

1 development agency to certify businesses;
2 requiring the agency to provide lists of
3 certified businesses; providing for
4 disqualifying certified businesses under
5 certain circumstances; providing for future
6 repeal and revocation of certifications;
7 amending s. 290.007, F.S.; specifying
8 incentives for revitalization of super
9 enterprise zones; providing for future deletion
10 of such incentives; requiring interim and final
11 reviews of super enterprise zones by the Office
12 of Program Policy Analysis and Government
13 Accountability; providing review of criteria;
14 requiring reports to the Legislature; providing
15 effective dates.

16

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

18

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

21

22 212.02 Definitions.--The following terms and phrases
23 when used in this chapter have the meanings ascribed to them
24 in this section, except where the context clearly indicates a
25 different meaning:

26

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29 This subsection is repealed June 30, 2020.

30

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

33

34 212.08 Sales, rental, use, consumption, distribution,
35 and storage tax; specified exemptions.--The sale at retail,

1 the rental, the use, the consumption, the distribution, and
2 the storage to be used or consumed in this state of the
3 following are hereby specifically exempt from the tax imposed
4 by this chapter.

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

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

7 1. Tangible personal property purchased by certified
8 businesses for the exclusive use or consumption of such
9 businesses within a super enterprise zone; or

10 2. Retail sales of tangible personal property made by
11 a certified business from a place of business owned or leased
12 and operated by the business for the purpose of making retail
13 sales and located in a designated super enterprise zone. The
14 exemption provided by this subparagraph does not apply to the
15 retail sale of any item with a price greater than \$1,000. To
16 qualify for the exemption under this subparagraph, the
17 purchaser must take possession of the qualified items within
18 the super enterprise zone or the qualified items must be
19 shipped from inside the super enterprise zone; however, the
20 items may be shipped to any location. For the purposes of this
21 section, all qualified sales made by a certified business
22 located in a super enterprise zone shall be considered to have
23 occurred within the super enterprise zone, regardless of where
24 the transfer of title or possession takes place.

25 (b) Notwithstanding paragraph (a), a new business
26 established in a super enterprise zone and certified on or
27 after July 1, 2008, pursuant to s. 290.00682 is eligible for
28 the exemptions provided under this subsection for a period not
29 to exceed 10 years immediately following such certification.
30 For an existing business located in a super enterprise zone
31 and certified on or after July 1, 2008, the exemptions

1 provided under this subsection shall be available for a period
2 not to exceed 5 years, beginning in the year in which the
3 business receives its initial certification and continuing for
4 up to 5 years immediately following such certification.

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

6 Section 3. Paragraph (i) is added to subsection (8) of
7 section 290.0056, Florida Statutes, paragraph (f) of
8 subsection (11) of that section is redesignated as paragraph
9 (g), and a new paragraph (f) is added to that subsection, to
10 read:

11 290.0056 Enterprise zone development agency.--

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

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

16 2. To coordinate with the local governmental entity
17 for the exemptions from the sales and use tax provided under
18 s. 212.08(19).

19
20 This paragraph is repealed June 30, 2020.

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

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

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

29 2. The number of jobs created.
30
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1 3. The percentage of employees employed by certified
2 businesses who reside in the super enterprise zone or in an
3 enterprise zone within the same county.

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

6 5. The success of the super enterprise zone as
7 measured by the strategic plan and methods identified in s.
8 290.0057(1)(i).

9
10 This paragraph is repealed June 30, 2020.

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

13 290.0057 Enterprise zone development plan.--

14 (1) Any application for designation as a new
15 enterprise zone or super enterprise zone must be accompanied
16 by a strategic plan adopted by the governing body of the
17 municipality or county, or the governing bodies of the county
18 and one or more municipalities together. At a minimum, the
19 plan must:

20 (a) Briefly describe the community's goals for
21 revitalizing the area.

22 (b) Describe the ways in which the community's
23 approaches to economic development, social and human services,
24 transportation, housing, community development, public safety,
25 and educational and environmental concerns will be addressed
26 in a coordinated fashion, and explain how these linkages
27 support the community's goals.

28 (c) Identify and describe key community goals and the
29 barriers that restrict the community from achieving these
30 goals, including a description of poverty and general
31

1 | distress, barriers to economic opportunity and development,
2 | and barriers to human development.

3 | (d) Describe the process by which the affected
4 | community is a full partner in the process of developing and
5 | implementing the plan and the extent to which local
6 | institutions and organizations have contributed to the
7 | planning process.

8 | (e) Commit the governing body or bodies to enact and
9 | maintain local fiscal and regulatory incentives, if approval
10 | for the area is received under s. 290.0065. These incentives
11 | may include the municipal public service tax exemption
12 | provided by s. 166.231, the economic development ad valorem
13 | tax exemption provided by s. 196.1995, the occupational
14 | license tax exemption provided by s. 205.054, local impact fee
15 | abatement or reduction, or low-interest or interest-free loans
16 | or grants to businesses to encourage the revitalization of the
17 | nominated area.

18 | (f) Identify the amount of local and private resources
19 | that will be available in the nominated area and the
20 | private/public partnerships to be used, which may include
21 | participation by, and cooperation with, universities,
22 | community colleges, small business development centers, black
23 | business investment corporations, certified development
24 | corporations, and other private and public entities.

25 | (g) Indicate how state enterprise zone tax incentives
26 | and state, local, and federal resources will be utilized
27 | within the nominated area.

28 | (h) Identify the funding requested under any state or
29 | federal program in support of the proposed economic, human,
30 | community, and physical development and related activities.

31 |

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

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

6 290.0057 Enterprise zone development plan.--

7 (1) Any application for designation as a new
8 enterprise zone ~~or super enterprise zone~~ must be accompanied
9 by a strategic plan adopted by the governing body of the
10 municipality or county, or the governing bodies of the county
11 and one or more municipalities together. At a minimum, the
12 plan must:

13 (a) Briefly describe the community's goals for
14 revitalizing the area.

15 (b) Describe the ways in which the community's
16 approaches to economic development, social and human services,
17 transportation, housing, community development, public safety,
18 and educational and environmental concerns will be addressed
19 in a coordinated fashion, and explain how these linkages
20 support the community's goals.

21 (c) Identify and describe key community goals and the
22 barriers that restrict the community from achieving these
23 goals, including a description of poverty and general
24 distress, barriers to economic opportunity and development,
25 and barriers to human development.

26 (d) Describe the process by which the affected
27 community is a full partner in the process of developing and
28 implementing the plan and the extent to which local
29 institutions and organizations have contributed to the
30 planning process.

31

1 (e) Commit the governing body or bodies to enact and
2 maintain local fiscal and regulatory incentives, if approval
3 for the area is received under s. 290.0065. These incentives
4 may include the municipal public service tax exemption
5 provided by s. 166.231, the economic development ad valorem
6 tax exemption provided by s. 196.1995, the occupational
7 license tax exemption provided by s. 205.054, local impact fee
8 abatement or reduction, or low-interest or interest-free loans
9 or grants to businesses to encourage the revitalization of the
10 nominated area.

11 (f) Identify the amount of local and private resources
12 that will be available in the nominated area and the
13 private/public partnerships to be used, which may include
14 participation by, and cooperation with, universities,
15 community colleges, small business development centers, black
16 business investment corporations, certified development
17 corporations, and other private and public entities.

18 (g) Indicate how state enterprise zone tax incentives
19 and state, local, and federal resources will be utilized
20 within the nominated area.

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

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

26 Section 6. Sections 290.00681 and 290.00682, Florida
27 Statutes, are created to read:

28 290.00681 Super enterprise zone pilot project;
29 designation; future repeal and revocation.--

30 (1) The Office of Tourism, Trade, and Economic
31 Development shall designate one area in the state as a super

1 enterprise zone for a 10-year period. This area shall serve as
2 a pilot project for this program. Specifically, the area in
3 Miami-Dade County bordered by Northwest 23rd Street to the
4 north, Northwest 5th Street to the south, Northeast 1st Avenue
5 to the east, and Northwest 8th Avenue to the west shall be
6 designated as a super enterprise zone. To qualify as a super
7 enterprise zone an area shall:

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

10 (b) Have an average unemployment rate four times
11 greater than the state average.

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

14 (d) Have general distress of business and residential
15 property such that the local governing body by resolution has
16 determined that the buildings are substandard, unsafe,
17 unsanitary, dilapidated, or obsolete, or any combination of
18 such conditions, and are detrimental to the safety, health,
19 and welfare of the community.

20 (e) Demonstrate evidence of significant job loss or
21 dislocation in the area.

22
23 In determining whether an area meets the unemployment,
24 poverty, and general distress criteria of this subsection, the
25 office shall use data from the most current decennial census
26 and from information published by the Bureau of the Census and
27 the Bureau of Labor Statistics. The data shall be comparable
28 in point or period of time and methodology employed.

29 (2) Any application for designation as a super
30 enterprise zone must:

31

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

3 (b) Describe the ways in which the community's
4 approach to economic development, social and human services,
5 transportation, housing, community development, public safety,
6 and educational and environmental concerns will be addressed
7 in a coordinated fashion and explain how these linkages
8 support the community's goals.

9 (c) Identify and describe key community goals and the
10 barriers that restrict the community from achieving these
11 goals.

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

14 (e) Identify baselines, methods, and benchmarks for
15 measuring success.

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

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

21 290.00682 Super enterprise zones; business
22 certification.--

23 (1) A certified business is eligible for the tax
24 exemptions provided in s. 212.08(19). To qualify as a
25 certified business, receive an exemption certificate, and
26 continue to receive the tax exemptions provided in s.
27 212.08(19), a business must:

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

1 (b) Operate and be located within a designated super
2 enterprise zone.

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

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

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

13 (2) A local enterprise zone development agency may
14 certify a business as eligible for the exemptions under s.
15 212.08(19) annually if the business meets the requirements in
16 subsection (1). Each local enterprise zone development agency
17 shall annually provide the local governmental entity, the
18 office, and the Department of Revenue with a list of new and
19 existing certified businesses. The Department of Revenue shall
20 annually issue a tax exemption certificate to each business
21 holding an exemption certificate issued by the local
22 enterprise zone development agency. The certificate shall be
23 good for one calendar year.

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

31

1 ~~(4) This section is repealed June 30, 2020, and any~~
2 ~~certification made pursuant to this section shall be revoked~~
3 ~~on that date.~~

4 Section 7. Section 290.007, Florida Statutes, is
5 amended to read:

6 290.007 State incentives available in enterprise zones
7 ~~and super enterprise zones.--~~

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

10 ~~(a)(1)~~ The enterprise zone jobs credit provided in s.
11 220.181.

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

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

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

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

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

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

25 ~~(h)(8)~~ Notwithstanding any law to the contrary, the
26 Public Service Commission may allow public utilities and
27 telecommunications companies to grant discounts of up to 50
28 percent on tariffed rates for services to small businesses
29 located in an enterprise zone designated pursuant to s.
30 290.0065. Such discounts may be granted for a period not to
31 exceed 5 years. For purposes of this ~~paragraph subsection~~, the

1 term "public utility" has the same meaning as in s. 366.02(1)
2 and the term "telecommunications company" has the same meaning
3 as in s. 364.02(14).

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

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

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

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

12 290.007 State incentives available in enterprise zones
13 ~~and super enterprise zones.--~~

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

16 ~~(1)(a)~~ The enterprise zone jobs credit provided in s.
17 220.181.

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

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

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

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

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

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

31

1 ~~(8)(h)~~ Notwithstanding any law to the contrary, the
2 Public Service Commission may allow public utilities and
3 telecommunications companies to grant discounts of up to 50
4 percent on tariffed rates for services to small businesses
5 located in an enterprise zone designated pursuant to s.
6 290.0065. Such discounts may be granted for a period not to
7 exceed 5 years. For purposes of this subsection ~~paragraph~~, the
8 term "public utility" has the same meaning as in s. 366.02(1)
9 and the term "telecommunications company" has the same meaning
10 as in s. 364.02(14).

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

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

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

17 Section 9. Prior to the 2014 Regular Session of the
18 Legislature, the Office of Program Policy Analysis and
19 Government Accountability shall conduct an interim review and
20 evaluation of the effectiveness and viability of the super
21 enterprise zone designated under s. 290.00681, Florida
22 Statutes. The office shall specifically evaluate whether
23 relief from the specified taxes caused or induced new
24 investment and development in the super enterprise zone;
25 increased the number of jobs created or retained in the super
26 enterprise zone; caused or induced the renovation,
27 rehabilitation, restoration, improvement, or new construction
28 of businesses or housing within the super enterprise zone; or
29 contributed to the economic viability and profitability of
30 business and commerce located within the super enterprise
31 zone. The office shall submit a report of its findings and

1 recommendations to the Speaker of the House of Representatives
2 and the President of the Senate no later than December 1,
3 2013. In 2019, the office shall conduct a final review in
4 accordance with this section and shall make a final report to
5 the President of the Senate and Speaker of the House of
6 Representatives no later than December 1, 2019.

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

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10 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
11 COMMITTEE SUBSTITUTE FOR
12 Senate Bill 856

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14 This CS replaces the "shell bill" with provisions that create
15 a pilot "super enterprise zone" in Miami-Dade County. This
16 zone will be a tax-free zone in which certified businesses
17 will be eligible for a 100-percent exemption from sales and
18 discretionary tax on purchases of tangible personal property,
19 and retail sales made from certified businesses in a super
20 enterprise zone will have a 100-percent exemption on sales and
21 discretionary tax for any tangible personal property item
22 priced up to \$1,000.

23 To be eligible for designation as a super enterprise zone, the
24 area must be recommended by the local enterprise zone
25 development agency and meet certain criteria. The zone must be
26 designated by the Office of Tourism, Trade, and Economic
27 Development. After the area is designated, the local
28 enterprise zone development agency must certify businesses
29 within the super enterprise zone, based on specified criteria.
30 The Office of Program Policy and Government Accountability is
31 directed to submit an interim and final review of the program.
The super enterprise zone program is repealed on June 30,
2020.

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