

1 A bill to be entitled
2 An act relating to aerospace; creating s. 196.1999, F.S.;
3 providing for an exemption from ad valorem taxes for
4 certain space laboratories and cargo carriers; creating
5 ss. 331.501, 331.502, 331.503, 331.504, 331.505, 331.506,
6 and 331.507, F.S.; providing a popular name; creating the
7 Florida Aerospace Infrastructure Act; providing
8 legislative findings and intent; providing definitions;
9 creating the Florida Aerospace Infrastructure Investment
10 Program within the Florida Aerospace Finance Corporation;
11 providing purposes; providing for funding the program;
12 requiring the corporation to administer the program;
13 providing requirements; providing the corporation with
14 investment authorizations, criteria, requirements, and
15 limitations; creating the Independent Investment Committee
16 within the corporation; providing purposes of the
17 committee; providing for appointment of committee members
18 and criteria; providing for terms; requiring members to
19 serve without compensation; providing for per diem and
20 travel expenses; providing committee responsibilities;
21 specifying tax-exempt status of the corporation; exempting
22 the corporation from all state and local taxes; providing
23 an exception; requiring the corporation to prepare and
24 submit annual reports; providing an effective date.

25
26 Be It Enacted by the Legislature of the State of Florida:

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28 Section 1. Section 196.1999, Florida Statutes, is created

29 to read:

30 196.1999 Space laboratories and cargo carriers
 31 exemption.--

32 (1) Notwithstanding other provisions of this chapter,
 33 modules, pallets, racks, lockers, and their necessary associated
 34 hardware and subsystems owned by any person and intended for use
 35 as space laboratories launched into space aboard any private or
 36 government-developed launch vehicle for carrying passengers into
 37 space or for the primary purpose of conducting scientific
 38 research in space or for use as cargo carriers launched into
 39 space aboard any private or government-developed launch vehicle
 40 for the primary purpose of transporting personnel or storing
 41 cargo and payloads are deemed to carry out a scientific purpose
 42 and are exempt from ad valorem taxation.

43 (2) This section is repealed July 1, 2015.

44 Section 2. Sections 331.501, 331.502, 331.503, 331.504,
 45 331.505, 331.506, and 331.507, Florida Statutes, are created to
 46 read:

47 331.501 Florida Aerospace Infrastructure Act; popular
 48 name.--Sections 331.501-331.507 may be cited as the "Florida
 49 Aerospace Infrastructure Act."

50 331.502 Legislative findings and intent.--The Legislature
 51 finds that there is a critical need for capital assistance to
 52 aerospace business expansion and economic development
 53 opportunities in this state, as well as enhancing the financing
 54 of needed new aerospace infrastructure in this state. The
 55 aerospace industry in this state could be assisted by a program
 56 established to invest in projects proposed by state and private

57 sector entities which provide a clear economic benefit to the
 58 state and which support the growth of the employment and
 59 technology base of the aerospace industry in this state. It is
 60 the intention of the Legislature to provide much needed funding
 61 to support the growth of the aerospace industry and related high
 62 technology industry in this state.

63 331.503 Definitions.--For the purposes of ss. 331.501-
 64 331.507, the term:

65 (1) "Aerospace industry" means the industry concerned with
 66 the design and manufacture of aircraft, rockets, missiles,
 67 spacecraft, satellites, space vehicles, space stations, or space
 68 facilities, or components thereof, and equipment, systems,
 69 facilities, simulators, programs, and activities related
 70 thereto.

71 (2) "Board" means the governing board of the Florida
 72 Aerospace Finance Corporation.

73 (3) "Committee" means the Independent Investment Committee
 74 created in s. 331.505 to provide investment recommendations to
 75 the corporation for implementation.

76 (4) "Corporation" means the Florida Aerospace Finance
 77 Corporation created by s. 331.407.

78 (5) "Dealer" means an entity conducting business at a
 79 fixed location at the Kennedy Space Center or the Cape Canaveral
 80 Air Force Station that sells admissions to attractions or tours
 81 at such facility pursuant to a contract or subcontract with the
 82 National Aeronautics and Space Administration.

83 (6) "Program" means the Florida Aerospace Infrastructure
 84 Program created in s. 331.504.

85 331.504 Florida Aerospace Infrastructure Program.--

86 (1) The Florida Aerospace Infrastructure Program is
87 created within the Florida Aerospace Finance Corporation to
88 finance needed industry expansion and infrastructure projects
89 which may be proposed by the state's space partnerships, the
90 aerospace industry, or the sponsor of any aerospace-related
91 economic development or technology investment activity involving
92 aerospace business expansion and job retention. The program
93 shall support the growth of the aerospace industry and related
94 high technology industries in this state.

95 (2) Grants from the Florida Aerospace Infrastructure
96 Investment Trust Fund, if established by law, shall be used to
97 fund the program.

98 (3) The corporation shall administer the program with
99 recommendations from the committee, subject to adequate due
100 diligence and adherence to investment policies and procedures of
101 the corporation.

102 (4) The corporation shall ensure that:

103 (a) Investment recommendations are implemented in
104 accordance with the board's policies and procedures.

105 (b) An investment reserve account for future investment
106 requirements is established to receive deposits from the Office
107 of Tourism, Trade, and Economic Development.

108 (c) The portfolio of the fund is monitored and a quarterly
109 report is provided to the committee, the corporation, Enterprise
110 Florida, Inc., and the Office of Tourism, Trade, and Economic
111 Development.

112 (5)(a) The corporation may provide direct loans, loan

113 guarantees, direct grants for advancement of intellectual
114 property, and other investment participation as necessary to
115 ensure success of total financings undertaken.

116 (b) Investment proposals may not be made for operating
117 expenses for any state activity, but shall be directed to the
118 development of aerospace infrastructure, technology, and
119 intellectual property that advances the capabilities of the
120 aerospace industry in this state.

121 (c) The corporation shall seek co-investors in any
122 investment transaction the corporation makes, ensuring that the
123 corporation is not the sole investor in the transaction. The
124 corporation may waive this provision if investment circumstances
125 warrant such waiver.

126 (d) The corporation shall not commit more than 20 percent
127 of the funds in the investment pool to any single investment.

128 (e) The corporation shall endeavor to leverage the
129 investment pool through use of loan guarantee capabilities of
130 the Small Business Administration and other state and federal
131 guarantee sources.

132 (f) The corporation shall be reimbursed for reasonable
133 costs of investment and fund administration, including legal,
134 accounting, and other costs necessary to carry out its
135 responsibilities in conducting due diligence and which are not
136 otherwise reimbursed by the companies seeking or receiving
137 investment, as well as those administrative costs incurred by
138 the corporation in providing administrative services to the
139 committee.

140 (g) The corporation may not pledge or represent that the

141 corporation is authorized to pledge the full faith and credit of
142 the state.

143 (h) The corporation shall adopt policies and procedures
144 necessary to carry out its responsibilities under ss. 331.501-
145 331.507, particularly with respect to the fund's
146 responsibilities in direct lending, loan support, or direct
147 grant or capital investment for projects approved for support by
148 the fund. These policies shall be adopted prior to the
149 expenditure of funds from grants for the program by the Office
150 of Tourism, Trade, and Economic Development.

151 (i) The corporation shall develop an application and
152 review process for investment proposals submitted for
153 consideration by the committee.

154 (j) The corporation shall ensure that the program is open
155 to aerospace entities that are domiciled in this state or are
156 establishing facilities and infrastructure in the state
157 resulting in employment and economic benefit to this state.

158 331.505 Independent Investment Committee.--

159 (1) The Independent Investment Committee is created within
160 the Florida Aerospace Finance Corporation.

161 (2) The purpose of the committee is to receive proposals
162 from any of this state's space partnerships, entities involved
163 in economic development activities, or Florida-based aerospace
164 corporations to finance projects through the program, as well as
165 to recommend criteria for investment proposals to be submitted
166 to the committee, recommend evaluation criteria for the
167 committee, and review and recommend investments to be made
168 through the program by the corporation.

- 169 (3)(a) The committee shall consist of five voting members
170 as follows:
- 171 1. One representative or designee appointed by each of the
172 following:
- 173 a. The board of supervisors of the Florida Space
174 Authority.
- 175 b. The board of directors of Enterprise Florida, Inc.
- 176 c. The board of directors of the Florida Aerospace Finance
177 Corporation.
- 178 2. Two representatives of the aerospace industry appointed
179 by the other three entities represented on the committee.
- 180 (b) Each voting member shall serve a 3-year term and,
181 except for the initial terms which shall begin upon appointment
182 and terminate on June 30, 2008, shall begin on July 1. Members
183 appointed pursuant to subparagraph (a)1. shall serve at the
184 pleasure of the appointing authority. Members appointed pursuant
185 to subparagraph (a)2. shall serve at the pleasure of the
186 Governor. Initial appointments shall be made no later than 60
187 days after July 1, 2005.
- 188 (c) Persons appointed pursuant to paragraph (a), if
189 employed full time by any entity that applies for financial
190 support, must disclose their related interest and recuse
191 themselves from voting on that project.
- 192 (d) All members must be residents of the state.
- 193 (e) All members must have an investment, banking, or
194 aerospace industry background.
- 195 (f) Committee members shall serve without compensation but
196 may be reimbursed for travel and per diem expenses in accordance

197 with policies and procedures established by the corporation's
 198 board and s. 112.061, for reimbursement of necessary expenses in
 199 the performance of their duties, including attending board
 200 meetings and conducting board business.

201 (4) The committee shall:

202 (a) Review and recommend investments in projects proposed
 203 by state space partnerships, economic development organizations,
 204 and private sector entities which have a clear economic benefit
 205 to the state and which support growth of its aerospace industry
 206 employment and technology base as well as enhancing aerospace
 207 infrastructure projects in this state.

208 (b) Review progress information reports resulting from
 209 projects approved for support by the corporation.

210 (c) Recommend and assist the corporation to review, draft,
 211 and execute any and all contracts or other instruments necessary
 212 for the corporation to exercise its powers.

213 (d) Recommend policies and procedures with respect to
 214 setting criteria for investment proposals to be submitted to the
 215 fund, evaluation criteria for the fund, monitoring requirements,
 216 and investment and approval guidelines for all investments to be
 217 made through the program.

218 (e) Ensure that each proposed project is judged on the
 219 merit of the project, its perceived need, and the investment
 220 return, benefit, or overall value to the aerospace industry
 221 capability in this state.

222 (f) Assess, as part of its recommendation process, whether
 223 investment returns or value and capital preservation objectives
 224 exist for each recommended investment.

225 (g) Review whether appropriate investment and retention of
 226 the program's capital base or other benefits are realized
 227 through the investments of the program, except in the case of a
 228 grant or equity investment, which shall be made based on value
 229 received by the program.

230 331.506 Florida Aerospace Finance Corporation; tax-exempt
 231 status.--The Florida Aerospace Finance Corporation, as created
 232 by s. 331.407, is granted tax-exempt status. The corporation is
 233 not required to pay taxes on any project or other property owned
 234 by the corporation or upon any resulting income. All notes,
 235 mortgages, security agreements, letters of credit, or other
 236 instruments that arise out of or are given to secure the payment
 237 of debt issued in conjunction with a project financed under the
 238 corporation's authority are also free from taxation by the state
 239 or any other local unit, political subdivision, or
 240 instrumentality of the state. The tax exemption granted is not
 241 applicable to taxes imposed on interest, income, or profits on
 242 debt obligations owned by the corporation.

243 331.507 Annual report.--By December 31 of each year, the
 244 corporation shall submit to the Governor, the President of the
 245 Senate, the Speaker of the House of Representatives, the Senate
 246 Minority Leader, and the House Minority Leader a complete and
 247 detailed report in accordance with s. 331.419 and setting forth:

248 (1) An evaluation of its activities and recommendations
 249 for change.

250 (2) The program's impact on the participation of private
 251 banks and other private organizations and individuals in the
 252 corporation's financing programs, and other economic and social

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253 benefits to businesses in this state.

254 (3) The program's assets and liabilities at the end of its
255 most recent fiscal year.

256 Section 3. This act shall take effect July 1, 2005.