

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 1351 CS  
**SPONSOR(S):** Evers and others  
**TIED BILLS:**

Qualified Job Training Organizations  
**IDEN./SIM. BILLS:** SB 2484

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Economic Development, Trade &amp; Banking Committee</u>	<u>11 Y, 0 N, w/CS</u>	<u>Sheheane</u>	<u>Carlson</u>
2) <u>Finance &amp; Tax Committee</u>	<u></u>	<u></u>	<u></u>
3) <u>Commerce Council</u>	<u></u>	<u></u>	<u></u>
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### SUMMARY ANALYSIS

The bill appropriates \$3 million in nonrecurring General Revenue annually for 10 years to Goodwill Industries. These funds may only be used for economic development through capital construction, improvements, or the purchase of equipment that will result in expanded employment opportunities.

The bill provides that in order to receive funding, the organization must be certified as a qualified job training organization by the Office of Tourism, Trade, and Economic Development.

The bill authorizes the Auditor General to audit Goodwill Industries to verify that these funds are being expended as required. If the Auditor General finds non-compliance, OTTED may pursue recovery of the proceeds under the laws and rules governing the assessment of taxes.

Failure to use the proceeds for the purposes provided will be grounds for revoking certification.

The bill will take effect July 1, 2005.

## **FULL ANALYSIS**

### **I. SUBSTANTIVE ANALYSIS**

#### **A. HOUSE PRINCIPLES ANALYSIS:**

Provide Limited Government- The bill appropriates General Revenue to a non-profit corporation.

#### **B. EFFECT OF PROPOSED CHANGES:**

##### **Current Situation**

##### **Goodwill's Mission Statement**

According to Goodwill International, Inc., Goodwill Industries will enhance the quality and dignity of life for individuals, families, and communities on a global basis, through the power of work, by eliminating barriers to opportunity for people with special needs, and by facilitating empowerment, self-help, and service through dedicated, autonomous local organizations.

According to Goodwill International, Inc., Goodwill Industries' values include:

- Respect for those they serve;
- Service to the individual;
- Assumption of responsibility by the individual (a hand-up, not a handout);
- Quality service;
- Thinking globally and acting locally;
- Collaboration;
- The Power of work;
- Stewardship, financial responsibility, and efficient use of resources;
- Autonomy of the member organization;
- Best practices and innovation;
- Diversity;
- Heritage; and
- Volunteerism

##### **Proposed Changes**

The bill appropriates \$3 million annually for 10 years to "a qualified job training organization." These funds may only be used for economic development through capital construction, improvements or the purchase of equipment that will result in expanded employment opportunities.

The bill defines a qualified job training organization as:

- An organization that is accredited by the Commission for Accreditation of Rehabilitation Facilities;
- An organization that collects sales tax imposed by this state;
- An organization with more than 100 locations within the state;
- An organization exempt from income taxation under s. 501(c) (3) or (4) of the Internal Revenue Code of 1986, as amended;
- An organization specializing in the retail sale of donated items;
- An organization that provides job training and employment services to individuals with workplace disadvantages and disabilities; and
- An organization that uses a majority of its revenues for job training and placement programs that create jobs and foster economic development;

The bill provides that in order to receive funding, an organization must be certified as a qualified job training organization by the Office of Tourism, Trade, and Economic Development.

The bill allows the Auditor General to audit a qualified job training organization to verify that these funds are being expended as required. If the Auditor General finds non-compliance, OTTED may pursue recovery of the proceeds under the laws and rules "governing the assessment of taxes."

Failure to use the proceeds for the purposes provided will be grounds for revoking certification.

### **Appropriated Funds**

The bill appropriates \$3 million per year from nonrecurring general revenue for ten years to the Office of Tourism, Trade, and Economic Development for the purposes as created by the bill. In FY 2005-2006 funding will be provided from nonrecurring general revenue. For fiscal years 2006-2016 funding will be appropriated from nonrecurring general revenue or as specifically provided in the General Appropriations Act.

#### **C. SECTION DIRECTORY:**

Section 1. Creates s. 288.1171, F.S., establishing the certification process, duties, definitions, eligibility, appropriations, and guidelines for the qualified job training organization program.

Section 2. The act will take effect July 1, 2005.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

#### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

##### **1. Revenues:**

None.

##### **2. Expenditures:**

The bill appropriates \$3 million per year from nonrecurring general revenue for ten years to the Office of Tourism, Trade, and Economic Development for the purposes as created by the bill. In FY 2005-2006 funding will be provided from nonrecurring general revenue. For fiscal years 2006-2010 funding will be appropriated from nonrecurring general revenue or as specifically provided in the General Appropriations Act.

#### **B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

##### **1. Revenues:**

None.

##### **2. Expenditures:**

None.

#### **C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

None.

#### **D. FISCAL COMMENTS:**

None.

### **III. COMMENTS**

#### **A. CONSTITUTIONAL ISSUES:**

##### **1. Applicability of Municipality/County Mandates Provision:**

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenues.

##### **2. Other:**

None.

#### **B. RULE-MAKING AUTHORITY:**

None.

#### **C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

### **IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES**

On April 14, 2005, the Economic Development, trade and Banking Committee adopted a strike-all amendment to the bill. The strike-all amendment:

- Clarifies the definition of a "qualified job training organization";
- Corrects a date error; and
- Makes technical and grammar changes to conform to the Senate companion.