

By Senator Haridopolos

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See HB

1 A bill to be entitled

2 An act relating to urban revitalization

3 tax-free zones pilot project; creating urban

4 revitalization tax-free zones; providing

5 eligibility criteria; providing for certain tax

6 exemptions for businesses in such zones under

7 certain circumstances; requiring businesses to

8 apply to a local government or local community

9 redevelopment organization for exemption

10 certification; providing requirements for

11 exemption; requiring the Department of Revenue

12 to issue tax exemption permits to businesses in

13 such zones under certain circumstances;

14 providing an expiration date; requiring interim

15 and final reviews of the Urban Revitalization

16 Tax-Free Zone Pilot Project by the Office of

17 Program Policy Analysis and Government

18 Accountability; providing review of criteria;

19 requiring reports to the Legislature; providing

20 for future repeal of the act; providing an

21 effective date.

22

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

24

25 Section 1. ~~(1) URBAN REVITALIZATION TAX-FREE ZONE~~

26 PILOT PROJECT ACT.--The Urban Revitalization Tax-Free Zone

27 Pilot Project is created to provide tax exemptions to

28 businesses located in severely blighted areas in order to

29 foster economic development and job growth in these areas.

30 ~~(2) URBAN REVITALIZATION TAX-FREE ZONES; CREATION;~~

31 ELIGIBILITY CRITERIA.--

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

1 (a) The Office of Tourism, Trade, and Economic
2 Development may designate up to five areas in the state as
3 tax-free zones. Each tax-free zone may be no larger than 3
4 contiguous square miles. To qualify as a tax-free zone an area
5 shall:
6 1. Have an average unemployment rate 1.25 times
7 greater than the state average.
8 2. Have a minimum of 40 percent of residents living
9 below poverty level.
10 3. Have general distress of business and residential
11 property totaling at least 20 percent of property in the area.
12 4. Evidence of significant job loss or dislocation in
13 the area.
14 (b) When determining eligibility for a tax-free zone,
15 the office shall consider the following criteria:
16 1. Priority to applications that include new business
17 activity.
18 2. Evidence of adverse economic and socioeconomic
19 conditions in that area.
20 3. The viability of the development plan.
21 4. Whether the development plan is creative and
22 innovative.
23 5. Public and private commitment to and other
24 resources available for the proposed tax-free zone.
25 6. How a tax-free zone would relate to a broader plan
26 for the community as a whole.
27 7. The level of demonstrated cooperation from
28 surrounding communities.
29 8. How the local regulatory burden will be eased for
30 businesses operating in the proposed tax-free zone.
31

1 9. Public and private commitment to improving
2 abandoned real property.

3 10. Whether sufficient infrastructure is available to
4 support development.

5 (c) Any application for designation as a tax-free zone
6 must:

7 1. Briefly describe the community's goals for
8 revitalizing the area and include a development plan.

9 2. Describe the ways in which the community's approach
10 to economic development, social and human services,
11 transportation, housing, community development, public safety,
12 and educational and environmental concerns will be addressed
13 in a coordinated fashion and explain how these linkages
14 support the community's goals.

15 3. Identify and describe key community goals and the
16 barriers that restrict the community from achieving these
17 goals.

18 4. Identify the amount of local and private support
19 and resources that will be available.

20 5. Identify baselines, methods, and benchmarks for
21 measuring success.

22 6. Include written approval from any associated county
23 office and mayor's office.

24 (3) URBAN REVITALIZATION; BUSINESS ELIGIBILITY
25 CRITERIA.--

26 (a)1. A business, as defined in s. 212.02(2), Florida
27 Statutes, located within a tax-free zone is exempt from the
28 sales and use tax imposed pursuant to chapter 212, Florida
29 Statutes, and the excise tax on documents imposed pursuant to
30 chapter 201, Florida Statutes, if the business meets the
31 eligibility criteria of this paragraph.

1 2. For a new business established in a tax-free zone
2 on or after July 1, 2007, the exemption shall be available for
3 a period not to exceed 10 years, beginning in the year in
4 which the business receives its initial certification and
5 continuing for up to 10 years immediately following such
6 certification. For an existing business located within a
7 tax-free zone, the exemption shall be available for a period
8 not to exceed 5 years, beginning in the year in which the
9 business receives its initial certification and continuing for
10 up to 5 years immediately following such certification.

11 3. To qualify for a tax exemption under this act, a
12 business must demonstrate that it is located in a tax-free
13 zone and that no less than 20 percent of its employees are
14 residents of the tax-free zone or an enterprise zone located
15 within the county in which the tax-free zone is located. The
16 employment requirement may be waived if the business is able
17 to demonstrate good cause. It is a condition precedent to
18 maintaining tax-exempt status that such employment
19 requirements be fulfilled through each year during the
20 respective 5-year or 10-year exemption period.

21 4. To receive an exemption certificate, a business
22 must file an application for certification with the local
23 government or local community redevelopment organization. The
24 application shall be filed no later than September 1 of the
25 preceding tax year in which the business is seeking an
26 exemption. A local government or local community redevelopment
27 organization may certify a business if the business meets the
28 requirements of this subsection.

29 5. Each local government or local community
30 redevelopment organization shall annually provide the
31 Department of Revenue a list of certified businesses, and the

1 department shall issue a tax exemption permit to each business
2 holding an exemption certificate issued by the local
3 government or local community redevelopment organization.

4 (b) The exemptions provided under this section shall
5 expire on June 30, 2018, and no business shall be allowed to
6 claim the exemptions provided under this section after that
7 date.

8 (4) REVIEW OF PILOT PROJECT.--Prior to the 2012
9 Regular Session of the Legislature, the Office of Program
10 Policy Analysis and Government Accountability shall conduct an
11 interim review and evaluation of the effectiveness and
12 viability of the urban revitalization tax-free zones created
13 under this section. The office shall specifically evaluate
14 whether relief from the specified taxes caused or induced new
15 investment and development in the area; increased the number
16 of jobs created or retained in the area; caused or induced the
17 renovation, rehabilitation, restoration, improvement, or new
18 construction of businesses or housing within the area; or
19 contributed to the economic viability and profitability of
20 business and commerce located within the area. The office
21 shall submit a report of its findings and recommendations to
22 the Speaker of the House of Representatives and the President
23 of the Senate no later than December 1, 2011. In 2017, the
24 office shall conduct a final review in accordance with this
25 subsection and shall make a final report to the President of
26 the Senate and Speaker of the House of Representatives no
27 later than December 1, 2017.

28 (5) REPEAL.--This section is repealed June 30, 2018,
29 and any designation made pursuant to this act shall be revoked
30 on that date.

31 Section 2. This act shall take effect July 1, 2007.