

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Environmental Preservation and Conservation Committee

BILL: SB 2826

INTRODUCER: Senator Posey

SUBJECT: Florida Clean Energy Center, Inc.

DATE: April 7, 2008

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Branning	Kiger	EP	<b>Pre-meeting</b>
2.			CM	
3.			GO	
4.			TA	
5.				
6.				

**I. Summary:**

This bill creates the Florida Clean Energy Center, Inc., (center) at the Kennedy Space Center. Provides for incorporation as a not-for-profit. Provides that the members of the Brevard County Commission will be the board of directors. Provides the center's powers and duties. Among the specified powers and duties, the center may issue revenue bonds, bond anticipation notes, and refunding bonds; mortgage real property, establish and fund a guaranty fund; and borrow money. Provides an appropriation.

This bill creates an unnumbered section of the Florida Statutes.

**II. Present Situation:**

**Florida Energy Office**

The Florida Energy Office in the Department of Environmental Protection (DEP) is the state's primary center for energy<sup>1</sup> and siting coordination for electrical power plants, electrical transmission lines, natural gas pipelines, and hazardous waste facilities. In addition to developing and implementing Florida's energy policy, the energy office currently coordinates all federal energy programs delegated to the state, including energy supply, demand, conservation and allocation. The office also promotes advanced clean energy sources, such as hydrogen power, solar energy, bio-based fuels, and clean vehicles, as well as conservation and efficiency measures, and coordinates fuel supplies and electricity recovery during emergencies.

<sup>1</sup> s. 20.255(8), F.S.

**Florida Energy Commission**

Pursuant to s. 377.901, F.S., the Florida Energy Commission is required to develop recommendations for legislation to establish a state energy policy. The recommendations of the commission are to be based on the guiding principles of reliability, efficiency, affordability, and diversity. Each year by December 31 the commission must report to the President of the Senate and the Speaker of the House of Representatives on its progress and recommendations, including draft legislation. The initial report of the commission was submitted in December 2007. The commission formed four advisory groups to facilitate its hearings and develop its recommendations. In its 2007 report, the commission grouped its many recommendations into the following categories:

- State governance
- Climate change
- Energy efficiency and conservation
- Renewable energy resources
- Energy supply and delivery
- Education, research and development

**Florida Solar Energy Center**

The Florida Solar Energy Center (FSEC) was created by the Florida Legislature in 1975 to serve as the state's energy research institute. The main responsibilities of the center are to conduct research, test and certify solar systems and develop education programs.<sup>2</sup>

**III. Effect of Proposed Changes:**

**Section 1** provides that there is a critical need to promote and accelerate the development of clean energy sources. To stimulate necessary research and development, it is essential to provide financial and other incentives to qualified private and public entities. The bill states that this may be best accomplished by creating a state-of-the-art international research center to be located at the Kennedy Space Center. The center shall be constructed under the supervision of Brevard County.

The bill creates the Florida Clean Energy Center, Inc., (center) a not-for-profit corporation which shall be registered, incorporated, organized, and operated in compliance with ch. 617, F.S., and which is not a unit or entity of state government. The bill provides, however, that public policy requires that the Florida Clean Energy Center, Inc., operate in the most open and accessible manner consistent with its public purpose. Therefore, the center and its boards and advisory committees or similar groups are subject to ch. 119, and 286, F.S., (relating to public records and public business miscellaneous provisions), except as specifically exempted.

The center shall be governed by a board of directors whose members are the individual County Commissioners of Brevard County, or their designees. The center shall establish one or more corporate offices, one of which shall be located in Brevard County at the Kennedy Space Center.

The center shall provide leadership in the development of clean energy by aggressively establishing a unified approach to the state's efforts to meet the current crises concerning clean

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<sup>2</sup> <http://www.fsec.ucf.edu/en/about/index.htm>

energy and by aggressively marketing this state as a pro-business location for potential new investment in clean energy. The center may develop and implement specific programs or strategies that address the creation, expansion, and retention of businesses involved in clean energy and the recruitment of worldwide businesses that promote clean alternative energy solutions.

Public funds appropriated for the operation of the center may be invested in public-private partnerships to enhance clean energy research, to encourage investments in clean energy which create jobs, and to create new employment opportunities for residents.

The bill's stated legislative intent is to maximize private-sector support in operating the center as an endorsement of the center's value and as an enhancement of the center's efforts.

The center's board of directors shall adopt for each fiscal year a plan for securing private-sector support and an operating budget for the center which specifies the intended uses of the state and local funds invested in its operation.

The center's board of directors powers and duties include:

- Constructing a state-of-the-art facility for clean energy research at the Kennedy Space Center. The center shall be constructed under the supervision of Brevard County and managed and operated by the center in coordination with the Florida Institute of Technology and other public and private universities.
- Securing funding for the center's programs, activities, and boards from federal, state, local, and private sources and from fees charged for services.
- Soliciting, receiving, holding, investing, and administering any grant, payment, or gift of funds or property. This includes, but is not limited to, the receipt of tax increment financing from ad valorem taxes imposed upon leaseholds of tenants at the center.
- Making expenditures consistent with the powers granted to it.
- Making and entering into contracts and other instruments necessary or convenient for the exercise of its powers and functions. This includes, but is not limited to, entering into a contract with the Florida Institute of Technology to plan, operate, and manage the center in cooperation with the University of Central Florida, Embry Riddle, and Florida Atlantic University.
- Suing and being sued, and appearing and defending the corporation.
- Electing or appointing such officers and agents as its affairs require and allowing them reasonable compensation.
- Adopting, amending, and repealing bylaws for the administration of the center's affairs and the exercise of the center's corporate powers.
- Acquiring, enjoying, using, and disposing of patents, copyrights, and trademarks and any licenses, royalties, and other rights or interests therein.
- Doing all acts and things necessary or convenient to carry out the powers granted to it.
- Carrying forward any unexpended appropriations from the state into succeeding fiscal years.
- Procuring insurance or requiring bond against any loss in connection with the property of the center or its boards.

- Creating and dissolving advisory committees, working groups, task forces, or similar organizations as necessary to carry out the center's mission. Members of such groups are entitled to reimbursement for actual expenses.

In addition to the powers and duties as indicated above, the center may:

- Enter into interlocal agreements with public agencies.
- Issue revenue bonds.
- Issue bond anticipation notes in connection with the authorization, issuance, and sale of any revenue bonds.
- Disseminate information about itself and its activities.
- Acquire, by purchase, lease, option, gift, grant, bequest, devise, or otherwise, real property or personal property for its administrative purposes.
- Hold, improve, clear, or prepare for development any such property.
- Mortgage, pledge, hypothecate, or otherwise encumber or dispose of any real or personal property.
- Insure or provide for insurance of any real or personal property or operations of the center of any private enterprise against any risks or hazards, including the power to pay premiums on any such insurance.
- Establish and fund a guaranty fund.
- Borrow money.
- Make or have all survey and plans necessary to carry out the purposes of this bill.
- Develop, test, and report methods and techniques and carry out demonstrations and other activities to promote any purpose of this bill.
- Make expenditures necessary to carry out the purposes of the bill.

The center may issue revenue bonds or other evidence of indebtedness and may issue refunding bonds for the payment or retirement of bonds previously issued. Bonds issued under this provision do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The interest on such bonds is exempt from income taxes of the United States and all taxes.

**Section 2** appropriates \$50 million from the General Revenue Fund to the Clean Energy Center, Inc., for the purpose of paying for the plans, design, and construction of the center. This sum is inclusive of any other grant or award of a contract by a state agency under an existing program to the center for this purpose.

**Section 3** provides that this bill would take effect upon becoming a law.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

None.

##### **B. Public Records/Open Meetings Issues:**

None.

C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

The center is authorized to issue revenue bonds, bond anticipation notes, and refunding bonds.

The center may also receive tax increment financing from ad valorem taxes imposed upon leaseholds of tenants at the center.

The bill also authorizes the center to charge fees for its services.

B. Private Sector Impact:

Indeterminate. The intent of the center is to attract research and other businesses to Florida.

C. Government Sector Impact:

Indeterminate. Brevard County Commissioners will be members of the board of directors for the center.

The center would contract with other institutions, such as the University of Central Florida and Florida Atlantic University for services and research.

The bill appropriates \$50 million from the General Revenue Fund to the center.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:**

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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