

1 A bill to be entitled

2 An act relating to enterprise zones; amending s. 290.0065,
3 F.S.; authorizing certain counties to apply to the Office
4 of Tourism, Trade, and Economic Development to amend the
5 boundaries of an existing enterprise zone for certain
6 purposes; providing criteria for areas suitable for such
7 amendment; requiring the Office of Tourism, Trade, and
8 Economic Development to approve the amendment by a
9 specified date; excluding such amendments from certain
10 restrictions; amending s. 212.02, F.S.; providing a
11 definition; providing for future repeal; amending s.
12 212.08, F.S.; exempting certain property purchased for use
13 or consumption by businesses in a super enterprise zone
14 and retail sales by certified businesses in a super
15 enterprise zone; providing an exception; specifying time
16 periods for application of the exemptions for certain
17 businesses; providing for future repeal; amending s.
18 290.0056, F.S.; providing additional responsibilities of
19 an enterprise zone development agency relating to super
20 enterprise zones; requiring an economic impact report;
21 providing for future repeal; amending s. 290.0056, F.S.;
22 revising powers and responsibilities of the enterprise
23 zone development agency; amending s. 290.0057, F.S.;
24 applying requirements for an enterprise zone development
25 plan to super enterprise zones; providing for future
26 deletion of application; creating s. 290.00681, F.S.;
27 requiring the Office of Tourism, Trade, and Economic
28 Development to designate a specified area in Miami-Dade

29 County as a pilot project super enterprise zone for a
 30 certain time period; providing qualification criteria;
 31 providing application requirements; providing for future
 32 repeal and revocation of the designation; creating s.
 33 290.00682, F.S.; providing requirements for qualification
 34 as a certified business for sales tax exemption purposes;
 35 authorizing a local enterprise zone development agency to
 36 certify businesses; requiring the agency to provide lists
 37 of certified businesses; providing for disqualifying
 38 certified businesses under certain circumstances;
 39 providing for future repeal and revocation of
 40 certifications; amending s. 290.007, F.S.; specifying
 41 incentives for revitalization of super enterprise zones;
 42 providing for future deletion of such incentives;
 43 requiring interim and final reviews of super enterprise
 44 zones by the Office of Program Policy Analysis and
 45 Government Accountability; providing review of criteria;
 46 requiring reports to the Legislature; providing effective
 47 dates.

48
 49 Be It Enacted by the Legislature of the State of Florida:

50
 51 Section 1. Subsection (8) is added to section 290.0065,
 52 Florida Statutes, to read:

53 290.0065 State designation of enterprise zones.--

54 (8) Before December 31, 2007, any county as defined in s.
 55 125.011(1) may apply to the Office of Tourism, Trade, and
 56 Economic Development to amend the boundaries of an existing

57 enterprise zone for the purpose of replacing an area of not more
58 than 204 acres which is not suitable for development. The area
59 suitable for development must be contiguous to the existing
60 enterprise zone and must be part of a community redevelopment
61 area that has been approved and targeted for revitalization by
62 the county. The area suitable for redevelopment shall be a
63 master planned community that is being constructed in accordance
64 with an approved conceptual master plan for the development of
65 the area. The Office of Tourism, Trade, and Economic Development
66 shall approve the amendment effective January 1, 2008, if the
67 enterprise zone remains consistent with the criteria and
68 conditions imposed by s. 290.0055 upon the establishment of
69 enterprise zones, including the requirement that the area suffer
70 from pervasive poverty, unemployment, and general distress.
71 Notwithstanding the preceding sentence, such amendment to the
72 boundaries of the enterprise zone shall not constitute the one
73 change to enterprise zone boundaries permitted every 3 years
74 pursuant to s. 290.0055(6).

75 Section 2. Subsection (34) is added to section 212.02,
76 Florida Statutes, to read:

77 212.02 Definitions.--The following terms and phrases when
78 used in this chapter have the meanings ascribed to them in this
79 section, except where the context clearly indicates a different
80 meaning:

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

84 Section 3. Subsection (19) is added to section 212.08,
 85 Florida Statutes, to read:

86 212.08 Sales, rental, use, consumption, distribution, and
 87 storage tax; specified exemptions.--The sale at retail, the
 88 rental, the use, the consumption, the distribution, and the
 89 storage to be used or consumed in this state of the following
 90 are hereby specifically exempt from the tax imposed by this
 91 chapter.

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

93 (a) The tax imposed by this chapter does not apply to:

94 1. Tangible personal property purchased by certified
 95 businesses for the exclusive use or consumption of such
 96 businesses within a super enterprise zone; or

97 2. Retail sales of tangible personal property made by a
 98 certified business from a place of business owned or leased and
 99 operated by the business for the purpose of making retail sales
 100 and located in a designated super enterprise zone. The exemption
 101 provided by this subparagraph does not apply to the retail sale
 102 of any item with a price greater than \$1,000. To qualify for the
 103 exemption under this subparagraph, the purchaser must take
 104 possession of the qualified item within the super enterprise
 105 zone or the qualified item must be shipped from inside the super
 106 enterprise zone; however, the item may be shipped to any
 107 location. For the purposes of this section, all qualified sales
 108 made by a certified business located in a super enterprise zone
 109 shall be considered to have occurred within the super enterprise
 110 zone, regardless of where the transfer of title or possession
 111 takes place.

112 (b) Notwithstanding paragraph (a), a new business
 113 established in a super enterprise zone and certified on or after
 114 July 1, 2008, pursuant to s. 290.00682 is eligible for the
 115 exemptions provided under this subsection for a period not to
 116 exceed 10 years immediately following such certification. For an
 117 existing business located in a super enterprise zone and
 118 certified on or after July 1, 2008, the exemptions provided
 119 under this subsection shall be available for a period not to
 120 exceed 5 years, beginning in the year in which the business
 121 receives its initial certification and continuing for up to 5
 122 years immediately following such certification.

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

124 Section 4. Paragraph (g) of subsection (8) of section
 125 290.0056, Florida Statutes, is amended, paragraph (i) is added
 126 to that subsection, paragraph (f) of subsection (11) of that
 127 section is redesignated as paragraph (g), and a new paragraph
 128 (f) is added to subsection (11), to read:

129 290.0056 Enterprise zone development agency.--

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

132 (g) To work with organizations affiliated with Florida
 133 Agricultural and Mechanical University, the University of
 134 Florida, and the University of South Florida, a group of
 135 universities unofficially named the "University Partnership for
 136 Community Development," the Metro-Miami Action Plan, or similar
 137 organizations that have combined their resources to provide
 138 development consulting on a nonprofit basis.

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

141 2. To coordinate with the local governmental entity for
 142 the exemptions from the sales and use tax provided under s.
 143 212.08(19).

144

145 This paragraph is repealed June 30, 2020.

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

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

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

153 2. The number of jobs created.

154 3. The percentage of employees employed by certified
 155 businesses who reside in the super enterprise zone or in an
 156 enterprise zone within the same county.

157 4. The extent of capital investment by certified
 158 businesses within the zone.

159 5. The success of the super enterprise zone as measured by
 160 the strategic plan and methods identified in s. 290.0057(1)(i).

161

162 This paragraph is repealed June 30, 2020.

163 Section 5. Subsection (1) of section 290.0057, Florida
 164 Statutes, is amended to read:

165 290.0057 Enterprise zone development plan.--

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

171 (a) Briefly describe the community's goals for
172 revitalizing the area.

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

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

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

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

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

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

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

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

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

212 Section 6. Effective July 1, 2020, subsection (1) of
 213 section 290.0057, Florida Statutes, as amended by this act, is
 214 amended to read:

215 290.0057 Enterprise zone development plan.--

216 (1) Any application for designation as a new enterprise
 217 zone ~~or super enterprise zone~~ must be accompanied by a strategic
 218 plan adopted by the governing body of the municipality or
 219 county, or the governing bodies of the county and one or more
 220 municipalities together. At a minimum, the plan must:

221 (a) Briefly describe the community's goals for
 222 revitalizing the area.

223 (b) Describe the ways in which the community's approaches
 224 to economic development, social and human services,
 225 transportation, housing, community development, public safety,
 226 and educational and environmental concerns will be addressed in
 227 a coordinated fashion, and explain how these linkages support
 228 the community's goals.

229 (c) Identify and describe key community goals and the
 230 barriers that restrict the community from achieving these goals,
 231 including a description of poverty and general distress,
 232 barriers to economic opportunity and development, and barriers
 233 to human development.

234 (d) Describe the process by which the affected community
 235 is a full partner in the process of developing and implementing
 236 the plan and the extent to which local institutions and
 237 organizations have contributed to the planning process.

238 (e) Commit the governing body or bodies to enact and
 239 maintain local fiscal and regulatory incentives, if approval for
 240 the area is received under s. 290.0065. These incentives may
 241 include the municipal public service tax exemption provided by
 242 s. 166.231, the economic development ad valorem tax exemption
 243 provided by s. 196.1995, the occupational license tax exemption
 244 provided by s. 205.054, local impact fee abatement or reduction,
 245 or low-interest or interest-free loans or grants to businesses
 246 to encourage the revitalization of the nominated area.

247 (f) Identify the amount of local and private resources
 248 that will be available in the nominated area and the

249 private/public partnerships to be used, which may include
 250 participation by, and cooperation with, universities, community
 251 colleges, small business development centers, black business
 252 investment corporations, certified development corporations, and
 253 other private and public entities.

254 (g) Indicate how state enterprise zone tax incentives and
 255 state, local, and federal resources will be utilized within the
 256 nominated area.

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

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

262 Section 7. Sections 290.00681 and 290.00682, Florida
 263 Statutes, are created to read:

264 290.00681 Super enterprise zone pilot project;
 265 designation; future repeal and revocation.--

266 (1) The office shall designate the area in Miami-Dade
 267 County bordered by Northwest 23rd Street on the North, Northwest
 268 5th Street on the South, Northeast 1st Avenue on the East, and
 269 Northwest 8th Avenue on the West as a pilot project for a super
 270 enterprise zone for a 10-year period. To qualify as a super
 271 enterprise zone an area must:

272 (a) Be located in an enterprise zone and be no larger than
 273 3 contiguous square miles.

274 (b) Have an average unemployment rate four times greater
 275 than the state average.

276 (c) Have a minimum of 40 percent of residents living below
277 the federal poverty level.

278 (d) Have general distress of business and residential
279 property such that the local governing body by resolution has
280 determined that the buildings are substandard, unsafe,
281 unsanitary, dilapidated, or obsolete, or any combination of such
282 conditions, and are detrimental to the safety, health, and
283 welfare of the community.

284 (e) Demonstrate evidence of significant job loss or
285 dislocation in the area.

286

287 In determining whether an area meets the unemployment, poverty,
288 and general distress criteria of this subsection, the office
289 shall use data from the most current decennial census and from
290 information published by the Bureau of the Census and the Bureau
291 of Labor Statistics. The data shall be comparable in point or
292 period of time and methodology employed.

293 (2) Any application for designation as a super enterprise
294 zone must:

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

297 (b) Describe the ways in which the community's approach to
298 economic development, social and human services, transportation,
299 housing, community development, public safety, and educational
300 and environmental concerns will be addressed in a coordinated
301 fashion and explain how these linkages support the community's
302 goals.

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

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

307 (e) Identify baselines, methods, and benchmarks for
308 measuring success.

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

311 (3) This section is repealed June 30, 2020, and any
312 designation made pursuant to this section shall be revoked on
313 that date.

314 290.00682 Super enterprise zones; business
315 certification.--

316 (1) A certified business is eligible for the tax
317 exemptions provided in s. 212.08(19). To qualify as a certified
318 business, receive an exemption certificate, and continue to
319 receive the tax exemptions provided in s. 212.08(19), a business
320 must:

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

325 (b) Operate and be located within a designated super
326 enterprise zone.

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

329 (d) Certify to the best of the business' knowledge that
330 the business has no delinquent federal or state tax obligations.

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

336 (2) A local enterprise zone development agency may certify
337 a business as eligible for the exemptions under s. 212.08(19)
338 annually if the business meets the requirements in subsection
339 (1). Each local enterprise zone development agency shall
340 annually provide the local governmental entity, the office, and
341 the Department of Revenue with a list of new and existing
342 certified businesses. The Department of Revenue shall annually
343 issue a tax exemption certificate to each business holding an
344 exemption certificate issued by the local enterprise zone
345 development agency. The certificate shall be good for one
346 calendar year.

347 (3) A local enterprise zone development agency may
348 disqualify a certified business at any time if the business
349 fails to meet the requirements of subsection (1). A business
350 that makes a fraudulent claim under this section or for tax
351 exemptions provided in s. 212.08(19) shall be liable for the
352 payment of the tax due, together with the penalties set forth in
353 s. 212.085, and as otherwise provided by law.

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

357 Section 8. Section 290.007, Florida Statutes, is amended
358 to read:

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

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

363 (a)~~(1)~~ The enterprise zone jobs credit provided in s.
 364 220.181.

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

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

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

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

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

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

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

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

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

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

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

394 Section 9. Effective July 1, 2020, section 290.007,
 395 Florida Statutes, as amended by this act, is amended to read:

396 290.007 State incentives available in enterprise zones ~~and~~
 397 ~~super enterprise zones.~~--

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

400 (1)~~(a)~~ The enterprise zone jobs credit provided in s.
 401 220.181.

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

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

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

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

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

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

415 ~~(8)(h)~~ Notwithstanding any law to the contrary, the Public
 416 Service Commission may allow public utilities and
 417 telecommunications companies to grant discounts of up to 50
 418 percent on tariffed rates for services to small businesses
 419 located in an enterprise zone designated pursuant to s.
 420 290.0065. Such discounts may be granted for a period not to
 421 exceed 5 years. For purposes of this subsection ~~paragraph~~, the
 422 term "public utility" has the same meaning as in s. 366.02(1)
 423 and the term "telecommunications company" has the same meaning
 424 as in s. 364.02(14).

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

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

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

431 Section 10. Prior to the 2014 Regular Session of the
 432 Legislature, the Office of Program Policy Analysis and
 433 Government Accountability shall conduct an interim review and
 434 evaluation of the effectiveness and viability of the super
 435 enterprise zone designated under s. 290.00681, Florida Statutes.
 436 The office shall specifically evaluate whether relief from the
 437 specified taxes caused or induced new investment and development
 438 in the super enterprise zone; increased the number of jobs
 439 created or retained in the super enterprise zone; caused or
 440 induced the renovation, rehabilitation, restoration,

441 improvement, or new construction of businesses or housing within
442 the super enterprise zone; or contributed to the economic
443 viability and profitability of business and commerce located
444 within the super enterprise zone. The office shall submit a
445 report of its findings and recommendations to the Speaker of the
446 House of Representatives and the President of the Senate no
447 later than December 1, 2013. In 2019, the office shall conduct a
448 final review in accordance with this section and shall make a
449 final report to the President of the Senate and Speaker of the
450 House of Representatives no later than December 1, 2019.

451 Section 11. Except as otherwise expressly provided in this
452 act, this act shall take effect July 1, 2007.