

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Commerce and Tourism

BILL: SB 600

INTRODUCER: Senators Grimsley and Montford

SUBJECT: Rural Economic Development Initiative

DATE: March 10, 2017 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Askey	McKay	CM	Favorable
2.			AG	
3.			GO	
4.			RC	

I. Summary:

SB 600 makes several changes to the Rural Economic Development Initiative (REDI), most notably to the agency and organization members who collaborate with the REDI. The bill changes the membership to include:

- The executive director of the Department of Economic Opportunity or their designee, to serve as chair;
- The Secretary of Transportation or their designee;
- The Secretary of Environmental Protection or their designee;
- The Commissioner of Agriculture or their designee;
- The State Surgeon General or their designee;
- The Commissioner of Education or their designee;
- The President of Enterprise Florida, Inc., or their designee;
- The chair of the board of CareerSource Florida, Inc., or their designee;
- Five members from the private sector, three who are appointed by the executive director of the Department of Economic Opportunity, and one each appointed by the President of the Senate and the Speaker of the House of Representatives.

The bill requires that the report required of the REDI be submitted to the Department of Economic Opportunity, the President of the Senate, and the Speaker of the House of Representatives by September 1st of each year and expands the information to be included in the report. The bill adds the REDI to the list of required reports by the Office of Program Policy Analysis and Government Accountability and the Office of Economic and Demographic Research.

The bill makes conforming changes to address cross-references in numerous sections of the Florida Statutes.

The bill is effective upon becoming law.

II. Present Situation:

Rural Economic Development Initiative

The Rural Economic Development Initiative (REDI) was established in 1997 by the Legislature to encourage and facilitate the location and expansion of major economic development projects of significant scale in rural communities.¹ The REDI is responsible for coordinating and focusing the efforts and resources of state and regional agencies on the problems that affect the fiscal, economic, and community viability of Florida's economically distressed rural communities. The REDI works with local governments, community-based organizations, and private organizations that have an interest in the growth and development of these communities to find ways to balance environmental and growth management issues with local needs.

The REDI is administered by the Department of Economic Opportunity (DEO), but is a collaborative effort facilitated by a group of agencies and organizations. Numerous state agencies and organizations are required to participate in the REDI by designating a deputy secretary or higher-level staff person to serve as a REDI representative. Any such representative is required to have comprehensive knowledge of their agency's regulatory and service functions, and the state's economic goals, policies, and programs. The representatives are required to work with the REDI in the reviewing, evaluating, and proposing impact mitigation of any statute or rule that may have an adverse effect on rural communities. Additionally, representatives are to inform their agencies and organizations about the REDI and provide assistance to the REDI throughout the agency or organization. The agencies and organizations that are statutorily required to designate a representative are:²

- The Department of Transportation;
- The Department of Environmental Protection;
- The Department of Agriculture and Consumer Services;
- The Department of State;
- The Department of Health;
- The Department of Children and Families;
- The Department of Corrections;
- The Department of Education;
- The Department of Juvenile Justice;
- The Fish and Wildlife Conservation Commission;
- Each water management district;
- Enterprise Florida, Inc. (EFI);
- VISIT Florida;
- The Florida Regional Planning Council Association;
- The Agency for Health Care Administration; and
- The Institute for Food and Agricultural Sciences.

¹ Section 288.0656, F.S.

² Section 288.0656(6)(a), F.S.

The REDI can recommend up to three rural areas of opportunity (RAO) to the Governor, who can designate an RAO by executive order. The Governor, acting through the REDI, can waive criteria, requirements, or any similar provisions of any state economic development incentive in RAOs.³ A designation of RAO must be agreed upon by the DEO and the local governments included in the RAO.

RAOs, by the REDI recommendation and identification by EFI, may designate catalyst projects. These projects are to be confirmed by the DEO. All agencies and departments of the state are required to use all available tools and resource available to promote the creation and development of each catalyst project and the development of catalyst sites. For the purposes of this program, a catalyst project is a business locating or expanding in an RAO and serves as an economic generator of regional significance, and a catalyst site is one or more parcels of land in a RAO that is prioritized for economic development.

The REDI is required to submit a report to the DEO on all REDI activities to supplement the required annual report.⁴

III. Effect of Proposed Changes:

SB 600 makes several changes to the REDI, most notably to the agency and organization members who collaborate with the REDI. The bill changes the membership to include:

- The executive director of the DEO or their designee, to serve as chair;
- The Secretary of Transportation or their designee;
- The Secretary of Environmental Protection or their designee;
- The Commissioner of Agriculture or their designee;
- The State Surgeon General or their designee;
- The Commissioner of Education or their designee;
- The President of EFI or their designee;
- The chair of the board of CareerSource Florida, Inc., or their designee;
- Five members from the private sector, three who are appointed by the executive director of the DEO, and one each appointed by the President of the Senate and the Speaker of the House of Representatives.

In making their appointments, the executive director, the President, and the Speaker are to ensure that the diversity of the state's business community and the state's ethnic, racial, and gender diversity are reflected. Appointments are for two-year terms, beginning on July 1 and expiring on June 30, with initial appointments beginning in July 2017. The bill provides direction for appointee vacancies and removal. The bill removes the requirement related to REDI members needing comprehensive knowledge of their agency or organization and the state's economic policies and goals.

The bill authorizes the chair of the REDI to create ad hoc committees to address issues or projects. The chair is authorized to request the head of any state agency or organization to serve on the ad hoc committees, but is directed to consider requesting:

³ Sections 288.0656(7)(a) and 288.06561, F.S.

⁴ Section 288.0656(8), F.S.

- The executive director of FWC or their designee;
- The Secretary of State or their designee;
- The Secretary of Children and Families or their designee;
- The Secretary of Corrections or their designee;
- The Secretary of Juvenile Justice or their designee;
- The Secretary of Health Care Administration or their designee; and
- A board member of the Florida Regional Councils Association or their designee.

Additional changes to the program include:

- Clarifying the legislative intent of the REDI to include encouraging job creation, improved community infrastructure, the development and expansion of workforce, and improved access to healthcare;
- Expanding the definition of “rural area of opportunity” to include a rural community that faces competitive disadvantages including low labor force participation, low education levels, high unemployment, a district grade of “D” or “F” pursuant to s. 1008.34,⁵ high infant mortality rates, and high rates of diabetes and obesity;
- Clarifies that the REDI is to focus its efforts on the challenges of the state’s rural areas of opportunity and economically distressed rural communities, and that REDI is to work with private organizations that have an interest in the renewed prosperity and competitiveness of these communities;
- Clarifies that when undertaking outreach and capacity-building efforts, its purpose should be to improve rural communities’ ability to compete in a global economy;
- Requires that the report required of the REDI be submitted to the DEO, the President of the Senate, and the Speaker of the House of Representatives by September 1st of each year;
- Expands the information to be included in the report to include evaluation of organizational progress towards goals, REDI accomplishments, and issues affecting the performance of REDI programs and activities.

The bill adds the REDI to the list of required reports by the Office of Program Policy Analysis and Government Accountability and the Office of Economic and Demographic Research.⁶ These reports are to begin on January 1, 2020 and every three years after.

The bill makes conforming changes to address cross-references in sections 163.3177, 163.3187, 257.193, 288.019, 288.06561, 290.0055, 290.06561, 337.403, 339.2818, 339.2819, 339.63, 479.16, 627.6699, F.S.

The bill is effective upon becoming law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

⁵ This section refers to the school grading system, school report cards, and district grades.

⁶ Section 288.0001, F.S.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 288.0001, 288.0656, 163.3177, 163.3187, 257.193, 288.019, 288.06561, 290.0055, 290.06561, 337.403, 339.2818, 339.2819, 339.63, 479.16, and 627.6699.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.