

By the Committee on Commerce and Tourism; and Senator Benacquisto

577-03326-11

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1 A bill to be entitled
2 An act relating to the tax refund program for
3 qualified target industry businesses; amending s.
4 288.106, F.S.; revising the criteria for the
5 determination of target industry businesses by the
6 Office of Tourism, Trade, and Economic Development;
7 providing for notification by a municipal governing
8 board of private-sector wage calculation; providing an
9 effective date.

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

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13 Section 1. Paragraph (t) of subsection (2) and paragraph
14 (b) of subsection (4) of section 288.106, Florida Statutes, are
15 amended to read:

16 288.106 Tax refund program for qualified target industry
17 businesses.—

18 (2) DEFINITIONS.—As used in this section:

19 (t) "Target industry business" means a corporate
20 headquarters business or any business that is engaged in one of
21 the target industries identified pursuant to the following
22 criteria developed by the office in consultation with Enterprise
23 Florida, Inc.:

24 1. Future growth.—Industry forecasts should indicate strong
25 expectation for future growth in both employment and output,
26 according to the most recent available data. Special
27 consideration should be given to businesses that export goods
28 to, or provide services in, international markets and businesses
29 that replace domestic and international imports of goods or

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30 services.

31 2. Stability.—The industry should not be subject to
32 periodic layoffs, whether due to seasonality or sensitivity to
33 volatile economic variables such as weather. The industry should
34 also be relatively resistant to recession, so that the demand
35 for products of this industry is not typically subject to
36 decline during an economic downturn.

37 3. High wage.—The industry should pay relatively high wages
38 compared to statewide or area averages.

39 4. Market and resource independent.—The location of
40 industry businesses should not be dependent on Florida markets
41 or resources as indicated by industry analysis, except for
42 businesses in the renewable energy industry.

43 5. Industrial base diversification and strengthening.—The
44 industry should contribute toward expanding or diversifying the
45 state's or area's economic base, as indicated by analysis of
46 employment and output shares compared to national and regional
47 trends. Special consideration should be given to industries that
48 strengthen regional economies by adding value to basic products
49 or building regional industrial clusters as indicated by
50 industry analysis. Special consideration should also be given to
51 the development of strong industrial clusters that include
52 defense and homeland security businesses.

53 6. Positive economic impact ~~Economic benefits~~.—The industry
54 is expected to have strong positive impacts on or benefits to
55 the state or regional economies. Special consideration should be
56 given to industries that facilitate the development of Florida
57 as a hub for domestic and global trade and logistics, because
58 such activities generate economic opportunities for multiple

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59 target industry sectors.

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61 The term does not include any business engaged in retail
62 industry activities; any electrical utility company; any
63 phosphate or other solid minerals severance, mining, or
64 processing operation; any oil or gas exploration or production
65 operation; or any business subject to regulation by the Division
66 of Hotels and Restaurants of the Department of Business and
67 Professional Regulation. Any business within NAICS code 5611 or
68 5614, office administrative services and business support
69 services, respectively, may be considered a target industry
70 business only after the local governing body and Enterprise
71 Florida, Inc., make a determination that the community where the
72 business may locate has conditions affecting the fiscal and
73 economic viability of the local community or area, including but
74 not limited to, factors such as low per capita income, high
75 unemployment, high underemployment, and a lack of year-round
76 stable employment opportunities, and such conditions may be
77 improved by the location of such a business to the community. By
78 January 1 of every 3rd year, beginning January 1, 2011, the
79 office, in consultation with Enterprise Florida, Inc., economic
80 development organizations, the State University System, local
81 governments, employee and employer organizations, market
82 analysts, and economists, shall review and, as appropriate,
83 revise the list of such target industries and submit the list to
84 the Governor, the President of the Senate, and the Speaker of
85 the House of Representatives.

86 (4) APPLICATION AND APPROVAL PROCESS.—

87 (b) To qualify for review by the office, the application of

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88 a target industry business must, at a minimum, establish the
89 following to the satisfaction of the office:

90 1.a. The jobs proposed to be created under the application,
91 pursuant to subparagraph (a)4., must pay an estimated annual
92 average wage equaling at least 115 percent of the average
93 private sector wage in the area where the business is to be
94 located or the statewide private sector average wage. The
95 governing board of the county or municipality where the
96 qualified target industry business is to be located shall notify
97 the office and Enterprise Florida, Inc., which calculation of
98 the average private sector wage in the area must be used as the
99 basis for the business's wage commitment. In determining the
100 average annual wage, the office shall include only new proposed
101 jobs, and wages for existing jobs shall be excluded from this
102 calculation.

103 b. The office may waive the average wage requirement at the
104 request of the local governing body recommending the project and
105 Enterprise Florida, Inc. The office may waive the wage
106 requirement for a project located in a brownfield area
107 designated under s. 376.80, in a rural city, in a rural
108 community, in an enterprise zone, or for a manufacturing project
109 at any location in the state if the jobs proposed to be created
110 pay an estimated annual average wage equaling at least 100
111 percent of the average private sector wage in the area where the
112 business is to be located, only if the merits of the individual
113 project or the specific circumstances in the community in
114 relationship to the project warrant such action. If the local
115 governing body and Enterprise Florida, Inc., make such a
116 recommendation, it must be transmitted in writing, and the

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117 specific justification for the waiver recommendation must be
118 explained. If the office elects to waive the wage requirement,
119 the waiver must be stated in writing, and the reasons for
120 granting the waiver must be explained.

121 2. The target industry business's project must result in
122 the creation of at least 10 jobs at the project and, in the case
123 of an expansion of an existing business, must result in a net
124 increase in employment of at least 10 percent at the business.
125 At the request of the local governing body recommending the
126 project and Enterprise Florida, Inc., the office may waive this
127 requirement for a business in a rural community or enterprise
128 zone if the merits of the individual project or the specific
129 circumstances in the community in relationship to the project
130 warrant such action. If the local governing body and Enterprise
131 Florida, Inc., make such a request, the request must be
132 transmitted in writing, and the specific justification for the
133 request must be explained. If the office elects to grant the
134 request, the grant must be stated in writing, and the reason for
135 granting the request must be explained.

136 3. The business activity or product for the applicant's
137 project must be within an industry identified by the office as a
138 target industry business that contributes to the economic growth
139 of the state and the area in which the business is located, that
140 produces a higher standard of living for residents of this state
141 in the new global economy, or that can be shown to make an
142 equivalent contribution to the area's and state's economic
143 progress.

144 Section 2. This act shall take effect July 1, 2011.