

CHAMBER ACTION

1 The Transportation & Economic Development Appropriations  
2 Committee recommends 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 aerospace; creating s. 196.1999, F.S.;  
8 providing for an exemption from ad valorem taxes for  
9 certain space laboratories and cargo carriers; providing  
10 for retroactive application; creating ss. 331.3685,  
11 331.3686, 331.3687, and 331.3688, F.S.; providing a  
12 popular name; providing legislative findings and intent;  
13 providing a definition; creating the Institute for  
14 Advanced Space Computing Program within the Office of  
15 Tourism, Trade, and Economic Development; providing  
16 purposes and objectives; requiring the office to contract  
17 with the Florida Space Research Institute to assist in  
18 implementing the program; requiring the institute to  
19 designate an institute for advanced space computing and  
20 develop and approve a plan for allocating state  
21 appropriations for certain purposes; specifying plan  
22 requirements; requiring the institute to provide a copy of  
23 the plan to the Governor and Legislature; requiring a

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24 semiannual report to the office; creating ss. 331.501,  
25 331.502, 331.503, 331.504, 331.505, 331.506, and 331.507,  
26 F.S.; providing a popular name; creating the Florida  
27 Aerospace Infrastructure Act; providing legislative  
28 findings and intent; providing definitions; creating the  
29 Florida Aerospace Infrastructure Investment Program within  
30 the Florida Aerospace Finance Corporation; providing  
31 purposes; providing for funding the program; requiring the  
32 corporation to administer the program; providing  
33 requirements; providing the corporation with investment  
34 authorizations, criteria, requirements, and limitations;  
35 creating the Independent Investment Committee within the  
36 corporation; providing purposes of the committee;  
37 providing for appointment of committee members and  
38 criteria; providing for terms; requiring members to serve  
39 without compensation; providing for per diem and travel  
40 expenses; providing committee responsibilities; specifying  
41 tax-exempt status of the corporation; exempting the  
42 corporation from all state and local taxes; providing an  
43 exception; requiring the corporation to prepare and submit  
44 annual reports; providing severability; providing  
45 effective dates.

46  
47 Be It Enacted by the Legislature of the State of Florida:

48  
49 Section 1. Effective July 1, 2005, and applying  
50 retroactively to January 1, 2005, section 196.1999, Florida  
51 Statutes, is created to read:

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

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52        196.1999 Space laboratories and cargo carriers  
 53 exemption.--Notwithstanding other provisions of this chapter,  
 54 modules, pallets, racks, lockers, and their necessary associated  
 55 hardware and subsystems owned by any person and intended to be  
 56 used to transport or store cargo for space laboratories for the  
 57 primary purpose of conducting scientific research in space are  
 58 deemed to carry out a scientific purpose and are exempt from ad  
 59 valorem taxation.

60            Section 2. Sections 331.3685, 331.3686, 331.3687, and  
 61 331.3688, Florida Statutes, are created to read:

62        331.3685 Institute for Advanced Space Computing Act;  
 63 popular name.--Sections 331.3685-331.3688 may be cited as the  
 64 "Institute for Advanced Space Computing Act."

65        331.3686 Legislative findings and intent.--The Legislature  
 66 finds that there is a critical need to invest in the aerospace  
 67 infrastructure in this state in order to provide new high wage  
 68 jobs and long-term revenues for this state. The establishment of  
 69 an advanced space computing institute to articulate, coordinate,  
 70 and focus industrial and academic research will forge a path  
 71 toward applied technology and on to job growth and economic  
 72 development. The Legislature further finds that enhancing  
 73 aerospace infrastructure and establishing a focused and market  
 74 driven space computing capability for this state will lead to  
 75 future economic development and diversification and a higher  
 76 quality of life for its citizens.

77        331.3687 Institute for advanced space computing.--The term  
 78 "institute for advanced space computing" or "institute" means an  
 79 organization established at or in collaboration with one or more

80 universities in this state to accomplish the purposes and  
 81 objectives of the Institute for Advanced Space Computing Program  
 82 of the Office of Tourism, Trade, and Economic Development and  
 83 with which the Florida Space Research Institute has contracted  
 84 to further those purposes and objectives.

85 331.3688 The Institute for Advanced Space Computing  
 86 Program.--

87 (1) An advanced space computing program is created within  
 88 the Office of Tourism, Trade, and Economic Development. The  
 89 purposes and objectives of the program are:

90 (a) Identifying and pursuing opportunities for university  
 91 scholars, research scientists and engineers, students, and  
 92 private businesses to form collaborative partnerships to foster  
 93 and promote the research required to develop commercially  
 94 viable, advanced, and innovative technologies and to transfer  
 95 those technologies to commercial sectors.

96 (b) Acquiring and leveraging public and private sector  
 97 funding to provide funds, personnel, facilities, equipment, and  
 98 other resources needed to support the research required to  
 99 develop commercially viable, advanced, and innovative  
 100 technologies and to transfer those technologies to commercial  
 101 sectors.

102 (c) Retaining and recruiting world class scholars, high-  
 103 performing students, and leading scientists and engineers in  
 104 technology disciplines to engage in research in this state to  
 105 develop commercially viable, advanced, and innovative  
 106 technologies.

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107 (d) Enhancing and expanding technology curricula and  
 108 laboratory resources at universities in this state.

109 (e) Increasing the number of high-performing students in  
 110 technology disciplines who graduate from universities in this  
 111 state and pursue careers in this state.

112 (f) Stimulating and supporting the inception, growth, and  
 113 diversification of technology-based businesses and ventures in  
 114 this state and increasing employment opportunities for the  
 115 workforce needed to support such businesses.

116 (g) Identifying an articulation and coordination system  
 117 for space-based industries in this state, state government, and  
 118 the public and private universities in this state to develop new  
 119 technologies for the Federal Government and other entities that  
 120 are responsive to market needs and to position the state to  
 121 diversify its space and defense industry.

122 (h) Positioning the state to participate in a growing  
 123 national space and defense market through the development of  
 124 technology that enhances mission capability, is responsive to  
 125 market opportunities, and maintains emerging and embryonic  
 126 research for long-term market positioning.

127 (2) The Office of Tourism, Trade, and Economic Development  
 128 shall contract with the Florida Space Research Institute to  
 129 assist in implementing the advanced space computing program.

130 (3) By December 31, 2005, the Florida Space Research  
 131 Institute shall designate an institute for advanced space  
 132 computing and develop and approve the institute's plan for  
 133 allocating state appropriations made to fulfill the purposes of  
 134 ss. 331.3685-331.3688.

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135       (4) The plan must include performance measures and  
 136 accountability measures that can be used to assess the progress  
 137 of program implementation, the success of the institute, and the  
 138 use of funds received under the plan. By February 1, 2006, the  
 139 Florida Space Research Institute shall provide a copy of the  
 140 plan to the Governor, the President of the Senate, and the  
 141 Speaker of the House of Representatives.

142       (5) Beginning July 1, 2006, the Florida Space Research  
 143 Institute shall report semiannually, in writing, to the Office  
 144 of Tourism, Trade, and Economic Development on progress made in  
 145 implementing the plan approved under subsection (3) and the  
 146 success of the funded institute.

147       Section 3. Sections 331.501, 331.502, 331.503, 331.504,  
 148 331.505, 331.506, and 331.507, Florida Statutes, are created to  
 149 read:

150       331.501 Florida Aerospace Infrastructure Act; popular  
 151 name.--Sections 331.501-331.507 may be cited as the "Florida  
 152 Aerospace Infrastructure Act."

153       331.502 Legislative findings and intent.--The Legislature  
 154 finds that there is a critical need for capital assistance to  
 155 aerospace business expansion and economic development  
 156 opportunities in this state, as well as enhancing the financing  
 157 of needed new aerospace infrastructure in this state. The  
 158 aerospace industry in this state could be assisted by a program  
 159 established to invest in projects proposed by state and private  
 160 sector entities which provide a clear economic benefit to the  
 161 state and which support the growth of the employment and  
 162 technology base of the aerospace industry in this state. It is

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163 the intention of the Legislature to provide much needed funding  
 164 to support the growth of the aerospace industry and related high  
 165 technology industry in this state.

166 331.503 Definitions.--For the purposes of ss. 331.501-  
 167 331.507, the term:

168 (1) "Aerospace industry" means the industry concerned with  
 169 the design and manufacture of aircraft, rockets, missiles,  
 170 spacecraft, satellites, space vehicles, space stations, or space  
 171 facilities, or components thereof, and equipment, systems,  
 172 facilities, simulators, programs, and activities related  
 173 thereto.

174 (2) "Board" means the governing board of the Florida  
 175 Aerospace Finance Corporation.

176 (3) "Committee" means the Independent Investment Committee  
 177 created in s. 331.505 to provide investment recommendations to  
 178 the corporation for implementation.

179 (4) "Corporation" means the Florida Aerospace Finance  
 180 Corporation created by s. 331.407.

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

186 (6) "Program" means the Florida Aerospace Infrastructure  
 187 Program created in s. 331.504.

188 331.504 Florida Aerospace Infrastructure Program.--

189 (1) The Florida Aerospace Infrastructure Program is  
 190 created within the Florida Aerospace Finance Corporation to

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191 finance needed industry expansion and infrastructure projects  
192 which may be proposed by the state's space partnerships, the  
193 aerospace industry, or the sponsor of any aerospace-related  
194 economic development or technology investment activity involving  
195 aerospace business expansion and job retention. The program  
196 shall support the growth of the aerospace industry and related  
197 high technology industries in this state.

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

201 (3) The corporation shall administer the program with  
202 recommendations from the committee, subject to adequate due  
203 diligence and adherence to investment policies and procedures of  
204 the corporation.

205 (4) The corporation shall ensure that:

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

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

211 (c) The portfolio of the fund is monitored and a quarterly  
212 report is provided to the committee, the corporation, Enterprise  
213 Florida, Inc., and the Office of Tourism, Trade, and Economic  
214 Development.

215 (5)(a) The corporation may provide direct loans, loan  
216 guarantees, direct grants for advancement of intellectual  
217 property, and other investment participation as necessary to  
218 ensure success of total financings undertaken.



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219       (b) Investment proposals may not be made for operating  
220 expenses for any state activity, but shall be directed to the  
221 development of aerospace infrastructure, technology, and  
222 intellectual property that advances the capabilities of the  
223 aerospace industry in this state.

224       (c) The corporation shall seek co-investors in any  
225 investment transaction the corporation makes, ensuring that the  
226 corporation is not the sole investor in the transaction. The  
227 corporation may waive this provision if investment circumstances  
228 warrant such waiver.

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

231       (e) The corporation shall endeavor to leverage the  
232 investment pool through use of loan guarantee capabilities of  
233 the Small Business Administration and other state and federal  
234 guarantee sources.

235       (f) The corporation shall be reimbursed for reasonable  
236 costs of investment and fund administration, including legal,  
237 accounting, and other costs necessary to carry out its  
238 responsibilities in conducting due diligence and which are not  
239 otherwise reimbursed by the companies seeking or receiving  
240 investment, as well as those administrative costs incurred by  
241 the corporation in providing administrative services to the  
242 committee.

243       (g) The corporation may not pledge or represent that the  
244 corporation is authorized to pledge the full faith and credit of  
245 the state.

246       (h) The corporation shall adopt policies and procedures  
 247 necessary to carry out its responsibilities under ss. 331.501-  
 248 331.507, particularly with respect to the fund's  
 249 responsibilities in direct lending, loan support, or direct  
 250 grant or capital investment for projects approved for support by  
 251 the fund. These policies shall be adopted prior to the  
 252 expenditure of funds from grants for the program by the Office  
 253 of Tourism, Trade, and Economic Development.

254       (i) The corporation shall develop an application and  
 255 review process for investment proposals submitted for  
 256 consideration by the committee.

257       (j) The corporation shall ensure that the program is open  
 258 to aerospace entities that are domiciled in this state or are  
 259 establishing facilities and infrastructure in the state  
 260 resulting in employment and economic benefit to this state.

261       331.505 Independent Investment Committee.--

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

264       (2) The purpose of the committee is to receive proposals  
 265 from any of this state's space partnerships, entities involved  
 266 in economic development activities, or Florida-based aerospace  
 267 corporations to finance projects through the program, as well as  
 268 to recommend criteria for investment proposals to be submitted  
 269 to the committee, recommend evaluation criteria for the  
 270 committee, and review and recommend investments to be made  
 271 through the program by the corporation.

272       (3)(a) The committee shall consist of five voting members  
 273 as follows:

274 1. One representative or designee appointed by each of the  
 275 following:

276 a. The board of supervisors of the Florida Space  
 277 Authority.

278 b. The board of directors of Enterprise Florida, Inc.

279 c. The board of directors of the Florida Aerospace Finance  
 280 Corporation.

281 2. Two representatives of the aerospace industry appointed  
 282 by the other three entities represented on the committee.

283 (b) Each voting member shall serve a 3-year term and,  
 284 except for the initial terms which shall begin upon appointment  
 285 and terminate on June 30, 2008, shall begin on July 1. Members  
 286 appointed pursuant to subparagraph (a)1. shall serve at the  
 287 pleasure of the appointing authority. Members appointed pursuant  
 288 to subparagraph (a)2. shall serve at the pleasure of the  
 289 Governor. Initial appointments shall be made no later than 60  
 290 days after July 1, 2005.

291 (c) Persons appointed pursuant to paragraph (a), if  
 292 employed full time by any entity that applies for financial  
 293 support, must disclose their related interest and recuse  
 294 themselves from voting on that project.

295 (d) All members must be residents of the state.

296 (e) All members must have an investment, banking, or  
 297 aerospace industry background.

298 (f) Committee members shall serve without compensation but  
 299 may be reimbursed for travel and per diem expenses in accordance  
 300 with policies and procedures established by the corporation's  
 301 board and s. 112.061, for reimbursement of necessary expenses in

302 the performance of their duties, including attending board  
 303 meetings and conducting board business.

304 (4) The committee shall:

305 (a) Review and recommend investments in projects proposed  
 306 by state space partnerships, economic development organizations,  
 307 and private sector entities which have a clear economic benefit  
 308 to the state and which support growth of its aerospace industry  
 309 employment and technology base as well as enhancing aerospace  
 310 infrastructure projects in this state.

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

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

316 (d) Recommend policies and procedures with respect to  
 317 setting criteria for investment proposals to be submitted to the  
 318 fund, evaluation criteria for the fund, monitoring requirements,  
 319 and investment and approval guidelines for all investments to be  
 320 made through the program.

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

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

328 (g) Review whether appropriate investment and retention of  
 329 the program's capital base or other benefits are realized

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330 through the investments of the program, except in the case of a  
 331 grant or equity investment, which shall be made based on value  
 332 received by the program.

333 331.506 Florida Aerospace Finance Corporation; tax-exempt  
 334 status.--The Florida Aerospace Finance Corporation, as created  
 335 by s. 331.407, is granted tax-exempt status. The corporation is  
 336 not required to pay taxes on any project or other property owned  
 337 by the corporation or upon any resulting income. All notes,  
 338 mortgages, security agreements, letters of credit, or other  
 339 instruments that arise out of or are given to secure the payment  
 340 of debt issued in conjunction with a project financed under the  
 341 corporation's authority are also free from taxation by the state  
 342 or any other local unit, political subdivision, or  
 343 instrumentality of the state. The tax exemption granted is not  
 344 applicable to taxes imposed on interest, income, or profits on  
 345 debt obligations owned by the corporation.

346 331.507 Annual report.--By December 31 of each year, the  
 347 corporation shall submit to the Governor, the President of the  
 348 Senate, the Speaker of the House of Representatives, the Senate  
 349 Minority Leader, and the House Minority Leader a complete and  
 350 detailed report in accordance with s. 331.419 and setting forth:

351 (1) An evaluation of its activities and recommendations  
 352 for change.

353 (2) The program's impact on the participation of private  
 354 banks and other private organizations and individuals in the  
 355 corporation's financing programs, and other economic and social  
 356 benefits to businesses in this state.

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

359        Section 4. If any provision of this act or its application  
360 to any person or circumstance is held invalid, the invalidity  
361 does not affect other provisions or applications of this act  
362 which can be given effect without the invalid provision or  
363 application, and, to this end, the provisions of this act are  
364 declared severable.

365        Section 5. This act shall take effect July 1, 2005.