A bill to be entitled

An act relating to targeted economic development; creating s. 288.126, F.S.; requiring the Department of Economic Opportunity to create economic development zones for science, technology, engineering, and mathematics; authorizing a STEM zone in counties with a state university classified as having very high research activity located in its jurisdiction; requiring the county to apply to the department for a STEM zone designation; requiring the application to appoint a STEM zone development agency; providing criteria for the agency; requiring the STEM zone development agency to appoint a STEM zone development board; providing criteria for the board; providing that the incentives and benefits provided for enterprise zones are available to the STEM zones; specifying the incentives and benefits available in the STEM zones; requiring the department to develop a grant program that applies to a STEM zone; providing criteria for the awarding of a grant; directing the STEM zone development agency to perform certain functions; requiring the department to work with the STEM zone development agency, the Department of Education, and Workforce Florida, Inc., to develop accountability requirements and measurable objectives; providing criteria; requiring that all incentives and benefits provided for enterprise zones be made available to STEM zones by a specified date; assigning

duties for the administration of STEM zones to the local governing bodies that have jurisdiction over such zones; providing for boundaries of the zones, eligibility criteria for the incentives, and benefits provided in the zones; requiring that the applicable requirements for employee residency for higher refund or credit thresholds be based on employee residency in the STEM zone or an enterprise zone; establishing priorities for funding certain projects; limiting the annual amount of such incentives; authorizing the carryforward of any unused amount of incentives for a specified period; providing for the issuance of certificates to eligible businesses; requiring the local governing body to certify to the Department of Revenue or the Department of Economic Opportunity which businesses or properties are eligible for the incentives; requiring the Department of Revenue to send written instructions to eligible businesses on claiming the credit on a sales and use tax return initiated through an electronic data interchange; providing an effective date.

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

Section 1. Section 288.126, Florida Statutes, is created to read:

288.126 Science, technology, engineering, and mathematics zone programs.—

(1) The Department of Economic Opportunity shall create economic development zones relating to science, technology, engineering, and mathematics (STEM). All incentives and benefits provided for enterprise zones pursuant to state law shall be available to the STEM zones designated pursuant to this section. A STEM zone must be created in a county that has a state university that is classified as having very high research activity in the analysis by the Carnegie Foundation for the Advancement of Teaching.

(2) Each county that has a qualifying research institution must apply to the department to receive designation as a STEM zone. In the application, the county shall appoint a STEM zone development agency. The STEM zone development agency must:

(a) Be a nonuniversity, not-for-profit corporation under s. 501(c)(3) of the Internal Revenue Code.

(b) Own or operate at least 50 acres of property that is adjacent to the qualifying research institution.

(c) Have experience with both private, not-for-profit partnerships and public, not-for-profit partnerships.

(d) Have a public attendance for programs which exceeds 150,000 persons per year.

(e) Have a facility with a minimum of 10,000 square feet of exhibit or conference space available to showcase STEM technologies.

(f) Have significant experience in an informal STEM learning environment.

(g) Employ at least 10 full-time, in-house educational and training staff employees.

(h) Have experience with federal educational and scientific-type grants.

(i) Create and submit quarterly reports to the governing body of the county which evaluate the progress in implementing the strategic plan or measurable goals set by the STEM zone development board as described in section (3).

(3)(a) The STEM zone development agency shall appoint a STEM zone development board. The board shall consist of at least 9 commissioners, but not more than 15 commissioners. At least two commissioners shall be associated with the STEM zone development agency, two commissioners shall come from the host county, and two commissioners shall be from local for-profit or not-for-profit corporations that are related to science, technology, engineering, and mathematics programs. At least one commissioner may be from each of the following areas: a qualifying research institution, a local school district, and a local municipality.

(b) The STEM zone development board shall:

1. Assist in the development, implementation, and annual review and update of the strategic plan or measurable goals.

2. Oversee and monitor the implementation of the strategic plan or measurable goals.

3. Identify and recommend to the local governing body of the county or the municipality ways to remove regulatory barriers.

4. Identify for a county or municipality the financial needs of, and local resources or assistance available to, eligible businesses in the zone.

5. Promote the STEM zone incentives to residents and businesses within the STEM zone.

6. Recommend to the county boundary changes in a STEM zone such that a STEM zone does not exceed 2 square miles.

7. Work with organizations affiliated with a high-ranking state research university to promote the purpose and goals of the STEM zone.

8. Dispense funds to promote, develop, and expand the STEM zone and educational training programs.

9. Develop an education curriculum focusing on science, technology, engineering, and mathematics for grades pre-K through 12 to further enhance the skill set of the state's students in order to compete for jobs.

10. Work with companies within the STEM zone to develop training and certification programs needed to train a workforce to have skills that are needed by companies and businesses in this state.

11. Work with Workforce Florida, Inc., to retrain, educate, and certify unemployed workers in new skills.

12. Work with Workforce Florida, Inc., to develop and make available grant programs within the STEM zone that foster the expansion of workforce education and training strategies, activities, and resources in conjunction with one-stop-career centers in the region. Each program must include a coach or a mentor who connects a participant to an employer and acts as a workforce guidance counselor. The coach or mentor shall create a career path chart for each program participant.

13. Provide directives to the STEM zone development

agency.

(4)(a) In order to provide incentives, each local governing body that has jurisdiction over a STEM zone must, by local ordinance, establish the boundary of the STEM zone, specify applicable standards, and determine eligibility criteria for the application of state and local incentives and benefits in the STEM zone. However, in order to receive benefits provided under s. 288.106, a business must be a qualified target industry business under s. 288.106 for state purposes. A STEM zone's boundary may be revised by local ordinance. Such incentives and benefits include those in ss. 212.08, 212.096, 220.181, 220.182, 220.183, 220.196, 288.106, and 624.5105 and the public utility discounts provided in s. 290.007(8). For purposes of this section, any applicable requirements for employee residency for higher refund or credit thresholds must be based on employee residency in the STEM zone or an enterprise zone.

(b) A county that has a designated a STEM zone in its jurisdiction may waive its impact fees for new construction within the STEM zone.

(c) Enterprise Florida, Inc., may increase the loan amount it may guarantee to $10 million for projects in a STEM zone.

(d) The department and each county with a STEM zone in its jurisdiction shall review its rules or regulations that affect the relocation or expansion of a business to a STEM zone to determine if a rule or regulation may be modified or repealed to facilitate relocation or expansion.

(5) The department shall develop a high-tech grant program that applies in the STEM zone. The grant program shall solicit

competitive applications to organizations that propose to encourage and reward groundbreaking ideas that greatly expand innovation, commercialization, and new enterprise formation across the state. A grant shall be awarded to applicants who submit the best strategies to:

(a) Create proof of concept centers that greatly increase innovation within their organizations; or

(b) Create processes to commercialize or implement innovation and build networks that can use that innovation and entrepreneurship for local economic development.

(6) The STEM zone development agency, with cooperation of other state agencies, shall:

(a) Partner with science, technology, engineering, or mathematics companies, Workforce Florida, Inc., and local workforce boards to offer workforce training programs to train unemployed, underemployed, and new workers in skills that are needed in the science, technology, engineering, or mathematics fields.

(b) Offer training programs for persons who traditionally are not typical candidates to transition into science, technology, engineering, or mathematics careers; ease the transition for dislocated or transitioning workers into science, technology, engineering, or mathematics fields; and integrate state, regional, and local efforts into a more powerful set of partnerships and coordinated strategies.

(c) Build a gateway to science, technology, engineering, or mathematics careers by helping to prepare an educated, skilled workforce in the context of its investments in preparing

talent for economic development in regional economies.

(d) Enhance the capacity of talent development institutions to produce more and better skilled workers in the science, technology, engineering, and mathematics fields through investment of department resources and through greater integration and alignment of existing public and private resources, so that more workers have access to postsecondary opportunities.

(e) Stimulate and support innovation, entrepreneurship, and economic growth that can expand employment opportunities in the science, technology, engineering, and mathematics fields.

(f) Develop educational objectives for STEM zones that:

1. Increase funding for grant opportunities in order to implement additional educational programming related to science, technology, engineering, and mathematics.

2. Offer incentives to a school district, a charter school, or a private school to implement and fully use a curriculum in science, technology, engineering, and mathematics.

3. Reduce the required local effort by up to 10 percent for a county school district that participates in the STEM zone.

4. Create regional centers of education and research for science, technology, engineering, and mathematics. The regional centers are a pipeline for students who excel in science, technology, engineering, and mathematics to their respective Florida research universities.

5. Develop career awareness programs in science, technology, engineering, and mathematics with high school counselors, which feature mentoring programs and outreach from

professionals.

6. Develop vocational programs for science, technology, engineering, and mathematics to meet workforce demands of industry.

7. Establish programs that promote the pursuit of careers in science, technology, engineering, and mathematics among underrepresented students in grades K through 12.

8. Fund an advertising campaign designed to encourage local youth, particularly African American, Latin American, and women, to consider careers in fields of science, technology, engineering, and mathematics.

9. Work with the state universities to incorporate training programs, activities, and internships for students who are pursing degrees related to science, technology, engineering, and mathematics which further enhance their education.

(7) The department, in cooperation with the STEM zone development agency, the Department of Education, and Workforce Florida, Inc., shall develop accountability requirements and measureable objectives that include:

(a) Requiring companies to:

1. Sign an agreement with the STEM zone development agency to agree to be a partner in some form of education, volunteer, internship, or event or showcase program in order to encourage the community and children in our education system about the excitement in fields related to science, technology, engineering, or mathematics.

2. Participate in a corporate training program.

3. Submit to an annual audit by the state or local board

if a tax credit, grant, loan, or other public assistance is received.

(b) Establishing performance metrics to ensure the mission of the STEM zone is being carried out.

(c) Reporting annually to the Legislature on the progress of implementing this section.

(d) Developing measurable objectives for each STEM zone to be monitored by the STEM zone development board with the goal of creating more jobs in the fields of science, technology, engineering, and mathematics, producing a workforce that is highly qualified, and improving the quality of life in the state.

(8)(a) Effective July 1, 2013, the total amount of state credits, refunds, and exemptions that may be provided by the local governing body of each STEM zone to eligible businesses for STEM zone economic incentives pursuant this section is $300,000 per designated STEM zone in any state fiscal year. The governing body of a STEM zone shall disallow a credit or refund for which an application is submitted after the zone's respective $300,000 limit is reached. If the $300,000 incentive cap is not fully used in any one state fiscal year by a STEM zone, the unused amount under the cap may be carried forward for up to 5 years. The local governing body that has jurisdiction over the STEM zone is responsible for allocating the incentives, for verifying that businesses receiving such incentives are eligible for the incentives provided, and for ensuring that the incentives provided do not exceed the cap for the state fiscal year.

(b) Upon approving an incentive for an eligible business, the local governing body that has jurisdiction over the STEM zone shall provide the taxpayer with a certificate indicating the name and federal employer identification number of the eligible business, the date the incentive is provided, the name of the STEM zone, the incentive type, and the incentive amount. The local governing body shall certify to the Department of Revenue or the Department of Economic Opportunity, whichever is applicable, which businesses or properties are eligible to receive any or all of the state incentives according to their statutory requirements. The local governing body that has jurisdiction over the STEM zone shall provide a copy of the certificate to the Department of Revenue and the Department of Economic Development as notification that such incentives were approved for the specific eligible business or property. For incentives to be claimed against the sales and use tax under chapter 212, the Department of Revenue shall send, within 14 days after receipt, written instructions to an eligible business on how to claim the credit on a sales and use tax return initiated through an electronic data interchange. Any credit against the sales and use tax shall be deducted from any sales and use tax remitted by the dealer to the Department of Revenue by electronic funds transfer and may be deducted only on a sales and use tax return initiated through an electronic data interchange. The dealer shall separately state the credit on the electronic return. The net amount of tax due and payable must be remitted by electronic funds transfer. If the credit exceeds the amount owed on the sales and use tax return, such excess amount

may be carried forward for a period not to exceed 12 months after the date that the credit is initially claimed.

Section 2. This act shall take effect July 1, 2013.