

By Senator Garcia

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1 A bill to be entitled
2 An act relating to enterprise program development
3 zones; designating the act as the "Urban Job Creation
4 Investment Act"; providing definitions; creating the
5 Urban Investment Job Creation Authority; providing for
6 the appointment of members to the authority;
7 specifying the duties of the authority to include
8 specifying enterprise program zone boundaries,
9 reviewing applications from businesses to become
10 eligible for certain tax benefits, reviewing proposed
11 projects for eligibility to receive funding from a
12 local enterprise program zone development corporation,
13 and conducting studies and filing reports; requiring
14 the Office of Tourism, Trade, and Economic Development
15 to provide administrative support to the authority;
16 providing for the creation of enterprise zone
17 development corporations by counties and
18 municipalities as nonprofit corporations; providing
19 for the appointment of the board of directors of those
20 corporations; specifying the duties of the
21 corporations to include implementing an enterprise
22 program zone development plan, administering an
23 enterprise zone program assistance fund, prequalifying
24 applications from businesses to become eligible to
25 receive certain tax benefits, and preparing annual
26 reports; specifying criteria for the designation of
27 enterprise program zones by the Urban Investment Job
28 Creation Authority upon the expiration of the
29 enterprise zone program; specifying procedures for

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30 businesses enterprise program zone development
31 corporations, and the authority to follow to certify a
32 businesses as qualified businesses that are eligible
33 to receive certain tax benefits; authorizing the
34 authority to adopt rules; authorizing a qualified
35 business to receive tax credits against sales and
36 corporate income taxes and a subsidy for the cost of
37 unemployment compensation insurance; authorizing the
38 Department of Revenue to adopt rules relating to the
39 tax credits; requiring enterprise program zone
40 development corporations to create an enterprise
41 program zone assistance fund using the proceeds of
42 certain incremental sales tax revenues in excess of
43 the sales and tax revenue generated within the zone
44 during a specified fiscal year; requiring the payment
45 of those tax revenues from the Department of Revenue,
46 counties, and municipalities to enterprise program
47 zone development corporations; authorizing those funds
48 to be used upon approval by the authority for urban
49 improvement projects; requiring the authority to
50 account for the funds; requiring the Office of Program
51 Policy Analysis and Government Accountability to
52 evaluate the effectiveness of enterprise program zones
53 and issue a report of its findings and recommendations
54 before the expiration of the act; providing for future
55 expiration of the act; providing an effective date.

56
57 Be It Enacted by the Legislature of the State of Florida:
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59 Section 1. Short title.—This act may be cited as the “Urban
60 Job Creation Investment Act.”

61 Section 2. Definitions.—As used in sections 1 through 10 of
62 this act, the term:

63 (1) “Authority” means the Florida Urban Investment Job
64 Creation Authority.

65 (2) “Business” has the same meaning as provided in s.
66 212.02, Florida Statutes.

67 (3) “Enterprise program zone” means a zone designated by
68 the authority within which a qualified business may receive
69 certain corporate and sales tax benefits.

70 (4) “Enterprise zone program assistance fund” means a fund
71 to be administered by a zone development corporation consisting
72 of additional sales tax revenue generated by qualified
73 businesses in excess of the amount of sales and tax revenue
74 generated in an enterprise program zone during the 2010-2011
75 state fiscal year.

76 (5) “Qualified business” means a business that is located
77 within an enterprise program zone and certified by the authority
78 as meeting the criteria to receive certain corporate and sales
79 tax benefits.

80 (6) “Zone development corporation” means a nonprofit
81 corporation created by a county or municipality to recommend
82 enterprise program zone boundaries, create and implement a
83 preliminary enterprise program zone development plan, administer
84 the enterprise zone program assistance fund, and review
85 applications to prequalify businesses as a qualified business.

86 (7) “Zone development plan” means a plan that is adopted by
87 a zone development corporation, sets the goals for the

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88 enterprise program goals, and identifies the steps to achieve
89 those goals.

90 Section 3. Urban Investment Job Creation Authority;
91 creation; membership and duties.-

92 (1) The Urban Investment Job Creation Authority is created.
93 The Urban Investment Job Creation Authority shall have 11
94 members, as follows:

95 (a) Five members of the public appointed by the Governor.
96 Three of these members must reside or work in an enterprise
97 program zone. No more than three of these five members may be
98 members of the same political party.

99 (b) One member appointed by the Governor who is an owner or
100 officer of a business that is located within an enterprise
101 program zone and satisfies the requirements to be certified as a
102 qualified business.

103 (c) One member appointed by the Chief Financial Officer,
104 one member appointed by the President of the Senate, and one
105 member appointed by the Speaker of the House of Representatives.
106 Each of these members must have experience in the areas of local
107 government finance, economic development, and redevelopment, or
108 must have experience with volunteer civic service and community
109 organizations.

110 (d) The President of Enterprise Florida, Inc., or his or
111 her designee.

112 (e) The director of the Governor's Office of Tourism,
113 Trade, and Economic Development or his or her designee.

114
115 Members of the authority who are appointed shall be appointed to
116 4-year terms ending on June 30. However, in order to ensure

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117 staggered terms, of the initial appointments three members of
118 the public and the member appointed by the Chief Financial
119 Officer shall be appointed to 2-year terms. A vacancy shall be
120 filled in the same manner as the original appointment. A member
121 of the authority may not receive compensation for his or her
122 services, but is entitled to reimbursement for per diem and
123 travel expenses from the county or municipality creating the
124 corporation, consistent with s. 112.061, Florida Statutes.

125 (2) The authority shall:

126 (a) Designate enterprise program zone boundaries after the
127 repeal of ss. 290.001-290.016, Florida Statutes, on December 31,
128 2015, based on the recommendations of zone development
129 corporations and the criteria for the designation of an
130 enterprise zone under ss. 290.001-290.016, Florida Statutes
131 2010.

132 (b) Review applications for certification as a qualified
133 business which have been prequalified by a zone development
134 corporation.

135 (c) Review projects proposed by a zone development
136 corporation to receive funding from an enterprise program zone
137 assistance fund.

138 (d) Certify annually to the Chief Financial Officer,
139 amounts to be paid from enterprise program zone assistance funds
140 for approved projects.

141 (e) File an annual report with the Governor, the President
142 of the Senate, and the Speaker of the House of Representatives
143 by September 30th of its activities during the preceding state
144 fiscal year. The report must include a complete financial
145 statement setting forth its assets, liabilities, income, and

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146 operating expenses as of the end of the previous state fiscal
147 year.

148 (f) File a report of its findings and recommendations from
149 fiscal impact study of enterprise program zones with the
150 Governor, the President of the Senate, the Speaker of the House
151 of Representatives, and the Chief Financial Officer by November
152 30, 2013, and annually thereafter. The initial financial impact
153 study must address enterprise program zones that have been in
154 existence for at least 1 year as of June 30, 2012. Subsequent
155 studies must address all enterprise program zones. The reports
156 must include, but need not be limited to, an analysis of the
157 effects of the enterprise program zones on the economies of the
158 county and municipalities in which they are located, and any
159 recommendations for legislation to improve the effectiveness of
160 the zones. Each enterprise program zone development corporation
161 shall pay the authority for the pro rata cost of the studies
162 from their enterprise program zone assistance funds.

163 (3) The Office of Tourism, Trade, and Economic Development
164 shall provide administrative support to the authority.

165 Section 4. Zone development corporations; creation;
166 membership and duties.-

167 (1) Each county or municipality having an enterprise zone
168 created pursuant to ss. 290.001-290.016, Florida Statutes,
169 before July 1, 2011, shall create a zone development corporation
170 as a nonprofit corporation. The board of directors shall be
171 composed of five members as follows:

172 (a) A member appointed by the Governor who is an owner or
173 officer of a business that is located within an enterprise
174 program zone and satisfies the requirements to be certified as a

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175 qualified business.

176 (b) A member appointed by the President of the Senate who
177 is a business or community leader who works or resides in the
178 enterprise program zone.

179 (c) A member appointed by the Speaker of the House of
180 Representatives who is a business or community leader who works
181 or resides in the enterprise program zone.

182 (d) A member who resides within the county containing the
183 enterprise program zone and appointed by the chair of the
184 governing body of the county, if the zone is not exclusively
185 within the boundaries of a municipality, or a member who resides
186 within the municipality containing the enterprise program zone
187 and appointed by the mayor of the municipality, if the zone is
188 exclusively within the boundaries of a municipality.

189 5. A member who resides within the county containing the
190 enterprise program zone and appointed by the governing body of
191 the county, if the zone is not exclusively within the boundaries
192 of a municipality, or a member who resides within the
193 municipality containing the enterprise program zone and
194 appointed by the governing body of the municipality, if the zone
195 is exclusively within the boundaries of a municipality.

196 (2) Members of the authority appointed by the President of
197 the Senate and the Speaker of the House of Representatives shall
198 be appointed to 2-year terms ending on June 30. All other
199 members shall be appointed to 4-year terms. A vacancy shall be
200 filled in the same manner as the original appointment. A member
201 shall file a certificate of the appointment or reappointment
202 with the county or municipal clerk. A member of the board of
203 directors of a zone development corporation may not receive

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204 compensation for his or her services, but is entitled to
205 reimbursement for per diem and travel expenses from the county
206 or municipality creating the corporation, consistent with s.
207 112.061, Florida Statutes.

208 (3) The members of a zone development corporation shall
209 designate a chair and vice chair. Subject to funding by the
210 county or municipality, each zone development corporation may
211 employ or designate an executive director, technical experts,
212 and such other agents and employees, permanent and temporary, as
213 the zone development corporation requires, and determine their
214 qualifications, duties, and compensation. For such legal
215 services as the zone development corporation requires, each zone
216 development corporation may employ private counsel or use county
217 or municipal attorneys at the discretion of the county or
218 municipality.

219 (4) A zone development corporation shall:

220 (a) Recommend enterprise program boundaries to the
221 authority after the repeal of the enterprise zone program under
222 ss. 290.001-290.016, Florida Statutes, on December 31, 2015.
223 However, the enterprise zone boundaries created pursuant to ss.
224 290.001-290.016, Florida Statutes, which are in existence on
225 June 30, 2011, shall be the initial enterprise zone program
226 boundaries.

227 (b) Create and implement an enterprise program zone
228 development plan. The plan must set the goals for the enterprise
229 program goals and identify the steps to achieve those goals. The
230 plan must provide guidance to business and community
231 organizations.

232 (c) Administer an enterprise program zone assistance fund.

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233 (d) Review applications from businesses for
234 prequalification for certification as a qualified business.

235 (5) An enterprise zone development corporation shall meet
236 at least quarterly to review applications from businesses for
237 prequalification as a qualified business. The application of a
238 business that is prequalified must be forwarded to the authority
239 for further review within 10 days.

240 (6) An enterprise program zone development corporation
241 shall hold an open public forum at least quarterly, in which
242 urban development projects to be funded from the enterprise
243 program zone assistance fund may be proposed and discussed.

244 (7) An enterprise program zone development corporation
245 shall file a report of its activities during the preceding state
246 fiscal year with the county or municipal clerk, the authority,
247 the Governor, the President of the Senate, and the Speaker of
248 the House of Representatives on or before September 30 of each
249 year. The report must include a complete financial statement
250 setting forth the corporation's assets, liabilities, income, and
251 operating expenses as of the end of such fiscal year. At the
252 time of filing the report, each zone development corporation
253 shall publish in a newspaper of general circulation in the area
254 affected, notice that such report has been filed and is
255 available for inspection during business hours in the offices of
256 the zone development corporation.

257 Section 5. Enterprise program zone; criteria; procedures.-

258 (1) By June 30, 2015, each enterprise program zone
259 development corporation shall create an economic report
260 featuring the most current census data and other economic
261 indicators that exhibit the most economically blighted areas

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262 located within the federal empowerment zones within the
263 boundaries of its enterprise program zone. Each zone development
264 corporation shall recommend enterprise program zone boundaries
265 using the economic report and the criteria for enterprise zones
266 under ss. 290.001-290.016, Florida Statutes 2010. The area of
267 the enterprise program zones within a county or municipality may
268 not exceed 25 percent of the area of the federal empowerment
269 zones in the respective county or municipality which were in
270 existence on June 30, 2011. By September 30, 2015, each zone
271 development corporation shall submit its recommended enterprise
272 program zone boundaries along with the economic report to the
273 authority. The authority shall designate enterprise program zone
274 boundaries that shall become effective January 1, 2016.

275 Section 6. Certification as a qualified business; criteria
276 and procedures.-

277 (1) A business seeking to become certified as a qualified
278 business must apply on forms created by the authority to its
279 local enterprise program zone development corporation for
280 prequalification. If prequalified, the application shall be
281 forwarded to the authority for further review.

282 (2) (a) To become certified as a qualified business, the
283 business' application for certification must, at a minimum,
284 contain documentation showing that the business satisfies the
285 following criteria:

286 1. Is located and actively conduct business within an
287 enterprise program zone.

288 2 Has employees at least 25 percent of whom:

289 a. Are residents of the enterprise program zone, an
290 empowerment zone, or an enterprise zone;

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291 b. Were employed by the business on or after July 1, 2011,
292 and were unemployed for at least 6 months immediately preceding
293 employment with the business at its location within the
294 enterprise program zone;

295 c. Were employed by the business on or after July 1, 2011,
296 and were recipients of public assistance for at least 6 months
297 immediately preceding employment; or

298 d. Were employed by the business on or after July 1, 2011,
299 and were determined to be economically disadvantaged in the
300 period immediate preceding employment with the business under
301 the Jobs Training Partnership Act, 29 U.S.C. 1501 et seq.

302 (b) An application for certification must also identify or
303 include information relating to:

304 1. Real and tangible personal property owned or leased by
305 the business before and after July 1, 2011, if any;

306 2. Net new or additional real and tangible personal
307 property acquired on or after July 1, 2011, to facilitate a new,
308 expanded, or rebuilt facility; and

309 3. Comprehensive urban planning, neighborhood aesthetics
310 and compatibility, and maximization of economic development and
311 job-creation opportunities, as specified by the authority.

312 (3) The authority shall transmit a copy of its order
313 approving or denying an application for certification or
314 revoking a certification to the business.

315 (4) The authority must transmit a copy of its order
316 certifying a business as a qualified business or revoking
317 certification to the executive director of the Department of
318 Revenue within 10 days after it enters its order.

319 (5) The authority shall require a qualified business to

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320 annually establish that it satisfies the criteria in subsection
321 (2) in order to remain certified as a qualified business.

322 (6) The authority shall adopt rules to administer this
323 section.

324 Section 7. Tax benefits for qualified businesses.-

325 (1) (a) A qualified business is entitled to:

326 1. A 50 percent tax credit against the sales or use tax
327 imposed on its purchases pursuant to chapter 212, Florida
328 Statutes, except for purchases of motor vehicles or adult
329 entertainment products or services;

330 2. A one-time credit against the business' corporate income
331 tax liability of \$1,500 for each new full-time employee who is
332 hired on or after July 1, 2011, who is a resident of an
333 enterprise program zone, and who was unemployed for at least 90
334 days immediately preceding employment with the business or was
335 receiving public assistance;

336 3. A subsidy, as determined and provided by the enterprise
337 zone development corporation, for unemployment compensation
338 insurance costs for employees who earn less than \$4,500 per
339 quarter; and

340 4. An 8 percent credit against the corporate income tax.

341 (b) A qualified business is entitled to accrue, receive,
342 and claim the tax benefits under paragraph (a) until June 30,
343 2016.

344 (2) A qualified business becomes ineligible to accrue the
345 tax benefits under this section in the month that it no longer
346 satisfies the criteria in subsection (2) of section 6 of this
347 act.

348 (3) The Department of Revenue shall adopt rules to

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349 administer this section.

350 Section 8. Enterprise program zone assistance funds.-

351 (1) Each enterprise program zone development corporation
352 shall create an enterprise program zone assistance fund. The
353 fund shall be funded using the incremental sales tax collected
354 within each enterprise program zone to the extent that those
355 revenues exceed the amount of sales and tax revenue generated in
356 an enterprise program zone during the 2011-2012 state fiscal
357 year. The Department of Revenue, counties, and municipalities
358 shall pay the tax revenues to the respective enterprise program
359 zone development corporations by the end of the month following
360 the month in which incremental revenues were collected by the
361 Department of Revenue or received by the county or municipality.
362 Those payments shall be reported by the Department of Revenue
363 and each county and municipality to the authority within 10 days
364 after those payments have been made.

365 (2) Funds from an enterprise program zone assistance fund
366 may be used for urban improvement projects or other development
367 programs within an enterprise program zone. The authority must
368 approve each project before it may be funded from an assistance
369 fund.

370 (3) Each enterprise program zone development corporation
371 must annually account for the collection and allocation or
372 expenditure of funds from an assistance fund and provide a
373 report of its accounting to the authority. The authority must
374 certify annually to the Chief Financial Officer the amount of
375 approved expenditures on urban improvement projects from each
376 assistance fund.

377 Section 9. Review of enterprise program zones.-Before the

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378 2021 Regular Session of the Legislature, the Office of Program
379 Policy Analysis and Government Accountability shall review and
380 evaluate the effectiveness of each enterprise program zone using
381 the annual reports prepared by the authority and each enterprise
382 program zone development corporation. The office shall evaluate
383 whether the enterprise program zone benefits caused new
384 investment and development; increased the number of jobs created
385 or retained; caused the renovation, rehabilitation, restoration,
386 improvement, or new construction of businesses or housing; or
387 contributed to the economic viability and profitability of
388 business and commerce. The office shall submit a report of its
389 findings and recommendations to the President of the Senate and
390 the Speaker of the House of Representatives by January 15, 2021.

391 Section 10. This act expires June 30, 2021.

392 Section 11. This act shall take effect July 1, 2011.