

By the Committee on Commerce; and Senator Altman

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1 A bill to be entitled
2 An act relating to space and aerospace infrastructure;
3 providing a short title; creating s. 212.0502, F.S.;
4 requiring that certain sales tax collections be
5 deposited into the Space Business Investment and
6 Financial Services Trust Fund and used for specified
7 purposes; exempting certain taxes; requiring returns
8 to be filed with the Department of Revenue; providing
9 for future expiration; amending s. 288.1088, F.S.;
10 providing legislative findings; authorizing the use of
11 a specified amount of resources for projects to retain
12 or create high-technology jobs directly associated
13 with developing a more diverse aerospace economy in
14 the state; authorizing Enterprise Florida, Inc., to
15 waive eligibility criteria for projects receiving
16 funds from the Quick Action Closing Fund which would
17 mitigate the impact of the conclusion of the space
18 shuttle program; creating s. 331.370, F.S.; providing
19 legislative findings; specifying use of funds in the
20 Space Business Investment and Financial Services Trust
21 Fund; requiring the president of Space Florida to
22 develop a strategy and plan for the management and
23 goals for the Space Business Investment and Financial
24 Services Trust Fund; providing requirements for the
25 strategy and plan; requiring Space Florida's board of
26 directors to adopt procedures for the approval of all
27 proposed expenditures and investments from the fund;
28 requiring the president of Space Florida to submit a
29 quarterly financial report on the use and status of

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30 the fund to the Office of Tourism, Trade, and Economic
31 Development within the Executive Office of the
32 Governor; requiring Space Florida to submit an annual
33 report to the Governor and the Legislature; revising
34 authorized uses of specified Space Florida
35 appropriations; providing appropriations; providing a
36 contingent effective date.

37
38 WHEREAS, Florida has been the nation's leading space launch
39 site for human exploration, national defense, and commercial
40 missions, and

41 WHEREAS, space exploration and enterprises are a critical
42 component of Florida's economy and have provided high-value
43 employment opportunities for 50 years, and

44 WHEREAS, the facilities at the John F. Kennedy Space Center
45 and the Cape Canaveral Air Force Station in Florida provide
46 significant recurring state revenue, and

47 WHEREAS, the nation's program for space exploration and the
48 new exploration initiative of the National Aeronautics and Space
49 Administration (NASA) will result in the end of the space
50 shuttle program and the development of new vehicles and
51 missions, and will also create a gap in NASA's ability to send
52 humans to space, and

53 WHEREAS, this gap will have a major impact on jobs, the
54 economy, and critical skill retention, and there is not any
55 single program, company, or initiative that can offset the
56 shuttle program's termination, and

57 WHEREAS, the structure and timing of the new human space
58 flight program will be decided by the President and Congress,

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59 and

60 WHEREAS, Florida's space workforce and facilities are
61 unique national assets that should be preserved and
62 strengthened, and

63 WHEREAS, new opportunities are emerging for this workforce
64 and industry which include commercial launch systems, heavy-lift
65 vehicles, microgravity research, and space-enabled commercial
66 applications, and

67 WHEREAS, during this generational transition, the state
68 must aggressively pursue new programs, diversify its space
69 industry by recruiting and growing new enterprises, renew its
70 facility and technology base, strengthen and focus research and
71 technology development, and re-deploy the space shuttle
72 workforce in new 21st Century endeavors, and

73 WHEREAS, the state has a significant interest in
74 establishing new and strengthened space enterprises to mitigate
75 the impact of the conclusion of the space shuttle program and to
76 serve as a foundation for new, broad, statewide opportunities
77 for commerce and discovery in this century, and

78 WHEREAS, sustained and dedicated resources are needed to
79 accomplish this transition, and

80 WHEREAS, in order to attract and influence aerospace
81 programs and companies in their earliest stages of development,
82 the Legislature must ensure the availability of facilities,
83 investment capital, business services, and a trained workforce,
84 and

85 WHEREAS, to ensure the existence of this capability during
86 this transition and to promote a longer-term strategic approach,
87 the Legislature deems it is in the state's interest to establish

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88 dedicated revenue and investment streams for a 5-year period to
89 accomplish a successful transition and revitalization of the
90 aerospace industry, NOW, THEREFORE,

91

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

93

94 Section 1. This act may be cited as the "Space Transition
95 and Revitalization Act."

96 Section 2. Section 212.0502, Florida Statutes, is created
97 to read:

98 212.0502 Space Business Investment and Financial Services
99 Trust Fund; deposit of tax revenues.-

100 (1) Taxes authorized under this chapter which are paid by
101 any business that is contracted or subcontracted by the National
102 Aeronautics and Space Administration to sell admissions to
103 attractions or tours at the Kennedy Space Center and the Cape
104 Canaveral Air Force Station and that conducts business at such
105 facilities shall be deposited into the Space Business Investment
106 and Financial Services Trust Fund and used for the purposes
107 specified in s. 331.370. Excluded from the provisions of this
108 section are discretionary sales surtaxes authorized under s.
109 212.055.

110 (2) Each business entity remitting taxes under subsection
111 (1) shall file a return each month with the department, along
112 with segregated tax information regarding taxes collected on
113 sales, admissions, tours, leases, and licenses. The department
114 is subject to the same confidentiality provisions as are
115 applicable to returns and information filed with it pursuant to
116 s. 213.053.

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117 (3) This section expires June 30, 2014.

118 Section 3. Section 288.1088, Florida Statutes, is amended
119 to read:

120 288.1088 Quick Action Closing Fund.—

121 (1) (a) The Legislature finds that attracting, retaining,
122 and providing favorable conditions for the growth of certain
123 high-impact business facilities, privately developed critical
124 rural infrastructure, or key facilities in economically
125 distressed urban or rural communities which provide widespread
126 economic benefits to the public through high-quality employment
127 opportunities in such facilities or in related facilities
128 attracted to the state, through the increased tax base provided
129 by the high-impact facility and related businesses, through an
130 enhanced entrepreneurial climate in the state and the resulting
131 business and employment opportunities, and through the
132 stimulation and enhancement of the state's universities and
133 community colleges. In the global economy, there exists serious
134 and fierce international competition for these facilities, and
135 in most instances, when all available resources for economic
136 development have been used, the state continues to encounter
137 severe competitive disadvantages in vying for these business
138 facilities. Florida's rural areas must provide a competitive
139 environment for business in the information age. This often
140 requires an incentive to make it feasible for private investors
141 to provide infrastructure in those areas.

142 (b) The Legislature finds that the conclusion of the space
143 shuttle program and the gap in civil human space flight will
144 result in significant job losses that will negatively impact
145 families, companies, the state and regional economies, and the

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146 capability level of this state's aerospace workforce. Thus, the
147 Legislature also finds that this loss of jobs is a matter of
148 state interest and great public importance. The Legislature
149 further finds that it is in the state's interest for provisions
150 to be made in incentive programs for economic development to
151 maximize the state's ability to mitigate these impacts and to
152 develop a more diverse aerospace economy.

153 ~~(c)-(b)~~ The Legislature therefore declares that sufficient
154 resources shall be available to respond to extraordinary
155 economic opportunities and to compete effectively for these
156 high-impact business facilities, critical private infrastructure
157 in rural areas, and key businesses in economically distressed
158 urban or rural communities, and that up to 20 percent of these
159 resources may be used for projects to retain or create high-
160 technology jobs that are directly associated with developing a
161 more diverse aerospace economy in this state.

162 (2) There is created within the Office of Tourism, Trade,
163 and Economic Development the Quick Action Closing Fund. Projects
164 eligible for receipt of funds from the Quick Action Closing Fund
165 shall:

166 (a) Be in an industry as referenced in s. 288.106.

167 (b) Have a positive payback ratio of at least 5 to 1.

168 (c) Be an inducement to the project's location or expansion
169 in the state.

170 (d) Pay an average annual wage of at least 125 percent of
171 the areawide or statewide private sector average wage.

172 (e) Be supported by the local community in which the
173 project is to be located.

174 (3) (a) Enterprise Florida, Inc., shall review applications

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175 pursuant to s. 288.061 and determine the eligibility of each
176 project consistent with the criteria in subsection (2).
177 Enterprise Florida, Inc., in consultation with the Office of
178 Tourism, Trade, and Economic Development, may waive these
179 criteria:

180 1. Based on extraordinary circumstances;

181 2. In order to mitigate the impact of the conclusion of the
182 space shuttle program; or

183 3. In rural areas of critical economic concern if the
184 project would significantly benefit the local or regional
185 economy.

186 (b) Enterprise Florida, Inc., shall evaluate individual
187 proposals for high-impact business facilities and forward
188 recommendations regarding the use of moneys in the fund for such
189 facilities to the director of the Office of Tourism, Trade, and
190 Economic Development. Such evaluation and recommendation must
191 include, but need not be limited to:

192 1. A description of the type of facility or infrastructure,
193 its operations, and the associated product or service associated
194 with the facility.

195 2. The number of full-time-equivalent jobs that will be
196 created by the facility and the total estimated average annual
197 wages of those jobs or, in the case of privately developed rural
198 infrastructure, the types of business activities and jobs
199 stimulated by the investment.

200 3. The cumulative amount of investment to be dedicated to
201 the facility within a specified period.

202 4. A statement of any special impacts the facility is
203 expected to stimulate in a particular business sector in the

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204 state or regional economy or in the state's universities and
205 community colleges.

206 5. A statement of the role the incentive is expected to
207 play in the decision of the applicant business to locate or
208 expand in this state or for the private investor to provide
209 critical rural infrastructure.

210 6. A report evaluating the quality and value of the company
211 submitting a proposal. The report must include:

212 a. A financial analysis of the company, including an
213 evaluation of the company's short-term liquidity ratio as
214 measured by its assets to liability, the company's profitability
215 ratio, and the company's long-term solvency as measured by its
216 debt-to-equity ratio;

217 b. The historical market performance of the company;

218 c. A review of any independent evaluations of the company;

219 d. A review of the latest audit of the company's financial
220 statement and the related auditor's management letter; and

221 e. A review of any other types of audits that are related
222 to the internal and management controls of the company.

223 (c) ~~(b)~~ Within 22 calendar days after receiving the
224 evaluation and recommendation from Enterprise Florida, Inc., the
225 director shall recommend to the Governor approval or disapproval
226 of a project for receipt of funds from the Quick Action Closing
227 Fund. In recommending a project, the director shall include
228 proposed performance conditions that the project must meet to
229 obtain incentive funds. The Governor shall provide the
230 evaluation of projects recommended for approval to the President
231 of the Senate and the Speaker of the House of Representatives
232 and consult with the President of the Senate and the Speaker of

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233 the House of Representatives before giving final approval for a
234 project. The Executive Office of the Governor shall recommend
235 approval of a project and the release of funds pursuant to the
236 legislative consultation and review requirements set forth in s.
237 216.177. The recommendation must include proposed performance
238 conditions that the project must meet in order to obtain funds.

239 (d)~~(e)~~ Upon the approval of the Governor, the director of
240 the Office of Tourism, Trade, and Economic Development and the
241 business shall enter into a contract that sets forth the
242 conditions for payment of moneys from the fund. The contract
243 must include the total amount of funds awarded; the performance
244 conditions that must be met to obtain the award, including, but
245 not limited to, net new employment in the state, average salary,
246 and total capital investment; demonstrate a baseline of current
247 service and a measure of enhanced capability; the methodology
248 for validating performance; the schedule of payments from the
249 fund; and sanctions for failure to meet performance conditions.
250 The contract must provide that payment of moneys from the fund
251 is contingent upon sufficient appropriation of funds by the
252 Legislature and upon sufficient release of appropriated funds by
253 the Legislative Budget Commission.

254 (e)~~(d)~~ Enterprise Florida, Inc., shall validate contractor
255 performance. Such validation shall be reported within 6 months
256 after completion of the contract to the Governor, President of
257 the Senate, and the Speaker of the House of Representatives.

258 Section 4. Section 331.370, Florida Statutes, is created to
259 read:

260 331.370 Space Business Investment and Financial Services
261 Initiative.-

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262 (1) The Legislature finds that there is a critical need for
263 capital assistance and financing services for aerospace business
264 expansion, economic development, and infrastructure financing
265 within the state. The Legislature further finds that it is in
266 the state's economic interest to provide initial investment
267 funding and to establish dedicated investment funding during the
268 period of transition from the space shuttle program to provide
269 financial and investment services consistent with the powers and
270 duties of the Space Florida Act to new and expanding aerospace
271 and space-enabled businesses, programs, and projects in order to
272 offset job losses and promote economic growth.

273 (2) Funds from the Space Business Investment and Financial
274 Services Trust Fund, if established by law, shall be used
275 exclusively to provide investment and financial services to new,
276 expanding, and relocating space businesses, programs, and
277 projects within Florida pursuant to the duties established in
278 this section and s. 331.3051 and may not be used for personnel,
279 administrative, or overhead expenses of Space Florida.

280 (3) The president of Space Florida shall develop a 5-year
281 strategy and plan for the management and goals of the Space
282 Business Investment and Financial Services Trust Fund, which
283 must be submitted to the board of directors and approved before
284 any investment or expenditure is made. This strategy and plan
285 must be updated and approved annually by the board of directors,
286 and included in the financing assistance plan established in s.
287 331.305(6). The board of directors may adopt procedures and
288 rules for the approval of all proposed expenditures and
289 investments from this fund. The president of Space Florida shall
290 submit a quarterly financial report on the use and status of the

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291 fund to the Office of Tourism, Trade, and Economic Development
292 within the Executive Office of the Governor. Beginning January
293 1, 2011, and every year thereafter, Space Florida shall submit
294 to the Governor, the President of the Senate, and the Speaker of
295 the House of Representatives a report summarizing the activities
296 and accomplishments of the recipients of assistance from the
297 Space Business Investment and Financial Services Trust Fund
298 during the previous 12 months.

299 Section 5. Funds in Specific Appropriation 2649 of chapter
300 2008-152, Laws of Florida, which were provided for Space and
301 Aerospace Infrastructure to make improvements to Launch Complex
302 36 on the 45th Space Wing property, may also be used for
303 improvements to other launch complexes and space transportation
304 facilities in order to attract new space vehicle testing and
305 launch business to the state; to address intermodal requirements
306 and impacts of the launch ranges, spaceports, and other space
307 transportation facilities; to advance aerospace technology to
308 meet the current and future needs of the United States
309 commercial space transportation industry; and to assist in the
310 development of joint-use facilities and technology that support
311 aviation and aerospace operations, including high-altitude and
312 suborbital flights and range technology development.

313 Section 6. There is appropriated for the 2010-2011 state
314 fiscal year to the Space Business Investment and Financial
315 Services Trust Fund the sum of \$10 million of nonrecurring funds
316 from the General Revenue Fund. Notwithstanding s. 216.301,
317 Florida Statutes, and pursuant to s. 216.351, Florida Statutes,
318 any remaining funds from this appropriation as of June 30, 2011,
319 shall remain in the trust fund and be available for carrying out

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320 the purposes of the trust fund.

321 Section 7. There is appropriated for the 2010-2011 state
322 fiscal year the sum of \$3 million in nonrecurring general
323 revenue to Space Florida for the exclusive purpose of providing
324 targeted business-development support services and business
325 recruitment. Activities and services may include securing
326 federal programs and processes, identifying and securing new
327 contract and grant opportunities for businesses in this state,
328 assisting businesses in establishing operations, securing
329 necessary qualifications and approvals, obtaining capital, and
330 engaging company and federal officials in discussions regarding
331 new program projects, including research, design, testing, and
332 manufacturing projects in this state. Emphasis shall be placed
333 on assisting small- to medium-sized businesses on a statewide
334 basis. These funds may not be used for administrative or
335 operational costs of Space Florida.

336 Section 8. There is appropriated for the 2010-2011 state
337 fiscal year to the Office of Tourism, Trade, and Economic
338 Development within the Executive Office of the Governor the sum
339 of \$12.575 million in nonrecurring general revenue through the
340 Space Business Investment and Financial Services Fund to address
341 business infrastructure needs to assist in the development and
342 management of state-of-the-art facilities for space businesses
343 that will create high-technology, high-wage-earning jobs.

344 Section 9. This act shall take effect July 1, 2010, if CS
345 for SB 2476, or similar legislation creating the Space Business
346 Investment and Financial Services Trust Fund, is adopted in the
347 same legislative session or an extension thereof and becomes
348 law.