

By Senator Flores

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

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 (e) 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 (f) A member who resides in a municipality containing an
197 enterprise program zone and appointed by the governing body of
198 the municipality, if the zone includes any part of a
199 municipality.

200 (2) Members of the authority appointed by the President of
201 the Senate and the Speaker of the House of Representatives shall
202 be appointed to 2-year terms ending on June 30. All other
203 members shall be appointed to 4-year terms. A vacancy shall be

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204 filled in the same manner as the original appointment. A member
205 shall file a certificate of the appointment or reappointment
206 with the county or municipal clerk. A member of the board of
207 directors of a zone development corporation may not receive
208 compensation for his or her services, but is entitled to
209 reimbursement for per diem and travel expenses from the county
210 or municipality creating the corporation, consistent with s.
211 112.061, Florida Statutes.

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

223 (4) A zone development corporation shall:

224 (a) Recommend enterprise program boundaries to the
225 authority after the repeal of the enterprise zone program under
226 ss. 290.001-290.016, Florida Statutes, on December 31, 2015.
227 However, the enterprise zone boundaries created pursuant to ss.
228 290.001-290.016, Florida Statutes, which are in existence on
229 June 30, 2011, shall be the initial enterprise zone program
230 boundaries.

231 (b) Create and implement an enterprise program zone
232 development plan. The plan must set the goals for the enterprise

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233 program goals and identify the steps to achieve those goals. The
234 plan must provide guidance to business and community
235 organizations.

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

237 (d) Review applications from businesses for
238 prequalification for certification as a qualified business.

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

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

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

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

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

279 Section 6. Certification as a qualified business; criteria
280 and procedures.-

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

286 (2) (a) To become certified as a qualified business, the
287 business' application for certification must, at a minimum,
288 contain documentation showing that the business satisfies the
289 following criteria:

290 1. Is located and actively conducts business within an

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- 291 enterprise program zone.
- 292 2 Has employees at least 20 percent of whom:
- 293 a. Are residents of the enterprise program zone, an
- 294 empowerment zone, or an enterprise zone;
- 295 b. Were employed by the business on or after July 1, 2011,
- 296 and were unemployed for at least 6 months immediately preceding
- 297 employment with the business at its location within the
- 298 enterprise program zone;
- 299 c. Were employed by the business on or after July 1, 2011,
- 300 and were recipients of public assistance for at least 6 months
- 301 immediately preceding employment; or
- 302 d. Were employed by the business on or after July 1, 2011,
- 303 and were determined to be economically disadvantaged in the
- 304 period immediately preceding employment with the business under
- 305 the Jobs Training Partnership Act, 29 U.S.C. 1501 et seq.
- 306 (b) An application for certification must also identify or
- 307 include information relating to:
- 308 1. Real and tangible personal property owned or leased by
- 309 the business before and after July 1, 2011, if any;
- 310 2. Net new or additional real and tangible personal
- 311 property acquired on or after July 1, 2011, to facilitate a new,
- 312 expanded, or rebuilt facility; and
- 313 3. Comprehensive urban planning, neighborhood aesthetics
- 314 and compatibility, and maximization of economic development and
- 315 job-creation opportunities, as specified by the authority.
- 316 (3) The authority shall transmit a copy of its order
- 317 approving or denying an application for certification or
- 318 revoking a certification to the business.
- 319 (4) The authority must transmit a copy of its order

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320 certifying a business as a qualified business or revoking
321 certification to the executive director of the Department of
322 Revenue within 10 days after it enters its order.

323 (5) The authority shall require a qualified business to
324 annually establish that it satisfies the criteria in subsection
325 (2) in order to remain certified as a qualified business.

326 (6) The authority shall adopt rules to administer this
327 section.

328 Section 7. Tax benefits for qualified businesses.-

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

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

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

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

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

345 (b) A qualified business is entitled to accrue, receive,
346 and claim the tax benefits under paragraph (a) until June 30,
347 2016.

348 (2) A qualified business becomes ineligible to accrue the

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349 tax benefits under this section in the month that it no longer
350 satisfies the criteria in subsection (2) of section 6 of this
351 act.

352 (3) The Department of Revenue shall adopt rules to
353 administer this section.

354 Section 8. Enterprise program zone assistance funds.-

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

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

374 (3) Each enterprise program zone development corporation
375 must annually account for the collection and allocation or
376 expenditure of funds from an assistance fund and provide a
377 report of its accounting to the authority. The authority must

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378 certify annually to the Chief Financial Officer the amount of
379 approved expenditures on urban improvement projects from each
380 assistance fund.

381 Section 9. Review of enterprise program zones.—Before the
382 2021 Regular Session of the Legislature, the Office of Program
383 Policy Analysis and Government Accountability shall review and
384 evaluate the effectiveness of each enterprise program zone using
385 the annual reports prepared by the authority and each enterprise
386 program zone development corporation. The office shall evaluate
387 whether the enterprise program zone benefits caused new
388 investment and development; increased the number of jobs created
389 or retained; caused the renovation, rehabilitation, restoration,
390 improvement, or new construction of businesses or housing; or
391 contributed to the economic viability and profitability of
392 business and commerce. The office shall submit a report of its
393 findings and recommendations to the President of the Senate and
394 the Speaker of the House of Representatives by January 15, 2021.

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

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