take effect upon becoming a law.