

1 A bill to be entitled
2 An act relating to super enterprise zones; amending s.
3 212.02, F.S.; providing a definition; providing for future
4 repeal; amending s. 212.08, F.S.; exempting certain
5 property purchased for use or consumption by businesses in
6 a super enterprise zone and retail sales by certified
7 businesses in a super enterprise zone; providing an
8 exception; specifying time periods for application of the
9 exemptions for certain businesses; providing for future
10 repeal; amending s. 290.0056, F.S.; providing additional
11 responsibilities of an enterprise zone development agency
12 relating to super enterprise zones; requiring an economic
13 impact report; providing for future repeal; amending s.
14 290.0057, F.S.; applying requirements for an enterprise
15 zone development plan to super enterprise zones; providing
16 for future deletion of application; creating s. 290.00681,
17 F.S.; authorizing the Office of Tourism, Trade, and
18 Economic Development to designate certain areas as super
19 enterprise zones for a certain time period; providing
20 qualification and eligibility criteria; providing
21 application requirements; providing for future repeal and
22 revocation of designations; creating s. 290.00682, F.S.;
23 providing requirements for qualification as a certified
24 business for sales tax exemption purposes; authorizing a
25 local enterprise zone development agency to certify
26 businesses; requiring the agency to provide lists of
27 certified businesses; providing for disqualifying
28 certified businesses under certain circumstances;

29 providing for future repeal and revocation of
 30 certifications; amending s. 290.007, F.S.; specifying
 31 incentives for revitalization of super enterprise zones;
 32 providing for future deletion of such incentives;
 33 requiring interim and final reviews of super enterprise
 34 zones by the Office of Program Policy Analysis and
 35 Government Accountability; providing review of criteria;
 36 requiring reports to the Legislature; providing effective
 37 dates.

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

40

41 Section 1. Subsection (34) is added to section 212.02,
 42 Florida Statutes, to read:

43 212.02 Definitions.--The following terms and phrases when
 44 used in this chapter have the meanings ascribed to them in this
 45 section, except where the context clearly indicates a different
 46 meaning:

47 (34) "Certified business" means a business located in a
 48 super enterprise zone that is certified under s. 290.00682. This
 49 subsection is repealed June, 30, 2020.

50 Section 2. Subsection (19) is added to section 212.08,
 51 Florida Statutes, to read:

52 212.08 Sales, rental, use, consumption, distribution, and
 53 storage tax; specified exemptions.--The sale at retail, the
 54 rental, the use, the consumption, the distribution, and the
 55 storage to be used or consumed in this state of the following

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56 are hereby specifically exempt from the tax imposed by this
57 chapter.

58 (19) EXEMPTIONS; SUPER ENTERPRISE ZONES.--

59 (a) The tax imposed by this chapter under ss. 212.05 and
60 212.055 does not apply to:

61 1. Tangible personal property purchased by certified
62 businesses for the exclusive use or consumption of such
63 businesses within a super enterprise zone; or

64 2. Retail sales made by a certified business from a place
65 of business owned or leased and regularly operated by the
66 business for the purpose of making retail sales and located in a
67 designated super enterprise zone. The exemption provided by this
68 subparagraph does not apply to the retail sale of any item with
69 a price greater than \$1,000. To qualify for the exemption under
70 this subparagraph, the sale must be made at the location of the
71 business; however, the item may be shipped to any location.

72 (b) Notwithstanding paragraph (a), a new business
73 established in a super enterprise zone and certified on or after
74 July 1, 2008, pursuant to s. 290.00682 is eligible for the
75 exemptions provided under this subsection for a period not to
76 exceed 10 years immediately following such certification. For an
77 existing business located in a super enterprise zone and
78 certified on or after July 1, 2008, the exemptions provided
79 under this subsection shall be available for a period not to
80 exceed 5 years, beginning in the year in which the business
81 receives its initial certification and continuing for up to 5
82 years immediately following such certification.

83 (c) This subsection is repealed June 30, 2020.

84 Section 3. Paragraph (i) is added to subsection (8) of
 85 section 290.0056, Florida Statutes, paragraph (f) of subsection
 86 (11) of that section is redesignated as paragraph (g), and a new
 87 paragraph (f) is added to that subsection, to read:

88 290.0056 Enterprise zone development agency.--

89 (8) The enterprise zone development agency shall have the
 90 following powers and responsibilities:

91 (i)1. To recommend and submit an application to the office
 92 for the designation of a super enterprise zone.

93 2. To coordinate with the local governmental entity for
 94 the exemptions from the sales and use tax provided under s.
 95 212.08(19).

96
 97 This paragraph is repealed June 30, 2020.

98 (11) Prior to December 1 of each year, the agency shall
 99 submit to the Office of Tourism, Trade, and Economic Development
 100 a complete and detailed written report setting forth:

101 (f) The economic impact of a super enterprise zone, if
 102 applicable, including:

103 1. A list of certified businesses and whether the business
 104 is new or where the business relocated from.

105 2. The number of jobs created.

106 3. The percentage of employees employed by certified
 107 businesses who reside in the super enterprise zone or in an
 108 enterprise zone within the same county.

109 4. The extent of capital investment by certified
 110 businesses within the zone.

111 5. The success of the super enterprise zone as measured by

112 the strategic plan and methods identified in s. 290.0057(1)(i).

113

114 This paragraph is repealed June 30, 2020.

115 Section 4. Subsection (1) of section 290.0057, Florida
116 Statutes, is amended to read:

117 290.0057 Enterprise zone development plan.--

118 (1) Any application for designation as a new enterprise
119 zone or super enterprise zone must be accompanied by a strategic
120 plan adopted by the governing body of the municipality or
121 county, or the governing bodies of the county and one or more
122 municipalities together. At a minimum, the plan must:

123 (a) Briefly describe the community's goals for
124 revitalizing the area.

125 (b) Describe the ways in which the community's approaches
126 to economic development, social and human services,
127 transportation, housing, community development, public safety,
128 and educational and environmental concerns will be addressed in
129 a coordinated fashion, and explain how these linkages support
130 the community's goals.

131 (c) Identify and describe key community goals and the
132 barriers that restrict the community from achieving these goals,
133 including a description of poverty and general distress,
134 barriers to economic opportunity and development, and barriers
135 to human development.

136 (d) Describe the process by which the affected community
137 is a full partner in the process of developing and implementing
138 the plan and the extent to which local institutions and
139 organizations have contributed to the planning process.

140 (e) Commit the governing body or bodies to enact and
 141 maintain local fiscal and regulatory incentives, if approval for
 142 the area is received under s. 290.0065. These incentives may
 143 include the municipal public service tax exemption provided by
 144 s. 166.231, the economic development ad valorem tax exemption
 145 provided by s. 196.1995, the occupational license tax exemption
 146 provided by s. 205.054, local impact fee abatement or reduction,
 147 or low-interest or interest-free loans or grants to businesses
 148 to encourage the revitalization of the nominated area.

149 (f) Identify the amount of local and private resources
 150 that will be available in the nominated area and the
 151 private/public partnerships to be used, which may include
 152 participation by, and cooperation with, universities, community
 153 colleges, small business development centers, black business
 154 investment corporations, certified development corporations, and
 155 other private and public entities.

156 (g) Indicate how state enterprise zone tax incentives and
 157 state, local, and federal resources will be utilized within the
 158 nominated area.

159 (h) Identify the funding requested under any state or
 160 federal program in support of the proposed economic, human,
 161 community, and physical development and related activities.

162 (i) Identify baselines, methods, and benchmarks for
 163 measuring the success of carrying out the strategic plan.

164 Section 5. Effective July 1, 2020, subsection (1) of
 165 section 290.0057, Florida Statutes, as amended by this act, is
 166 amended to read:

167 290.0057 Enterprise zone development plan.--

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168 (1) Any application for designation as a new enterprise
169 zone ~~or super enterprise zone~~ must be accompanied by a strategic
170 plan adopted by the governing body of the municipality or
171 county, or the governing bodies of the county and one or more
172 municipalities together. At a minimum, the plan must:

173 (a) Briefly describe the community's goals for
174 revitalizing the area.

175 (b) Describe the ways in which the community's approaches
176 to economic development, social and human services,
177 transportation, housing, community development, public safety,
178 and educational and environmental concerns will be addressed in
179 a coordinated fashion, and explain how these linkages support
180 the community's goals.

181 (c) Identify and describe key community goals and the
182 barriers that restrict the community from achieving these goals,
183 including a description of poverty and general distress,
184 barriers to economic opportunity and development, and barriers
185 to human development.

186 (d) Describe the process by which the affected community
187 is a full partner in the process of developing and implementing
188 the plan and the extent to which local institutions and
189 organizations have contributed to the planning process.

190 (e) Commit the governing body or bodies to enact and
191 maintain local fiscal and regulatory incentives, if approval for
192 the area is received under s. 290.0065. These incentives may
193 include the municipal public service tax exemption provided by
194 s. 166.231, the economic development ad valorem tax exemption
195 provided by s. 196.1995, the occupational license tax exemption

196 provided by s. 205.054, local impact fee abatement or reduction,
 197 or low-interest or interest-free loans or grants to businesses
 198 to encourage the revitalization of the nominated area.

199 (f) Identify the amount of local and private resources
 200 that will be available in the nominated area and the
 201 private/public partnerships to be used, which may include
 202 participation by, and cooperation with, universities, community
 203 colleges, small business development centers, black business
 204 investment corporations, certified development corporations, and
 205 other private and public entities.

206 (g) Indicate how state enterprise zone tax incentives and
 207 state, local, and federal resources will be utilized within the
 208 nominated area.

209 (h) Identify the funding requested under any state or
 210 federal program in support of the proposed economic, human,
 211 community, and physical development and related activities.

212 (i) Identify baselines, methods, and benchmarks for
 213 measuring the success of carrying out the strategic plan.

214 Section 6. Sections 290.00681 and 290.00682, Florida
 215 Statutes, are created to read:

216 290.00681 Super enterprise zones; designation;
 217 eligibility.--

218 (1) The office may designate up to five areas in the state
 219 as super enterprise zones for a 10-year period. To qualify as a
 220 super enterprise zone an area shall:

221 (a) Be located in an enterprise zone and be no larger than
 222 3 contiguous square miles.

223 (b) Have an average unemployment rate four times greater
 224 than the state average.

225 (c) Have a minimum of 40 percent of residents living below
 226 poverty level.

227 (d) Have general distress of business and residential
 228 property such that the local governing body by resolution has
 229 determined that the buildings are substandard, unsafe,
 230 unsanitary, dilapidated, or obsolete, or any combination of such
 231 conditions, and are detrimental to the safety, health, and
 232 welfare of the community.

233 (e) Demonstrate evidence of significant job loss or
 234 dislocation in the area.

235 (2) When determining eligibility for a super enterprise
 236 zone, the office shall consider the following criteria:

237 (a) Priority to applications that include new business
 238 activity.

239 (b) Evidence of adverse economic and socioeconomic
 240 conditions in that area.

241 (c) The viability of the development plan.

242 (d) Whether the development plan is creative and
 243 innovative.

244 (e) Public and private commitment to and other resources
 245 available for the proposed super enterprise zone.

246 (f) How a super enterprise tax-free zone would relate to a
 247 broader plan for the community as a whole.

248 (g) The level of demonstrated cooperation from surrounding
 249 communities.

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250 (h) How the local regulatory burden will be eased for
251 businesses operating in the proposed super enterprise zone.

252 (i) Public and private commitment to improving abandoned
253 real property.

254 (j) Whether sufficient infrastructure is available to
255 support development.

256 (3) Any application for designation as a super enterprise
257 zone must:

258 (a) Briefly describe the community's goals for
259 revitalizing the area and include a development plan.

260 (b) Describe the ways in which the community's approach to
261 economic development, social and human services, transportation,
262 housing, community development, public safety, and educational
263 and environmental concerns will be addressed in a coordinated
264 fashion and explain how these linkages support the community's
265 goals.

266 (c) Identify and describe key community goals and the
267 barriers that restrict the community from achieving these goals.

268 (d) Identify the amount of local and private support and
269 resources that will be available.

270 (e) Identify baselines, methods, and benchmarks for
271 measuring success.

272 (f) Include written approval from any associated county
273 office and mayor's office.

274 (4) This section is repealed June 30, 2020, and any
275 designation made pursuant to this section shall be revoked on
276 that date.

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277 290.00682 Super enterprise zones; business
278 certification.--

279 (1) A certified business is eligible for the tax
280 exemptions provided in s. 212.08(19). To qualify as a certified
281 business, receive an exemption certificate, and continue to
282 receive the tax exemptions provided in s. 212.08(19), a business
283 must:

284 (a) File an application for certification with the local
285 enterprise zone development agency. The application shall be
286 filed no later than September 1 preceding the calendar year for
287 which the business is seeking an exemption.

288 (b) Operate and be primarily located within a designated
289 super enterprise zone.

290 (c) Create new employment within the super enterprise zone
291 while not causing unemployment elsewhere in the state.

292 (d) Have no outstanding federal or state tax obligations.

293 (e) Demonstrate that no less than 20 percent of its
294 employees are residents of the designated super enterprise zone
295 or an enterprise zone located within the same county. The
296 employment requirement may be waived by the local enterprise
297 zone development agency for good cause.

298 (2) A local enterprise zone development agency may certify
299 a business as eligible for the exemptions under s. 212.08(19)
300 annually if the business meets the requirements in subsection
301 (1). Each local enterprise zone development agency shall
302 annually provide the local governmental entity, the office, and
303 the Department of Revenue with a list of new and existing
304 certified businesses. The Department of Revenue shall annually

305 issue a tax exemption certificate to each business holding an
306 exemption certificate issued by the local enterprise zone
307 development agency. The certificate shall be good for one
308 calendar year.

309 (3) A local enterprise zone development agency or the
310 Department of Revenue may disqualify a certified business at any
311 time if the business fails to meet the requirements of
312 subsection (1). A business that makes a fraudulent claim under
313 this section shall be liable for the payment of the tax due,
314 together with the penalties set forth in s. 212.085, and as
315 otherwise provided by law.

316 (4) This section is repealed June 30, 2020, and any
317 certification made pursuant to this section shall be revoked on
318 that date.

319 Section 7. Section 290.007, Florida Statutes, is amended
320 to read:

321 290.007 State incentives available in enterprise zones and
322 super enterprise zones.--

323 (1) The following incentives are provided by the state to
324 encourage the revitalization of enterprise zones:

325 (a)~~(1)~~ The enterprise zone jobs credit provided in s.
326 220.181.

327 (b)~~(2)~~ The enterprise zone property tax credit provided in
328 s. 220.182.

329 (c)~~(3)~~ The community contribution tax credits provided in
330 ss. 212.08, 220.183, and 624.5105.

331 (d)~~(4)~~ The sales tax exemption for building materials used
 332 in the rehabilitation of real property in enterprise zones
 333 provided in s. 212.08(5)(g).

334 (e)~~(5)~~ The sales tax exemption for business equipment used
 335 in an enterprise zone provided in s. 212.08(5)(h).

336 (f)~~(6)~~ The sales tax exemption for electrical energy used
 337 in an enterprise zone provided in s. 212.08(15).

338 (g)~~(7)~~ The enterprise zone jobs credit against the sales
 339 tax provided in s. 212.096.

340 (h)~~(8)~~ Notwithstanding any law to the contrary, the Public
 341 Service Commission may allow public utilities and
 342 telecommunications companies to grant discounts of up to 50
 343 percent on tariffed rates for services to small businesses
 344 located in an enterprise zone designated pursuant to s.
 345 290.0065. Such discounts may be granted for a period not to
 346 exceed 5 years. For purposes of this paragraph ~~subsection~~, the
 347 term "public utility" has the same meaning as in s. 366.02(1)
 348 and the term "telecommunications company" has the same meaning
 349 as in s. 364.02(14).

350 (2) The following incentives are provided by the state to
 351 encourage the revitalization of super enterprise zones:

352 (a) The sales tax exemption for certified businesses
 353 provided in s. 212.08(19)(a)1.

354 (b) The sales tax exemption for retail sales by certified
 355 businesses provided in s. 212.08(19)(a)2.

356 Section 8. Effective July 1, 2020, section 290.007,
 357 Florida Statutes, as amended by this act, is amended to read:

358 290.007 State incentives available in enterprise zones ~~and~~
 359 ~~super enterprise zones.~~--

360 ~~(1)~~ The following incentives are provided by the state to
 361 encourage the revitalization of enterprise zones:

362 (1)~~(a)~~ The enterprise zone jobs credit provided in s.
 363 220.181.

364 (2)~~(b)~~ The enterprise zone property tax credit provided in
 365 s. 220.182.

366 (3)~~(c)~~ The community contribution tax credits provided in
 367 ss. 212.08, 220.183, and 624.5105.

368 (4)~~(d)~~ The sales tax exemption for building materials used
 369 in the rehabilitation of real property in enterprise zones
 370 provided in s. 212.08(5)(g).

371 (5)~~(e)~~ The sales tax exemption for business equipment used
 372 in an enterprise zone provided in s. 212.08(5)(h).

373 (6)~~(f)~~ The sales tax exemption for electrical energy used
 374 in an enterprise zone provided in s. 212.08(15).

375 (7)~~(g)~~ The enterprise zone jobs credit against the sales
 376 tax provided in s. 212.096.

377 (8)~~(h)~~ Notwithstanding any law to the contrary, the Public
 378 Service Commission may allow public utilities and
 379 telecommunications companies to grant discounts of up to 50
 380 percent on tariffed rates for services to small businesses
 381 located in an enterprise zone designated pursuant to s.
 382 290.0065. Such discounts may be granted for a period not to
 383 exceed 5 years. For purposes of this subsection ~~paragraph~~, the
 384 term "public utility" has the same meaning as in s. 366.02(1)

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385 and the term "telecommunications company" has the same meaning
386 as in s. 364.02(14).

387 ~~(2) The following incentives are provided by the state to~~
388 ~~encourage the revitalization of super enterprise zones:~~

389 ~~(a) The sales tax exemption for certified businesses~~
390 ~~provided in s. 212.08(19)(a)1.~~

391 ~~(b) The partial sales tax exemption for retail sales by~~
392 ~~certified businesses provided in s. 212.08(19)(a)2.~~

393 Section 9. Prior to the 2014 Regular Session of the
394 Legislature, the Office of Program Policy Analysis and
395 Government Accountability shall conduct an interim review and
396 evaluation of the effectiveness and viability of the super
397 enterprise zones created under s. 290.00681, Florida Statutes.
398 The office shall specifically evaluate whether relief from the
399 specified taxes caused or induced new investment and development
400 in the super enterprise zone; increased the number of jobs
401 created or retained in the super enterprise zone; caused or
402 induced the renovation, rehabilitation, restoration,
403 improvement, or new construction of businesses or housing within
404 the super enterprise zone; or contributed to the economic
405 viability and profitability of business and commerce located
406 within the super enterprise zone. The office shall submit a
407 report of its findings and recommendations to the Speaker of the
408 House of Representatives and the President of the Senate no
409 later than December 1, 2013. In 2019, the office shall conduct a
410 final review in accordance with this section and shall make a
411 final report to the President of the Senate and Speaker of the
412 House of Representatives no later than December 1, 2019.

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413 Section 10. Except as otherwise expressly provided in this
414 act, this act shall take effect July 1, 2007.