

1 A bill to be entitled
2 An act relating to economic development; amending s.
3 196.012, F.S.; revising the definitions of the terms "new
4 business" and "expansion of an existing business";
5 providing for an average wage of a new job; providing
6 eligibility for target industry businesses; amending s.
7 196.1995, F.S.; authorizing the board of county
8 commissioners of a charter county to call and hold a
9 referendum to determine whether to grant economic
10 development ad valorem tax exemptions if in receipt of a
11 petition or initiative signed by a percentage of electors
12 as required by the county charter; revising the language
13 of ballot questions relating to the authority to grant
14 economic development tax exemptions; specifying additional
15 information that must be included in a written application
16 requesting adoption of an ordinance granting an economic
17 development ad valorem tax exemption; specifying factors
18 for a board of county commissioners or governing authority
19 of a municipality to consider when deciding whether to
20 approve or reject applications for economic development
21 tax exemptions; limiting the allowable duration of an
22 economic development tax exemption granted by a county or
23 municipal ordinance; authorizing written tax exemption
24 agreements consistent with this act upon approval of a tax
25 exemption application; limiting application of the act to
26 certain ad valorem tax exemptions granted pursuant to
27 referenda held on or after the act's effective date;
28 providing an effective date.

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

Section 1. Subsections (15) and (16) of section 196.012, Florida Statutes, are amended to read:

196.012 Definitions.—For the purpose of this chapter, the following terms are defined as follows, except where the context clearly indicates otherwise:

(15) "New business" means:

(a)1. A business or organization establishing 10 or more new jobs to employ 10 or more full-time employees in this state, paying an average wage for such new jobs that is above the average wage in the area, which principally engages in any one or more of the following operations: ~~which~~

a. Manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant; or

b. Is a target industry business as defined in s. 288.106(2)(t);

2. A business or organization establishing 25 or more new jobs to employ 25 or more full-time employees in this state, the sales factor of which, as defined by s. 220.15(5), for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed; or

3. An office space in this state owned and used by a business or organization ~~corporation~~ newly domiciled in this

57 | state; provided such office space houses 50 or more full-time
 58 | employees of such business or organization ~~corporation~~; provided
 59 | that such business or organization office first begins operation
 60 | on a site clearly separate from any other commercial or
 61 | industrial operation owned by the same business or organization.

62 | (b) Any business or organization located in an enterprise
 63 | zone or brownfield area that first begins operation on a site
 64 | clearly separate from any other commercial or industrial
 65 | operation owned by the same business or organization.

66 | (c) A business or organization that is situated on
 67 | property annexed into a municipality and that, at the time of
 68 | the annexation, is receiving an economic development ad valorem
 69 | tax exemption from the county under s. 196.1995.

70 | (16) "Expansion of an existing business" means:

71 | (a)1. A business or organization establishing 10 or more
 72 | new jobs to employ 10 or more full-time employees in this state,
 73 | paying an average wage for such new jobs that is above the
 74 | average wage in the area, which principally engages in any of
 75 | the operations referred to in subparagraph (15) (a)1. which
 76 | ~~manufactures, processes, compounds, fabricates, or produces for~~
 77 | ~~sale items of tangible personal property at a fixed location and~~
 78 | ~~which comprises an industrial or manufacturing plant; or~~

79 | 2. A business or organization establishing 25 or more new
 80 | jobs to employ 25 or more full-time employees in this state, the
 81 | sales factor of which, as defined by s. 220.15(5), for the
 82 | facility with respect to which it requests an economic
 83 | development ad valorem tax exemption is less than 0.50 for each
 84 | year the exemption is claimed; provided that such business

85 | increases operations on a site located within the same county,
 86 | municipality, or both colocated with a commercial or industrial
 87 | operation owned by the same business or organization under
 88 | common control with the same business or organization, resulting
 89 | in a net increase in employment of not less than 10 percent or
 90 | an increase in productive output or sales of not less than 10
 91 | percent.

92 | (b) Any business or organization located in an enterprise
 93 | zone or brownfield area that increases operations on a site
 94 | located within the same zone or area colocated with a commercial
 95 | or industrial operation owned by the same business or
 96 | organization under common control with the same business or
 97 | organization.

98 | Section 2. Section 196.1995, Florida Statutes, is amended
 99 | to read:

100 | 196.1995 Economic development ad valorem tax exemption.—

101 | (1) The board of county commissioners of any county or the
 102 | governing authority of any municipality shall call a referendum
 103 | within its total jurisdiction to determine whether its
 104 | respective jurisdiction may grant economic development ad
 105 | valorem tax exemptions under s. 3, Art. VII of the State
 106 | Constitution if:

107 | (a) The board of county commissioners of the county or the
 108 | governing authority of the municipality votes to hold such
 109 | referendum; ~~or~~

110 | (b) The board of county commissioners of the county or the
 111 | governing authority of the municipality receives a petition
 112 | signed by 10 percent of the registered electors of its

113 | respective jurisdiction, which petition calls for the holding of
 114 | such referendum; or

115 | (c) The board of county commissioners of a charter county
 116 | receives a petition or initiative signed by the required
 117 | percentage of registered electors in accordance with the
 118 | procedures established in the county's charter for the enactment
 119 | of ordinances or for approval of amendments of the charter, if
 120 | less than 10 percent, which petition or initiative calls for the
 121 | holding of such referendum.

122 | (2) The ballot question in such referendum shall be in
 123 | substantially the following form:

124 |
 125 | Shall the board of county commissioners of this county (or the
 126 | governing authority of this municipality, or both) be authorized
 127 | to grant, pursuant to s. 3, Art. VII of the State Constitution,
 128 | property tax exemptions to new businesses and expansions of
 129 | existing businesses that are expected to create new, full-time
 130 | jobs in the county (or municipality, or both)?

- 131 |
 132 | Yes—For authority to grant exemptions.
 133 | No—Against authority to grant exemptions.

134 |
 135 | (3) The board of county commissioners or the governing
 136 | authority of the municipality that calls a referendum within its
 137 | total jurisdiction to determine whether its respective
 138 | jurisdiction may grant economic development ad valorem tax
 139 | exemptions may vote to limit the effect of the referendum to
 140 | authority to grant economic development tax exemptions for new

141 businesses and expansions of existing businesses located in an
 142 enterprise zone or a brownfield area, as defined in s.
 143 376.79(4). If an area nominated to be an enterprise zone
 144 pursuant to s. 290.0055 has not yet been designated pursuant to
 145 s. 290.0065, the board of county commissioners or the governing
 146 authority of the municipality may call such referendum prior to
 147 such designation; however, the authority to grant economic
 148 development ad valorem tax exemptions does not apply until such
 149 area is designated pursuant to s. 290.0065. The ballot question
 150 in such referendum shall be in substantially the following form
 151 and shall be used in lieu of the ballot question prescribed in
 152 subsection (2):

153
 154 Shall the board of county commissioners of this county (or the
 155 governing authority of this municipality, or both) be authorized
 156 to grant, pursuant to s. 3, Art. VII of the State Constitution,
 157 property tax exemptions for new businesses and expansions of
 158 existing businesses that ~~which~~ are located in an enterprise zone
 159 or a brownfield area and that are expected to create new, full-
 160 time jobs in the county (or municipality, or both)?

161
 162Yes—For authority to grant exemptions.

163No—Against authority to grant exemptions.

164
 165 (4) A referendum pursuant to this section may be called
 166 only once in any 12-month period.

167 (5) Upon a majority vote in favor of such authority, the
 168 board of county commissioners or the governing authority of the

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169 municipality, at its discretion, by ordinance may exempt from ad
170 valorem taxation up to 100 percent of the assessed value of all
171 improvements to real property made by or for the use of a new
172 business and of all tangible personal property of such new
173 business, or up to 100 percent of the assessed value of all
174 added improvements to real property made to facilitate the
175 expansion of an existing business and of the net increase in all
176 tangible personal property acquired to facilitate such expansion
177 of an existing business, provided that the improvements to real
178 property are made or the tangible personal property is added or
179 increased on or after the day the ordinance is adopted. However,
180 if the authority to grant exemptions is approved in a referendum
181 in which the ballot question contained in subsection (3) appears
182 on the ballot, the authority of the board of county
183 commissioners or the governing authority of the municipality to
184 grant exemptions is limited solely to new businesses and
185 expansions of existing businesses that are located in an
186 enterprise zone or brownfield area. Property acquired to replace
187 existing property shall not be considered to facilitate a
188 business expansion. The exemption applies only to taxes levied
189 by the respective unit of government granting the exemption. The
190 exemption does not apply, however, to taxes levied for the
191 payment of bonds or to taxes authorized by a vote of the
192 electors pursuant to s. 9(b) or s. 12, Art. VII of the State
193 Constitution. Any such exemption shall remain in effect for up
194 to 10 years with respect to any particular facility, regardless
195 of any change in the authority of the county or municipality to
196 grant such exemptions. The exemption shall not be prolonged or

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197 extended by granting exemptions from additional taxes or by
198 virtue of any reorganization or sale of the business receiving
199 the exemption.

200 (6) With respect to a new business as defined by s.
201 196.012(15)(c), the municipality annexing the property on which
202 the business is situated may grant an economic development ad
203 valorem tax exemption under this section to that business for a
204 period that will expire upon the expiration of the exemption
205 granted by the county. If the county renews the exemption under
206 subsection (7), the municipality may also extend its exemption.
207 A municipal economic development ad valorem tax exemption
208 granted under this subsection may not extend beyond the duration
209 of the county exemption.

210 (7) The authority to grant exemptions under this section
211 expires 10 years after the date such authority was approved in
212 an election, but such authority may be renewed for subsequent
213 10-year periods if each 10-year renewal is approved in a
214 referendum called and held pursuant to this section.

215 (8) Any person, firm, or corporation which desires an
216 economic development ad valorem tax exemption shall, in the year
217 the exemption is desired to take effect, file a written
218 application on a form prescribed by the department with the
219 board of county commissioners or the governing authority of the
220 municipality, or both. The application shall request the
221 adoption of an ordinance granting the applicant an exemption
222 pursuant to this section and shall include the following
223 information:

224 (a) The name and location of the new business or the

225 expansion of an existing business;

226 (b) A description of the improvements to real property for
 227 which an exemption is requested and the date of commencement of
 228 construction of such improvements;

229 (c) A description of the tangible personal property for
 230 which an exemption is requested and the dates when such property
 231 was or is to be purchased;

232 (d) Proof, to the satisfaction of the board of county
 233 commissioners or the governing authority of the municipality,
 234 that the applicant is a new business or an expansion of an
 235 existing business, as defined in s. 196.012(15) or (16); and

236 (e) Other information deemed necessary or appropriate by
 237 the department, county, or municipality.

238 (9) Before it takes action on the application, the board
 239 of county commissioners or the governing authority of the
 240 municipality shall deliver a copy of the application to the
 241 property appraiser of the county. After careful consideration,
 242 the property appraiser shall report the following information to
 243 the board of county commissioners or the governing authority of
 244 the municipality:

245 (a) The total revenue available to the county or
 246 municipality for the current fiscal year from ad valorem tax
 247 sources, or an estimate of such revenue if the actual total
 248 revenue available cannot be determined;

249 (b) Any revenue lost to the county or municipality for the
 250 current fiscal year by virtue of exemptions previously granted
 251 under this section, or an estimate of such revenue if the actual
 252 revenue lost cannot be determined;

253 (c) An estimate of the revenue which would be lost to the
 254 county or municipality during the current fiscal year if the
 255 exemption applied for were granted had the property for which
 256 the exemption is requested otherwise been subject to taxation;
 257 and

258 (d) A determination as to whether the property for which
 259 an exemption is requested is to be incorporated into a new
 260 business or the expansion of an existing business, as defined in
 261 s. 196.012(15) or (16), or into neither, which determination the
 262 property appraiser shall also affix to the face of the
 263 application. Upon the request of the property appraiser, the
 264 department shall provide to him or her such information as it
 265 may have available to assist in making such determination.

266 (10) In considering any application for an exemption under
 267 this section, the board of county commissioners or the governing
 268 authority of the municipality must take into account the
 269 following:

270 (a) The total number of net new jobs to be created by the
 271 applicant;

272 (b) The average wage of the new jobs;

273 (c) The capital investment to be made by the applicant;

274 (d) The type of business or operation and whether it
 275 qualifies as a targeted industry as may be identified from time
 276 to time by the board of county commissioners or the governing
 277 authority of the municipality;

278 (e) The environmental impact of the proposed business or
 279 operation;

280 (f) The extent to which the applicant intends to source

281 its supplies and materials within the applicable jurisdiction;
 282 and

283 (g) Any other economic-related characteristics or criteria
 284 deemed necessary by the board of county commissioners or the
 285 governing authority of the municipality.

286 ~~(11)-(10)~~ An ordinance granting an exemption under this
 287 section shall be adopted in the same manner as any other
 288 ordinance of the county or municipality and shall include the
 289 following:

290 (a) The name and address of the new business or expansion
 291 of an existing business to which the exemption is granted;

292 (b) The total amount of revenue available to the county or
 293 municipality from ad valorem tax sources for the current fiscal
 294 year, the total amount of revenue lost to the county or
 295 municipality for the current fiscal year by virtue of economic
 296 development ad valorem tax exemptions currently in effect, and
 297 the estimated revenue loss to the county or municipality for the
 298 current fiscal year attributable to the exemption of the
 299 business named in the ordinance;

300 (c) The period of time for which the exemption will remain
 301 in effect and the expiration date of the exemption, which may be
 302 any period of time up to 10 years; and

303 (d) A finding that the business named in the ordinance
 304 meets the requirements of s. 196.012(15) or (16).

305 (12) Upon approval of any application for an exemption
 306 under this section, the board of county commissioners or the
 307 governing authority of the municipality may enter into a written
 308 exemption agreement with the applicant covering such additional

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309 details and related terms and conditions as may be deemed
310 necessary or appropriate by such board or governing authority,
311 which agreement may not be inconsistent with the requirements of
312 this section or of applicable law.

313 Section 3. This act shall take effect July 1, 2011, and
314 shall apply only to exemptions from ad valorem taxation granted
315 pursuant to referenda held on or after July 1, 2011, under the
316 provisions of s. 196.1995(1), Florida Statutes.