



CHAMBER ACTION

The Committee on Commerce recommends the following:

Committee Substitute

Remove the entire bill and insert:

A bill to be entitled

An act relating to enterprise zones; amending s. 212.08, F.S.; reducing the minimum purchase price for exemption from tax for business property used in an enterprise zone; amending s. 290.0065, F.S.; providing for the amendment of the boundaries of an enterprise zone; describing the new enterprise zone boundaries; providing an approval date; amending s. 290.00675, F.S.; authorizing the Office of Tourism, Trade, and Economic Development to amend the boundaries of specified communities and increasing the population limits thereof; amending s. 290.00676, F.S.; extending the deadline for requests to amend rural enterprise zone boundaries; creating s. 290.00684, F.S.; authorizing Escambia County to apply to the Office of Tourism, Trade, and Economic Development for designation of one enterprise zone, notwithstanding certain limitations; providing requirements with respect thereto; amending s. 290.00693, F.S.; providing that the governing body of Gadsden County may apply to the Office of Tourism,



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29 Trade, and Economic Development to amend the boundaries of
 30 a specified enterprise zone; amending s. 290.00698, F.S.;
 31 authorizing the Office of Tourism, Trade, and Economic
 32 Development to approve a request to amend the boundaries
 33 of the Okaloosa County enterprise zone if the amendment
 34 does not increase the size of the zone by more than 1
 35 square mile and is submitted before December 31, 2003;
 36 providing an effective date.

37
 38 Be It Enacted by the Legislature of the State of Florida:

39
 40 Section 1. Paragraph (h) of subsection (5) of section
 41 212.08, Florida Statutes, is amended to read:

42 212.08 Sales, rental, use, consumption, distribution, and
 43 storage tax; specified exemptions.--The sale at retail, the
 44 rental, the use, the consumption, the distribution, and the
 45 storage to be used or consumed in this state of the following
 46 are hereby specifically exempt from the tax imposed by this
 47 chapter.

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

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

50 1. Business property purchased for use by businesses
 51 located in an enterprise zone which is subsequently used in an
 52 enterprise zone shall be exempt from the tax imposed by this
 53 chapter. This exemption inures to the business only through a
 54 refund of previously paid taxes. A refund shall be authorized
 55 upon an affirmative showing by the taxpayer to the satisfaction



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56 of the department that the requirements of this paragraph have
57 been met.

58 2. To receive a refund, the business must file under oath
59 with the governing body or enterprise zone development agency
60 having jurisdiction over the enterprise zone where the business
61 is located, as applicable, an application which includes:

62 a. The name and address of the business claiming the
63 refund.

64 b. The identifying number assigned pursuant to s. 290.0065
65 to the enterprise zone in which the business is located.

66 c. A specific description of the property for which a
67 refund is sought, including its serial number or other permanent
68 identification number.

69 d. The location of the property.

70 e. The sales invoice or other proof of purchase of the
71 property, showing the amount of sales tax paid, the date of
72 purchase, and the name and address of the sales tax dealer from
73 whom the property was purchased.

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

76 g. If applicable, the name and address of each permanent
77 employee of the business, including, for each employee who is a
78 resident of an enterprise zone, the identifying number assigned
79 pursuant to s. 290.0065 to the enterprise zone in which the
80 employee resides.

81 3. Within 10 working days after receipt of an application,
82 the governing body or enterprise zone development agency shall
83 review the application to determine if it contains all the



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84 information required pursuant to subparagraph 2. and meets the
85 criteria set out in this paragraph. The governing body or agency
86 shall certify all applications that contain the information
87 required pursuant to subparagraph 2. and meet the criteria set
88 out in this paragraph as eligible to receive a refund. If
89 applicable, the governing body or agency shall also certify if
90 20 percent of the employees of the business are residents of an
91 enterprise zone, excluding temporary and part-time employees.
92 The certification shall be in writing, and a copy of the
93 certification shall be transmitted to the executive director of
94 the Department of Revenue. The business shall be responsible for
95 forwarding a certified application to the department within the
96 time specified in subparagraph 4.

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

100 5. The provisions of s. 212.095 do not apply to any refund
101 application made pursuant to this paragraph. The amount refunded
102 on purchases of business property under this paragraph shall be
103 the lesser of 97 percent of the sales tax paid on such business
104 property or \$5,000, or, if no less than 20 percent of the
105 employees of the business are residents of an enterprise zone,
106 excluding temporary and part-time employees, the amount refunded
107 on purchases of business property under this paragraph shall be
108 the lesser of 97 percent of the sales tax paid on such business
109 property or \$10,000. A refund approved pursuant to this
110 paragraph shall be made within 30 days of formal approval by the
111 department of the application for the refund. No refund shall be



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112 granted under this paragraph unless the amount to be refunded
113 exceeds \$100 in sales tax paid on purchases made within a 60-day
114 time period.

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

119 7. If the department determines that the business property
120 is used outside an enterprise zone within 3 years from the date
121 of purchase, the amount of taxes refunded to the business
122 purchasing such business property shall immediately be due and
123 payable to the department by the business, together with the
124 appropriate interest and penalty, computed from the date of
125 purchase, in the manner provided by this chapter.

126 Notwithstanding this subparagraph, business property used
127 exclusively in:

- 128 a. Licensed commercial fishing vessels,
- 129 b. Fishing guide boats, or
- 130 c. Ecotourism guide boats

131
132 that leave and return to a fixed location within an area
133 designated under s. 370.28 are eligible for the exemption
134 provided under this paragraph if all requirements of this
135 paragraph are met. Such vessels and boats must be owned by a
136 business that is eligible to receive the exemption provided
137 under this paragraph. This exemption does not apply to the
138 purchase of a vessel or boat.



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

145 9. For the purposes of this exemption, "business property"
 146 means new or used property defined as "recovery property" in s.
 147 168(c) of the Internal Revenue Code of 1954, as amended, except:

148 a. Property classified as 3-year property under s.
 149 168(c)(2)(A) of the Internal Revenue Code of 1954, as amended;

150 b. Industrial machinery and equipment as defined in sub-
 151 subparagraph (b)6.a. and eligible for exemption under paragraph
 152 (b);

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

155 d. Business property having a sales price of under \$500
 156 ~~\$5,000~~ per unit.

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

159 Section 2. Subsection (12) is added to section 290.0065,
 160 Florida Statutes, to read:

161 290.0065 State designation of enterprise zones.--

162 (12) Before December 31, 2003, any county as defined in s.
 163 125.011(1) may apply to the Office of Tourism, Trade, and
 164 Economic Development to amend the boundaries of an existing
 165 enterprise zone for the purpose of replacing an area of not more
 166 than 75 acres that is not suitable for development with an area



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167 | of the same number of acres that is suitable for development.
168 | The area suitable for development must be contiguous to the
169 | existing enterprise zone and must be contiguous to a zoological
170 | park and the county must have previously completed a master plan
171 | for the development of the area. The Office of Tourism, Trade,
172 | and Economic Development shall approve the amendment effective
173 | January 1, 2004, provided that the enterprise zone remains
174 | consistent with the criteria and conditions imposed by s.
175 | 290.0055 upon the establishment of enterprise zones, including
176 | the requirement that the area suffer from pervasive poverty,
177 | unemployment, and general distress.

178 | Section 3. Section 290.00675, Florida Statutes, is amended
179 | to read:

180 | 290.00675 Amendment of certain enterprise zone
181 | boundaries.--Notwithstanding any other provisions of law, the
182 | Office of Tourism, Trade, and Economic Development may amend the
183 | boundaries of an area designated as an enterprise zone in a
184 | community having a population of 235,000 persons but less than
185 | 260,000 ~~245,000~~, so long as the area does not increase the
186 | overall size of the zone by greater than 25 acres and the
187 | increased area is contiguous to the existing enterprise zone.
188 | The amendment must also be consistent with the limitations
189 | imposed by s. 290.0055 upon establishment of the enterprise
190 | zone.

191 | Section 4. Subsection (3) of section 290.00676, Florida
192 | Statutes, is amended to read:

193 | 290.00676 Amendment of rural enterprise zone
194 | boundaries.--Notwithstanding any other law, upon recommendation



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195 by Enterprise Florida, Inc., the Office of Tourism, Trade, and
196 Economic Development may approve requests to amend the
197 boundaries of rural enterprise zones as defined in s.
198 290.004(8). Boundary amendments authorized by this section are
199 subject to the following requirements:

200 (3) The local enterprise zone development agency must
201 request the amendment from Enterprise Florida, Inc., prior to
202 December 30, 2003 ~~2001~~. The request must contain maps and
203 sufficient information to allow the office to determine the
204 number of noncontiguous areas and the total size of the rural
205 enterprise zone.

206 Section 5. Section 290.00684, Florida Statutes, is created
207 to read:

208 290.00684 Enterprise zone designation for Escambia
209 County.--Escambia County may apply to the Office of Tourism,
210 Trade, and Economic Development for designation of one
211 enterprise zone within the county encompassing an area which
212 shall not exceed 20 square miles and shall have a contiguous
213 boundary or shall consist of not more than three noncontiguous
214 areas. The application must be submitted by December 31, 2003,
215 and must comply with the requirements of s. 290.0055, except
216 subsection (3) of that section. Notwithstanding the provisions
217 of s. 290.0065 limiting the total number of enterprise zones
218 designated and the number of enterprise zones within a
219 population category, the Office of Tourism, Trade, and Economic
220 Development may designate one enterprise zone under this
221 section. The Office of Tourism, Trade, and Economic Development



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222 shall establish the initial effective date of the enterprise
223 zone designated pursuant to this section.

224 Section 6. Section 290.00693, Florida Statutes, is amended
225 to read:

226 290.00693 Enterprise zone designation for Gadsden
227 County.--

228 (1) Gadsden County may apply to the Office of Tourism,
229 Trade, and Economic Development for designation of one
230 enterprise zone encompassing an area within the county. The
231 application must be submitted by December 31, 1999, and must
232 comply with the requirements of s. 290.0055. Notwithstanding the
233 provisions of s. 290.0065 limiting the total number of
234 enterprise zones designated and the number of enterprise zones
235 within a population category, the Office of Tourism, Trade, and
236 Economic Development may designate one enterprise zone under
237 this section. The Office of Tourism, Trade, and Economic
238 Development shall establish the initial effective date of the
239 enterprise zone designated pursuant to this section.

240 (2) Before December 31, 2003, the governing body of a
241 county in which an enterprise zone designated pursuant to this
242 section is located may apply to the Office of Tourism, Trade,
243 and Economic Development to amend the boundaries of the
244 enterprise zone for the purpose of replacing areas not suitable
245 for development.

246 Section 7. Section 290.00698, Florida Statutes, is amended
247 to read:

248 290.00698 Enterprise zone designation for Okaloosa
249 County.--



250 (1) Okaloosa County may apply to the Office of Tourism,
 251 Trade, and Economic Development for designation of one
 252 enterprise zone within an area in Okaloosa County, which zone
 253 encompasses an area up to 6 square miles. The application must
 254 be submitted by December 31, 2001, and must comply with the
 255 requirements of s. 290.0055, except subsection (3) thereof.
 256 Notwithstanding the provisions of s. 290.0065 limiting the total
 257 number of enterprise zones designated and the number of
 258 enterprise zones within a population category, the Office of
 259 Tourism, Trade, and Economic Development may designate one
 260 enterprise zone under this section. The Office of Tourism,
 261 Trade, and Economic Development shall establish the initial
 262 effective date of the enterprise zone designated pursuant to
 263 this section.

264 (2) Notwithstanding any other provision of law, the Office
 265 of Tourism, Trade, and Economic Development may approve a
 266 request by Okaloosa County to amend the boundaries of the area
 267 designated as an enterprise zone under this section if the
 268 amendment does not increase the overall size of the enterprise
 269 zone by more than 1 square mile. The amendment must also be
 270 consistent with the limitations imposed by s. 290.0055. Such
 271 request must be submitted to the Office of Tourism, Trade, and
 272 Economic Development before December 31, 2003.

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