

CHAMBER ACTION

1 The Economic Development, Trade & Banking Committee recommends
2 the following:

3
4 **Council/Committee Substitute**

5 Remove the entire bill and insert:

6 A bill to be entitled

7 An act relating to economic development; amending s.
8 212.08, F.S.; conforming provisions to the designated
9 urban job tax credit area revision; amending s. 212.097,
10 F.S.; revising provisions providing for an urban job tax
11 credit program to apply to designated urban job tax credit
12 areas rather than high-crime areas; revising and providing
13 definitions, eligibility criteria, application procedures
14 and requirements, and area characteristics and criteria;
15 amending s. 220.1895, F.S., to conform; amending s.
16 220.191, F.S.; revising the definition of the term
17 "qualifying project"; authorizing the Office of Tourism,
18 Trade, and Economic Development to waive certain sector
19 requirements under certain circumstances; providing a
20 limitation on certain annual tax credits; amending s.
21 288.99, F.S.; conforming provisions to the designated
22 urban job tax credit area revision; providing an effective
23 date.

HB 1313

2005
CS

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

Section 1. Paragraph (o) of subsection (5) of section 212.08, Florida Statutes, is 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 are hereby specifically exempt from the tax imposed by this chapter.

(5) EXEMPTIONS; ACCOUNT OF USE.--

(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).

51 c. "Mixed-use project" means the conversion of an existing
 52 manufacturing or industrial building to mixed-use units that
 53 include artists' studios, art and entertainment services, or
 54 other compatible uses. A mixed-use project must be located in a
 55 designated ~~an~~ urban job tax credit ~~high-crime~~ area, enterprise
 56 zone, empowerment zone, Front Porch Community, designated
 57 brownfield area, or urban infill area, and the developer must
 58 agree to set aside at least 20 percent of the square footage of
 59 the project for low-income and moderate-income housing.

60 d. "Substantially completed" has the same meaning as
 61 provided in s. 192.042(1).

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

- 70 a. The name and address of the owner.
- 71 b. The address and assessment roll parcel number of the
 72 project for which a refund is sought.
- 73 c. A copy of the building permit issued for the project.
- 74 d. A certification by the local building code inspector
 75 that the project is substantially completed.
- 76 e. A sworn statement, under penalty of perjury, from the
 77 general contractor licensed in this state with whom the owner
 78 contracted to construct the project, which statement lists the

HB 1313

2005
CS

79 building materials used in the construction of the project and
 80 the actual cost thereof, and the amount of sales tax paid on
 81 these materials. If a general contractor was not used, the owner
 82 shall provide this information in a sworn statement, under
 83 penalty of perjury. Copies of invoices evidencing payment of
 84 sales tax must be attached to the sworn statement.

85 3. An application for a refund under this paragraph must
 86 be submitted to the department within 6 months after the date
 87 the project is deemed to be substantially completed by the local
 88 building code inspector. Within 30 working days after receipt of
 89 the application, the department shall determine if it meets the
 90 requirements of this paragraph. A refund approved pursuant to
 91 this paragraph shall be made within 30 days after formal
 92 approval of the application by the department. The provisions of
 93 s. 212.095 do not apply to any refund application made under
 94 this paragraph.

95 4. The department shall establish by rule an application
 96 form and criteria for establishing eligibility for exemption
 97 under this paragraph.

98 5. The exemption shall apply to purchases of materials on
 99 or after July 1, 2000.

100 Section 2. Section 212.097, Florida Statutes, is amended
 101 to read:

102 212.097 Designated Urban ~~High-Crime-Area~~ Job Tax Credit
 103 Area Program.--

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

105 (a) "Eligible business" means any sole proprietorship,
 106 firm, partnership, or corporation that is located in a

HB 1313

2005
CS

107 | designated urban job tax credit area ~~qualified county~~ and is
 108 | predominantly engaged in, or is headquarters for a business
 109 | predominantly engaged in, activities usually provided for
 110 | consideration by firms classified within the following standard
 111 | industrial classifications: SIC 01-SIC 09 (agriculture,
 112 | forestry, and fishing); SIC 20-SIC 39 (manufacturing); SIC 52-
 113 | SIC 57 and SIC 59 (retail); SIC 422 (public warehousing and
 114 | storage); SIC 70 (hotels and other lodging places); SIC 7391
 115 | (research and development); SIC 781 (motion picture production
 116 | and allied services); SIC 7992 (public golf courses); ~~and~~ SIC
 117 | 7996 (amusement parks); and a targeted industry eligible for the
 118 | qualified target industry business tax refund under s. 288.106.
 119 | A call center or similar customer service operation that
 120 | services a multistate market or international market is also an
 121 | eligible business. In addition, the Office of Tourism, Trade,
 122 | and Economic Development may, as part of its final budget
 123 | request submitted pursuant to s. 216.023, recommend additions to
 124 | or deletions from the list of standard industrial
 125 | classifications used to determine an eligible business, and the
 126 | Legislature may implement such recommendations. Excluded from
 127 | eligible receipts are receipts from retail sales, except such
 128 | receipts for SIC 52-SIC 57 and SIC 59 (retail) hotels and other
 129 | lodging places classified in SIC 70, public golf courses in SIC
 130 | 7992, and amusement parks in SIC 7996. For purposes of this
 131 | paragraph, the term "predominantly" means that more than 50
 132 | percent of the business's gross receipts from all sources is
 133 | generated by those activities usually provided for consideration
 134 | by firms in the specified standard industrial classification.

HB 1313

2005
CS

135 The determination of whether the business is located in a
 136 designated urban job tax credit ~~qualified high-crime~~ area and
 137 ~~the tier ranking of that area~~ must be based on the date of
 138 application for the credit under this section. Commonly owned
 139 and controlled entities are to be considered a single business
 140 entity.

141 (b) "Qualified employee" means any employee of an eligible
 142 business who performs duties in connection with the operations
 143 of the business on a regular, full-time basis for an average of
 144 at least 36 hours per week for at least 3 months within the
 145 designated urban job tax credit ~~qualified high-crime~~ area in
 146 which the eligible business is located. An owner or partner of
 147 the eligible business is not a qualified employee. The term also
 148 includes an employee leased from an employee leasing company
 149 licensed under chapter 468, if such employee has been
 150 continuously leased to the employer for an average of at least
 151 36 hours per week for more than 6 months.

152 (c) "New business" means any eligible business first
 153 beginning operation on a site in a designated urban job tax
 154 credit ~~qualified high-crime~~ area and clearly separate from any
 155 other commercial or business operation of the business entity
 156 within a designated urban job tax credit ~~qualified high-crime~~
 157 area. A business entity that operated an eligible business
 158 within a designated urban job tax credit ~~qualified high-crime~~
 159 area within the 48 months before the period provided for
 160 application by subsection (2) is not considered a new business.

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

HB 1313

2005
CS

163 (e) "Designated urban job tax credit ~~Qualified high-crime~~
 164 ~~area"~~ means an area selected by the Office of Tourism, Trade,
 165 and Economic Development in the following manner: every fifth
 166 ~~third~~ year, the office shall designate ~~rank and tier~~ those areas
 167 nominated under subsection (7), according to the highest level
 168 of distress experienced in the categories enumerated under
 169 subsection (7). The Office of Tourism, Trade, and Economic
 170 Development shall designate the 30 highest-distress-profile
 171 urban areas as eligible participants under the Designated Urban
 172 Job Tax Credit Area Program. ~~following prioritized criteria:~~
 173 1. ~~Highest arrest rates within the geographic area for~~
 174 ~~violent crime and for such other crimes as drug sale, drug~~
 175 ~~possession, prostitution, vandalism, and civil disturbances;~~
 176 2. ~~Highest reported crime volume and rate of specific~~
 177 ~~property crimes such as business and residential burglary, motor~~
 178 ~~vehicle theft, and vandalism;~~
 179 3. ~~Highest percentage of reported index crimes that are~~
 180 ~~violent in nature;~~
 181 4. ~~Highest overall index crime volume for the area; and~~
 182 5. ~~Highest overall index crime rate for the geographic~~
 183 ~~area.~~
 184
 185 ~~Tier one areas are ranked 1 through 5 and represent the highest~~
 186 ~~crime areas according to this ranking. Tier two areas are ranked~~
 187 ~~6 through 10 according to this ranking. Tier three areas are~~
 188 ~~ranked 11 through 15. Notwithstanding this definition,~~
 189 "designated urban job tax credit ~~qualified high-crime~~ area" also
 190 means an area that has been designated as a federal Empowerment

HB 1313

2005
CS

191 Zone pursuant to the Taxpayer Relief Act of 1997 or the
 192 Community Tax Relief Act of 2000. An area designated under this
 193 section as of December 31, 2005, shall retain such designation
 194 through December 31, 2010, and businesses within these
 195 designated areas that are eligible for tax credits as of June
 196 30, 2005, shall retain the same tax credit amounts that were
 197 available to them on June 30, 2005, through December 31, 2010,
 198 provided they comply with the respective job creation
 199 requirements. Any area designated pursuant to this section shall
 200 retain the designation for a period not to exceed 5 years after
 201 the effective date of designation. Thereafter, any such area or
 202 any other area eligible for designation may seek approval from
 203 the office for designation ~~Such a designated area is ranked in~~
 204 ~~tier three until the areas are reevaluated by the Office of~~
 205 ~~Tourism, Trade, and Economic Development.~~

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

211 (g) "Urban infill and redevelopment area" means an area or
 212 areas designated by a local government in which:

213 1. Public services such as water and wastewater,
 214 transportation, schools, and recreation are already available or
 215 are scheduled to be provided in an adopted 5-year schedule of
 216 capital improvements.

217 2. The area, or one or more neighborhoods within the area,
 218 suffers from pervasive poverty, unemployment, and general
 219 distress as described in s. 290.0058.

220 3. The area exhibits a proportion of properties that are
 221 substandard, overcrowded, dilapidated, vacant or abandoned, or
 222 functionally obsolete that is higher than the average for the
 223 local government.

224 4. More than 50 percent of the area is within 1/4 mile of
 225 a transit stop, or a sufficient number of such transit stops
 226 will be made available concurrent with the designation.

227 5. The area includes or is adjacent to community
 228 redevelopment areas, brownfields, enterprise zones, or Main
 229 Street programs or has been designated by the state or Federal
 230 Government as an urban redevelopment, revitalization, or infill
 231 area under empowerment zone, enterprise community, or brownfield
 232 showcase community programs or similar programs.

233 (2) A new eligible business may apply for a tax credit
 234 under this subsection once at any time during its first year of
 235 operation. A new eligible business in a designated urban job tax
 236 credit tier-one qualified high-crime area which has at least 10
 237 qualified employees on the date of application shall receive a
 238 ~~\$1,500 tax credit for each such employee. A new eligible~~
 239 ~~business in a tier-two qualified high-crime area which has at~~
 240 ~~least 20 qualified employees on the date of application shall~~
 241 ~~receive a \$1,000 tax credit for each such employee. A new~~
 242 ~~eligible business in a tier-three qualified high-crime area~~
 243 ~~which has at least 30 qualified employees on the date of~~

244 ~~application shall receive a \$500 tax credit for each such~~
 245 ~~employee.~~

246 (3) An existing eligible business may apply for a tax
 247 credit under this subsection at any time it is entitled to such
 248 credit, except as restricted by this subsection. An existing
 249 eligible business in a designated urban job tax credit tier one
 250 ~~qualified high-crime~~ area which on the date of application has
 251 at least 5 more qualified employees than it had 1 year prior to
 252 its date of application shall receive a ~~\$1,500 tax credit for~~
 253 ~~each such additional employee. An existing eligible business in~~
 254 ~~a tier two qualified high-crime area which on the date of~~
 255 ~~application has at least 10 more qualified employees than it had~~
 256 ~~1 year prior to its date of application shall receive a \$1,000~~
 257 ~~credit for each such additional employee. An existing business~~
 258 ~~in a tier three qualified high-crime area which on the date of~~
 259 ~~application has at least 15 more qualified employees than it had~~
 260 ~~1 year prior to its date of application shall receive a \$500 tax~~
 261 ~~credit for each such additional employee.~~ An existing eligible
 262 business may apply for the credit under this subsection no more
 263 than once in any 12-month period. Any existing eligible business
 264 that received a credit under subsection (2) may not apply for
 265 the credit under this subsection sooner than 12 months after the
 266 application date for the credit under subsection (2).

267 (4) For any new eligible business receiving a credit
 268 pursuant to subsection (2), an additional \$500 credit shall be
 269 provided for any qualified employee who is a welfare transition
 270 program participant. For any existing eligible business
 271 receiving a credit pursuant to subsection (3), an additional

HB 1313

2005
CS

272 \$500 credit shall be provided for any qualified employee who is
 273 a welfare transition program participant. Such employee must be
 274 employed on the application date and have been employed less
 275 than 1 year. This credit shall be in addition to other credits
 276 pursuant to this section ~~regardless of the tier level of the~~
 277 ~~high-crime area~~. Appropriate documentation concerning the
 278 eligibility of an employee for this credit must be submitted as
 279 determined by the department.

280 (5) To be eligible for a tax credit under subsection (3),
 281 the number of qualified employees employed 1 year prior to the
 282 application date must be no lower than the number of qualified
 283 employees on the application date on which a credit under this
 284 section was based for any previous application, including an
 285 application under subsection (2).

286 (6) Any county or municipality, or a county and one or
 287 more municipalities together, may apply to the Office of
 288 Tourism, Trade, and Economic Development for the designation of
 289 an area as a designated urban job tax credit ~~high-crime~~ area
 290 after the adoption by the governing body or bodies of a
 291 resolution that:

292 (a) Finds that an urban ~~a high-crime~~ area exists in such
 293 county or municipality, or in both the county and one or more
 294 municipalities, which chronically exhibits extreme and
 295 unacceptable levels of poverty, unemployment, physical
 296 deterioration, and economic disinvestment.†

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

HB 1313

2005
CS

300 safety, and welfare of the residents of such county or
 301 municipality, or such county and one or more municipalities.~~+~~
 302 ~~and~~

303 (c) Determines that the revitalization of such an urban a
 304 ~~high-crime~~ area can occur if the public sector or private sector
 305 can be induced to invest its own resources in productive
 306 enterprises that build or rebuild the economic viability of the
 307 area.

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

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

314 2. More than 20 percent of residents or families live
 315 below the federal standard of poverty for individuals or a
 316 family of four. ~~The overall index crime rate for the geographic~~
 317 ~~area;~~

318 ~~(b) The overall index crime volume for the area;~~

319 ~~(b)(e)~~ The area has an unemployment rate at least 3
 320 percentage points higher than the state's unemployment rate. ~~The~~
 321 ~~percentage of reported index crimes that are violent in nature;~~

322 ~~(c)(d)~~ The area has an arrest rate higher than the state's
 323 average rate for such crimes as drug sale, drug possession,
 324 prostitution, vandalism, and civil disturbances, as recorded by
 325 the total crime index of the Department of Law Enforcement. ~~The~~
 326 ~~reported crime volume and rate of specific property crimes such~~

HB 1313

2005
CS

327 ~~as business and residential burglary, motor vehicle theft, and~~
328 ~~vandalism; and~~

329 (d)1.(e) Fifty percent or more of area residents rent;

330 2. Property values are within the lower 50 percent of the
331 county's assessed property values;

332 3. More than 5 percent of area commercial buildings are
333 currently vacant or have been condemned within the previous 24
334 months; or

335 4. Tax or special assessment delinquencies exceed the fair
336 value of the land for 25 percent of such delinquencies ~~The~~
337 ~~arrest rates within the geographic area for violent crime and~~
338 ~~for such other crimes as drug sale, drug possession,~~
339 ~~prostitution, disorderly conduct, vandalism, and other public-~~
340 ~~order offenses.~~

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

345 (9) An area nominated by a county or municipality, or a
346 county and one or more municipalities together, for designation
347 as a designated urban job tax credit ~~high-crime~~ area shall be
348 eligible only if it meets the following criteria:

349 (a) The selected area ~~does not exceed 20 square miles and~~
350 ~~either~~ has a continuous boundary or consists of not more than
351 three noncontiguous parcels;

352 (b) The selected area does not exceed the following
353 mileage limitation:

354 1. For areas ~~communities~~ having a total population of
 355 150,000 persons or more, the selected area does not exceed 20
 356 square miles and is within 10 miles of an urban infill and
 357 redevelopment area.

358 2. For areas ~~communities~~ having a total population of
 359 50,000 persons or more, but fewer than 150,000 persons, the
 360 selected area does not exceed 10 square miles and is within 7.5
 361 miles of an urban infill and redevelopment area.

362 3. For areas ~~communities~~ having a total population of
 363 20,000 persons or more, but fewer than 50,000 persons, the
 364 selected area does not exceed 5 square miles and is within 5
 365 miles of an urban infill and redevelopment area.

366 4. For areas ~~communities~~ having a total population of
 367 fewer than 20,000 persons, the selected area does not exceed 3
 368 square miles and is within 3 miles of an urban infill and
 369 redevelopment area.

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

375 (b) Within 30 working days after receipt of an application
 376 for credit, the Office of Tourism, Trade, and Economic
 377 Development shall review the application to determine whether it
 378 contains all the information required by this subsection and
 379 meets the criteria set out in this section. Subject to the
 380 provisions of paragraph (c), the Office of Tourism, Trade, and
 381 Economic Development shall approve all applications that contain

382 the information required by this subsection and meet the
 383 criteria set out in this section as eligible to receive a
 384 credit.

385 (c) The maximum credit amount that may be approved during
 386 any calendar year is \$5 million, ~~of which \$1 million shall be~~
 387 ~~exclusively reserved for tier one areas~~. The Department of
 388 Revenue, in conjunction with the Office of Tourism, Trade, and
 389 Economic Development, shall notify the governing bodies in areas
 390 designated under this section ~~as urban high crime areas~~ when the
 391 \$5 million maximum amount has been reached. Applications must be
 392 considered for approval in the order in which they are received
 393 without regard to whether the credit is for a new or existing
 394 business. This limitation applies to the value of the credit as
 395 contained in approved applications. Approved credits may be
 396 taken in the time and manner allowed pursuant to this section.

397 (11) If the application is insufficient to support the
 398 credit authorized in this section, the Office of Tourism, Trade,
 399 and Economic Development shall deny the credit and notify the
 400 business of that fact. The business may reapply for this credit
 401 within 3 months after such notification.

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

406 (13) It is the responsibility of each business to
 407 affirmatively demonstrate to the satisfaction of the Department
 408 of Revenue that it meets the requirements of this section.

HB 1313

2005
CS

409 (14) Any person who fraudulently claims this credit is
 410 liable for repayment of the credit plus a mandatory penalty of
 411 100 percent of the credit and is guilty of a misdemeanor of the
 412 second degree, punishable as provided in s. 775.082 or s.
 413 775.083.

414 (15) A corporation may take the credit under this section
 415 against its corporate income tax liability, as provided in s.
 416 220.1895. However, a corporation that applies its job tax credit
 417 against the tax imposed by chapter 220 may not receive the
 418 credit provided for in this section. A credit may be taken
 419 against only one tax.

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

424 Section 3. Section 220.1895, Florida Statutes, is amended
 425 to read:

426 220.1895 Rural Job Tax Credit and Designated Urban ~~High-~~
 427 ~~Crime Area~~ Job Tax Credit.--There shall be allowed a credit
 428 against the tax imposed by this chapter amounts approved by the
 429 Office of Tourism, Trade, and Economic Development pursuant to
 430 the Rural Job Tax Credit Program in s. 212.098 and the
 431 Designated Urban ~~High-Crime Area~~ Job Tax Credit Area Program in
 432 s. 212.097. A corporation that uses its credit against the tax
 433 imposed by this chapter may not take the credit against the tax
 434 imposed by chapter 212. If any credit granted under this section
 435 is not fully used in the first year for which it becomes
 436 available, the unused amount may be carried forward for a period

HB 1313

2005
CS

437 not to exceed 5 years. The carryover may be used in a subsequent
 438 year when the tax imposed by this chapter for such year exceeds
 439 the credit for such year under this section after applying the
 440 other credits and unused credit carryovers in the order provided
 441 in s. 220.02(8). ~~The Office of Tourism, Trade, and Economic~~
 442 ~~Development shall conduct a review of the Urban High-Crime Area~~
 443 ~~Job Tax Credit and the Rural Job Tax Credit Program and submit~~
 444 ~~its report to the Governor, the President of the Senate, and the~~
 445 ~~Speaker of the House of Representatives by February 1, 2000.~~

446 Section 4. Paragraph (h) of subsection (1) of section
 447 220.191, Florida Statutes, is amended to read:

448 220.191 Capital investment tax credit.--

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

450 (h) "Qualifying project" means:

451 ~~1.~~ a new or expanding facility in this state which creates
 452 at least 100 new jobs in this state and is in one of the high-
 453 impact sectors identified by Enterprise Florida, Inc., and
 454 certified by the office pursuant to s. 288.108(6), including,
 455 but not limited to, aviation, aerospace, automotive, and silicon
 456 technology industries. The office may waive such sector
 457 requirements to induce the location or expansion of a facility
 458 in this state that creates or retains at least 1,000 jobs in
 459 this state, provided at least 100 of these jobs are new, pays an
 460 annual average wage of at least 130 percent of the average
 461 private sector wage in the area as defined in s. 288.106(1), and
 462 makes a cumulative capital investment of at least \$100 million.
 463 Notwithstanding the provisions of subsection (2), annual credits
 464 against the tax imposed by this chapter shall not exceed 50

HB 1313

2005
CS

465 percent of the increased annual corporate income tax liability
 466 or the premium tax liability generated by or arising out of a
 467 project qualifying under this paragraph; ~~or~~

468 ~~2. A new financial services facility in this state, which~~
 469 ~~creates at least 2,000 new jobs in this state, pays an average~~
 470 ~~annual wage of at least \$50,000, and makes a cumulative capital~~
 471 ~~investment of at least \$30 million. This subparagraph is~~
 472 ~~repealed June 30, 2004.~~

473 Section 5. Subsection (2) and paragraph (j) of subsection
 474 (3) of section 288.99, Florida Statutes, are amended to read:

475 288.99 Certified Capital Company Act.--

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

490 (3) DEFINITIONS.--As used in this section, the term:

491 (j) "Qualified business" means the Digital Divide Trust
 492 Fund established under the State of Florida Technology Office or

493 a business that meets the following conditions as evidenced by
494 documentation required by commission rule:

495 1. The business is headquartered in this state and its
496 principal business operations are located in this state or at
497 least 75 percent of the employees are employed in the state.

498 2. At the time a certified capital company makes an
499 initial investment in a business, the business would qualify for
500 investment under 13 C.F.R. s. 121.301(c), which is involved in
501 manufacturing, processing or assembling products, conducting
502 research and development, or providing services.

503 3. At the time a certified capital company makes an
504 initial investment in a business, the business certifies in an
505 affidavit that:

506 a. The business is unable to obtain conventional
507 financing, which means that the business has failed in an
508 attempt to obtain funding for a loan from a bank or other
509 commercial lender or that the business cannot reasonably be
510 expected to qualify for such financing under the standards of
511 commercial lending;

512 b. The business plan for the business projects that the
513 business is reasonably expected to achieve in excess of \$25
514 million in sales revenue within 5 years after the initial
515 investment, or the business is located in a designated Front
516 Porch community, enterprise zone, designated urban job tax
517 credit ~~high-crime~~ area, rural job tax credit county, or
518 nationally recognized historic district;

519 c. The business will maintain its headquarters in this
520 state for the next 10 years and any new manufacturing facility

HB 1313

2005
CS

521 | financed by a qualified investment will remain in this state for
 522 | the next 10 years, or the business is located in a designated
 523 | Front Porch community, enterprise zone, designated urban job tax
 524 | credit ~~high-crime~~ area, rural job tax credit county, or
 525 | nationally recognized historic district; and

526 | d. The business has fewer than 200 employees and at least
 527 | 75 percent of the employees are employed in this state. For
 528 | purposes of this subsection, the term also includes the Florida
 529 | Black Business Investment Board, any entity majority owned by
 530 | the Florida Black Business Investment Board, or any entity in
 531 | which the Florida Black Business Investment Board holds a
 532 | majority voting interest on the board of directors.

533 | 4. The term does not include:

534 | a. Any business predominantly engaged in retail sales,
 535 | real estate development, insurance, banking, lending, or oil and
 536 | gas exploration.

537 | b. Any business predominantly engaged in professional
 538 | services provided by accountants, lawyers, or physicians.

539 | c. Any company that has no historical revenues and either
 540 | has no specific business plan or purpose or has indicated that
 541 | its business plan is solely to engage in a merger or acquisition
 542 | with any unidentified company or other entity.

543 | d. Any company that has a strategic plan to grow through
 544 | the acquisition of firms with substantially similar business
 545 | which would result in the planned net loss of Florida-based jobs
 546 | over a 12-month period after the acquisition as determined by
 547 | the office.

548 | Section 6. This act shall take effect July 1, 2005.