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CHAMBER ACTION

The Committee on Finance & Tax recommends the following:

Committee Substitute

Remove the entire bill and insert:

A bill to be entitled

An act relating to economic stimulus; amending s. 212.097, F.S.; revising provisions providing for an urban job tax credit program to apply to designated urban job tax credit areas rather than high crime areas; revising and providing definitions, eligibility criteria, application procedures and requirements, and area characteristics and criteria; authorizing transfer of unused credits; specifying use of transferred credits; amending s. 220.1895, F.S.; conforming changes; removing a historical reference; amending s. 288.1045, F.S.; revising the definition of "Department of Defense contract" under the tax refund program for qualified defense contractors; extending the period applicable to a program exemption under certain conditions; amending s. 288.106, F.S.; providing for special consideration to be given to defense and homeland security under the tax refund program for qualified target industry businesses; extending the period applicable to a program exemption under certain conditions; reenacting and



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29 | amending s. 288.9515, F.S.; revising and clarifying powers
30 | of Enterprise Florida, Inc., to develop authorized
31 | technology development programs; deleting a preference
32 | requirement for contractor selections; clarifying a
33 | requirement for capitalization of a technology development
34 | financing fund; revising criteria and requirements for
35 | investment of moneys in the Florida Technology Research
36 | Investment Fund; providing for payment of certain claims
37 | from the fund; specifying nonapplication of state credit
38 | or taxing power; specifying absence of state liability for
39 | certain claims; directing Enterprise Florida, Inc., to
40 | facilitate the formation of investor networks; repealing
41 | s. 288.9517, F.S., relating to audits of the technology
42 | development board and confidentiality of the identity of
43 | certain contributors to the board; repealing s. 14, ch.
44 | 93-187, Laws of Florida, relating to the future repeal and
45 | review by the Legislature of statutes governing certain
46 | technology development programs of Enterprise Florida,
47 | Inc.; providing an effective date.

48 |
49 | Be It Enacted by the Legislature of the State of Florida:

50 |
51 | Section 1. Section 212.097, Florida Statutes, is amended
52 | to read:

53 | 212.097 Designated Urban ~~High-Crime Area~~ Job Tax Credit
54 | Area Program.--

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



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56 (a) "Eligible business" means any sole proprietorship,
57 firm, partnership, or corporation that is located in a
58 designated urban job tax credit area ~~qualified county~~ and is
59 predominantly engaged in, or is headquarters for a business
60 predominantly engaged in, activities usually provided for
61 consideration by firms classified within the following standard
62 industrial classifications: SIC 01-SIC 09 (agriculture,
63 forestry, and fishing); SIC 20-SIC 39 (manufacturing); SIC 52-
64 SIC 57 and SIC 59 (retail); SIC 422 (public warehousing and
65 storage); SIC 70 (hotels and other lodging places); SIC 7391
66 (research and development); SIC 781 (motion picture production
67 and allied services); SIC 7992 (public golf courses); ~~and~~ SIC
68 7996 (amusement parks); and a targeted industry eligible for the
69 qualified target industry business tax refund under s. 288.106.
70 A call center or similar customer service operation that
71 services a multistate market or international market is also an
72 eligible business. In addition, the Office of Tourism, Trade,
73 and Economic Development may, as part of its final budget
74 request submitted pursuant to s. 216.023, recommend additions to
75 or deletions from the list of standard industrial
76 classifications used to determine an eligible business, and the
77 Legislature may implement such recommendations. Excluded from
78 eligible receipts are receipts from retail sales, except such
79 receipts for SIC 52-SIC 57 and SIC 59 (retail) hotels and other
80 lodging places classified in SIC 70, public golf courses in SIC
81 7992, and amusement parks in SIC 7996. For purposes of this
82 paragraph, the term "predominantly" means that more than 50
83 percent of the business's gross receipts from all sources is



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84 generated by those activities usually provided for consideration
85 by firms in the specified standard industrial classification.
86 The determination of whether the business is located in a
87 designated urban job tax credit ~~qualified high-crime~~ area and
88 ~~the tier ranking of that area~~ must be based on the date of
89 application for the credit under this section. Commonly owned
90 and controlled entities are to be considered a single business
91 entity.

92 (b) "Qualified employee" means any employee of an eligible
93 business who performs duties in connection with the operations
94 of the business on a regular, full-time basis for an average of
95 at least 36 hours per week for at least 3 months within the
96 designated urban job tax credit ~~qualified high-crime~~ area in
97 which the eligible business is located. An owner or partner of
98 the eligible business is not a qualified employee. The term also
99 includes an employee leased from an employee leasing company
100 licensed under chapter 468, if such employee has been
101 continuously leased to the employer for an average of at least
102 36 hours per week for more than 6 months.

103 (c) "New business" means any eligible business first
104 beginning operation on a site in a designated urban job tax
105 credit ~~qualified high-crime~~ area and clearly separate from any
106 other commercial or business operation of the business entity
107 within a designated urban job tax credit ~~qualified high-crime~~
108 area. A business entity that operated an eligible business
109 within a designated urban job tax credit ~~qualified high-crime~~
110 area within the 48 months before the period provided for
111 application by subsection (2) is not considered a new business.



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

114 (e) "Designated urban job tax credit ~~Qualified high-crime~~
115 ~~area~~" means an area selected by the Office of Tourism, Trade,
116 and Economic Development in the following manner: every third
117 year, the office shall rank ~~and tier~~ those areas nominated under
118 subsection(7), according to the highest level of distress
119 experienced in the categories enumerated under subsection (7).

120 The Office of Tourism, Trade, and Economic Development shall
121 designate the 30 highest-distress-profile urban areas as
122 eligible participants under the urban job tax credit program
123 ~~following prioritized criteria:~~

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

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

130 ~~3. Highest percentage of reported index crimes that are~~
131 ~~violent in nature;~~

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

133 ~~5. Highest overall index crime rate for the geographic~~
134 ~~area.~~

135

136 ~~Tier one areas are ranked 1 through 5 and represent the highest~~
137 ~~crime areas according to this ranking. Tier two areas are ranked~~
138 ~~6 through 10 according to this ranking. Tier three areas are~~
139 ~~ranked 11 through 15. Notwithstanding this definition,~~



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140 "designated urban job tax credit ~~qualified high-crime area~~" also
141 means an area that has been designated as a federal Empowerment
142 Zone pursuant to the Taxpayer Relief Act of 1997 or the
143 Community Tax Relief Act of 2000. ~~Such a designated area is~~
144 ~~ranked in tier three until the areas are reevaluated by the~~
145 ~~Office of Tourism, Trade, and Economic Development.~~

146 (f) "Central business district" means an area comprised of
147 at least 80 percent commercial and government buildings and
148 properties; characterized by a high concentration of retail
149 businesses, service businesses, offices, theaters, and hotels;
150 and located in a Department of Transportation Urban Service
151 Area.

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

157 (2) A new eligible business may apply for a tax credit
158 under this subsection once at any time during its first year of
159 operation. A new eligible business in a designated urban job tax
160 credit ~~tier one qualified high-crime area~~ which has at least 10
161 qualified employees on the date of application shall receive a
162 ~~\$1,500 tax credit for each such employee. A new eligible~~
163 ~~business in a tier two qualified high-crime area which has at~~
164 ~~least 20 qualified employees on the date of application shall~~
165 ~~receive a \$1,000 tax credit for each such employee. A new~~
166 ~~eligible business in a tier three qualified high-crime area~~
167 ~~which has at least 30 qualified employees on the date of~~



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168 ~~application shall receive a \$500 tax credit for each such~~
169 ~~employee.~~

170 (3) An existing eligible business may apply for a tax
171 credit under this subsection at any time it is entitled to such
172 credit, except as restricted by this subsection. An existing
173 eligible business in a designated urban job tax credit tier one
174 ~~qualified high-crime~~ area which on the date of application has
175 at least 10 ~~5~~ more qualified employees than it had 1 year prior
176 to its date of application shall receive a ~~\$1,500 tax credit for~~
177 ~~each such additional employee. An existing eligible business in~~
178 ~~a tier-two qualified high-crime area which on the date of~~
179 ~~application has at least 10 more qualified employees than it had~~
180 ~~1 year prior to its date of application shall receive a \$1,000~~
181 ~~credit for each such additional employee. An existing business~~
182 ~~in a tier-three qualified high-crime area which on the date of~~
183 ~~application has at least 15 more qualified employees than it had~~
184 ~~1 year prior to its date of application shall receive a \$500 tax~~
185 ~~credit for each such additional employee.~~ An existing eligible
186 business may apply for the credit under this subsection no more
187 than once in any 12-month period. Any existing eligible business
188 that received a credit under subsection (2) may not apply for
189 the credit under this subsection sooner than 12 months after the
190 application date for the credit under subsection (2).

191 (4) For any new eligible business receiving a credit
192 pursuant to subsection (2), an additional \$500 credit shall be
193 provided for any qualified employee who is a welfare transition
194 program participant. For any existing eligible business
195 receiving a credit pursuant to subsection (3), an additional



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196 \$500 credit shall be provided for any qualified employee who is
197 a welfare transition program participant. Such employee must be
198 employed on the application date and have been employed less
199 than 1 year. This credit shall be in addition to other credits
200 pursuant to this section ~~regardless of the tier level of the~~
201 ~~high-crime area~~. Appropriate documentation concerning the
202 eligibility of an employee for this credit must be submitted as
203 determined by the department.

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

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

216 (a) Finds that an urban ~~a high-crime~~ area exists in such
217 county or municipality, or in both the county and one or more
218 municipalities, which chronically exhibits extreme and
219 unacceptable levels of poverty, unemployment, physical
220 deterioration, and economic disinvestment;

221 (b) Determines that the rehabilitation, conservation, or
222 redevelopment, or a combination thereof, of such an urban
223 ~~high-crime~~ area is necessary in the interest of the health,



224 safety, and welfare of the residents of such county or
 225 municipality, or such county and one or more municipalities; and

226 (c) Determines that the revitalization of such an urban ~~a~~
 227 ~~high-crime~~ area can occur if the public sector or private sector
 228 can be induced to invest its own resources in productive
 229 enterprises that build or rebuild the economic viability of the
 230 area.

231 (7) The governing body of the entity nominating the area
 232 shall demonstrate ~~provide~~ to the Office of Tourism, Trade, and
 233 Economic Development that the area meets the following:

234 (a) Income characteristics:

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

238 2. More than 20 percent of residents or families live
 239 below the federal standard of poverty for individuals or a
 240 family of four. ~~The overall index crime rate for the geographic~~
 241 ~~area;~~

242 (b) Education characteristics:

243 1. Has a high school dropout rate higher than the county
 244 average; or

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

247 (c) Workforce and employment characteristics:

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

250 2. More than 50 percent of families subject to the
 251 welfare-to-work transition time limit are either within 6 months



252 of the time limit or are receiving cash assistance under a
 253 period of hardship extension to the time limit; or

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

258 (d) Crime characteristics:

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

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

267 (e) Residential and commercial property related
 268 characteristics:

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

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

272 b. More than 5 percent of area homes, apartments, or
 273 buildings are abandoned, have been condemned within the previous
 274 24 months, or have a greater number of violations of the Florida
 275 Building Code than recorded in the remainder of the county or
 276 municipality; or

277 c. Tax or special assessment delinquencies exceed the fair
 278 value of the land. ~~The arrest rates within the geographic area~~
 279 ~~for violent crime and for such other crimes as drug sale, drug~~



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280 ~~possession, prostitution, disorderly conduct, vandalism, and~~
281 ~~other public order offenses.~~

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

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

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

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

295 a.1. For areas ~~communities~~ having a total population of
296 150,000 persons or more, the selected area does not exceed 20
297 square miles and is within 10 miles of the central business
298 district of a city.

299 b.2. For areas ~~communities~~ having a total population of
300 50,000 persons or more, but fewer than 150,000 persons, the
301 selected area does not exceed 10 square miles and is within 7.5
302 miles of the central business district of a city.

303 c.3. For areas ~~communities~~ having a total population of
304 20,000 persons or more, but fewer than 50,000 persons, the
305 selected area does not exceed 5 square miles and is within 5
306 miles of the central business district of a city.



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

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

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

320 (b) Within 30 working days after receipt of an application
321 for credit, the Office of Tourism, Trade, and Economic
322 Development shall review the application to determine whether it
323 contains all the information required by this subsection and
324 meets the criteria set out in this section. Subject to the
325 provisions of paragraph (c), the Office of Tourism, Trade, and
326 Economic Development shall approve all applications that contain
327 the information required by this subsection and meet the
328 criteria set out in this section as eligible to receive a
329 credit.

330 (c) The maximum credit amount that may be approved during
331 any calendar year is \$5 million, ~~of which \$1 million shall be~~
332 ~~exclusively reserved for tier one areas.~~ The Department of
333 Revenue, in conjunction with the Office of Tourism, Trade, and
334 Economic Development, shall notify the governing bodies in areas



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335 | designated under this section ~~as urban high crime areas~~ when the
336 | \$5 million maximum amount has been reached. Applications must be
337 | considered for approval in the order in which they are received
338 | without regard to whether the credit is for a new or existing
339 | business. This limitation applies to the value of the credit as
340 | contained in approved applications. Approved credits may be
341 | taken in the time and manner allowed pursuant to this section.

342 | (11) If the application is insufficient to support the
343 | credit authorized in this section, the Office of Tourism, Trade,
344 | and Economic Development shall deny the credit and notify the
345 | business of that fact. The business may reapply for this credit
346 | within 3 months after such notification.

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

351 | (13) It is the responsibility of each business to
352 | affirmatively demonstrate to the satisfaction of the Department
353 | of Revenue that it meets the requirements of this section.

354 | (14) Any person who fraudulently claims this credit is
355 | liable for repayment of the credit plus a mandatory penalty of
356 | 100 percent of the credit and is guilty of a misdemeanor of the
357 | second degree, punishable as provided in s. 775.082 or s.
358 | 775.083.

359 | (15) A corporation may take the credit under this section
360 | against its corporate income tax liability, as provided in s.
361 | 220.1895. However, a corporation that applies its job tax credit
362 | against the tax imposed by chapter 220 may not receive the



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363 credit provided for in this section. A credit may be taken
364 against only one tax.

365 (16) An eligible business may transfer any unused credit
366 in whole or in units of no less than 25 percent of the remaining
367 credit. The entity acquiring such credit may use it in the same
368 manner and with the same limitation as described in this
369 section. Such transferred credits may not be transferred again
370 although they may succeed to a surviving or acquiring entity
371 subject to the same conditions and limitations described in this
372 section.

373 (17)~~(16)~~ The department shall adopt rules governing the
374 manner and form of applications for credit or transfers of
375 credit and may establish guidelines concerning the requisites
376 for an affirmative showing of qualification for the credit under
377 this section.

378 Section 2. Section 220.1895, Florida Statutes, is amended
379 to read:

380 220.1895 Rural Job Tax Credit and Designated Urban ~~High-~~
381 ~~Crime Area~~ Job Tax Credit Area.--There shall be allowed a credit
382 against the tax imposed by this chapter amounts approved by the
383 Office of Tourism, Trade, and Economic Development pursuant to
384 the Rural Job Tax Credit Program in s. 212.098 and the
385 Designated Urban ~~High-Crime Area~~ Job Tax Credit Area Program in
386 s. 212.097. A corporation that uses its credit against the tax
387 imposed by this chapter may not take the credit against the tax
388 imposed by chapter 212. If any credit granted under this section
389 is not fully used in the first year for which it becomes
390 available, the unused amount may be carried forward for a period



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391 not to exceed 5 years. The carryover may be used in a subsequent
392 year when the tax imposed by this chapter for such year exceeds
393 the credit for such year under this section after applying the
394 other credits and unused credit carryovers in the order provided
395 in s. 220.02(8). ~~The Office of Tourism, Trade, and Economic~~
396 ~~Development shall conduct a review of the Urban High Crime Area~~
397 ~~Job Tax Credit and the Rural Job Tax Credit Program and submit~~
398 ~~its report to the Governor, the President of the Senate, and the~~
399 ~~Speaker of the House of Representatives by February 1, 2000.~~

400 Section 3. Paragraph (e) of subsection (1) and paragraph
401 (b) of subsection (4) of section 288.1045, Florida Statutes, are
402 amended to read:

403 288.1045 Qualified defense contractor tax refund
404 program.--

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

406 (e) "Department of Defense contract" means a competitively
407 bid Department of Defense contract or subcontract or a
408 competitively bid federal agency contract or subcontract issued
409 on behalf of the Department of Defense for manufacturing,
410 assembling, fabricating, research, development, or design with a
411 duration of 2 or more years, but excluding any contract or
412 subcontract to provide goods, improvements to real or tangible
413 property, or services directly to or for any particular military
414 base or installation in this state. The term includes contracts
415 or subcontracts for products or services for military or
416 homeland security use which contracts or subcontracts are
417 approved by the United States Department of Defense, the United



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418 States Department of State, or the United States Department of
419 Homeland Security ~~Coast Guard~~.

420 (4) QUALIFIED DEFENSE CONTRACTOR TAX REFUND AGREEMENT.--

421 (b) Compliance with the terms and conditions of the
422 agreement is a condition precedent for receipt of tax refunds
423 each year. The failure to comply with the terms and conditions
424 of the agreement shall result in the loss of eligibility for
425 receipt of all tax refunds previously authorized pursuant to
426 this section, and the revocation of the certification as a
427 qualified applicant by the director, unless the qualified
428 applicant is eligible to receive and elects to accept a prorated
429 refund under paragraph (5)(g) or the office grants the qualified
430 applicant an economic-stimulus exemption.

431 1. A qualified applicant may submit, in writing, a request
432 to the office for an economic-stimulus exemption. The request
433 must provide quantitative evidence demonstrating how negative
434 economic conditions in the qualified applicant's industry, or
435 specific acts of terrorism affecting the qualified applicant,
436 have prevented the qualified applicant from complying with the
437 terms and conditions of its tax refund agreement.

438 2. Upon receipt of a request under subparagraph 1., the
439 director shall have 45 days to notify the requesting qualified
440 applicant, in writing, if its exemption has been granted or
441 denied. In determining if an exemption should be granted, the
442 director shall consider the extent to which negative economic
443 conditions in the requesting qualified applicant's industry, or
444 specific acts of terrorism affecting the qualified applicant,



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445 have prevented the qualified applicant from complying with the
446 terms and conditions of its tax refund agreement.

447 3. As a condition for receiving a prorated refund under
448 paragraph (5)(g) or an economic-stimulus exemption under this
449 paragraph, a qualified applicant must agree to renegotiate its
450 tax refund agreement with the office to, at a minimum, ensure
451 that the terms of the agreement comply with current law and
452 office procedures governing application for and award of tax
453 refunds. Upon approving the award of a prorated refund or
454 granting an economic-stimulus exemption, the office shall
455 renegotiate the tax refund agreement with the qualified
456 applicant as required by this subparagraph. When amending the
457 agreement of a qualified applicant receiving an economic-
458 stimulus exemption, the office may extend the duration of the
459 agreement for a period not to exceed 1 year.

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

466 5. A qualified applicant that receives an economic-
467 stimulus exemption may not receive a tax refund for the period
468 covered by the exemption.

469 Section 4. Paragraph (o) of subsection (1) and paragraph
470 (b) of subsection (4) of section 288.106, Florida Statutes, are
471 amended to read:



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472 288.106 Tax refund program for qualified target industry
473 businesses.--

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

475 (o) "Target industry business" means a corporate
476 headquarters business or any business that is engaged in one of
477 the target industries identified pursuant to the following
478 criteria developed by the office in consultation with Enterprise
479 Florida, Inc.:

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

485 2. Stability.--The industry should not be subject to
486 periodic layoffs, whether due to seasonality or sensitivity to
487 volatile economic variables such as weather. The industry
488 should also be relatively resistant to recession, so that the
489 demand for products of this industry is not necessarily subject
490 to decline during an economic downturn.

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

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

496 5. Industrial base diversification and strengthening.--The
497 industry should contribute toward expanding or diversifying the
498 state's or area's economic base, as indicated by analysis of
499 employment and output shares compared to national and regional



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500 trends. Special consideration should be given to industries
501 that strengthen regional economies by adding value to basic
502 products or building regional industrial clusters as indicated
503 by industry analysis. Special consideration also should be given
504 to developing strong industrial clusters, including defense and
505 homeland security.

506 6. Economic benefits.--The industry should have strong
507 positive impacts on or benefits to the state and regional
508 economies.

509
510 The office, in consultation with Enterprise Florida, Inc., shall
511 develop a list of such target industries annually and submit
512 such list as part of the final agency legislative budget request
513 submitted pursuant to s. 216.023(1). A target industry business
514 may not include any industry engaged in retail activities; any
515 electrical utility company; any phosphate or other solid
516 minerals severance, mining, or processing operation; any oil or
517 gas exploration or production operation; or any firm subject to
518 regulation by the Division of Hotels and Restaurants of the
519 Department of Business and Professional Regulation.

520 (4) TAX REFUND AGREEMENT.--

521 (b) Compliance with the terms and conditions of the
522 agreement is a condition precedent for the receipt of a tax
523 refund each year. The failure to comply with the terms and
524 conditions of the tax refund agreement results in the loss of
525 eligibility for receipt of all tax refunds previously authorized
526 under this section and the revocation by the director of the
527 certification of the business entity as a qualified target



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528 industry business, unless the business is eligible to receive
529 and elects to accept a prorated refund under paragraph (5)(d) or
530 the office grants the business an economic-stimulus exemption.

531 1. A qualified target industry business may submit, in
532 writing, a request to the office for an economic-stimulus
533 exemption. The request must provide quantitative evidence
534 demonstrating how negative economic conditions in the business's
535 industry, or specific acts of terrorism affecting the qualified
536 target industry business, have prevented the business from
537 complying with the terms and conditions of its tax refund
538 agreement.

539 2. Upon receipt of a request under subparagraph 1., the
540 director shall have 45 days to notify the requesting business,
541 in writing, if its exemption has been granted or denied. In
542 determining if an exemption should be granted, the director
543 shall consider the extent to which negative economic conditions
544 in the requesting business's industry, or specific acts of
545 terrorism affecting the qualified target industry business, have
546 prevented the business from complying with the terms and
547 conditions of its tax refund agreement.

548 3. As a condition for receiving a prorated refund under
549 paragraph (5)(d) or an economic-stimulus exemption under this
550 paragraph, a qualified target industry business must agree to
551 renegotiate its tax refund agreement with the office to, at a
552 minimum, ensure that the terms of the agreement comply with
553 current law and office procedures governing application for and
554 award of tax refunds. Upon approving the award of a prorated
555 refund or granting an economic-stimulus exemption, the office



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556 shall renegotiate the tax refund agreement with the business as
557 required by this subparagraph. When amending the agreement of a
558 business receiving an economic-stimulus exemption, the office
559 may extend the duration of the agreement for a period not to
560 exceed 1 year.

561 4. A qualified target industry business may submit a
562 request for an economic-stimulus exemption to the office in lieu
563 of any tax refund claim scheduled to be submitted after January
564 1, 2001, but before June 30, 2004 ~~July 1, 2003~~. However, a
565 qualified target industry business that has received at least
566 one economic-stimulus exemption may not apply for an additional
567 exemption.

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

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

575 288.9515 Authorized technology development programs.--

576 (1) Enterprise Florida, Inc., may create technology
577 development and applications services, and may serve as an
578 umbrella organization for the coordination of information that
579 provides ~~technology applications service providers throughout~~
580 ~~the state which provide~~ critical, managerial, technological,
581 scientific, and related financial and business expertise
582 essential for international and domestic competitiveness to
583 small-sized and medium-sized manufacturing and knowledge-based



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584 service firms. Enterprise Florida, Inc., is authorized the
585 following powers in order to carry out these functions:

586 (a) Providing communication and coordination services
587 among technology development and applications service providers
588 throughout the state.

589 ~~(b) Providing coordinated marketing services to small-~~
590 ~~sized and medium-sized manufacturers in the state on behalf of,~~
591 ~~and in partnership with, technology applications service~~
592 ~~providers.~~

593 (b)(e) Securing additional sources of funds on behalf of,
594 and in partnership with, technology-based businesses
595 ~~applications service providers.~~

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

599 ~~(e) Entering into contracts with technology applications~~
600 ~~service providers for expanded availability of high quality~~
601 ~~assistance to small-sized and medium-sized manufacturing~~
602 ~~companies or knowledge-based service firms, including, but not~~
603 ~~limited to, technological, human resources development, market~~
604 ~~planning, finance, and interfirm collaboration. Enterprise~~
605 ~~Florida, Inc., shall ensure that all contracts in excess of~~
606 ~~\$20,000 for the delivery of such assistance to Florida firms~~
607 ~~shall be based on competitive requests for proposals and shall~~
608 ~~establish clear standards for the delivery of services under~~
609 ~~such contracts. Such standards include, but are not limited to:~~

610 1. ~~The ability and capacity to deliver services in~~
611 ~~sufficient quality and quantity.~~



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612 ~~2. The ability and capacity to deliver services in a~~
613 ~~timely manner.~~

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

616 (d)(f) Assisting other educational institutions,
617 enterprises, or the entities providing business assistance to
618 small-sized and medium-sized manufacturing and knowledge-based
619 services enterprises.

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

623 (e)(h) Establishing ~~special education and~~ informational
624 programs for Florida enterprises and for educational
625 institutions and enterprises providing business assistance to
626 Florida enterprises.

627 (f)(i) Assisting in evaluating and documenting the needs
628 of firms in this state for technology development and
629 application services, and developing means to ensure that these
630 needs are met, consistent with the powers provided for in this
631 subsection.

632 (g)(j) Maintaining an office in such place or places as
633 the board of directors of Enterprise Florida, Inc., approves.

634 (h)(k) Making and executing contracts with any person,
635 enterprise, educational institution, association, or any other
636 entity necessary or convenient for the performance of its duties
637 and the exercise of the powers and functions of Enterprise
638 Florida, Inc., under this subsection.



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639 (i)~~(1)~~ Receiving funds from any source to carry out the
640 purposes of providing technology development and applications
641 services, including, but not limited to, gifts or grants from
642 any department, agency, or instrumentality of the United States
643 or of the state, or any enterprise or person, for any purpose
644 consistent with the provisions of this subsection.

645 ~~(2) When choosing contractors under this section,~~
646 ~~preference shall be given to existing institutions,~~
647 ~~organizations, and enterprises so long as these existing~~
648 ~~institutions, organizations, and enterprises demonstrate the~~
649 ~~ability to perform at standards established by Enterprise~~
650 ~~Florida, Inc., under paragraph (1)(e).~~ Neither the provisions of
651 ss. 288.9511-288.9517 nor the actions taken by Enterprise
652 Florida, Inc., under this section shall impair or hinder the
653 operations, performance, or resources of any existing
654 institution, organization, or enterprise.

655 (3) Enterprise Florida, Inc., may create a technology
656 development financing fund, to be called the Florida Technology
657 Research Investment Fund. The fund shall increase technology
658 development in this state by investing in technology development
659 projects that have the potential to generate investment-grade
660 technologies of importance to the state's economy as evidenced
661 by the willingness of private businesses to coinvest in such
662 projects. Enterprise Florida, Inc., may also demonstrate and
663 develop effective approaches to, and benefits of, commercially
664 oriented research collaborations between businesses,
665 universities, and state and federal agencies and organizations.
666 Enterprise Florida, Inc., shall endeavor to maintain the fund as



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667 a self-supporting fund once the fund is sufficiently capitalized
668 under Enterprise Florida, Inc., program guidelines ~~as reflected~~
669 ~~in the minimum funding report required in s. 288.9516.~~ The
670 technology research investment projects may include, but are not
671 limited to:

672 (a) Technology development projects expected to lead to a
673 specific investment-grade technology that is of importance to
674 industry in this state.

675 (b) Technology development centers and facilities expected
676 to generate a stream of products and processes with commercial
677 application of importance to industry in this state.

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

681 (4) Enterprise Florida, Inc., shall invest moneys
682 contained in the Florida Technology Research Investment Fund in
683 technology application research or for technology development
684 projects that have the potential for commercial market
685 application. ~~The partnership shall coordinate any investment in~~
686 ~~any space-related technology projects with the Florida Space~~
687 ~~Authority and the Technological Research and Development~~
688 ~~Authority.~~

689 (a) The investment of moneys contained in the Florida
690 Technology Research Investment Fund is limited to qualified
691 ~~investments in qualified securities~~ in which a private
692 enterprise in this state coinvests at least 40 percent of the
693 total project costs, in conjunction with other cash or noncash



694 investments from state educational institutions, state and
695 federal agencies, or other institutions.

696 (b) All moneys in the Florida Technology Research
697 Investment Fund shall be continuously appropriated to the fund
698 and may be used for loan guarantees, letter of credit
699 guarantees, cash reserves for loan and letter of credit
700 guarantees, payments of claims pursuant to contracts for
701 guarantees, subordinated loans, loans with warrants, royalty
702 investments, equity investments, and ~~For the purposes of this~~
703 ~~fund, qualified securities include loans, loans convertible to~~
704 ~~equity, equity, loans with warrants attached that are~~
705 ~~beneficially owned by the board, royalty agreements, or any~~
706 other contractual arrangements through which the Florida
707 Technology Research Investment Fund receives an interest,
708 rights, return of funds, or other consideration, and may be used
709 for operations of the fund. All such uses of moneys in the fund
710 are qualified investments ~~arrangement in which the board is~~
711 ~~providing scientific and technological services to any federal,~~
712 ~~state, county, or municipal agency, or to any individual,~~
713 ~~corporation, enterprise, association, or any other entity~~
714 ~~involving technology development.~~ Any claim against the fund or
715 Enterprise Florida, Inc., relating to investment of moneys in
716 the fund shall be paid solely from the fund. Neither the credit
717 nor the taxing power of the state shall be pledged to secure the
718 fund or moneys in the fund, other than from moneys appropriated
719 or assigned to the fund, and the state shall not be liable or
720 obligated in any way for any claims against the fund or against
721 Enterprise Florida, Inc.



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722 (c) Not more than \$175,000 or 5 percent of the revenues
723 generated by investment of moneys contained in the Florida
724 Technology Research Investment Fund plus 5 percent of the
725 revenues generated by investments under the Florida Small
726 Business Technology Growth Program under s. 288.95155, whichever
727 is greater, may be used on an annual basis to pay the combined
728 operating expenses associated with operation of the Florida
729 Technology Research Investment Fund and the Florida Small
730 Business Technology Growth Program.

731 (d) In the event of liquidation or dissolution of
732 Enterprise Florida, Inc., or the Florida Technology Research
733 Investment Fund, any rights or interests in a qualified security
734 or portion of a qualified security purchased with moneys
735 invested by the State of Florida shall vest in the state, under
736 the control of the State Board of Administration. The state is
737 entitled to, in proportion to the amount of investment in the
738 fund by the state, any balance of funds remaining in the Florida
739 Technology Research Investment Fund after payment of all debts
740 and obligations upon liquidation or dissolution of Enterprise
741 Florida, Inc., or the fund.

742 (e) The investment of funds contained in the Florida
743 Technology Research Investment Fund does not constitute a debt,
744 liability, or obligation of the State of Florida or of any
745 political subdivision thereof, or a pledge of the faith and
746 credit of the state or of any such political subdivision.

747 (5) Enterprise Florida, Inc., may create technology
748 commercialization programs in partnership with private
749 enterprises, educational institutions, and other institutions to



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750 increase the rate at which technologies with potential
751 commercial application are moved from university, public, and
752 industry laboratories into the marketplace. Such programs shall
753 be created based upon research to be conducted by Enterprise
754 Florida, Inc.

755 (6) Enterprise Florida, Inc., shall coordinate with local
756 and regional economic development organizations to facilitate a
757 statewide entrepreneurship strategy to stimulate the growth of
758 start-up businesses and technology innovations in this state.
759 This strategy should include, but need not be limited to,
760 technology transfer coordination, university linkages,
761 entrepreneurial networks and training, and start-up capital
762 access, including the formation and growth of individual and
763 business networks that may be willing to invest in start-up
764 businesses in this state.

765 Section 6. Section 288.9517, Florida Statutes, is
766 repealed.

767 Section 7. Section 14 of chapter 93-187, Laws of Florida,
768 is repealed.

769 Section 8. This act shall take effect July 1, 2003.