



1 aboard any private or government-developed launch vehicle for  
2 carrying passengers into space, for the primary purpose of  
3 conducting scientific research in space, or for use as cargo  
4 carriers launched into space aboard any private or government  
5 developed launch vehicle for the primary purpose of  
6 transporting personnel or storing cargo and payloads are  
7 deemed to carry out a scientific purpose and are exempt from  
8 ad valorem taxation.

9 (2) This section expires July 1, 2014.

10 Section 2. Sections 331.501-331.507, Florida Statutes,  
11 are created to read:

12 331.501 Florida Aerospace Infrastructure Act; short  
13 title.--Sections 331.501-331.507 may be cited as the "Florida  
14 Aerospace Infrastructure Act."

15 331.502 Legislative findings and intent.--The  
16 Legislature finds that there is a critical need for capital  
17 assistance to aerospace business expansion and economic  
18 development opportunities in Florida, as well as enhancing the  
19 financing of needed new aerospace infrastructure in Florida.  
20 Florida's aerospace industry could be assisted by a fund  
21 established to invest in projects proposed by state and  
22 private-sector entities which provide a clear economic benefit  
23 to Florida and which support the growth of Florida's aerospace  
24 industry employment and technology base. It is the intention  
25 of the Legislature to provide much-needed funding to support  
26 the growth of the aerospace industry and related  
27 high-technology industry in Florida.

28 331.503 Definitions.--For the purposes of ss.  
29 331.501-331.507, the term:

30 (1) "Administrator" means the Florida Aerospace  
31 Finance Corporation.

1           (2) "Aerospace industry" means the industry concerned  
2 with the design and manufacture of aircraft, rockets,  
3 missiles, spacecraft, satellites, space vehicles, space  
4 stations, space facilities, or components thereof, and  
5 equipment, systems, facilities, simulators, programs, and  
6 activities related thereto.

7           (3) "Board" means the governing board of the Florida  
8 Aerospace Finance Corporation.

9           (4) "Committee" means the Independent Investment  
10 Committee that provides investment recommendations to the  
11 corporation for implementation.

12           (5) "Corporation" means the Florida Aerospace Finance  
13 Corporation created by s. 331.407.

14           (6) "Dealer" means any entity conducting business at a  
15 fixed location at the Kennedy Space Center or the Cape  
16 Canaveral Air Force Station which sells admissions to  
17 attractions or tours at those facilities pursuant to a  
18 contract or subcontract with the National Aeronautics and  
19 Space Administration.

20           (7) "Fund" means the Florida Aerospace Infrastructure  
21 Investment Fund.

22           (8) "Independent Investment Committee" means a  
23 committee established by the Legislature to review proposals  
24 submitted to the fund for investment consideration.

25           (9) "Committee member" means an individual appointed  
26 to be a member of the Independent Investment Committee.

27           331.504 Florida Aerospace Infrastructure Investment  
28 Fund; creation and purpose; administration.--

29           (1) The Florida Aerospace Infrastructure Fund is  
30 created within the Florida Aerospace Finance Corporation to  
31 finance needed industry expansion and infrastructure projects,

1 which may be proposed by the state's space partnerships, by  
2 members of the industry, or from the sponsor of any  
3 aerospace-related economic development or technology  
4 investment activity involving aerospace business expansion and  
5 job retention. The fund will support the growth of the  
6 aerospace and related high-technology industry in Florida.

7 (2) The corporation will administer the fund and  
8 ensure that:

9 (a) The investment recommendations of the committee  
10 are implemented and executed, subject to the board's policies  
11 and procedures and satisfactory due diligence;

12 (b) An investment reserve account for future  
13 investment requirements is established to receive deposits  
14 from the Department of Revenue; and

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

19 (3) The following operating rules will apply to the  
20 use of the proceeds of the trust fund:

21 (a) The corporation will have the authority to provide  
22 direct loans, loan guarantees, direct grants for advancement  
23 of intellectual property, and other investment participation  
24 as necessary to ensure success of total financings undertaken  
25 by the fund, but will invest with value or  
26 capital-preservation-and-investment-return objectives in each  
27 transaction.

28 (b) Proceeds from the trust fund will not be used for  
29 operational purposes by any state activity, but will be  
30 directed to the development of aerospace infrastructure,  
31

1 technology, and intellectual property that advances the  
2 capabilities of the aerospace industry in Florida.

3 (c) The corporation, on behalf of the fund, will seek  
4 coinvestors in any investment transaction it makes, such that  
5 the fund is not the sole investor in the deal; the  
6 administrator may waive this provision if investment  
7 circumstances warrant such waiver.

8 (d) The corporation will generally seek investments in  
9 which it commits no more than 20 percent of the funds in the  
10 investment pool in any single investment.

11 (e) The corporation fund will endeavor to leverage its  
12 investment pool through use of loan guarantee capability of  
13 the Small Business Administration, the U.S.D.A., and other  
14 state and federal guarantee sources.

15 (f) The corporation will provide payment of reasonable  
16 costs of investment and fund administration, including legal,  
17 accounting, and due-diligence costs that are not otherwise  
18 reimbursed, as well as those administrative costs incurred by  
19 the corporation in providing administrative services to the  
20 committee pursuant to this section.

21 (g) The corporation is not authorized in any way to  
22 pledge or represent the full faith and credit of Florida.

23 331.505 Independent Investment Committee.--

24 (1) CREATION.--There is created within the Florida  
25 Aerospace Finance Corporation, for administrative purposes  
26 only, the Independent Investment Committee.

27 (2) PURPOSE.--The purpose of the committee is to  
28 receive proposals from any of Florida's space partnerships,  
29 economic development activities, or Florida-based aerospace  
30 corporations; set criteria for investment proposals to be  
31 submitted to the committee; establish evaluation criteria for

1 the committee; and review and recommend investments to be made  
2 from the fund by the corporation in order to provide capital  
3 assistance to aerospace business expansion and economic  
4 development opportunities in Florida as well as enhancing the  
5 financing of needed new aerospace infrastructure in Florida.

6 (3) MEMBERSHIP.--The Independent Investment Committee  
7 shall consist of up to five voting members as follows:

8 (a) One representative appointed by each of the  
9 following:

10 1. The board of supervisors of the Florida Space  
11 Authority.

12 2. The board of directors of Enterprise Florida, Inc.

13 3. The board of directors of the Florida Aerospace  
14 Finance Corporation.

15 (b) Two representatives of the aerospace industry  
16 appointed by the Governor.

17 (c) Each voting member shall serve a 3-year term,  
18 beginning on July 1. Members appointed pursuant to paragraph  
19 (3)(a) shall serve at the pleasure of the appointing  
20 authority. Members appointed pursuant to paragraph (1)(b)  
21 shall serve at the pleasure of the Governor. Initial  
22 appointments shall be made no later than 60 days after the  
23 effective date of this act.

24 (d) Persons appointed pursuant to paragraph (3)(a), if  
25 employed full time by an entity that applies for financial  
26 support, must recuse themselves from voting on any related  
27 project.

28 (e) All members must be residents of the state.

29 (f) All members must have an investment, banking, or  
30 industry background.

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1           (g) Committee members shall serve without compensation  
2 but may be reimbursed for travel or per diem expenses, in  
3 accordance with s. 112.061, for all necessary expenses in the  
4 performance of their duties, including attending board  
5 meetings and conducting board business.

6           (h) The corporation, working with its board and the  
7 committee, shall:

8           1. Prior to the expenditure of funds from the fund,  
9 adopt rules and policies necessary to carry out its  
10 responsibilities under this part, particularly with respect to  
11 the fund's responsibilities in direct lending, loan support,  
12 or direct grant or capital investment for projects approved  
13 for support by the fund.

14           2. Hold regularly scheduled meetings, at least  
15 quarterly, in order to carry out the objectives and  
16 responsibilities of the fund.

17           3. Develop a streamlined application and review  
18 process for investment proposals submitted for consideration  
19 by the committee.

20           (4) POWERS AND DUTIES.--The committee has the power  
21 and duty to carry out the following functions:

22           (a) The committee shall review and recommend  
23 investment in projects proposed by state and private sector  
24 entities which have a clear economic benefit to the state and  
25 which support growth of its aerospace industry employment and  
26 technology base as well as enhancing aerospace infrastructure  
27 projects in Florida.

28           (b) The committee shall provide investment monitoring  
29 of direct lending, loan support, direct grants for advancement  
30 of intellectual property, or capital investment for projects  
31 approved for support by the committee.

1       (c) The committee shall assemble, publish, and  
2 disseminate information on financing opportunities and  
3 techniques of financing aerospace projects, programs, and  
4 activities through the fund.

5       (d) The committee shall recommend and assist the  
6 corporation to make and exercise any and all contracts or  
7 other instruments necessary or convenient to the exercise of  
8 its powers.

9       (e) The committee, with the board of the corporation,  
10 on behalf of the fund, shall adopt policies and rules with  
11 respect to setting criteria for investment proposals to be  
12 submitted to the funds, establishing evaluation criteria for  
13 the fund, and setting review, investment, and approval  
14 guidelines for all investments to be made from the fund.

15       (f) The committee shall ensure that the fund  
16 investments will be open to aerospace entities domiciled in  
17 Florida or placing aerospace-related infrastructure and  
18 related employment in Florida.

19       (g) The committee shall ensure that each proposed  
20 project will be judged on the merit of the project, its  
21 perceived need, and the investment return, benefit, or overall  
22 value to the overall aerospace industry capability in Florida.

23       (h) The committee shall ensure that the fund  
24 investments adhere to the policies and investment guidelines  
25 established by the committee and the corporation.

26       (i) The committee shall ensure that investment returns  
27 or value and capital-preservation objectives exist for each  
28 investment implemented.

29       (j) The committee shall ensure that appropriate  
30 investment and retention of the fund's capital base or other  
31 benefits are realized through the fund's investments, except



1 in the case of a grant or equity investment, which shall be  
2 made based on value received by the fund.

3 (k) The committee shall ensure that the investment  
4 liability associated with any transaction performed pursuant  
5 to this section will be fixed or limited by the investment  
6 policies established by the committee and the corporation.

7 331.506 Florida Aerospace Finance Corporation;  
8 tax-exempt status.--

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

22 331.507 Reports and audits.--

23 (1) By December 31 of each year, the corporation shall  
24 submit to the Governor, the President of the Senate, the  
25 Speaker of the House of Representatives, the Senate Minority  
26 Leader, and the House Minority Leader a complete and detailed  
27 report setting forth:

28 (a) An evaluation of its activities and  
29 recommendations for change.

30 (b) The fund's impact on the participation of private  
31 banks and other private organizations and individuals in the

1 corporation's financing programs and other economic and social  
2 benefits to businesses in this state.

3 (c) The fund's assets and liabilities at the end of  
4 its most recent fiscal year.

5 (2) By July 1, 2006, the corporation, in cooperation  
6 with the Office of Program Policy Analysis and Government  
7 Accountability, shall develop goals and measurable objectives  
8 for the fund, which will provide the Legislature with a  
9 quantitative evaluation of the committee. The corporation  
10 shall use the monitoring mechanisms and reports developed and  
11 provide these reports to the Governor, the President of the  
12 Senate, the Speaker of the House of Representatives, and the  
13 Office of Program Policy Analysis and Government  
14 Accountability.

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

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18 SENATE SUMMARY

19 Exempts specified equipment relating to space  
20 laboratories and carriers from ad valorem taxation.  
21 Creates the Florida Aerospace Infrastructure Investment  
22 Fund, to be administered by the Florida Aerospace Finance  
23 Corporation, to provide financial support for the  
24 aerospace industry in the state. Provides for a board and  
25 an independent investment committee. Provides for  
26 development of criteria for evaluating proposals and for  
27 determining performance. Provides guidelines for  
28 financial assistance under the act. Confers tax-exempt  
29 status on the corporation. (See bill for details.)  
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