

FINAL BILL ANALYSIS

BILL #: HB 4033

FINAL HOUSE FLOOR ACTION:

118 Y's 0 N's

SPONSOR: Rep. Dorworth

GOVERNOR'S ACTION: Approved

COMPANION BILLS: SB 1632

SUMMARY ANALYSIS

HB 4033 was passed by the House on March 24, 2011, and subsequently passed the Senate on April 28, 2011. The bill was approved by the Governor on May 31, 2011, chapter 2011-97, Laws of Florida, and becomes effective July 1, 2011. The bill repeals ch. 289, F.S., relating to the Florida Industrial Development Corporation. This section of law is outdated. Three corporations were created under this statutory authority and all have since been dissolved-1973, 1980, and 1991, respectively.

The corporation was created to promote, develop and advance the prosperity and economic welfare of the state. The bill removes the statutory provisions for the incorporation of an industrial development corporation, special corporate powers, authorized financial transactions, membership of financial institutions, powers of stockholders and members, procedures for amending the articles of incorporation, conduct of corporation business and affairs, requirements for saving a portion of annual earned surplus, meetings, corporate existence, dissolution, credit of state, Federal Small Business Investment Act, tax exemptions, credits or privileges, required periodic examinations, and the occupational license tax for industrial development corporations.

The repeal of ch. 289, F.S., will not impact other economic development operations currently in existence, including, but not limited to, the Office of Tourism, Trade, and Economic Development, Enterprise Florida, Inc., and county development corporations.

The bill does not have a fiscal impact.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Issue Background

Chapter 289, F.S., was created in 1961, to provide for the creation of an industrial development corporation (FIDC) with the purpose of promoting, developing and advancing the prosperity and economic welfare of the state. Three FIDCs were created and dissolved in 1973, 1980, and 1991, respectively. Industrial development corporations created under this statute encouraged and assisted new business and industry and rehabilitated existing business and industry through loans, investments or other business transactions. The corporations were also charged with working with other public and private organizations to promote and advance industrial, commercial, agricultural, and recreational development, and to provide financing for the promotion, development and conduct of all kinds of business activity in the state.

The law contains provisions for the incorporation of an industrial development corporation, special corporate powers, authorized financial transactions, membership of financial institutions, powers of stockholders and members, procedures for amending the articles of incorporation, conduct of corporation business and affairs, requirements for saving a portion of annual earned surplus, meetings, corporation existence, dissolution, credit of state, Federal Small Business Investment Act, and tax exemptions, credits, or privileges. Any corporation was to be reviewed at least once annually by the Office of Financial Regulation of the Financial Services Commission, and was required to pay an annual state occupational license tax of \$50. The last time any section of this chapter was amended was in 1980.

Changes Made By the Bill

HB 4033 was passed by the House on March 24, 2011, and subsequently passed the Senate on April 28, 2011. The bill repeals ch. 289, F.S., relating to the Florida Industrial Development Corporation. This removes the statutory provisions for the incorporation of an industrial development corporation, special corporate powers, authorized financial transactions, membership of financial institutions, powers of stockholders and members, procedures for amending the articles of incorporation, conduct of corporation business and affairs, requirements for saving a portion of annual earned surplus, meetings, corporate existence, dissolution, credit of state, Federal Small Business Investment Act, tax exemptions, credits or privileges, required periodic examinations, and the occupational license tax for industrial development corporations.

The repeal of ch. 289, F.S., will not impact other economic development operations currently in existence, including, but not limited to, the Office of Tourism, Trade, and Economic Development, Enterprise Florida, Inc., and county development corporations.

To conform with the proposed repeal of ch. 289, F.S., cross references to the Florida Industrial Development Corporation are removed in ss. 212.08, 220.183, 220.62, 440.491, and 658.67, F.S.

The bill has an effective date of July 1, 2011.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.