

Bill No. SB 1938

Barcode 862954

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repealed.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.

25 (3) The corporation shall administer the program with  
26 recommendations from the committee, subject to adequate due  
27 diligence and adherence to investment policies and procedures  
28 of the corporation.

29 (4) The corporation shall ensure that:

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

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

4       (c) The portfolio of the fund is monitored and a  
5 quarterly report is provided to the committee, the  
6 corporation, Enterprise Florida, Inc., and the Office of  
7 Tourism, Trade, and Economic Development.

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

12       (b) Investment proposals may not be made for operating  
13 expenses for any state activity, but shall be directed to the  
14 development of aerospace infrastructure, technology, and  
15 intellectual property that advances the capabilities of the  
16 aerospace industry in this state.

17       (c) The corporation shall seek co-investors in any  
18 investment transaction the corporation makes, ensuring that  
19 the corporation is not the sole investor in the transaction.  
20 The corporation may waive this provision if investment  
21 circumstances warrant such waiver.

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

25       (e) The corporation shall endeavor to leverage the  
26 investment pool through use of loan guarantee capabilities of  
27 the Small Business Administration and other state and federal  
28 guarantee sources.

29       (f) The corporation shall be reimbursed for reasonable  
30 costs of investment and fund administration, including legal,  
31 accounting, and other costs necessary to carry out its

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1 responsibilities in conducting due diligence and which are not  
2 otherwise reimbursed by the companies seeking or receiving  
3 investment, as well as those administrative costs incurred by  
4 the corporation in providing administrative services to the  
5 committee.

6 (g) The corporation may not pledge or represent that  
7 the corporation is authorized to pledge the full faith and  
8 credit of the state.

9 (h) The corporation shall adopt policies and  
10 procedures necessary to carry out its responsibilities under  
11 ss. 331.501-331.507, particularly with respect to the fund's  
12 responsibilities in direct lending, loan support, or direct  
13 grant or capital investment for projects approved for support  
14 by the fund. These policies shall be adopted prior to the  
15 expenditure of funds from grants for the program by the Office  
16 of Tourism, Trade, and Economic Development.

17 (i) The corporation shall develop an application and  
18 review process for investment proposals submitted for  
19 consideration by the committee.

20 (j) The corporation shall ensure that the program is  
21 open to aerospace entities that are domiciled in this state or  
22 are establishing facilities and infrastructure in the state  
23 resulting in employment and economic benefit to this state.

24 331.505 Independent Investment Committee.--

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

27 (2) The purpose of the committee is to receive  
28 proposals from any of this state's space partnerships,  
29 entities involved in economic development activities, or  
30 Florida-based aerospace corporations to finance projects  
31 through the program, as well as to recommend criteria for

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1 investment proposals to be submitted to the committee,  
2 recommend evaluation criteria for the committee, and review  
3 and recommend investments to be made through the program by  
4 the corporation.

5 (3)(a) The committee shall consist of five voting  
6 members as follows:

7 1. One representative or designee appointed by each of  
8 the following:

9 a. The board of supervisors of the Florida Space  
10 Authority.

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

12 c. The board of directors of the Florida Aerospace  
13 Finance Corporation.

14 2. Two representatives of the aerospace industry  
15 appointed by the other three entities represented on the  
16 committee.

17 (b) Each voting member shall serve a 3-year term and,  
18 except for the initial terms, which shall begin upon  
19 appointment and terminate on June 30, 2008, shall begin on  
20 July 1. Members appointed pursuant to subparagraph (a)1. shall  
21 serve at the pleasure of the appointing authority. Members  
22 appointed pursuant to subparagraph (a)2. shall serve at the  
23 pleasure of the Governor. Initial appointments shall be made  
24 no later than 60 days after July 1, 2005.

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

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

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

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1       (f) Committee members shall serve without compensation  
2 but are entitled to reimbursement for travel and per diem  
3 expenses in accordance with policies and procedures  
4 established by the corporation's board and s. 112.061 for  
5 necessary expenses in the performance of their duties,  
6 including attending board meetings and conducting board  
7 business.

8       (4) The committee shall:

9       (a) Review and recommend investments in projects  
10 proposed by state space partnerships, economic development  
11 organizations, and private sector entities which have a clear  
12 economic benefit to the state and which support growth of its  
13 aerospace industry employment and technology base as well as  
14 enhancing aerospace infrastructure projects in this state.

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

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

20       (d) Recommend policies and procedures with respect to  
21 setting criteria for investment proposals to be submitted to  
22 the fund, evaluation criteria for the fund, monitoring  
23 requirements, and investment and approval guidelines for all  
24 investments to be made through the program.

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

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

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

6           331.506 Florida Aerospace Finance Corporation;  
 7 tax-exempt status.--The Florida Aerospace Finance Corporation,  
 8 as created by s. 331.407, is granted tax-exempt status. The  
 9 corporation is not required to pay taxes on any project or  
 10 other property owned by the corporation or upon any resulting  
 11 income. All notes, mortgages, security agreements, letters of  
 12 credit, or other instruments that arise out of or are given to  
 13 secure the payment of debt issued in conjunction with a  
 14 project financed under the corporation's authority are also  
 15 free from taxation by the state or any other local unit,  
 16 political subdivision, or instrumentality of the state. The  
 17 tax exemption granted is not applicable to taxes imposed on  
 18 interest, income, or profits on debt obligations owned by the  
 19 corporation.

20           331.507 Annual report.--By September 30 of each year,  
 21 the corporation shall submit to the Governor, the President of  
 22 the Senate, the Speaker of the House of Representatives, the  
 23 Senate Minority Leader, and the House Minority Leader a  
 24 complete and detailed report in accordance with s. 331.419 and  
 25 setting forth:

26           (1) An evaluation of its activities and  
 27 recommendations for change.

28           (2) The program's impact on the participation of  
 29 private banks and other private organizations and individuals  
 30 in the corporation's financing programs, and other economic  
 31 and social benefits to businesses in this state.



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

3           Section 4. Except as otherwise expressly provided in  
4 this act and except for this section, which shall take effect  
5 upon becoming a law, this act shall take effect July 1, 2005.

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

9 And the title is amended as follows:

10           Delete everything before the enacting clause

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12 and insert:

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                  A bill to be entitled

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          An act relating to aerospace; creating s.

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          196.1999, F.S.; providing for an exemption from

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          ad valorem taxes for certain space

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          laboratories; providing for the exemption to

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          apply retroactively to January 1, 2005;

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          repealing s. 196.1994, F.S., which expired

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          effective July 1, 2004, and which provided an

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          exemption from ad valorem taxes for certain

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          space laboratories; creating ss. 331.501,

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          331.502, 331.503, 331.504, 331.505, 331.506,

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          and 331.507, F.S.; providing a popular name;

25

          creating the Florida Aerospace Infrastructure

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          Act; providing legislative findings and intent;

27

          providing definitions; creating the Florida

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          Aerospace Infrastructure Investment Program

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          within the Florida Aerospace Finance

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          Corporation; providing purposes; providing for

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          funding the program; requiring the corporation

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1 to administer the program; providing  
2 requirements; providing the corporation with  
3 investment authorizations, criteria,  
4 requirements, and limitations; creating the  
5 Independent Investment Committee within the  
6 corporation; providing purposes of the  
7 committee; providing for appointment of  
8 committee members and criteria; providing for  
9 terms; requiring members to serve without  
10 compensation; providing for per diem and travel  
11 expenses; providing committee responsibilities;  
12 specifying tax-exempt status of the  
13 corporation; exempting the corporation from all  
14 state and local taxes; providing an exception;  
15 requiring the corporation to prepare and submit  
16 annual reports; providing effective dates.

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