

By Senator Bullard

39-00187-10

2010414

1 A bill to be entitled
2 An act relating to super enterprise zones; amending s.
3 212.02, F.S.; defining the term "certified business"
4 for purposes of a tax exemption provided to certain
5 businesses located within a super enterprise zone;
6 providing for future expiration; amending s. 212.08,
7 F.S.; providing a tax exemption for certain property
8 purchased for use or consumption by businesses in a
9 super enterprise zone and for retail sales made by
10 certified businesses in a super enterprise zone;
11 providing an exception; specifying periods for
12 applying the exemptions for certain businesses;
13 providing for future expiration of the exemption;
14 amending s. 290.0056, F.S.; providing additional
15 responsibilities of an enterprise zone development
16 agency relating to super enterprise zones; requiring
17 an economic impact report; providing for future
18 expiration; amending s. 290.0057, F.S.; applying
19 requirements for an enterprise zone development plan
20 to super enterprise zones; creating s. 290.00681,
21 F.S.; requiring the Office of Tourism, Trade, and
22 Economic Development to designate specified areas in
23 Miami-Dade County as pilot project super enterprise
24 zones for a certain period; providing qualification
25 criteria; providing application requirements;
26 providing for future expiration and revocation of the
27 designation; creating s. 290.00682, F.S.; providing
28 requirements for qualification as a certified business
29 for purposes of the sales tax exemption; authorizing a

39-00187-10

2010414

30 local enterprise zone development agency to certify
31 businesses; requiring the agency to provide lists of
32 certified businesses; providing for disqualifying
33 certified businesses under certain circumstances;
34 providing for future expiration and revocation of
35 certifications; amending s. 290.007, F.S.; specifying
36 incentives for the revitalization of super enterprise
37 zones; requiring interim and final reviews of super
38 enterprise zones by the Office of Program Policy
39 Analysis and Government Accountability; providing
40 review criteria; requiring reports to the Legislature;
41 providing an effective date.

42
43 Be It Enacted by the Legislature of the State of Florida:

44
45 Section 1. Subsection (34) is added to section 212.02,
46 Florida Statutes, to read:

47 212.02 Definitions.—The following terms and phrases when
48 used in this chapter have the meanings ascribed to them in this
49 section, except where the context clearly indicates a different
50 meaning:

51 (34) "Certified business" means a business that is located
52 in a super enterprise zone and that is certified under s.
53 290.00682. This subsection expires June 30, 2023.

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

56 212.08 Sales, rental, use, consumption, distribution, and
57 storage tax; specified exemptions.—The sale at retail, the
58 rental, the use, the consumption, the distribution, and the

39-00187-10

2010414

59 storage to be used or consumed in this state of the following
60 are hereby specifically exempt from the tax imposed by this
61 chapter.

62 (19) EXEMPTIONS; SUPER ENTERPRISE ZONES.-

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

64 1. Tangible personal property purchased by a certified
65 business for the exclusive use or consumption of that business
66 within a super enterprise zone; or

67 2. Retail sales of tangible personal property made by a
68 certified business from a place of business that is owned or
69 leased and operated by the business for the purpose of making
70 retail sales and that is located in a super enterprise zone. The
71 exemption provided by this subparagraph does not apply to the
72 retail sale of any item having a price greater than \$1,000. In
73 order to qualify for the exemption under this subparagraph, the
74 purchaser must take possession of the qualified item within the
75 super enterprise zone or the qualified item must be shipped from
76 inside the super enterprise zone; however, the item may be
77 shipped to any location. For purposes of this subsection, each
78 qualified sale made by a certified business that is located in a
79 super enterprise zone shall be deemed to have occurred within
80 the super enterprise zone regardless of where the transfer of
81 title or possession takes place.

82 (b) Notwithstanding paragraph (a), a new business
83 established in a super enterprise zone and certified on or after
84 July 1, 2011, pursuant to s. 290.00682, is eligible for the
85 exemptions provided under this subsection for a period not to
86 exceed 10 years immediately following such certification. For an
87 existing business located in a super enterprise zone and

39-00187-10

2010414

88 certified on or after July 1, 2011, the exemptions provided
89 under this subsection are available for a period not to exceed 5
90 years, beginning in the year in which the business receives its
91 initial certification and continuing for up to 5 years
92 immediately following such certification.

93 (c) This subsection expires June 30, 2023.

94 Section 3. Paragraph (i) is added to subsection (8) of
95 section 290.0056, Florida Statutes, present paragraph (f) of
96 subsection (11) of that section is redesignated as paragraph
97 (g), and a new paragraph (f) is added to that subsection, to
98 read:

99 290.0056 Enterprise zone development agency.—

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

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

104 2. To coordinate with the local governmental entity for the
105 exemptions from the sales and use tax provided under s.
106 212.08(19).

107
108 Notwithstanding section 11 of chapter 2005-287, Laws of Florida,
109 this paragraph expires June 30, 2023.

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

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

115 1. A list of each certified business and whether the
116 business is new or where the business relocated from.

39-00187-10

2010414

117 2. The number of jobs created.

118 3. The percentage of employees who are employed by
119 certified businesses and who reside in the super enterprise zone
120 or in an enterprise zone within the same county.

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

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

125
126 Notwithstanding section 11 of chapter 2005-287, Laws of Florida,
127 this paragraph expires June 30, 2023.

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

130 290.0057 Enterprise zone development plan.-

131 (1) Any application for designation as a new enterprise
132 zone or super enterprise zone must be accompanied by a strategic
133 plan adopted by the governing body of the municipality or
134 county, or the governing bodies of the county and one or more
135 municipalities together. At a minimum, the plan must:

136 (a) Briefly describe the community's goals for revitalizing
137 the area.

138 (b) Describe the ways in which the community's approaches
139 to economic development, social and human services,
140 transportation, housing, community development, public safety,
141 and educational and environmental concerns will be addressed in
142 a coordinated fashion, and explain how these linkages support
143 the community's goals.

144 (c) Identify and describe key community goals and the
145 barriers that restrict the community from achieving these goals,

39-00187-10

2010414

146 including a description of poverty and general distress,
147 barriers to economic opportunity and development, and barriers
148 to human development.

149 (d) Describe the process by which the affected community is
150 a full partner in the process of developing and implementing the
151 plan and the extent to which local institutions and
152 organizations have contributed to the planning process.

153 (e) Commit the governing body or bodies to enact and
154 maintain local fiscal and regulatory incentives, if approval for
155 the area is received under s. 290.0065. These incentives may
156 include the municipal public service tax exemption provided by
157 s. 166.231, the economic development ad valorem tax exemption
158 provided by s. 196.1995, the business tax exemption provided by
159 s. 205.054, local impact fee abatement or reduction, or low-
160 interest or interest-free loans or grants to businesses to
161 encourage the revitalization of the nominated area.

162 (f) Identify the amount of local and private resources that
163 will be available in the nominated area and the private-public
164 ~~private/public~~ partnerships to be used, which may include
165 participation by, and cooperation with, universities, community
166 colleges, small business development centers, black business
167 investment corporations, certified development corporations, and
168 other private and public entities.

169 (g) Indicate how state enterprise zone tax incentives and
170 state, local, and federal resources will be used ~~utilized~~ within
171 the nominated area.

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

39-00187-10

2010414

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

177 Section 5. Sections 290.00681 and 290.00682, Florida
178 Statutes, are created to read:

179 290.00681 Super enterprise zone pilot project; designation;
180 future expiration and revocation.—

181 (1) The Office of Tourism, Trade, and Economic Development
182 shall designate four areas in the state as super enterprise
183 zones for a 10-year period. These areas shall serve as a pilot
184 project for this program. Specifically, the area in Miami-Dade
185 County bordered by Northwest 23rd Street to the north, Northwest
186 5th Street to the south, Northeast 1st Avenue to the east, and
187 Northwest 8th Avenue to the west shall be designated as a super
188 enterprise zone and the area of Overtown in Miami-Dade County
189 shall be designated as super enterprise zones. In order to
190 qualify as a super enterprise zone an area must:

191 (a) Be located in an enterprise zone and be no larger than
192 3 contiguous square miles.

193 (b) Have an average unemployment rate four times greater
194 than the state average.

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

197 (d) Have general distress of business and residential
198 property such that the local governing body by resolution has
199 determined that the buildings are substandard, unsafe,
200 unsanitary, dilapidated, or obsolete, or any combination of such
201 conditions, and are detrimental to the safety, health, and
202 welfare of the community.

203 (e) Demonstrate evidence of significant job loss or

39-00187-10

2010414

204 dislocation in the area.

205

206 In determining whether an area meets the criteria of this
207 subsection for unemployment, poverty, and general distress, the
208 office shall use data from the most current decennial census and
209 from information published by the Bureau of the Census and the
210 Bureau of Labor Statistics. The data shall be comparable in
211 point or period of time and methodology employed.

212 (2) Any application for designation as a super enterprise
213 zone must:

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

216 (b) Describe the ways in which the community's approach to
217 economic development, social and human services, transportation,
218 housing, community development, public safety, and educational
219 and environmental concerns will be addressed in a coordinated
220 fashion and explain how these linkages support the community's
221 goals.

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

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

226 (e) Identify baselines, methods, and benchmarks for
227 measuring success.

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

230 (3) This section expires June 30, 2023, and any designation
231 made pursuant to this section shall be revoked on that date.

232 290.00682 Super enterprise zones; business certification.-

39-00187-10

2010414

233 (1) A certified business is eligible for the tax exemptions
234 provided in s. 212.08(19). In order to qualify as a certified
235 business, receive an exemption certificate, and continue to
236 receive the tax exemptions provided in s. 212.08(19), a business
237 must:

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

242 (b) Operate and be located within a designated super
243 enterprise zone.

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

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

248 (e) Demonstrate that no fewer than 20 percent of its
249 employees are residents of the designated super enterprise zone
250 or an enterprise zone located within the same county. The
251 employment requirement may be waived by the local enterprise
252 zone development agency for good cause.

253 (2) A local enterprise zone development agency may certify
254 a business as eligible for the exemptions under s. 212.08(19)
255 annually if the business meets the requirements in subsection
256 (1). Each local enterprise zone development agency shall
257 annually provide to the local governmental entity, the office,
258 and the Department of Revenue a list of new and existing
259 certified businesses. The Department of Revenue shall annually
260 issue a tax exemption certificate to each business holding an
261 exemption certificate issued by the local enterprise zone

39-00187-10

2010414

262 development agency. The certificate remains in effect for 1
263 calendar year.

264 (3) A local enterprise zone development agency may
265 disqualify a certified business at any time if the business
266 fails to meet the requirements of subsection (1). A business
267 that makes a fraudulent claim under this section for tax
268 exemptions provided in s. 212.08(19) is liable for the payment
269 of the tax due, together with the penalties set forth in s.
270 212.085, and as otherwise provided by law.

271 (4) This section expires June 30, 2023, and any
272 certification made pursuant to this section shall be revoked on
273 that date.

274 Section 6. Section 290.007, Florida Statutes, is amended to
275 read:

276 290.007 State incentives available in enterprise zones and
277 super enterprise zones.—

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

280 (a)~~(1)~~ The enterprise zone jobs credit provided in s.
281 220.181.

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

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

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

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

39-00187-10

2010414

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

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

295 (h)~~(8)~~ Notwithstanding any law to the contrary, the Public
296 Service Commission may allow public utilities and
297 telecommunications companies to grant discounts of up to 50
298 percent on tariffed rates for services to small businesses
299 located in an enterprise zone designated pursuant to s.
300 290.0065. Such discounts may be granted for a period not to
301 exceed 5 years. For purposes of this paragraph ~~subsection~~, the
302 term "public utility" has the same meaning as in s. 366.02(1)
303 and the term "telecommunications company" has the same meaning
304 as in s. 364.02(14).

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

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

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

311 Section 7. Before the 2017 Regular Session of the
312 Legislature, the Office of Program Policy Analysis and
313 Government Accountability shall conduct an interim review and
314 evaluation of the effectiveness and viability of the super
315 enterprise zones designated under s. 290.00681, Florida
316 Statutes. The office shall specifically evaluate whether relief
317 from the specified taxes caused or induced new investment and
318 development in the super enterprise zones; increased the number
319 of jobs created or retained in the super enterprise zones;

39-00187-10

2010414__

320 caused or induced the renovation, rehabilitation, restoration,
321 improvement, or new construction of businesses or housing within
322 the super enterprise zones; or contributed to the economic
323 viability and profitability of business and commerce located
324 within the super enterprise zones. The office shall submit a
325 report of its findings and recommendations to the President of
326 the Senate and the Speaker of the House of Representatives by
327 December 1, 2016. In 2022, the office shall conduct a final
328 review in accordance with this section and make a final report
329 to the President of the Senate and the Speaker of the House of
330 Representatives by December 1, 2022.

331 Section 8. This act shall take effect July 1, 2010.