

1 A bill to be entitled
2 An act relating to economic development
3 incentives; amending s. 220.191, F.S.;
4 expanding the definition of qualified project
5 for the Capital Investment Tax Credit;
6 providing alternative credit eligibility
7 criteria; amending s. 288.1088, F.S.; providing
8 eligibility requirements for the receipt of
9 funds from the Quick Action Closing Fund;
10 authorizing the waiver of certain criteria for
11 projects that would significantly benefit the
12 economy; providing additional requirements for
13 Enterprise Florida, Inc., in evaluating
14 proposed projects; requiring that a contract
15 for payment from the Quick Action Closing Fund
16 provide that the payment of moneys is
17 contingent upon a sufficient appropriation of
18 funds by the Legislature and upon the release
19 of appropriated funds by the Legislative Budget
20 Commission; deleting provisions authorizing the
21 Governor to reallocate unencumbered funds in
22 the Quick Action Closing Fund to other economic
23 development programs; creating s. 288.1089,
24 F.S.; creating the Innovation Incentive Program
25 within the Office of Tourism, Trade, and
26 Economic Development for certain purposes;
27 providing definitions; providing an
28 incentive-award limitation; providing for award
29 application and eligibility; providing
30 qualification requirements; providing proposal
31 evaluation and recommendations requirements for

1 Enterprise Florida, Inc.; providing for
2 negotiation of award amounts by the office;
3 providing for agreements for payments of
4 certain moneys under certain circumstances;
5 providing criteria for award approval or
6 disapproval; providing for incentive payment
7 agreements; requiring Enterprise Florida, Inc.,
8 to assist the office in validating certain
9 business performances; requiring a report to
10 the Governor and Legislature; authorizing the
11 office to allocate certain funds for certain
12 purposes; amending s. 403.973, F.S.; providing
13 for review of possible sites for projects
14 funded under s. 288.1089, F.S.; providing
15 appropriations; effectuating a fund transfer;
16 providing for future expiration of the act;
17 providing an effective date.

18

19 Be It Enacted by the Legislature of the State of Florida:

20

21 Section 1. Section 220.101, Florida Statutes, is
22 amended to read:

23 220.191 Capital investment tax credit.--

24 (1) DEFINITIONS.--For purposes of this section:

25 (a) "Commencement of operations" means the beginning
26 of active operations by a qualifying business of the principal
27 function for which a qualifying project was constructed.

28 (b) "Cumulative capital investment" means the total
29 capital investment in land, buildings, and equipment made in
30 connection with a qualifying project during the period from
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1 the beginning of construction of the project to the
2 commencement of operations.

3 (c) "Eligible capital costs" means all expenses
4 incurred by a qualifying business in connection with the
5 acquisition, construction, installation, and equipping of a
6 qualifying project during the period from the beginning of
7 construction of the project to the commencement of operations,
8 including, but not limited to:

9 1. The costs of acquiring, constructing, installing,
10 equipping, and financing a qualifying project, including all
11 obligations incurred for labor and obligations to contractors,
12 subcontractors, builders, and materialmen.

13 2. The costs of acquiring land or rights to land and
14 any cost incidental thereto, including recording fees.

15 3. The costs of architectural and engineering
16 services, including test borings, surveys, estimates, plans
17 and specifications, preliminary investigations, environmental
18 mitigation, and supervision of construction, as well as the
19 performance of all duties required by or consequent to the
20 acquisition, construction, installation, and equipping of a
21 qualifying project.

22 4. The costs associated with the installation of
23 fixtures and equipment; surveys, including archaeological and
24 environmental surveys; site tests and inspections; subsurface
25 site work and excavation; removal of structures, roadways, and
26 other surface obstructions; filling, grading, paving, and
27 provisions for drainage, storm water retention, and
28 installation of utilities, including water, sewer, sewage
29 treatment, gas, electricity, communications, and similar
30 facilities; and offsite construction of utility extensions to
31 the boundaries of the property.

1
2 Eligible capital costs shall not include the cost of any
3 property previously owned or leased by the qualifying
4 business.

5 (d) "Income generated by or arising out of the
6 qualifying project" means the qualifying project's annual
7 taxable income as determined by generally accepted accounting
8 principles and under s. 220.13.

9 (e) "Jobs" means full-time equivalent positions, as
10 that term is consistent with terms used by the Agency for
11 Workforce Innovation and the United States Department of Labor
12 for purposes of unemployment tax administration and employment
13 estimation, resulting directly from a project in this state.
14 The term does not include temporary construction jobs involved
15 in the construction of the project facility.

16 (f) "Office" means the Office of Tourism, Trade, and
17 Economic Development.

18 (g) "Qualifying business" means a business which
19 establishes a qualifying project in this state and which is
20 certified by the office to receive tax credits pursuant to
21 this section.

22 (h) "Qualifying project" means:

23 1. A new or expanding facility in this state which
24 creates at least 100 new jobs in this state and is in one of
25 the high-impact sectors identified by Enterprise Florida,
26 Inc., and certified by the office pursuant to s. 288.108(6),
27 including, but not limited to, aviation, aerospace,
28 automotive, and silicon technology industries; or

29 2. A new or expanded facility in this state which is
30 engaged in a target industry designated pursuant to the
31 procedure specified in s. 288.106(1)(o) and which is induced

1 by this credit to create or retain at least 1,000 jobs in this
2 state, provided that at least 100 of those jobs are new, pay
3 an annual average wage of at least 130 percent of the average
4 private sector wage in the area as defined in s. 288.106(1),
5 and make a cumulative capital investment of at least \$100
6 million after July 1, 2005. Jobs may be considered retained
7 only if there is significant evidence that the loss of jobs is
8 imminent. Notwithstanding subsection (2), annual credits
9 against the tax imposed by this chapter shall not exceed 50
10 percent of the increased annual corporate income tax liability
11 or the premium tax liability generated by or arising out of a
12 project qualifying under this subparagraph. A facility that
13 qualifies under this subparagraph for an annual credit against
14 the tax imposed by this chapter may take the tax credit for a
15 period not to exceed 5 years.

16 3. A new or expanded headquarters facility in this
17 state which locates in an enterprise zone and brownfield area
18 and is induced by this credit to create at least 1,500 jobs
19 which on average pay at least 200 percent of the statewide
20 average annual wage and makes a cumulative capital investment
21 in Florida of at least \$250 million.

22 (2) An annual credit against the tax imposed by this
23 chapter shall be granted to any qualifying business in an
24 amount equal to 5 percent of the eligible capital costs
25 generated by a qualifying project, for a period not to exceed
26 20 years beginning with the commencement of operations of the
27 project. The tax credit shall be granted against only the
28 corporate income tax liability or the premium tax liability
29 generated by or arising out of the qualifying project, and the
30 sum of all tax credits provided pursuant to this section shall
31 not exceed 100 percent of the eligible capital costs of the

1 project. In no event may any credit granted under this section
2 be carried forward or backward by any qualifying business with
3 respect to a subsequent or prior year. The annual tax credit
4 granted under this section shall not exceed the following
5 percentages of the annual corporate income tax liability or
6 the premium tax liability generated by or arising out of a
7 qualifying project:

8 (a) One hundred percent for a qualifying project which
9 results in a cumulative capital investment of at least \$100
10 million.

11 (b) Seventy-five percent for a qualifying project
12 which results in a cumulative capital investment of at least
13 \$50 million but less than \$100 million.

14 (c) Fifty percent for a qualifying project which
15 results in a cumulative capital investment of at least \$25
16 million but less than \$50 million.

17
18 A qualifying project which results in a cumulative capital
19 investment of less than \$25 million is not eligible for the
20 capital investment tax credit. An insurance company claiming a
21 credit against premium tax liability under this program shall
22 not be required to pay any additional retaliatory tax levied
23 pursuant to s. 624.5091 as a result of claiming such credit.
24 Because credits under this section are available to an
25 insurance company, s. 624.5091 does not limit such credit in
26 any manner.

27 ~~(3)(a) Notwithstanding subsection (2), an annual~~
28 ~~credit against the tax imposed by this chapter shall be~~
29 ~~granted to a qualifying business which establishes a~~
30 ~~qualifying project pursuant to sub-paragraph (1)(h)3., in an~~
31 ~~amount equal to the lesser of \$15 million or 5 percent of the~~

1 eligible capital costs made in connection with a qualifying
2 project, for a period not to exceed 20 years beginning with
3 the commencement of operations of the project. The tax credit
4 shall be granted against the corporate income tax liability of
5 the qualifying business and as further provided in paragraph
6 (3)(c). The total tax credit provided pursuant to this
7 subsection shall be equal to no more than 100 percent of the
8 eligible capital costs of the qualifying project.

9 (b) If the credit granted under this subsection is not
10 fully used in any one year because of insufficient tax
11 liability on the part of the qualifying business, the unused
12 amount may be carried forward for a period not to exceed 20
13 years from the commencement of operations of the project. The
14 carryover credit may be used in a subsequent year when the tax
15 imposed by this chapter for that year exceeds the credit for
16 which the qualifying business is eligible in that year under
17 this subsection after applying the other credits and unused
18 carryovers in the order provided by s. 220.02(8).

19 (c) The credit granted under this subsection may be
20 utilized in whole or part by the qualifying business or any
21 corporation that is either a member of that qualifying
22 business's affiliated group of corporations, is a related
23 entity taxable as a cooperative under Subchapter T of the
24 Internal Revenue Code or, if the qualifying business is an
25 entity taxable as a cooperative under Subchapter T of the
26 Internal Revenue Code, is related to the qualifying business.
27 Any entity related to the qualifying business may continue to
28 file as a member of a Florida-nexus consolidated group
29 pursuant to a prior election made under s. 220.131(1), F.S.
30 (1985) even if the parent of the group changes due to a direct
31 or indirect acquisition of the former common parent of the

1 group. Any credit can be used by any of the aforementioned
2 affiliated companies or related entities to the same extent as
3 it could have been used by the qualifying business. However,
4 any such utilization shall not operate to increase the amount
5 of the credit or extend the period within which the credit
6 must be utilized.

7 ~~(4)(3)~~ Prior to receiving tax credits pursuant to this
8 section, a qualifying business must achieve and maintain the
9 minimum employment goals beginning with the commencement of
10 operations at a qualifying project and continuing each year
11 thereafter during which tax credits are available pursuant to
12 this section.

13 ~~(5)(4)~~ The office, upon a recommendation by Enterprise
14 Florida, Inc., shall first certify a business as eligible to
15 receive tax credits pursuant to this section prior to the
16 commencement of operations of a qualifying project, and such
17 certification shall be transmitted to the Department of
18 Revenue. Upon receipt of the certification, the Department of
19 Revenue shall enter into a written agreement with the
20 qualifying business specifying, at a minimum, the method by
21 which income generated by or arising out of the qualifying
22 project will be determined.

23 ~~(6)(5)~~ The office, in consultation with Enterprise
24 Florida, Inc., is authorized to develop the necessary
25 guidelines and application materials for the certification
26 process described in subsection (4).

27 ~~(7)(6)~~ It shall be the responsibility of the
28 qualifying business to affirmatively demonstrate to the
29 satisfaction of the Department of Revenue that such business
30 meets the job creation and capital investment requirements of
31 this section.

1 ~~(8)(7)~~ The Department of Revenue may specify by rule
2 the methods by which a project's pro forma annual taxable
3 income is determined.

4 Section 2. Section 288.1088, Florida Statutes, is
5 amended to read:

6 288.1088 Quick Action Closing Fund.--

7 (1)(a) The Legislature finds that attracting,
8 retaining, and providing favorable conditions for the growth
9 of certain high-impact business facilities, privately
10 developed critical rural infrastructure, or key facilities in
11 economically distressed urban or rural communities which
12 provide widespread economic benefits to the public through
13 high-quality employment opportunities in such facilities or in
14 related facilities attracted to the state, through the
15 increased tax base provided by the high-impact facility and
16 related businesses, through an enhanced entrepreneurial
17 climate in the state and the resulting business and employment
18 opportunities, and through the stimulation and enhancement of
19 the state's universities and community colleges. In the global
20 economy, there exists serious and fierce international
21 competition for these facilities, and in most instances, when
22 all available resources for economic development have been
23 used, the state continues to encounter severe competitive
24 disadvantages in vying for these business facilities.

25 Florida's rural areas must provide a competitive environment
26 for business in the information age. This often requires an
27 incentive to make it feasible for private investors to provide
28 infrastructure in those areas.

29 (b) The Legislature therefore declares that sufficient
30 resources shall be available to respond to extraordinary
31 economic opportunities and to compete effectively for these

1 high-impact business facilities, critical private
2 infrastructure in rural areas, and key businesses in
3 economically distressed urban or rural communities.

4 (2) There is created within the Office of Tourism,
5 Trade, and Economic Development the Quick Action Closing Fund.

6 Projects eligible for receipt of funds from the Quick Action
7 Closing Fund shall:

8 (a) Be in an industry as referenced in s. 288.106.

9 (b) Have a positive payback ratio of at least 5 to 1.

10 (c) Be an inducement to the project's location or
11 expansion in the state.

12 (d) Pay an average annual wage of at least 125 percent
13 of the areawide or statewide private-sector average wage.

14 (e) Be supported by the local community in which the
15 project is to be located.

16 (3)(a) Enterprise Florida, Inc., shall determine
17 eligibility of each project consistent with the criteria in
18 subsection (2). Enterprise Florida, Inc., in consultation with
19 the Office of Tourism, Trade, and Economic Development, may
20 waive these criteria based on extraordinary circumstances if
21 the project would significantly benefit the local or regional
22 economy. Enterprise Florida, Inc., shall evaluate individual

23 proposals for high-impact business facilities and forward
24 recommendations regarding the use of moneys in the fund for
25 such facilities to the director of the Office of Tourism,
26 Trade, and Economic Development. Such evaluation and
27 recommendation must include, but need not be limited to:

28 1. A description of the type of facility or
29 infrastructure, its operations, and the associated product or
30 service associated with the facility.

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1 2. The number of full-time-equivalent jobs that will
2 be created by the facility and the total estimated average
3 annual wages of those jobs or, in the case of privately
4 developed rural infrastructure, the types of business
5 activities and jobs stimulated by the investment.

6 3. The cumulative amount of investment to be dedicated
7 to the facility within a specified period.

8 4. A statement of any special impacts the facility is
9 expected to stimulate in a particular business sector in the
10 state or regional economy or in the state's universities and
11 community colleges.

12 5. A statement of the role the incentive is expected
13 to play in the decision of the applicant business to locate or
14 expand in this state or for the private investor to provide
15 critical rural infrastructure.

16 6. A report evaluating the quality and value of the
17 company submitting a proposal. The report must include:

18 a. A financial analysis of the company, including an
19 evaluation of the company's short-term liquidity ratio as
20 measured by its assets to liability, the company's
21 profitability ratio, and the company's long-term solvency as
22 measured by its debt-to-equity ratio;

23 b. The historical market performance of the company;

24 c. A review of any independent evaluations of the
25 company;

26 d. A review of the latest audit of the company's
27 financial statement and the related auditor's management
28 letter; and

29 e. A review of any other types of audits that are
30 related to the internal and management controls of the
31 company.

1 (b) Upon receipt of the evaluation and recommendation
2 from Enterprise Florida, Inc., the director shall recommend
3 approval or disapproval of a project for receipt of funds from
4 the Quick Action Closing Fund to the Governor. In recommending
5 a project, the director shall include proposed performance
6 conditions that the project must meet to obtain incentive
7 funds. The Governor shall provide the evaluation of projects
8 recommended for approval to the President of the Senate and
9 the Speaker of the House of Representatives and consult
10 directly with the President of the Senate and the Speaker of
11 the House of Representatives before giving final approval for
12 a project. The Executive Office of the Governor shall
13 recommend approval of a project and the release of funds
14 pursuant to the legislative consultation and review
15 requirements set forth in s. 216.177. The recommendation must
16 include proposed performance conditions that the project must
17 meet in order to obtain funds.

18 (c) Upon the approval of the Governor, the director of
19 the Office of Tourism, Trade, and Economic Development and the
20 business shall enter into a contract that sets forth the
21 conditions for payment of moneys from the fund. The contract
22 must include the total amount of funds awarded; the
23 performance conditions that must be met to obtain the award,
24 including, but not limited to, net new employment in the
25 state, average salary, and total capital investment;
26 demonstrate a baseline of current service and a measure of
27 enhanced capability; the methodology for validating
28 performance; the schedule of payments from the fund; and
29 sanctions for failure to meet performance conditions. The
30 contract must provide that payment of moneys from the fund is
31 contingent upon sufficient appropriation of funds by the

1 Legislature and upon sufficient release of appropriated funds
2 by the Legislative Budget Commission.

3 (d) Enterprise Florida, Inc., shall validate
4 contractor performance. Such validation shall be reported
5 within 6 months after completion of the contract to the
6 Governor, President of the Senate, and the Speaker of the
7 House of Representatives.

8 ~~(4) The Governor may, in an emergency or special~~
9 ~~circumstance, and in consultation with the President of the~~
10 ~~Senate and the Speaker of the House of Representatives,~~
11 ~~reallocate unencumbered funds appropriated to the Quick Action~~
12 ~~Closing Fund to supplement statutorily created economic~~
13 ~~development programs and operations. The Executive Office of~~
14 ~~the Governor shall recommend approval of the transfer and~~
15 ~~release of funds pursuant to the legislative consultation and~~
16 ~~review requirements set forth in s. 216.177.~~

17 Section 3. Section 288.1089, Florida Statutes, is
18 created to read:

19 288.1089 Innovation Incentive Program.--

20 (1) There is created an Innovation Incentive Program
21 within the Governor's Office of Tourism, Trade, and Economic
22 Development, which is intended to ensure that sufficient
23 resources are available to allow the state to respond
24 expeditiously to extraordinary economic opportunities and to
25 compete effectively for high-value research and development
26 and innovation business projects.

27 (2) As used in this section, the term:

28 (a) "Average private-sector wage" means the statewide
29 average wage in the private sector or the average of all
30 private-sector wages and salaries in the county or in the
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1 standard metropolitan area in which the project is located as
2 determined by the Agency for Workforce Innovation.

3 (b) "Brownfield area" means an area designated as a
4 brownfield area pursuant to s.376.80.

5 (c) "Cumulative investment" means cumulative capital
6 investment and all eligible capital costs as defined in s.
7 220.191.

8 (d) "Director" means the director of the Office of
9 Tourism, Trade, and Economic Development.

10 (e) "Enterprise zone" means an area designated as an
11 enterprise zone pursuant to s. 290.0065.

12 (f) "Fiscal year" means the state fiscal year.

13 (g) "Innovation business" means a business expanding
14 or locating in this state which is likely to serve as a
15 catalyst for the growth of an existing or emerging technology
16 cluster or which will significantly impact the regional
17 economy in which it is to expand or locate.

18 (h) "Jobs" means full-time equivalent positions, as
19 that term is consistent with terms used by the Agency for
20 Workforce Innovation and the United States Department of Labor
21 for purposes of unemployment compensation tax administration
22 and employment estimation, resulting directly from a project
23 in this state. The term does not include temporary
24 construction jobs.

25 (i) "Match" means funding from local sources, public
26 or private, which is paid to the applicant and which equals
27 100 percent of the award. Eligible match funding may include
28 any tax abatement granted to the applicant under s. 196.1995
29 or the appraised market value of land, buildings,
30 infrastructure, or equipment conveyed or provided at a
31 discount to the applicant. Complete documentation of match

1 payment or other conveyance must be presented to and verified
2 by the office before transfer of state funds to an applicant.
3 An applicant may not provide, directly or indirectly, more
4 than 5 percent of match funding in any fiscal year. The
5 sources of such funding may not include, directly or
6 indirectly, state funds appropriated from the General Revenue
7 Fund or any state trust fund, excluding tax revenues shared
8 with local governments pursuant to law.

9 (j) "Office" means the Office of Tourism, Trade, and
10 Economic Development.

11 (k) "Project" means the location to or expansion in
12 this state by an innovation business or research and
13 development applicant approved for an award pursuant to this
14 section.

15 (l) "Research and development" means basic and applied
16 research in the sciences or engineering, as well as the
17 design, development, and testing, of prototypes or processes
18 of new or improved products. Research and development does not
19 include market research, routine consumer product testing,
20 sales research, research in the social sciences or psychology,
21 nontechnological activities, or technical services.

22 (m) "Research and development facility" means a
23 facility that is predominately engaged in research and
24 development activities. For purposes of this paragraph, the
25 term "predominately" means at least 51 percent of the time.

26 (n) "Rural area" means a rural city, a rural
27 community, or a rural county as defined in s. 288.106.

28 (3) To be eligible for consideration for an innovation
29 incentive award, an innovation business or research and
30 development entity must submit a written application to
31 Enterprise Florida, Inc., before making a decision to locate

1 new operations in this state or to expand an existing
2 operation in this state. The application must include, but
3 need not be limited to:

4 (a) The applicant's federal employer identification
5 number, unemployment account number, and state sales tax
6 registration number. If these numbers are not available at the
7 time of application, they must be submitted to the office in
8 writing before the disbursement of any payments under this
9 section.

10 (b) The location in this state at which the project is
11 located or is to be located.

12 (c) A description of the type of business activity,
13 product, or research and development to be undertaken by the
14 applicant, including six-digit North American Industry
15 Classification System codes for all activities included in the
16 project.

17 (d) The applicant's projected investment in the
18 project.

19 (e) The total investment, from all sources, in the
20 project.

21 (f) The number of net new full-time equivalent jobs in
22 this state which the applicant anticipates having created as
23 of December 31 of each year of the project and the average
24 annual wage of those jobs.

25 (g) The total number of full-time equivalent employees
26 currently employed by the applicant in this state, if
27 applicable.

28 (h) The anticipated commencement date of the project.

29 (i) A detailed explanation of why the innovation
30 incentive is needed to induce the applicant to expand or
31

1 locate in the state and whether an award would cause the
2 applicant to locate or expand in this state.

3 (j) If applicable, an estimate of the proportion of
4 the revenues resulting from the project which will be
5 generated outside this state.

6 (4) To qualify for review by the office, the applicant
7 must, at a minimum, establish the following to the
8 satisfaction of Enterprise Florida, Inc., and the office:

9 (a) The jobs created by the project must pay an
10 estimated annual average wage equaling at least 130 percent of
11 the average private-sector wage. The office may waive this
12 average-wage requirement at the request of Enterprise Florida,
13 Inc., for a project located in a rural area, a brownfield
14 area, or in an enterprise zone if the merits of the individual
15 project or the specific circumstances of the community in
16 relationship to the project warrant such action. A
17 recommendation for waiver by Enterprise Florida, Inc., must
18 include a specific justification supporting the waiver and be
19 transmitted in writing to the office. If the director elects
20 to waive the wage requirement, the waiver must be stated in
21 writing and the reasons for granting the waiver must be
22 explained.

23 (b) A research and development project must:

24 1. Serve as a catalyst of an emerging or evolving
25 cluster;

26 2. Demonstrate a plan for significant higher-education
27 collaboration;

28 3. Provide the state, at a minimum, a break-even
29 return on its investment within a 20-year period; and

30 4. Be provided with a one-to-one match from the local
31 community. The match requirement may be reduced or waived in

1 rural areas of critical economic concern or reduced in rural
2 areas, brownfield areas, and enterprise zones.

3 (c) An innovation business project, other than a
4 research and development project, must:

5 1.a. Result in the creation of at least 1,000 direct,
6 new jobs at the business; or

7 b. Result in the creation of at least 500 direct, new
8 jobs if the project is located in a rural area, a brownfield
9 area, or in an enterprise zone.

10 2. Have an activity or product that is within an
11 industry that is designated as a target industry business
12 under s. 288.106 or in a designated sector under s. 288.108.

13 3.a. Have a cumulative investment of at least \$500
14 million within a 5-year period; or

15 b. Have a cumulative investment that exceeds \$250
16 million within a 10-year period if the project is located in a
17 rural area, a brownfield area, or in an enterprise zone.

18 4. Be provided with a one-to-one match from the local
19 community. The match requirement may be reduced or waived in
20 rural areas of critical economic concern or reduced in rural
21 areas, brownfield areas, and enterprise zones.

22 (5) Enterprise Florida, Inc., shall evaluate proposals
23 for innovation incentive awards and forward recommendations
24 for awards to the office. Such evaluation and recommendation
25 must include, but need not be limited to:

26 (a) A description of the project, its required
27 facilities, and the product, service, or research and
28 development associated with the project.

29 (b) The percentage of match provided for the project.

30 (c) The number of full-time equivalent jobs that will
31 be created by the project, the total estimated average annual

1 wages of those jobs, and the types of business activities and
2 jobs likely to be stimulated by the project.

3 (d) The cumulative investment to be dedicated to the
4 project within 3 years and the total investment expected in
5 the project if more than 3 years.

6 (e) The projected economic and fiscal impacts on the
7 local and state economies relative to investment.

8 (f) A statement of any special impacts the project is
9 expected to produce in a particular business sector in the
10 state or regional economy or in the state's universities and
11 community colleges.

12 (g) A statement of any anticipated or proposed
13 relationships with state universities.

14 (h) A statement of the role the incentive is expected
15 to play in the decision of the applicant to locate or expand
16 in this state.

17 (i) A recommendation and explanation of the amount of
18 the award needed to cause the applicant to expand or locate in
19 this state.

20 (j) A discussion of the efforts and commitments made
21 by the local community in which the project is to be located
22 to induce the applicant's location or expansion in light of
23 local resources and abilities.

24 (k) A recommendation for specific performance criteria
25 the applicant would be expected to achieve in order to receive
26 payments from the fund and penalties or sanctions for failure
27 to meet or maintain performance conditions.

28 (l) For a research and development facility, an
29 evaluation and recommendation must include:

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1 1. A description of the extent to which the project
2 has the potential to serve as a catalyst for an emerging or
3 evolving cluster;

4 2. A description of the extent to which the project
5 has or could have a long-term collaborative research and
6 development relationship with one or more universities or
7 community colleges in this state;

8 3. A description of the existing or projected impact
9 of the project on established clusters or targeted industry
10 sectors;

11 4. A description of the project's contribution to the
12 diversity and resiliency of this state's innovation economy;
13 and

14 5. A description of the project's impact on
15 special-needs communities, including, but not limited to,
16 rural areas, distressed urban areas, and enterprise zones.

17 (6) The office may, in consultation with Enterprise
18 Florida, Inc., negotiate the proposed amount of an award for
19 any applicant meeting the requirements of this section. In
20 negotiating such award, the office shall consider the amount
21 of the incentive needed to cause the applicant to locate or
22 expand in this state in conjunction with other relevant
23 applicant impact and cost information and analysis as outlined
24 in this section. Particular emphasis shall be given to the
25 potential of the project to stimulate additional private
26 investment and high-quality employment opportunities in the
27 state.

28 (7) Upon receipt of the evaluation and recommendation
29 from Enterprise Florida, Inc., the director shall recommend
30 the approval or disapproval of an award to the Governor. In
31 recommending approval of an award, the director shall include

1 proposed performance conditions that the applicant must meet
2 in order to obtain incentive funds and any other conditions
3 that must be met before the receipt of any incentive funds.
4 The Governor shall consult with the President of the Senate
5 and the Speaker of the House of Representatives before giving
6 approval for an award. Upon approval of an award, the
7 Executive Office of the Governor shall release the funds
8 pursuant to the legislative consultation and review the
9 requirements set forth in s. 216.177.

10 (8) Upon approval by the Governor and release of the
11 funds as set forth in subsection (7), the director shall issue
12 a letter certifying the applicant as qualified for an award.
13 The office and the applicant shall enter into an agreement
14 that sets forth the conditions for payment of incentives. The
15 agreement must include the total amount of funds awarded; the
16 performance conditions that must be met in order to obtain the
17 award or portions of the award, including, but not limited to,
18 net new employment in the state, average wage, and total
19 cumulative investment; demonstration of a baseline of current
20 service and a measure of enhanced capability; the methodology
21 for validating performance; the schedule of payments; and
22 sanctions for failure to meet performance conditions,
23 including any provisions for repayment of incentive payments.

24 (9) Enterprise Florida, Inc., shall assist the office
25 in validating the performance of an innovation business or
26 research and development facility that has received an award.
27 At the conclusion of the innovation incentive award agreement,
28 or its earlier termination, Enterprise Florida, Inc., shall,
29 within 90 days, report the results of the innovation incentive
30 award to the Governor, the President of the Senate, and the
31 Speaker of the House of Representatives.

1 Section 4. Present subsections (16) through (19) of
2 section 403.973, Florida Statutes, are renumbered as
3 subsections (17) through (20), respectively, and new
4 subsection (16) is added to that section, to read:

5 403.973 Expedited permitting; comprehensive plan
6 amendments.--

7 (16) The office, working with the agencies
8 participating in the memoranda of agreement, shall review
9 sites proposed for the location of facilities eligible for the
10 Innovation Incentive Program under s. 288.1089. Within 20 days
11 after the request for the review by the office, the agencies
12 shall provide to the office a statement as to each site's
13 necessary permits under local, state, and federal law and an
14 identification of significant permitting issues that, if
15 unresolved, might result in the denial of an agency permit or
16 approval or any significant delay caused by the permitting
17 process.

18 Section 5. For the 2006-2007 fiscal year, the sum of
19 \$10 million is appropriated from the General Revenue Fund to
20 the Office of Tourism, Trade, and Economic Development within
21 the Executive Office of the Governor to fund the Quick Action
22 Closing Fund as authorized in s. 288.1088, Florida Statutes.
23 These funds shall be placed in reserve by the Executive Office
24 of the Governor on July 1, 2006. The Office of Tourism, Trade,
25 and Economic Development may request the release of funds as
26 needed to implement the provisions of s. 288.1088, Florida
27 Statutes, through the Legislative Budget Commission.

28 Section 6. For the 2006-2007 fiscal year, the sum of
29 \$150 million is appropriated from the General Revenue Fund for
30 transfer to the Economic Development Trust Fund within the
31 Office of Tourism, Trade, and Economic Development. Funds

1 transferred under this section are not subject to the service
2 charge set forth in s. 215.20, Florida Statutes. The sum of
3 \$150 million is appropriated for the 2006-2007 fiscal year
4 from the Economic Development Trust Fund within the Office of
5 Tourism, Trade, and Economic Development to be used to
6 implement this act. These funds in the Economic Development
7 Trust Fund shall be placed in reserve by the Executive Office
8 of the Governor on July 1, 2006. The Office of Tourism, Trade,
9 and Economic Development may request the release of funds as
10 needed to implement the provisions of this act through the
11 Legislative Budget Commission. Funds not expended during the
12 2006-2007 fiscal year may be used in future fiscal years as
13 appropriated in the General Appropriations Act or other law.

14 Section 7. This act expires July 1, 2011. Upon that
15 date, any unobligated funds remaining in the Economic
16 Development Trust Fund from the transfer made in section 5 of
17 this act shall be transferred back to the General Revenue
18 Fund. Notwithstanding s. 216.301(1), Florida Statutes, and
19 pursuant to s. 216.351, Florida Statutes, any funds remaining
20 in the trust fund which are obligated to a properly approved
21 project under this act but only partially disbursed shall
22 remain in the trust fund to be disbursed by the Office of
23 Tourism, Trade, and Economic Development pursuant to the terms
24 of the originally approved contract.

25 Section 8. This act shall take effect July 1, 2006.
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