

Bill No. SB 1938

Barcode 652292

CHAMBER ACTION

Senate

House

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The Committee on Commerce and Consumer Services (Saunders) recommended the following amendment:

Senate Amendment (with title amendment)

Delete everything after the enacting clause

and insert:

Section 1. Effective upon this act becoming a law and applying retroactively to January 1, 2005, section 196.1999, Florida Statutes, is created to read:

196.1999 Space laboratories and carriers exemption.--Notwithstanding other provisions of this chapter, a module, pallet, rack, locker, and any necessary associated hardware and subsystem, owned by any person and intended to be used to transport or store cargo used for a space laboratory for the primary purpose of conducting scientific research in space, is deemed to carry out a scientific purpose and is exempt from ad valorem taxation.

Section 2. Section 196.1994, Florida Statutes, is repealed.

Section 3. Sections 331.501, 331.502, 331.503,

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1 331.504, 331.505, 331.506, and 331.507, Florida Statutes, are
2 created to read:

3 331.501 Florida Aerospace Infrastructure Act; popular
4 name.--Sections 331.501-331.507 may be cited as the "Florida
5 Aerospace Infrastructure Act."

6 331.502 Legislative findings and intent.--The
7 Legislature finds that there is a critical need for capital
8 assistance to aerospace business expansion and economic
9 development opportunities in this state, as well as enhancing
10 the financing of needed new aerospace infrastructure in this
11 state. The aerospace industry in this state could be assisted
12 by a program established to invest in projects proposed by
13 state and private sector entities which provide a clear
14 economic benefit to the state and which support the growth of
15 the employment and technology base of the aerospace industry
16 in this state. It is the intention of the Legislature to
17 provide much-needed funding to support the growth of the
18 aerospace industry and related high technology industry in
19 this state.

20 331.503 Definitions.--For the purposes of ss.
21 331.501-331.507, the term:

22 (1) "Aerospace industry" means the industry concerned
23 with the design and manufacture of aircraft, rockets,
24 missiles, spacecraft, satellites, space vehicles, space
25 stations, or space facilities, or components thereof, and
26 equipment, systems, facilities, simulators, programs, and
27 activities related thereto.

28 (2) "Board" means the governing board of the Florida
29 Aerospace Finance Corporation.

30 (3) "Committee" means the Independent Investment
31 Committee created in s. 331.505 to provide investment

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1 recommendations to the corporation for implementation.

2 (4) "Corporation" means the Florida Aerospace Finance
3 Corporation created by s. 331.407.

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

10 (6) "Program" means the Florida Aerospace
11 Infrastructure Program created in s. 331.504.

12 331.504 Florida Aerospace Infrastructure Program.--

13 (1) The Florida Aerospace Infrastructure Program is
14 created within the Florida Aerospace Finance Corporation to
15 finance needed industry expansion and infrastructure projects
16 that may be proposed by the state's space partnerships, the
17 aerospace industry, or the sponsor of any aerospace-related
18 economic development or technology investment activity
19 involving aerospace business expansion and job retention. The
20 program shall support the growth of the aerospace industry and
21 related high-technology industries in this state.

22 (2) Grants from the Florida Aerospace Infrastructure
23 Investment Trust Fund, if established by law, shall be used to
24 fund the program. The Department of Revenue shall transfer
25 from the General Revenue Fund to the Florida Aerospace
26 Infrastructure Investment Fund those sales taxes on tangible
27 personal property, admissions, tours, and leases or licenses
28 of real property generated by dealers conducting business at
29 the Kennedy Space Center and the Cape Canaveral Air Force
30 Station pursuant to ss. 212.04(1)(a), 212.05, and
31 212.031(1)(a). Each dealer shall file a return each month with

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1 the Department of Revenue with segregated tax information
 2 regarding taxes collected on sales, admissions, tours, leases,
 3 and licenses. The Department of Revenue shall be subject to
 4 the same confidentiality provisions as are applicable to
 5 returns and information filed with it, pursuant to s. 213.053.

6 (3) The corporation shall administer the program with
 7 recommendations from the committee, subject to adequate due
 8 diligence and adherence to investment policies and procedures
 9 of the corporation.

10 (4) The corporation shall ensure that:

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

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

16 (c) The portfolio of the fund is monitored and a
 17 quarterly report is provided to the committee, the
 18 corporation, Enterprise Florida, Inc., and the Office of
 19 Tourism, Trade, and Economic Development.

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

24 (b) Investment proposals may not be made for operating
 25 expenses for any state activity, but shall be directed to the
 26 development of aerospace infrastructure, technology, and
 27 intellectual property that advances the capabilities of the
 28 aerospace industry in this state.

29 (c) The corporation shall seek co-investors in any
 30 investment transaction the corporation makes, ensuring that
 31 the corporation is not the sole investor in the transaction.

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1 The corporation may waive this provision if investment
2 circumstances warrant such waiver.

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

6 (e) The corporation shall endeavor to leverage the
7 investment pool through use of loan guarantee capabilities of
8 the Small Business Administration and other state and federal
9 guarantee sources.

10 (f) The corporation shall be reimbursed for reasonable
11 costs of investment and fund administration, including legal,
12 accounting, and other costs necessary to carry out its
13 responsibilities in conducting due diligence and which are not
14 otherwise reimbursed by the companies seeking or receiving
15 investment, as well as those administrative costs incurred by
16 the corporation in providing administrative services to the
17 committee.

18 (g) The corporation may not pledge or represent that
19 the corporation is authorized to pledge the full faith and
20 credit of the state.

21 (h) The corporation shall adopt policies and
22 procedures necessary to carry out its responsibilities under
23 ss. 331.501-331.507, particularly with respect to the fund's
24 responsibilities in direct lending, loan support, or direct
25 grant or capital investment for projects approved for support
26 by the fund. These policies shall be adopted prior to the
27 expenditure of funds from grants for the program by the Office
28 of Tourism, Trade, and Economic Development.

29 (i) The corporation shall develop an application and
30 review process for investment proposals submitted for
31 consideration by the committee.

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1 (j) The corporation shall ensure that the program is
 2 open to aerospace entities that are domiciled in this state or
 3 are establishing facilities and infrastructure in the state
 4 resulting in employment and economic benefit to this state.

5 331.505 Independent Investment Committee.--

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

8 (2) The purpose of the committee is to receive
 9 proposals from any of this state's space partnerships,
 10 entities involved in economic development activities, or
 11 Florida-based aerospace corporations to finance projects
 12 through the program, as well as to recommend criteria for
 13 investment proposals to be submitted to the committee,
 14 recommend evaluation criteria for the committee, and review
 15 and recommend investments to be made through the program by
 16 the corporation.

17 (3)(a) The committee shall consist of five voting
 18 members as follows:

19 1. One representative or designee appointed by each of
 20 the following:

21 a. The board of supervisors of the Florida Space
 22 Authority.

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

24 c. The board of directors of the Florida Aerospace
 25 Finance Corporation.

26 2. Two representatives of the aerospace industry
 27 appointed by the other three entities represented on the
 28 committee.

29 (b) Each voting member shall serve a 3-year term and,
 30 except for the initial terms, which shall begin upon
 31 appointment and terminate on June 30, 2008, shall begin on

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1 July 1. Members appointed pursuant to subparagraph (a)1. shall
 2 serve at the pleasure of the appointing authority. Members
 3 appointed pursuant to subparagraph (a)2. shall serve at the
 4 pleasure of the Governor. Initial appointments shall be made
 5 no later than 60 days after July 1, 2005.

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

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

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

13 (f) Committee members shall serve without compensation
 14 but are entitled to reimbursement for travel and per diem
 15 expenses in accordance with policies and procedures
 16 established by the corporation's board and s. 112.061 for
 17 necessary expenses in the performance of their duties,
 18 including attending board meetings and conducting board
 19 business.

20 (4) The committee shall:

21 (a) Review and recommend investments in projects
 22 proposed by state space partnerships, economic development
 23 organizations, and private sector entities which have a clear
 24 economic benefit to the state and which support growth of its
 25 aerospace industry employment and technology base as well as
 26 enhancing aerospace infrastructure projects in this state.

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

29 (c) Recommend and assist the corporation in reviewing,
 30 drafting, and executing any contracts or other instruments
 31 necessary for the corporation to exercise its powers.

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1 (d) Recommend policies and procedures with respect to
 2 setting criteria for investment proposals to be submitted to
 3 the fund, evaluation criteria for the fund, monitoring
 4 requirements, and investment and approval guidelines for all
 5 investments to be made through the program.

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

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

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

18 331.506 Florida Aerospace Finance Corporation;
 19 tax-exempt status.--The Florida Aerospace Finance Corporation,
 20 as created by s. 331.407, is granted tax-exempt status. The
 21 corporation is not required to pay taxes on any project or
 22 other property owned by the corporation or upon any resulting
 23 income. All notes, mortgages, security agreements, letters of
 24 credit, or other instruments that arise out of or are given to
 25 secure the payment of debt issued in conjunction with a
 26 project financed under the corporation's authority are also
 27 free from taxation by the state or any other local unit,
 28 political subdivision, or instrumentality of the state. The
 29 tax exemption granted is not applicable to taxes imposed on
 30 interest, income, or profits on debt obligations owned by the
 31 corporation.

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1 331.507 Annual report.--By September 30 of each year,
2 the corporation shall submit to the Governor, the President of
3 the Senate, the Speaker of the House of Representatives, the
4 Senate Minority Leader, and the House Minority Leader a
5 complete and detailed report in accordance with s. 331.419 and
6 setting forth:

7 (1) An evaluation of its activities and
8 recommendations for change.

9 (2) The program's impact on the participation of
10 private banks and other private organizations and individuals
11 in the corporation's financing programs, and other economic
12 and social benefits to businesses in this state.

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

15 Section 4. If any provision of this act or its
16 application to any person or circumstance is held invalid, the
17 invalidity does not affect other provisions or applications of
18 this act which can be given effect without the invalid
19 provision or application, and, to this end, the provisions of
20 this act are declared severable.

21 Section 5. \$4.1 million is appropriated from the
22 Florida Aerospace Infrastructure Trust Fund to fund the
23 Florida Aerospace Infrastructure Program.

24 Section 6. Except as otherwise expressly provided in
25 this act and except for this section, which shall take effect
26 upon becoming a law, this act shall take effect July 1, 2005.

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29 ===== T I T L E A M E N D M E N T =====

30 And the title is amended as follows:

31 Delete everything before the enacting clause

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1 specifying tax-exempt status of the
2 corporation; exempting the corporation from all
3 state and local taxes; providing an exception;
4 requiring the corporation to prepare and submit
5 annual reports; providing a severability
6 clause, providing an appropriation; providing
7 effective dates.

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