CHAMBER ACTION

The Committee on Finance & Tax recommends the following:

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Committee Substitute

Remove the entire bill and insert:

A bill to be entitled

An act relating to economic stimulus and insurance regulation; amending s. 163.2517, F.S.; encouraging local government grant applicants to involve institutions of higher education as participants in visioning and collaborative planning processes for urban infill and redevelopment areas; amending s. 163.2526, F.S.; requiring local government grant recipients to annually report on certain urban infill and redevelopment plan performance measures; specifying criteria for evaluating performance of local governments in creating urban infill and redevelopment area plans; requiring grant recipients to establish certain measures to evaluate grant impacts on local conditions; providing criteria; requiring the Department of Community Affairs to provide technical assistance to certain grant recipients; requiring the Office of Tourism, Trade, and Economic Development to develop methods and procedures to assist state agencies and local governments in accessing state and federal

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grants for revitalization programs for distressed urban communities; providing criteria; directing the Office of Program Policy Analysis and Government Accountability to identify and review current state economic development programs relating to distressed communities and provide a report to the Legislature; providing report requirements; amending s. 212.08, F.S.; revising sales price criteria for characterizing business property; conforming provisions to the designated urban job tax credit area revision; 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 highcrime areas; revising and providing definitions, eligibility criteria, application procedures and requirements, and area characteristics and criteria; authorizing transfer of unused credits under the Urban Job Tax Credit Area Program; specifying use of transferred credits; prohibiting transfer of transferred credits; amending s. 212.098, F.S.; authorizing transfer of unused credits under the Rural Job Tax Credit Program; specifying use of transferred credits; prohibiting transfer of transferred credits; amending s. 220.13, F.S.; providing that amounts included in taxable income by reason of membership or ownership of an interest in a limited liability company engaged in a space flight business may be subtracted from taxable income for purposes of determining adjusted federal income; amending s. 220.1895, F.S.; conforming provisions to amendments relating to

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designated urban job tax credit area program provisions; removing a historical reference; amending s. 288.095, F.S.; deleting a report requirement relating to the Economic Development Incentives Account; amending s. 288.1045, F.S.; extending an expiration date for the tax refund program for qualified defense contractors; preserving the effect of certain tax refund agreements after the expiration date; amending s. 288.106, F.S.; extending an expiration date for the tax refund program for qualified target industry businesses; preserving the effect of certain tax refund agreements after the expiration date; amending s. 288.901, F.S.; revising operational criteria of members of the board of directors of Enterprise Florida, Inc.; amending s. 288.90151, F.S.; revising requirements, criteria, and limitations for returns on investment from activities of Enterprise Florida, Inc.; amending s. 288.903, F.S.; deleting an employment compensation limitation for employees of Enterprise Florida, Inc.; amending s. 288.904, F.S.; revising limitations on contractual powers of the board of directors of Enterprise Florida, Inc.; amending s. 288.905, F.S.; revising a pay raise or bonus limitation for certain employees; amending s. 288.9515, F.S.; revising and clarifying powers of Enterprise Florida, Inc., to develop authorized technology development and applications programs; specifying uses of moneys in the Florida Technology Research Investment Fund; providing for payment of certain claims from the fund; revising

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limitations on revenues from certain investments used for operating expenses associated with the Florida Technology Research Investment Fund and the Florida Small Business Technology Growth Program; requiring Enterprise Florida, Inc., to coordinate with certain organizations to facilitate development of a statewide entrepreneurial growth stimulation strategy; providing criteria; amending s. 288.99, F.S.; conforming provisions to the designated urban job tax credit area revision; amending s. 626.015, F.S.; defining the term "personal lines agent"; amending s. 626.022, F.S.; providing for application to personal lines agents and applicants; amending s. 626.241, F.S.; limiting the scope of personal lines agent examinations for licensure; amending s. 626.311, F.S.; limiting the types of business that may be transacted by personal lines agents; amending s. 626.727, F.S.; providing for application of provisions to personal lines agents and applicants; amending s. 626.732, F.S.; revising certain education and experience requirements for personal lines agents and general lines agents; authorizing the Department of Financial Services to delay issuing personal lines agent licenses under certain circumstances; amending s. 626.747, F.S.; requiring branch agencies to have certain licensed agents at each location; amending s. 627.351, F.S.; providing that certain employees of the Citizens Property Insurance Corporation need not be licensed as agents; repealing s. 288.041(3) and (4), F.S., relating to Enterprise Florida, Inc., and the Department

108 of Commerce, respectively, assisting in expanding the 109 solar energy industry in this state; repealing s. 110 288.8155, F.S., relating to the International Trade Data 111 Resource and Research Center; repealing s. 288.9015(3), 112 F.S., relating to the responsibility of Enterprise 113 Florida, Inc., to develop a comprehensive approach to 114 workforce development; repealing s. 288.9517, F.S., 115 relating to audits and examinations of the technology 116 development board and programs and entities created by the 117 board; repealing s. 14, ch. 93-187, Laws of Florida, 118 relating to the December 31, 2003, repeal of Enterprise 119 Florida Innovation Partnership provisions; providing 120 effective dates.

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

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Section 1. Paragraph (c) is added to subsection (2) of section 163.2517, Florida Statutes, to read:

163.2517 Designation of urban infill and redevelopment area.--

128 (2)

(c) If a community college, university, or other institution of higher education is within the geographical vicinity, local government grant applicants are encouraged to involve such institutions in the visioning and collaborative planning process and to enter into agreements specifying that the institution will contribute resources and expertise to the redevelopment effort.

Section 2. Section 163.2526, Florida Statutes, is amended to read:

163.2526 Review and evaluation. --

- (1) Before the 2004 Regular Session of the Legislature, the Office of Program Policy Analysis and Government Accountability shall perform a review and evaluation of ss. 163.2511-163.2526, including the financial incentives listed in s. 163.2520. The report must evaluate the effectiveness of the designation of urban infill and redevelopment areas in stimulating urban infill and redevelopment and strengthening the urban core. A report of the findings and recommendations of the Office of Program Policy Analysis and Government Accountability shall be submitted to the President of the Senate and the Speaker of the House of Representatives before the 2004 Regular Session of the Legislature.
- (2) Subsequent to June 1, 2004, local governments awarded grants pursuant to s. 163.2523 shall make annual reports to the Department of Community Affairs on performance measures identified in the urban infill and redevelopment plan pursuant to s. 163.2517(3)(n).
- (a) Local governments that receive planning grants shall report their progress in creating urban infill and redevelopment plans. The report shall include:
- 1. A description of the redevelopment objectives of the area.
- 2. Information on stakeholder involvement in creating plans.

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3. Specification of whether goals of the plan are consistent with community input they received.

- 4. Specification of whether plans were adopted by local governments.
- 5. Identification of local incentives which were approved to encourage private investment.
- (b) Local governments that receive implementation grants
 shall report:
- 1. Progress in implementing activities specified in their urban infill and redevelopment plans.
- 2. Changes in economic and demographic indicators over time and how these changes compare to objectives specified in their urban infill and redevelopment plans.
- 3. Information on the types and dollar amounts of financial incentives used to encourage private investment in designated areas.
- (c) Grant recipients shall establish appropriate measures such as inputs, outputs, and outcomes and standards for evaluating the impact of the grants on local conditions. These measures and standards shall be directly linked to goals for redeveloping an area specified in the grant recipient's urban infill and redevelopment plans pursuant to s. 163.2517. Grant recipients shall also compile baseline data on conditions existing prior to an area's designation that can be used to assess changes in conditions over time. Depending on the goals of a grant recipient's urban infill and redevelopment plan, baseline data may include, but not be limited to, property tax revenues, property tax values, net job creation, and changes in

characteristics of resident population to include employment rates, high school graduation rates, homeownership rates, and median income levels.

(3) The Department of Community Affairs shall provide technical assistance to planning grant and implementation grant recipients. Such assistance shall include assisting grant recipients in creating appropriate measures such as inputs, outputs, outcomes and standards, and uniform data collection procedures to ensure the reliability and consistency of data that will be used to evaluate performance. The department shall also adopt rules to specify reporting requirements for grant recipients.

Section 3. The Office of Tourism, Trade, and Economic

Development of the Executive Office of the Governor shall

develop methods and procedures to assist state agencies and

local governments to access state and federal grants for

revitalization programs for distressed urban communities. Such

assistance shall include, but not be limited to: developing and

maintaining a current listing of available federal grants;

assigning appropriate staff as contacts for information on each

grant; and providing technical assistance necessary for local

governments to submit completed grant proposals. Such methods

may include the expansion of the existing rural resource

directory database to include grants available to urban areas

and designation of one or more state entities to provide such

assistance as necessary.

Section 4. The Office of Program Policy Analysis and Government Accountability shall, with the assistance of other

legislative committee and state agency staff as appropriate,
identify and review current state economic development programs
created by law relative to revitalization of distressed
communities in this state and provide a report to the President
of the Senate and the Speaker of the House of Representatives by
January 31, 2005. Specifically, the report shall:

- (1) Identify and profile state economic development programs, including the use of incentives, to be included in the review.
- (2) Through site visits, review how local governments use a state economic development program or a combination of state economic development programs to help revitalize distressed communities.
- (3) Consider in its fieldwork municipal or county jurisdictions with populations that are small, meaning less than 30,000 in population, medium, meaning between 30,000 and 75,000 in population, and large, meaning more than 75,000 in population.
- (4) Identify best practices contributing to the successful implementation of these programs.
- (5) Identify state practices that facilitate or impede the use of these programs.
- Section 5. Paragraphs (h) and (o) of subsection (5) of section 212.08, Florida Statutes, are amended to read:
- 212.08 Sales, rental, use, consumption, distribution, and storage tax; specified exemptions.—The sale at retail, the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of the following

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are hereby specifically exempt from the tax imposed by this chapter.

(5) EXEMPTIONS; ACCOUNT OF USE. --

- (h) Business property used in an enterprise zone. --
- 1. Business property purchased for use by businesses located in an enterprise zone which is subsequently used in an enterprise zone shall be exempt from the tax imposed by this chapter. This exemption inures to the business only through a refund of previously paid taxes. A refund shall be authorized upon an affirmative showing by the taxpayer to the satisfaction of the department that the requirements of this paragraph have been met.
- 2. To receive a refund, the business must file under oath with the governing body or enterprise zone development agency having jurisdiction over the enterprise zone where the business is located, as applicable, an application which includes:
- a. The name and address of the business claiming the refund.
- b. The identifying number assigned pursuant to s. 290.0065 to the enterprise zone in which the business is located.
- c. A specific description of the property for which a refund is sought, including its serial number or other permanent identification number.
 - d. The location of the property.
- e. The sales invoice or other proof of purchase of the property, showing the amount of sales tax paid, the date of purchase, and the name and address of the sales tax dealer from whom the property was purchased.

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CODING: Words stricken are deletions; words underlined are additions.

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

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- g. If applicable, the name and address of each permanent employee of the business, including, for each employee who is a resident of an enterprise zone, the identifying number assigned pursuant to s. 290.0065 to the enterprise zone in which the employee resides.
- Within 10 working days after receipt of an application, the governing body or enterprise zone development agency shall review the application to determine if it contains all the information required pursuant to subparagraph 2. and meets the criteria set out in this paragraph. The governing body or agency shall certify all applications that contain the information required pursuant to subparagraph 2. and meet the criteria set out in this paragraph as eligible to receive a refund. If applicable, the governing body or agency shall also certify if 20 percent of the employees of the business are residents of an enterprise zone, excluding temporary and part-time employees. The certification shall be in writing, and a copy of the certification shall be transmitted to the executive director of the Department of Revenue. The business shall be responsible for forwarding a certified application to the department within the time specified in subparagraph 4.
- 4. An application for a refund pursuant to this paragraph must be submitted to the department within 6 months after the tax is due on the business property that is purchased.
- 5. The provisions of s. 212.095 do not apply to any refund application made pursuant to this paragraph. The amount refunded

exclusively in:

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

- 6. The department shall adopt rules governing the manner and form of refund applications and may establish guidelines as to the requisites for an affirmative showing of qualification for exemption under this paragraph.
- 7. If the department determines that the business property is used outside an enterprise zone within 3 years from the date of purchase, the amount of taxes refunded to the business purchasing such business property shall immediately be due and payable to the department by the business, together with the appropriate interest and penalty, computed from the date of purchase, in the manner provided by this chapter.

 Notwithstanding this subparagraph, business property used
 - a. Licensed commercial fishing vessels,
 - b. Fishing quide boats, or

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c. Ecotourism guide boats

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

- 8. The department shall deduct an amount equal to 10 percent of each refund granted under the provisions of this paragraph from the amount transferred into the Local Government Half-cent Sales Tax Clearing Trust Fund pursuant to s. 212.20 for the county area in which the business property is located and shall transfer that amount to the General Revenue Fund.
- 9. For the purposes of this exemption, "business property" means new or used property defined as "recovery property" in s. 168(c) of the Internal Revenue Code of 1954, as amended, except:
- a. Property classified as 3-year property under s. $168(c)(2)(A) \text{ of the Internal Revenue Code of 1954, as amended.} \div$
- b. Industrial machinery and equipment as defined in subsubparagraph (b)6.a. and eligible for exemption under paragraph (b). $\dot{\tau}$
- c. Building materials as defined in sub-subparagraph (g)8.a.; and
- d. Business property having a sales price of under \$500 \$5,000 per unit.

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

- (o) Building materials in redevelopment projects. --
- 1. As used in this paragraph, the term:

- a. "Building materials" means tangible personal property that becomes a component part of a housing project or a mixed-use project.
- b. "Housing project" means the conversion of an existing manufacturing or industrial building to housing units in a designated an urban job tax credit high-crime area, enterprise zone, empowerment zone, Front Porch Community, designated brownfield area, or urban infill area and in which the developer agrees to set aside at least 20 percent of the housing units in the project for low-income and moderate-income persons or the construction in a designated brownfield area of affordable housing for persons described in s. 420.0004(9), (10), or (14), or in s. 159.603(7).
- c. "Mixed-use project" means the conversion of an existing manufacturing or industrial building to mixed-use units that include artists' studios, art and entertainment services, or other compatible uses. A mixed-use project must be located in a designated an urban job tax credit high-crime area, enterprise zone, empowerment zone, Front Porch Community, designated brownfield area, or urban infill area, and the developer must agree to set aside at least 20 percent of the square footage of the project for low-income and moderate-income housing.
- d. "Substantially completed" has the same meaning as provided in s. 192.042(1).

2. Building materials used in the construction of a housing project or mixed-use project are exempt from the tax imposed by this chapter upon an affirmative showing to the satisfaction of the department that the requirements of this paragraph have been met. This exemption inures to the owner through a refund of previously paid taxes. To receive this refund, the owner must file an application under oath with the department which includes:

a. The name and address of the owner.

- b. The address and assessment roll parcel number of the project for which a refund is sought.
 - c. A copy of the building permit issued for the project.
- d. A certification by the local building code inspector that the project is substantially completed.
- e. A sworn statement, under penalty of perjury, from the general contractor licensed in this state with whom the owner contracted to construct the project, which statement lists the building materials used in the construction of the project and the actual cost thereof, and the amount of sales tax paid on these materials. If a general contractor was not used, the owner shall provide this information in a sworn statement, under penalty of perjury. Copies of invoices evidencing payment of sales tax must be attached to the sworn statement.
- 3. An application for a refund under this paragraph must be submitted to the department within 6 months after the date the project is deemed to be substantially completed by the local building code inspector. Within 30 working days after receipt of the application, the department shall determine if it meets the

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requirements of this paragraph. A refund approved pursuant to this paragraph shall be made within 30 days after formal approval of the application by the department. The provisions of s. 212.095 do not apply to any refund application made under this paragraph.

- 4. The department shall establish by rule an application form and criteria for establishing eligibility for exemption under this paragraph.
- 5. The exemption shall apply to purchases of materials on or after July 1, 2000.
- Section 6. Section 212.097, Florida Statutes, is amended to read:
- 212.097 <u>Designated</u> Urban High-Crime Area Job Tax Credit Area Program.--
 - (1) As used in this section, the term:

(a) "Eligible business" means any sole proprietorship, firm, partnership, or corporation that is located in a designated urban job tax credit area qualified county and is predominantly engaged in, or is headquarters for a business predominantly engaged in, activities usually provided for consideration by firms classified within the following standard industrial classifications: SIC 01-SIC 09 (agriculture, forestry, and fishing); SIC 20-SIC 39 (manufacturing); SIC 52-SIC 57 and SIC 59 (retail); SIC 422 (public warehousing and storage); SIC 70 (hotels and other lodging places); SIC 7391 (research and development); SIC 781 (motion picture production and allied services); SIC 7992 (public golf courses); and SIC 7996 (amusement parks); and a targeted industry eligible for the

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qualified target industry business tax refund under s. 288.106. A call center or similar customer service operation that services a multistate market or international market is also an eligible business. In addition, the Office of Tourism, Trade, and Economic Development may, as part of its final budget request submitted pursuant to s. 216.023, recommend additions to or deletions from the list of standard industrial classifications used to determine an eliqible business, and the Legislature may implement such recommendations. Excluded from eligible receipts are receipts from retail sales, except such receipts for SIC 52-SIC 57 and SIC 59 (retail) hotels and other lodging places classified in SIC 70, public golf courses in SIC 7992, and amusement parks in SIC 7996. For purposes of this paragraph, the term "predominantly" means that more than 50 percent of the business's gross receipts from all sources is generated by those activities usually provided for consideration by firms in the specified standard industrial classification. The determination of whether the business is located in a designated urban job tax credit qualified high-crime area and the tier ranking of that area must be based on the date of application for the credit under this section. Commonly owned and controlled entities are to be considered a single business entity.

(b) "Qualified employee" means any employee of an eligible business who performs duties in connection with the operations of the business on a regular, full-time basis for an average of at least 36 hours per week for at least 3 months within the designated urban job tax credit qualified high-crime area in

which the eligible business is located. An owner or partner of the eligible business is not a qualified employee. The term also includes an employee leased from an employee leasing company licensed under chapter 468, if such employee has been continuously leased to the employer for an average of at least 36 hours per week for more than 6 months.

- beginning operation on a site in a <u>designated urban job tax</u>

 <u>credit qualified high-crime</u> area and clearly separate from any other commercial or business operation of the business entity within a <u>designated urban job tax credit qualified high-crime</u> area. A business entity that operated an eligible business within a <u>designated urban job tax credit qualified high-crime</u> area within the 48 months before the period provided for application by subsection (2) is not considered a new business.
- (d) "Existing business" means any eligible business that does not meet the criteria for a new business.
- (e) "Designated urban job tax credit Qualified high-crime area" means an area selected by the Office of Tourism, Trade, and Economic Development in the following manner: every third year, the office shall rank and tier those areas nominated under subsection (7), according to the highest level of distress experienced in the categories enumerated under subsection (7). The Office of Tourism, Trade, and Economic Development shall designate the 30 highest-distress-profile urban areas as eligible participants under the designated urban job tax credit area program. following prioritized criteria:

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

- 2. Highest reported crime volume and rate of specific property crimes such as business and residential burglary, motor vehicle theft, and vandalism;
- 3. Highest percentage of reported index crimes that are violent in nature;
 - 4. Highest overall index crime volume for the area; and
- 5. Highest overall index crime rate for the geographic area.

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

"designated urban job tax credit qualified high-crime area" also means an area that has been designated as a federal Empowerment Zone pursuant to the Taxpayer Relief Act of 1997 or the

Community Tax Relief Act of 2000. Such a designated area is ranked in tier three until the areas are reevaluated by the Office of Tourism, Trade, and Economic Development.

(f) "Central business district" means an area comprised of at least 80 percent commercial and government buildings and properties; characterized by a high concentration of retail businesses, service businesses, offices, theaters, and hotels; and located in a Department of Transportation urban service area.

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

- (2) A new eligible business may apply for a tax credit under this subsection once at any time during its first year of operation. A new eligible business in a designated urban job tax credit tier-one qualified high-crime area which has at least 10 qualified employees on the date of application shall receive a \$1,500 tax credit for each such employee. A new eligible business in a tier-two qualified high-crime area which has at least 20 qualified employees on the date of application shall receive a \$1,000 tax credit for each such employee. A new eligible business in a tier-three qualified high-crime area which has at least 30 qualified employees on the date of application shall receive a \$500 tax credit for each such employee.
- (3) An existing eligible business may apply for a tax credit under this subsection at any time it is entitled to such credit, except as restricted by this subsection. An existing eligible business in a <u>designated urban job tax credit</u> tier-one qualified high-crime area which on the date of application has at least 5 more qualified employees than it had 1 year prior to its date of application shall receive a \$1,500 tax credit for each such additional employee. An existing eligible business in a tier-two qualified high-crime area which on the date of application has at least 10 more qualified employees than it had

1 year prior to its date of application shall receive a \$1,000 credit for each such additional employee. An existing business in a tier-three qualified high-crime area which on the date of application has at least 15 more qualified employees than it had 1 year prior to its date of application shall receive a \$500 tax credit for each such additional employee. An existing eligible business may apply for the credit under this subsection no more than once in any 12-month period. Any existing eligible business that received a credit under subsection (2) may not apply for the credit under this subsection date for the credit under subsection (2).

- (4) For any new eligible business receiving a credit pursuant to subsection (2), an additional \$500 credit shall be provided for any qualified employee who is a welfare transition program participant. For any existing eligible business receiving a credit pursuant to subsection (3), an additional \$500 credit shall be provided for any qualified employee who is a welfare transition program participant. Such employee must be employed on the application date and have been employed less than 1 year. This credit shall be in addition to other credits pursuant to this section regardless of the tier-level of the high-crime area. Appropriate documentation concerning the eligibility of an employee for this credit must be submitted as determined by the department.
- (5) To be eligible for a tax credit under subsection (3), the number of qualified employees employed 1 year prior to the application date must be no lower than the number of qualified employees on the application date on which a credit under this

section was based for any previous application, including an application under subsection (2).

- (6) Any county or municipality, or a county and one or more municipalities together, may apply to the Office of Tourism, Trade, and Economic Development for the designation of an area as a <u>designated urban job tax credit</u> high-crime area after the adoption by the governing body or bodies of a resolution that:
- (a) Finds that <u>an urban</u> a high-crime area exists in such county or municipality, or in both the county and one or more municipalities, which chronically exhibits extreme and unacceptable levels of poverty, unemployment, physical deterioration, and economic disinvestment;
- (b) Determines that the rehabilitation, conservation, or redevelopment, or a combination thereof, of such <u>an urban</u> a <u>high-crime</u> area is necessary in the interest of the health, safety, and welfare of the residents of such county or municipality, or such county and one or more municipalities; and
- (c) Determines that the revitalization of such <u>an urban</u> a high-crime area can occur if the public sector or private sector can be induced to invest its own resources in productive enterprises that build or rebuild the economic viability of the area.
- (7) The governing body of the entity nominating the area shall <u>demonstrate</u> provide to the Office of Tourism, Trade, and Economic Development that the area meets the following:
 - (a) Income characteristics:

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

- 2. More than 20 percent of residents or families live below the federal standard of poverty for individuals or a family of four. The overall index crime rate for the geographic area;
 - (b) Education characteristics:

- 1. Has a high school dropout rate higher than the county average; or
- 2. Has a high school graduation rate lower than the state average. The overall index crime volume for the area;
 - (c) Workforce and employment characteristics:
- 1. Has an unemployment rate at least 3 percentage points higher than the state's unemployment rate;
- 2. More than 50 percent of families subject to the welfare-to-work transition time limit are either within 6 months of the time limit or are receiving cash assistance under a period of hardship extension to the time limit; or
- 3. Is identified as a labor surplus area using the criteria established by the United States Department of Labor's Employment and Training Administration. The percentage of reported index crimes that are violent in nature;
 - (d) Crime characteristics:
- 1. Has an arrest rate higher than the state's average rate for such crimes as drug sale, drug possession, prostitution, vandalism, and civil disturbances, as recorded by the total crime index of the Department of Law Enforcement; or

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

(e) <u>Residential and commercial property-related</u> characteristics:

- 1. Fifty percent or more of area residents rent; or
- 2.a. Property values are within the lower 50 percent of the county's assessed property values;
- b. More than 5 percent of area homes, apartments, or buildings are abandoned, have been condemned within the previous 24 months, or have a greater number of violations of the Florida Building Code than recorded in the remainder of the county or municipality; or
- c. Tax or special assessment delinquencies exceed the fair value of the land The arrest rates within the geographic area for violent crime and for such other crimes as drug sale, drug possession, prostitution, disorderly conduct, vandalism, and other public-order offenses.
- (8) A municipality, or a county and one or more municipalities together, may not nominate more than one <u>urban</u> high-crime area. However, any county as defined by s. 125.011(1) may nominate no more than three urban high-crime areas.
- (9)(a) An area nominated by a county or municipality, or a county and one or more municipalities together, for designation as a designated urban job tax credit high-crime area shall be eligible only if it meets the following criteria:

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

- $\underline{2.(b)}$ The selected area does not exceed the following mileage limitation:
- $\underline{a.1.}$ For \underline{areas} communities having a total population of 150,000 persons or more, the selected area does not exceed 20 square miles \underline{and} is within 10 miles of the central business district of a city.
- $\underline{b.2.}$ For <u>areas</u> communities having a total population of 50,000 persons or more, but fewer than 150,000 persons, the selected area does not exceed 10 square miles <u>and is within 7.5</u> miles of the central business district of a city.
- <u>c.3.</u> For <u>areas</u> communities having a total population of 20,000 persons or more, but fewer than 50,000 persons, the selected area does not exceed 5 square miles <u>and is within 5</u> miles of the central business district of a city.
- <u>d.4.</u> For <u>areas</u> communities having a total population of fewer than 20,000 persons, the selected area does not exceed 3 square miles <u>and is within 3 miles of the central business</u> <u>district of a city</u>.
- (b) A designated urban job tax credit area may not include any portion of a central business district, unless the poverty rate for each census geographic block group in the district is not less than 30 percent.
- (10)(a) In order to claim this credit, an eligible business must file under oath with the Office of Tourism, Trade, and Economic Development a statement that includes the name and

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address of the eligible business and any other information that is required to process the application.

- (b) Within 30 working days after receipt of an application for credit, the Office of Tourism, Trade, and Economic Development shall review the application to determine whether it contains all the information required by this subsection and meets the criteria set out in this section. Subject to the provisions of paragraph (c), the Office of Tourism, Trade, and Economic Development shall approve all applications that contain the information required by this subsection and meet the criteria set out in this section as eligible to receive a credit.
- (c) The maximum credit amount that may be approved during any calendar year is \$5 million, of which \$1 million shall be exclusively reserved for tier-one areas. The Department of Revenue, in conjunction with the Office of Tourism, Trade, and Economic Development, shall notify the governing bodies in areas designated under this section as urban high-crime areas when the \$5 million maximum amount has been reached. Applications must be considered for approval in the order in which they are received without regard to whether the credit is for a new or existing business. This limitation applies to the value of the credit as contained in approved applications. Approved credits may be taken in the time and manner allowed pursuant to this section.
- (11) If the application is insufficient to support the credit authorized in this section, the Office of Tourism, Trade, and Economic Development shall deny the credit and notify the

business of that fact. The business may reapply for this credit within 3 months after such notification.

- (12) If the credit under this section is greater than can be taken on a single tax return, excess amounts may be taken as credits on any tax return submitted within 12 months after the approval of the application by the department.
- (13) It is the responsibility of each business to affirmatively demonstrate to the satisfaction of the Department of Revenue that it meets the requirements of this section.
- (14) Any person who fraudulently claims this credit is liable for repayment of the credit plus a mandatory penalty of 100 percent of the credit and is guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.
- (15) A corporation may take the credit under this section against its corporate income tax liability, as provided in s. 220.1895. However, a corporation that applies its job tax credit against the tax imposed by chapter 220 may not receive the credit provided for in this section. A credit may be taken against only one tax.
- in whole or in units of no less than 25 percent of the remaining credit. The entity acquiring such credit may use it in the same manner and with the same limitation as described in this section. Such transferred credits may not be transferred again although they may succeed to a surviving or acquiring entity subject to the same conditions and limitations described in this section.

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

Section 7. Subsection (12) of section 212.098, Florida Statutes, is renumbered as subsection (13) and a new subsection (12) is added to said section to read:

212.098 Rural Job Tax Credit Program.--

- in whole or in units of not less than 25 percent of the remaining credit. The entity acquiring such credit may use it in the same manner and with the same limitation as described in this section. Such transferred credits may not be transferred again although they may succeed to a surviving or acquiring entity subject to the same conditions and limitations described in this section.
- Section 8. Effective July 1, 2005, paragraph (b) of subsection (1) of section 220.13, Florida Statutes, is amended to read:
 - 220.13 "Adjusted federal income" defined. --
- (1) The term "adjusted federal income" means an amount equal to the taxpayer's taxable income as defined in subsection (2), or such taxable income of more than one taxpayer as provided in s. 220.131, for the taxable year, adjusted as follows:
 - (b) Subtractions.--
 - 1. There shall be subtracted from such taxable income:

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a. The net operating loss deduction allowable for federal income tax purposes under s. 172 of the Internal Revenue Code for the taxable year. $\overline{}$

- b. The net capital loss allowable for federal income tax purposes under s. 1212 of the Internal Revenue Code for the taxable year $\underline{\cdot}_{7}$
- c. The excess charitable contribution deduction allowable for federal income tax purposes under s. 170(d)(2) of the Internal Revenue Code for the taxable year. $\frac{1}{2}$
- d. The excess contributions deductions allowable for federal income tax purposes under s. 404 of the Internal Revenue Code for the taxable year.
- <u>e. All amounts included in taxable income by reason of membership or ownership of an interest in a limited liability company that:</u>
 - (I) Came into existence before January 1, 2004.
- (II) Is classified as a partnership for federal income tax purposes.
- (III) Has at least 3,500 full-time employees in this state throughout the taxable year.
- (IV) Is, in this state, engaged primarily in a space flight business as defined in s. 212.031(1)(a)13.

However, a net operating loss and a capital loss shall never be carried back as a deduction to a prior taxable year, but all deductions attributable to such losses shall be deemed net operating loss carryovers and capital loss carryovers, respectively, and treated in the same manner, to the same

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extent, and for the same time periods as are prescribed for such carryovers in ss. 172 and 1212, respectively, of the Internal Revenue Code.

- 2. There shall be subtracted from such taxable income any amount to the extent included therein the following:
- a. Dividends treated as received from sources without the United States, as determined under s. 862 of the Internal Revenue Code.
- b. All amounts included in taxable income under s. 78 or
 s. 951 of the Internal Revenue Code.

However, as to any amount subtracted under this subparagraph, there shall be added to such taxable income all expenses deducted on the taxpayer's return for the taxable year which are attributable, directly or indirectly, to such subtracted amount. Further, no amount shall be subtracted with respect to dividends paid or deemed paid by a Domestic International Sales Corporation.

- 3. In computing "adjusted federal income" for taxable years beginning after December 31, 1976, there shall be allowed as a deduction the amount of wages and salaries paid or incurred within this state for the taxable year for which no deduction is allowed pursuant to s. 280C(a) of the Internal Revenue Code (relating to credit for employment of certain new employees).
- 4. There shall be subtracted from such taxable income any amount of nonbusiness income included therein.
- 5. There shall be subtracted any amount of taxes of foreign countries allowable as credits for taxable years

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beginning on or after September 1, 1985, under s. 901 of the Internal Revenue Code to any corporation which derived less than 20 percent of its gross income or loss for its taxable year ended in 1984 from sources within the United States, as described in s. 861(a)(2)(A) of the Internal Revenue Code, not including credits allowed under ss. 902 and 960 of the Internal Revenue Code, withholding taxes on dividends within the meaning of sub-subparagraph 2.a., and withholding taxes on royalties, interest, technical service fees, and capital gains.

6. Notwithstanding any other provision of this code, except with respect to amounts subtracted pursuant to subparagraphs 1. and 3., any increment of any apportionment factor which is directly related to an increment of gross receipts or income which is deducted, subtracted, or otherwise excluded in determining adjusted federal income shall be excluded from both the numerator and denominator of such apportionment factor. Further, all valuations made for apportionment factor purposes shall be made on a basis consistent with the taxpayer's method of accounting for federal income tax purposes.

Section 9. Section 220.1895, Florida Statutes, is amended to read:

220.1895 Rural Job Tax Credit and <u>Designated</u> Urban High-Crime Area Job Tax Credit Area.—There shall be allowed a credit against the tax imposed by this chapter amounts approved by the Office of Tourism, Trade, and Economic Development pursuant to the Rural Job Tax Credit Program in s. 212.098 and the Designated Urban High-Crime Area Job Tax Credit Area Program in

s. 212.097. A corporation that uses its credit against the tax

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imposed by this chapter may not take the credit against the tax imposed by chapter 212. If any credit granted under this section is not fully used in the first year for which it becomes available, the unused amount may be carried forward for a period not to exceed 5 years. The carryover may be used in a subsequent year when the tax imposed by this chapter for such year exceeds the credit for such year under this section after applying the other credits and unused credit carryovers in the order provided in s. 220.02(8). The Office of Tourism, Trade, and Economic Development shall conduct a review of the Urban High-Crime Area Job Tax Credit and the Rural Job Tax Credit Program and submit its report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by February 1, 2000. Section 10. Paragraph (c) of subsection (3) of section 288.095, Florida Statutes, is amended to read: 288.095 Economic Development Trust Fund. --(3) By December 31 of each year, Enterprise Florida, Inc., shall submit a complete and detailed report to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the director of the Office of Tourism, Trade, and Economic Development of all applications received, recommendations made to the Office of Tourism, Trade, and Economic Development, final decisions issued, tax refund

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agreements executed, and tax refunds paid or other payments made

Incentives Account, including analyses of benefits and costs,

under all programs funded out of the Economic Development

types of projects supported, and employment and investment created. Enterprise Florida, Inc., shall also include a separate analysis of the impact of such tax refunds on state enterprise zones designated pursuant to s. 290.0065, rural communities, brownfield areas, and distressed urban communities. The report must discuss whether the authority and moneys appropriated by the Legislature to the Economic Development Incentives Account were managed and expended in a prudent, fiducially sound manner. The Office of Tourism, Trade, and Economic Development shall assist Enterprise Florida, Inc., in the collection of data related to business performance and incentive payments.

Section 11. Subsection (7) of section 288.1045, Florida Statutes, is amended to read:

288.1045 Qualified defense contractor tax refund program.--

(7) EXPIRATION.--An applicant may not be certified as qualified under this section after June 30, 2009 2004. However, a tax refund agreement in effect on that date shall continue in effect in accordance with the terms of the agreement.

Section 12. Subsection (7) of section 288.106, Florida Statutes, is amended to read:

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

(7) EXPIRATION.--This section expires June 30, 2009 2004.

However, a tax refund agreement in effect on that date shall continue in effect in accordance with the terms of the agreement.

Section 13. Subsections (7), (8), and (11) of section 288.901, Florida Statutes, are amended to read:

288.901 Enterprise Florida, Inc.; creation; membership; organization; meetings; disclosure.--

- (7) The Governor shall serve as chairperson of the board of directors. The board of directors shall biennially elect one of its appointive members as vice chairperson. The president shall keep a record of the proceedings of the board of directors and is the custodian of all books, documents, and papers filed with the board of directors, the minutes of the board of directors, and the official seal of Enterprise Florida, Inc.
- (8) The board of directors shall meet at least four times each year, upon the call of the chairperson, at the request of the vice chairperson, or at the request of a majority of the membership. A majority of the total number of <u>current</u>, <u>voting</u> all directors <u>fixed</u> by <u>subsection</u> (3) shall constitute a quorum. The board of directors may take official action by a majority vote of the members present at any meeting at which a quorum is present.
- (11) Notwithstanding the provisions of subsection (3), the board of directors may by resolution appoint at-large members to the board from the private sector, each of whom may serve a 1-year term. At-large members shall have the powers and duties of other members of the board, except that they may not serve on an executive committee. An at-large member is eligible for reappointment but may not vote on his or her own reappointment. An at-large member shall be eligible to fill vacancies occurring among private-sector appointees under subsection (3).

Section 14. Subsection (1), paragraph (b) of subsection (4), and subsections (5), (7), and (8) of section 288.90151, Florida Statutes, are amended to read:

288.90151 Return on investment from activities of Enterprise Florida, Inc.--

(1) The public funds appropriated each year for the operation of Enterprise Florida, Inc., are invested in this public-private partnership to enhance international trade and economic development, to spur job-creating investments, and to create new employment opportunities for Floridians, and to prepare Floridians for those jobs. This policy will be the Legislature's priority consideration when reviewing the return-on-investment for Enterprise Florida, Inc.

(4)

- (b) The board of directors of Enterprise Florida, Inc., shall adopt for each upcoming fiscal year an operating budget for the organization that specifies the intended uses of the state's operating investment and a plan for securing private-sector support to Enterprise Florida, Inc. Each fiscal year private-sector support to Enterprise Florida, Inc., shall equal no less than 100 percent of the state's operating investment, including at least \$1 million in cash as defined in paragraph (5)(a), and an additional \$400,000 in cash as defined in paragraphs (5)(a), (b), and (c).
- (5) Private-sector support in operating Enterprise Florida, Inc., includes:
- (a) Cash given directly to Enterprise Florida, Inc., for its operations, excluding contributions from grantees or from

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companies with Enterprise Florida, Inc., contracts representing more than 5 percent of the value of all Enterprise Florida,

Inc., contracts, exclusive of grants, or more than 5 percent of the company's revenues. Cash in this category is not subject to restrictions on the use of appropriated funds. operating budget;

- (b) Cash jointly raised by Enterprise Florida, Inc., and a local economic development organization, a group of such organizations, or a statewide business organization that supports collaborative projects. \div
- (c) Cash generated by <u>fees charged for products or</u> services of Enterprise Florida, Inc., and by sponsorship of events, missions, programs, and publications; and
- (d) In-kind contributions directly to Enterprise Florida,
 Inc., including: business expenditures; business services
 provided; business support; or other business contributions that
 augment the operations, program, activities, or assets of
 Enterprise Florida, Inc., including, but not limited to: an
 individual's time and expertise; sponsored publications;
 private-sector staff services; payment for advertising
 placements; sponsorship of events; sponsored or joint research;
 discounts on leases or purchases; mission or program
 sponsorship; and copayments, stock, warrants, royalties, or
 other private resources dedicated to Enterprise Florida, Inc.
- (7) As part of the annual report required under s. 288.906, Enterprise Florida, Inc., shall <u>include a study provide</u> the Legislature with information quantifying the public's return-on-investment as described in this section for fiscal year 1997-1998 and each subsequent fiscal year. The annual

report shall also include the results of a customer-satisfaction survey of businesses served, as well as the lead economic development staff person of each primary partner organization local economic development organization that employs a full-time or part-time staff person.

- (8) Enterprise Florida, Inc., in consultation with the Office of Program Policy Analysis and Government Accountability, shall hire an economic analysis a private accounting firm to develop the methodology for establishing and reporting return-on-investment and in-kind contributions as described in this section and a firm experienced in survey research to develop, analyze, and report on the results of the customer-satisfaction survey. The Office of Program Policy Analysis and Government Accountability shall review and offer feedback on the methodology before it is implemented. The private accounting firm shall certify whether the applicable statements in the annual report comply with this subsection.
- Section 15. Subsection (3) of section 288.903, Florida Statutes, is amended to read:
- 288.903 Board of directors of Enterprise Florida, Inc.; president; employees.--
- (3) The board of directors of Enterprise Florida, Inc., and its officers shall be responsible for the prudent use of all public and private funds and shall ensure that the use of such funds is in accordance with all applicable laws, bylaws, or contractual requirements. No employee of Enterprise Florida, Inc., may receive compensation for employment which exceeds the salary paid to the Governor, unless the board of directors and

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the employee have executed a contract that prescribes specific, measurable performance outcomes for the employee, the satisfaction of which provides the basis for the award of incentive payments that increase the employee's total compensation to a level above the salary paid to the Governor.

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Section 16. Paragraph (b) of subsection (1) of section 288.904, Florida Statutes, is amended to read:

288.904 Powers of the board of directors of Enterprise Florida, Inc.--

- (1) The board of directors of Enterprise Florida, Inc., shall have the power to:
- (b)1. Make and enter into contracts and other instruments necessary or convenient for the exercise of its powers and functions, except that any contract made with an organization represented on the board of directors that exceeds 5 percent of the total annual amount of contracts of Enterprise Florida, Inc., exclusive of grants, or 5 percent of the represented organization's annual revenue must be approved by a two-thirds vote of the entire board members in attendance at a meeting at which a quorum is present of directors, and the board member representing such organization shall abstain from voting. No more than 65 percent of the dollar value of all contracts or other agreements entered into in any fiscal year, exclusive of grant programs, shall be made with an organization represented on the board of directors. This section does not apply to contracts awarded by another entity to an organization represented on the board of directors or to contracts if Enterprise Florida, Inc., is the recipient of funds from an

organization represented on the board of directors An organization represented on the board may not enter into a contract to receive a state-funded economic development incentive or similar grant, unless such incentive award is specifically endorsed by a two-thirds vote of the entire board. The board member representing such organization, if applicable, shall abstain from voting and refrain from discussing the issue with other members of the board. No more than 50 percent of the dollar value of grants issued by the board in any fiscal year may go to businesses associated with board members.

2. A contract that Enterprise Florida, Inc., executes with a person or organization under which such person or organization agrees to perform economic development services or similar business assistance services on behalf of Enterprise Florida, Inc., or on behalf of the state must include provisions requiring that such person or organization report on performance, account for proper use of funds provided under the contract, coordinate with other components of state and local economic development systems, and avoid duplication of existing state and local services and activities.

Section 17. Subsection (6) of section 288.905, Florida Statutes, is amended to read:

288.905 Duties of the board of directors of Enterprise Florida, Inc.--

(6) Any employee leased by Enterprise Florida, Inc., from the state, or any employee who derives his or her salary from funds appropriated by the Legislature, may not receive a pay raise or bonus in excess of a pay raise or bonus that is

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received by similarly situated state employees. However, this subsection does not prohibit the payment of a pay raise or bonus from funds received from sources other than the Florida Legislature.

Section 18. Effective July 1, 2004, notwithstanding section 80 of chapter 2003-399, Laws of Florida, section 288.9515, Florida Statutes, shall not stand repealed on July 1, 2004, as scheduled by such law, but said section is reenacted and amended to read:

288.9515 Authorized technology development programs. --

- development and applications services, and may serve as an umbrella organization for the coordination of information that provides technology applications service providers throughout the state which provide critical, managerial, technological, scientific, and related financial and business expertise essential for international and domestic competitiveness to small-sized and medium-sized manufacturing and knowledge-based service firms. Enterprise Florida, Inc., is authorized the following powers in order to carry out these functions:
- (a) Providing communication and coordination services among technology <u>development and</u> applications service providers throughout the state.
- (b) Providing coordinated marketing services to small-sized and medium-sized manufacturers in the state on behalf of, and in partnership with, technology applications service providers.

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

- $\underline{\text{(c)}}$ Developing plans and policies to assist small-sized and medium-sized manufacturing companies or other knowledgebased firms in Florida.
- (e) Entering into contracts with technology applications service providers for expanded availability of high-quality assistance to small-sized and medium-sized manufacturing companies or knowledge-based service firms, including, but not limited to, technological, human resources development, market planning, finance, and interfirm collaboration. Enterprise Florida, Inc., shall ensure that all contracts in excess of \$20,000 for the delivery of such assistance to Florida firms shall be based on competitive requests for proposals and shall establish clear standards for the delivery of services under such contracts. Such standards include, but are not limited to:
- 1. The ability and capacity to deliver services in sufficient quality and quantity.
- 2. The ability and capacity to deliver services in a timely manner.
- 3. The ability and capacity to meet the needs of firms in the proposed market area.
- $\underline{(d)(f)}$ Assisting other educational institutions, enterprises, or the entities providing business assistance to small-sized and medium-sized manufacturing $\underline{and\ knowledge-based}$ services enterprises.

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

- <u>(e)(h)</u> Establishing special education and informational programs for Florida enterprises and for educational institutions and enterprises providing business assistance to Florida enterprises.
- $\underline{(f)(i)}$ Assisting in evaluating and documenting the needs of firms in this state for technology <u>development and</u> applications services, and developing means to ensure that these needs are met, consistent with the powers provided for in this subsection.
- $\underline{(g)}(j)$ Maintaining an office in such place or places as the board of directors of Enterprise Florida, Inc., approves.
- (h)(k) Making and executing contracts with any person, enterprise, educational institution, association, or any other entity necessary or convenient for the performance of its duties and the exercise of the powers and functions of Enterprise Florida, Inc., under this subsection.
- (i)(1) Receiving funds from any source to carry out the purposes of providing technology <u>development and</u> applications services, including, but not limited to, gifts or grants from any department, agency, or instrumentality of the United States or of the state, or any enterprise or person, for any purpose consistent with the provisions of this subsection.
- (2) When choosing contractors under this section, preference shall be given to existing institutions, organizations, and enterprises so long as these existing

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institutions, organizations, and enterprises demonstrate the ability to perform at standards established by Enterprise Florida, Inc., under paragraph (1)(e). Neither the provisions of ss. 288.9511-288.9517 nor the actions taken by Enterprise Florida, Inc., under this section shall impair or hinder the operations, performance, or resources of any existing institution, organization, or enterprise.

- Enterprise Florida, Inc., may create a technology development financing fund, to be called the Florida Technology Research Investment Fund. The fund shall increase technology development in this state by investing in technology development projects that have the potential to generate investment-grade technologies of importance to the state's economy as evidenced by the willingness of private businesses to coinvest in such projects. Enterprise Florida, Inc., may also demonstrate and develop effective approaches to, and benefits of, commercially oriented research collaborations between businesses, universities, and state and federal agencies and organizations. Enterprise Florida, Inc., shall endeavor to maintain the fund as a self-supporting fund once the fund is sufficiently capitalized under program guidelines of Enterprise Florida, Inc. as reflected in the minimum funding report required in s. 288.9516. The technology research investment projects may include, but are not limited to:
- (a) Technology development projects expected to lead to a specific investment-grade technology that is of importance to industry in this state.

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

- (c) Technology development projects that have, or are currently using, other federal or state funds such as federal Small Business Innovation Research awards.
- (4) Enterprise Florida, Inc., shall invest moneys contained in the Florida Technology Research Investment Fund in technology application research or for technology development projects that have the potential for commercial market application. The partnership shall coordinate any investment in any space-related technology projects with the Florida Space Authority and the Technological Research and Development Authority.
- (a) The investment of moneys contained in the Florida Technology Research Investment Fund is limited to <u>qualified</u> investments in <u>qualified</u> securities in which a private enterprise in this state coinvests at least 40 percent of the total project costs, in conjunction with other cash or noncash investments from state educational institutions, state and federal agencies, or other institutions.
- (b) All moneys in the Florida Technology Research

 Investment Fund shall be continuously appropriated to the fund
 and may be used for loan guarantees, letter of credit
 guarantees, cash reserves for loan and letter of credit
 guarantees, payments of claims pursuant to contracts for
 guarantees, subordinated loans, loans with warrants, royalty
 investments, equity investments, and For the purposes of this

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fund, qualified securities include loans, loans convertible to equity, equity, loans with warrants attached that are beneficially owned by the board, royalty agreements, or any other contractual arrangements through which the Florida Technology Research Investment Fund receives an interest, right, return of funds, or other consideration and may be used for operations of the fund. All such uses of moneys in the fund are qualified investments. Any claim against the fund or Enterprise Florida, Inc., relating to investment of moneys in the fund shall be paid solely from the fund. Neither the credit nor the taxing power of the state shall be pledged to secure the fund or moneys in the fund, other than from moneys appropriated or assigned to the fund, and the state shall not be liable or obligated in any way for any claims against the fund or against Enterprise Florida, Inc. arrangement in which the board is providing scientific and technological services to any federal, state, county, or municipal agency, or to any individual, corporation, enterprise, association, or any other entity involving technology development.

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

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

- (e) The investment of funds contained in the Florida
 Technology Research Investment Fund does not constitute a debt,
 liability, or obligation of the State of Florida or of any
 political subdivision thereof, or a pledge of the faith and
 credit of the state or of any such political subdivision.
- (5) Enterprise Florida, Inc., may create technology commercialization programs in partnership with private enterprises, educational institutions, and other institutions to increase the rate at which technologies with potential commercial application are moved from university, public, and industry laboratories into the marketplace. Such programs shall be created based upon research to be conducted by Enterprise Florida, Inc.
- (6) Enterprise Florida, Inc., shall coordinate with local and regional economic development organizations to facilitate a statewide entrepreneurship strategy to stimulate the growth of startup businesses and technology innovations in this state.

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This strategy must include, but need not be limited to, technology transfer coordination, university linkages, entrepreneurial networks and training, and startup capital access, including the formation and growth of individual and business networks that may be willing to invest in startup businesses in this state.

Section 19. Subsection (2) of section 288.99, Florida Statutes, is amended to read:

288.99 Certified Capital Company Act.--

(2) PURPOSE.—The primary purpose of this act is to stimulate a substantial increase in venture capital investments in this state by providing an incentive for insurance companies to invest in certified capital companies in this state which, in turn, will make investments in new businesses or in expanding businesses, including minority-owned or minority-operated businesses and businesses located in a designated Front Porch community, enterprise zone, designated urban job tax credit high-crime area, rural job tax credit county, or nationally recognized historic district. The increase in investment capital flowing into new or expanding businesses is intended to contribute to employment growth, create jobs which exceed the average wage for the county in which the jobs are created, and expand or diversify the economic base of this state.

Section 20. Subsections (15) through (17) of section 626.015, Florida Statutes, are renumbered as subsections (16) through (18), respectively, and a new subsection (15) is added to said section, to read:

626.015 Definitions.--As used in this part:

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	C.
1302	(15) "Personal lines agent" means a general lines agent
1303	who is limited to transacting business related to property and
1304	casualty insurance sold to individuals and families for
1305	noncommercial purposes.
1306	Section 21. Subsection (3) is added to section 626.022,
1307	Florida Statutes, to read:
1308	626.022 Scope of part
1309	(3) Provisions of this part that apply to general lines
1310	agents and applicants also apply to personal lines agents and
1311	applicants, except as otherwise provided.
1312	Section 22. Subsection (8) is added to section 626.241,
1313	Florida Statutes, to read:
1314	626.241 Scope of examination
1315	(8) An examination for licensure as a personal lines agent
1316	shall consist of 100 questions and shall be limited in scope to
1317	the kinds of business transacted under such license.
1318	Section 23. Subsection (1) of section 626.311, Florida
1319	Statutes, is amended to read:
1320	626.311 Scope of license
1321	(1) Except as to personal lines agents and limited
1322	licenses, the applicant for license as a general lines agent or
1323	customer representative shall qualify for all property, marine,
1324	casualty, and surety lines except bail bonds which require a
1325	separate license under chapter 648. The license of a general
1326	lines agent may also cover health insurance if health insurance
1327	is included in the agent's appointment by an insurer as to which

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the licensee is also appointed as agent for property or casualty

or surety insurance. The license of a customer representative

1328

shall provide, in substance, that it covers all of such classes of insurance that his or her appointing general lines agent or agency is currently so authorized to transact under the general lines agent's license and appointments. No such license shall be issued limited to particular classes of insurance except for bail bonds which require a separate license under chapter 648 or for personal lines agents. Personal lines agents are limited to transacting business related to property and casualty insurance sold to individuals and families for noncommercial purposes.

Section 24. Section 626.727, Florida Statutes, is amended to read:

626.727 Scope of this part.--This part applies only to general lines agents, customer representatives, service representatives, and managing general agents, all as defined in s. 626.015. Provisions of this part which apply to general lines agents and applicants also apply to personal lines agents and applicants, except as otherwise provided.

Section 25. Subsection (1) of section 626.732, Florida Statutes, is amended to read:

626.732 Requirement as to knowledge, experience, or instruction.--

(1) Except as provided in subsection (3), no applicant for a license as a general lines agent or personal lines agent, except for a chartered property and casualty underwriter (CPCU), other than as to a limited license as to baggage and motor vehicle excess liability insurance, credit property insurance, credit insurance, in-transit and storage personal property insurance or

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communication equipment inland marine insurance, shall be qualified or licensed unless within the 4 years immediately preceding the date the application for license is filed with the department the applicant has:

- (a) Taught or successfully completed classroom courses in insurance, 3 hours of which shall be on the subject matter of ethics, satisfactory to the department at a school, college, or extension division thereof, approved by the department. To qualify for licensure as a personal lines agent, the applicant must complete a total of 52 hours of classroom courses in insurance;
- (b) Completed a correspondence course in insurance, 3 hours of which shall be on the subject matter of ethics, satisfactory to the department and regularly offered by accredited institutions of higher learning in this state and, except if he or she is applying for a limited license under s. 626.321 for licensure as a general lines agent, has had at least 6 months of responsible insurance duties as a substantially full-time bona fide employee in all lines of property and casualty insurance set forth in the definition of general lines agent under s. 626.015 or, for licensure as a personal lines agent, has completed at least 3 months in responsible insurance duties as a substantially full-time employee in property and casualty insurance sold to individuals and families for noncommercial purposes;
- (c)1. For licensure as a general lines agent, completed at least 1 year in responsible insurance duties as a substantially full-time bona fide employee in all lines of property and

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casualty insurance, exclusive of aviation and wet marine and transportation insurances but not exclusive of boats of less than 36 feet in length or aircraft not held out for hire, as set forth in the definition of a general lines agent under s. 626.015, without the education requirement mentioned in paragraph (a) or paragraph (b); or

- 2. For licensure as a personal lines agent, completed at least 6 months in responsible insurance duties as a substantially full-time bona fide employee in property and casualty insurance sold to individuals and families for noncommercial purposes, without the education requirement mentioned in paragraph (a) or paragraph (b); ox
- (d)1. For licensure as a general lines agent, completed at least 1 year of responsible insurance duties as a licensed and appointed customer representative or limited customer representative in commercial or personal lines of property and casualty insurance and 40 hours of classroom courses approved by the department covering the areas of property, casualty, surety, health, and marine insurance; or
- 2. For licensure as a personal lines agent, completed at least 6 months of responsible insurance duties as a licensed and appointed customer representative or limited customer representative in property and casualty insurance sold to individuals and families for noncommercial purposes and 20 hours of classroom courses approved by the department which are related to property and casualty insurance sold to individuals and families for noncommercial purposes;

(e)1.2. For licensure as a general lines agent, completed at least 1 year of responsible insurance duties as a licensed and appointed service representative in either commercial or personal lines of property and casualty insurance and 80 hours of classroom courses approved by the department covering the areas of property, casualty, surety, health, and marine insurance; or-

- 2. For licensure as a personal lines agent, completed at least 6 months of responsible insurance duties as a licensed and appointed service representative in property and casualty insurance sold to individuals and families for noncommercial purposes and 40 hours of classroom courses approved by the department which are related to property and casualty insurance sold to individuals and families for noncommercial purposes; or
- (f) For licensure as a personal lines agent, completed at least 3 years of responsible duties as a licensed and appointed customer representative in property and casualty insurance sold to individuals and families for noncommercial purposes.
- Section 26. The Department of Financial Services may delay issuing licenses to personal lines agents on the effective date of this act if the department has not completed the process of incorporating necessary procedures for issuing personal lines licenses into its licensing systems.
- Section 27. Subsection (1) of section 626.747, Florida Statutes, is amended to read:
 - 626.747 Branch agencies.--

1439 (1) Each branch place of business established by an agent 1440 or agency, firm, corporation, or association shall be in the

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active full-time charge of a licensed general lines agent who is appointed to represent one or more insurers. Any agent or agency, firm, corporation, or association which has established one or more branch places of business shall be required to have at least one <u>licensed general lines</u>, <u>life</u>, or <u>health</u> agent <u>who</u> is appointed to represent one or more insurers at each location of the agency including its headquarters location.

Section 28. Paragraph (r) is added to subsection (6) of section 627.351, Florida Statutes, to read:

- 627.351 Insurance risk apportionment plans.--
- (6) CITIZENS PROPERTY INSURANCE CORPORATION. --
- (r) A salaried employee of the corporation who performs policy administration services subsequent to the effectuation of a corporation policy is not required to be licensed as an agent under the provisions of s. 626.112.
- Section 29. Subsections (3) and (4) of section 288.041, Florida Statutes, are repealed:
- 288.041 Solar energy industry; legislative findings and policy; promotional activities.--
- (3) Enterprise Florida, Inc., and its boards shall assist in the expansion of the solar energy industry in this state.

 Such efforts shall be undertaken in cooperation with the Department of Community Affairs, the Florida Solar Energy Center, and the Florida Solar Energy Industries Association, and shall include:
- (a) Providing assistance and support to new and existing photovoltaic companies, with special emphasis on attracting one

or more manufacturers of photovoltaic products to locate within this state.

- (b) Sponsoring initiatives which aid and take full advantage of the export market potential of solar technologies.
- (c) Informing the business sector of this state about opportunities for cost-effective commercial applications of solar technologies.
- (d) Encouraging employment of residents of this state by solar energy companies.
- (e) Retaining existing solar energy companies and supporting their expansion efforts in this state.
- (f) Supporting the promotion of solar energy by sponsoring workshops, seminars, conferences, and educational programs on the benefits of solar energy.
- (g) Recognizing outstanding developments and achievements in, and contributions to, the solar energy industry.
- (h) Collecting and disseminating solar energy information relevant to the promotion of solar energy applications.
- (i) Enlisting the support of persons, civic groups, the solar energy industry, and other organizations to promote and improve solar energy products and services.
- (4) The department shall also promote projects that demonstrate viable applications of solar technology which may include, but shall not be limited to: irrigation and stock watering, process heat for dairy and citrus operations, aquaculture, hydroponics, horticulture, waste detoxification, and other means of meeting the energy needs of the agricultural industry.

1496	Section 30. Subsection (3) of section 288.9015, Florida
1497	Statutes, is repealed:
1498	288.9015 Enterprise Florida, Inc.; purpose; duties
1499	(3) It shall be the responsibility of Enterprise Florida,
1500	Inc., through the Workforce Development Board, to develop a
1501	comprehensive approach to workforce development that will result
1502	in better employment opportunities for the residents of this
1503	state. Such comprehensive approach must include:
1504	(a) Creating and maintaining a highly skilled workforce
1505	that is capable of responding to rapidly changing technology and
1506	diversified market opportunities.
1507	(b) Training, educating, and assisting target populations,
1508	such as those who are economically disadvantaged or who
1509	participate in the WAGES Program or otherwise receive public
1510	assistance to become independent, self-reliant, and self-
1511	sufficient. This approach must ensure the effective use of
1512	federal, state, local, and private resources in reducing the
1513	need for public assistance.
1514	Section 31. Section 288.8155, Florida Statutes, is
1515	repealed.
1516	Section 32. Effective July 1, 2004, section 288.9517,
1517	Florida Statutes, and section 14 of chapter 93-187, Laws of
1518	Florida, are repealed.
1519	Section 33. Except as otherwise provided herein, this act
1520	shall take effect upon becoming a law.

shall take effect upon becoming a law.