By Senator Grimsley

26-00117-18 2018170

A bill to be entitled

An act relating to the Rural Economic Development Initiative; amending s. 288.0656, F.S.; revising legislative intent relating to the Rural Economic Development Initiative; redefining the term "rural area of opportunity"; revising the duties, responsibilities, and membership of the Rural Economic Development Initiative; deleting a provision limiting the number of rural areas of opportunity that may be designated; deleting a provision listing the economic development incentives for which the Governor may waive criteria requirements or similar provisions; deleting a requirement that certain catalyst projects be identified as such by Enterprise Florida, Inc.; revising reporting requirements; amending ss. 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, F.S.; conforming crossreferences; providing an effective date.

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

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Section 1. Section 288.0656, Florida Statutes, is amended to read:

288.0656 Rural Economic Development Initiative. -

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(1) (a) Recognizing that rural communities and regions continue to face extraordinary challenges in their efforts to significantly improve residents' quality of life and their local economies, specifically in terms of personal income, education,

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CODING: Words stricken are deletions; words underlined are additions.

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<u>infrastructure</u>, access to health care, and job creation.

<u>Therefore</u>, average wages, and strong tax bases, it is the intent of the Legislature to encourage and facilitate their achievement of the following goals:

- (a) Job creation, through the location and expansion of major economic development projects of significant scale in such rural communities.
- (b) Improved community infrastructure, including, but not limited to, roads, utilities, water and sewer systems, and communications.
 - (c) The development and growth of a skilled workforce.
 - (d) Improved access to health care.
- $\underline{(2)}$ (b) The Rural Economic Development Initiative, known as "REDI," is created within the department, and the participation of state and regional agencies in this initiative is authorized.
 - (3) (3) (2) As used in this section, the term:
- (a) "Catalyst project" means a business locating or expanding in a rural area of opportunity to serve as an economic generator of regional significance for the growth of a regional target industry cluster. The project must provide capital investment on a scale significant enough to affect the entire region and result in the development of high-wage and high-skill jobs.
- (b) "Catalyst site" means a parcel or parcels of land within a rural area of opportunity that has been prioritized as a geographic site for economic development through partnerships with state, regional, and local organizations. The site must be reviewed by REDI and approved by the department for the purposes of locating a catalyst project.

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(c) "Economic distress" means conditions affecting the fiscal and economic viability of a rural community, including such factors as low per capita income, low per capita taxable values, high unemployment, high underemployment, low weekly earned wages compared to the state average, low housing values compared to the state average, high percentages of the population receiving public assistance, high poverty levels compared to the state average, and a lack of year-round stable employment opportunities.

- (d) "Rural area of opportunity" means a rural community, or a region composed of rural communities, designated by the Governor, which has been adversely affected by an extraordinary economic event, severe or chronic economic distress, and faces competitive disadvantages, such as low labor force participation, low educational attainment levels, high unemployment, school district grades of "D" or "F" calculated pursuant to s. 1008.34, high infant mortality rates, and high diabetes and obesity rates, and which or a natural disaster or that presents a unique economic development opportunity of regional impact.
 - (e) "Rural community" means:
 - 1. A county with a population of 75,000 or fewer.
- 2. A county with a population of 125,000 or fewer which is contiguous to a county with a population of 75,000 or fewer.
- 3. A municipality within a county described in subparagraph 1. or subparagraph 2.
- 4. An unincorporated federal enterprise community or an incorporated rural city with a population of 25,000 or fewer and an employment base focused on traditional agricultural or

resource-based industries, located in a county not defined as rural, which has at least three or more of the economic distress factors identified in paragraph (c) and verified by the department.

For purposes of this paragraph, population shall be determined in accordance with the most recent official estimate pursuant to s. 186.901.

(4) (3) REDI is shall be responsible for coordinating and focusing the efforts and resources of state and regional agencies on the challenges of the state's rural areas of opportunity and economically distressed rural communities. REDI shall work problems which affect the fiscal, economic, and community viability of Florida's economically distressed rural communities, working with local governments, community-based organizations, and private organizations that have an interest in the renewed prosperity and competitiveness growth and development of these communities to find ways to balance environmental and growth management issues with local needs.

(5)(4) REDI shall review and evaluate the impact of statutes and rules on rural communities and shall work to minimize any adverse impact and undertake outreach and capacity-building efforts to improve the ability of rural communities to compete in a global economy.

(6) (5) REDI shall facilitate better access to state resources by promoting direct access and referrals to appropriate state and regional agencies and statewide organizations. REDI may undertake outreach, capacity-building, and other advocacy efforts to improve conditions in rural

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communities. These activities may include sponsorship of conferences and achievement awards.

- (7) (a) REDI shall consist of the following members:
- 1. The executive director of the department or his or her designee, who shall serve as chair.
 - 2. The Secretary of Transportation or his or her designee.
- 3. The Secretary of Environmental Protection or his or her designee.
 - 4. The Commissioner of Agriculture or his or her designee.
 - 5. The State Surgeon General or his or her designee.
 - 6. The Commissioner of Education or his or her designee.
- 7. The President of Enterprise Florida, Inc., or his or her designee.
- 8. The chair of the board of directors of CareerSource Florida, Inc., or his or her designee.
- 9. The chair of the board of the regional economic development organization for each of the rural areas of opportunity or his or her designee.
- 10. Five members from the private sector, three of whom shall be appointed by the executive director of the department, one of whom shall be appointed by the President of the Senate, and one of whom shall be appointed by the Speaker of the House of Representatives.
- (b) In making their appointments, the executive director, the President of the Senate, and the Speaker of the House of Representatives shall ensure that the appointments reflect the diversity of Florida's business community and have the necessary skills to assist rural communities and regions in achieving the goals specified in subsection (1).

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(c) The executive director, the President of the Senate, and the Speaker of the House of Representatives shall consider appointees who reflect the state's racial, ethnic, and gender diversity and who are from rural communities.

- (d) Each appointed member shall be appointed to a 2-year term.
- (e) Initial appointments shall be made by July 1, 2018, with members' terms expiring on June 30 of their second year of service.
- (f) A vacancy shall be filled for the remainder of the unexpired term in the same manner as the original appointment.
- (g) An appointed member may be removed by the appointing officer for cause. Absence of a member from three consecutive meetings results in automatic removal.
- (h) The chair may request the head of any state agency or organization to serve on an ad hoc committee as needed to address issues or projects relating to rural areas of opportunity and economically distressed rural communities. The chair shall consider requesting the following individuals to serve on an ad hoc committee:
- 1. The executive director of the Fish and Wildlife Conservation Commission or his or her designee.
 - 2. The Secretary of State or his or her designee.
- 3. The Secretary of Children and Families or his or her designee.
 - 4. The Secretary of Corrections or his or her designee.
- $\underline{\text{5. The Secretary of Juvenile Justice or his or her}}$ designee.
 - 6. The Secretary of Health Care Administration or his or

26-00117-18 2018170 175 her designee. 176 7. A board member of the Florida Regional Councils 177 Association or his or her designee. 178 (6) (a) By August 1 of each year, the head of each of the 179 following agencies and organizations shall designate a deputy 180 secretary or higher-level staff person from within the agency or 181 organization to serve as the REDI representative for the agency 182 or organization: 183 1. The Department of Transportation. 184 2. The Department of Environmental Protection. 185 3. The Department of Agriculture and Consumer Services. 186 4. The Department of State. 187 5. The Department of Health. 6. The Department of Children and Families. 188 189 7. The Department of Corrections. 190 8. The Department of Education. 191 9. The Department of Juvenile Justice. 192 10. The Fish and Wildlife Conservation Commission. 193 11. Each water management district. 194 12. Enterprise Florida, Inc. 195 13. CareerSource Florida, Inc. 196 14. VISIT Florida. 197 15. The Florida Regional Planning Council Association. 16. The Agency for Health Care Administration. 198 199 17. The Institute of Food and Agricultural Sciences (IFAS). 200 201 An alternate for each designee shall also be chosen, and the 202 names of the designees and alternates shall be sent to the executive director of the department. 203

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(i) (b) Each REDI member who is, or is designated by, a state agency or organization head representative must have comprehensive knowledge of his or her agency's functions, both regulatory and service in nature, and of the state's economic goals, policies, and programs. This person shall be the primary point of contact for his or her agency with REDI on issues and projects relating to rural areas of opportunity and economically distressed rural communities and with regard to expediting project review, shall ensure a prompt effective response to problems arising with regard to rural issues, and shall work closely with the other REDI members representatives in the identification of opportunities for preferential awards of program funds and allowances and waiver of program requirements when necessary to encourage and facilitate long-term private capital investment and job creation. Such members shall also ensure that each district office or facility of his or her agency or organization is informed about REDI and provide assistance throughout the agency in the implementation of REDI activities.

- (c) The REDI representatives shall work with REDI in the review and evaluation of statutes and rules for adverse impact on rural communities and the development of alternative proposals to mitigate that impact.
- (d) Each REDI representative shall be responsible for ensuring that each district office or facility of his or her agency is informed about the Rural Economic Development Initiative and for providing assistance throughout the agency in the implementation of REDI activities.
 - (8) (7) (a) REDI may recommend to the Governor up to three

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rural areas of opportunity. The Governor, may by executive order, may designate up to three rural areas of opportunity which will establish these areas as priority assignments for REDI, and, acting through REDI, may as well as to allow the Governor, acting through REDI, to waive criteria, requirements, or similar provisions of any economic development incentive.

Such incentives shall include, but are not limited to, the Qualified Target Industry Tax Refund Program under s. 288.106, the Quick Response Training Program under s. 288.047, the Quick Response Training Program for participants in the welfare transition program under s. 288.047(8), transportation projects under s. 339.2821, the brownfield redevelopment bonus refund under s. 288.107, and the rural job tax credit program under ss. 212.098 and 220.1895.

- (b) Designation as a rural area of opportunity under this subsection is shall be contingent upon the execution of a memorandum of agreement among the department; the governing body of the county; and the governing bodies of any municipalities to be included within a rural area of opportunity. Such agreement must shall specify the terms and conditions of the designation, including, but not limited to, the duties and responsibilities of the county and any participating municipalities to take actions designed to facilitate the retention and expansion of existing businesses in the area, as well as the recruitment of new businesses to the area.
- (c) Each rural area of opportunity may designate catalyst projects, provided that each catalyst project is specifically recommended by REDI, identified as a catalyst project by Enterprise Florida, Inc., and approved confirmed as a catalyst

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project by the department. All state agencies and departments shall use all available tools and resources to the extent permissible by law to promote the creation and development of each catalyst project and the development of catalyst sites.

- (9) (8) Before September 1 of each year, REDI shall submit a report to the department, the Governor, the President of the Senate, and the Speaker of the House of Representatives a complete and detailed report, including, but not limited to on all REDI activities for the previous fiscal year as a supplement to the department's annual report required under s. 20.60. This supplementary report must include:
- (a) A <u>description of the operations of status report on</u> all projects currently being coordinated through REDI, the number of preferential awards and allowances made pursuant to this section, the dollar amount of such awards, and the names of the recipients, and an evaluation of progress toward achieving organizational goals and specific performance outcomes, as established by the department.
- (b) A description of the accomplishments of REDI and identification of major trends, initiatives, or developments affecting the performance of a program or activity coordinated through REDI.
- (c) A description of all waivers of program requirements granted.
- $\underline{\text{(d)}}_{\text{(e)}}$ Information as to the economic impact of the projects coordinated by REDI.
- $\underline{\text{(e)}}$ (d) Recommendations based on the review and evaluation of statutes and rules having an adverse impact on rural communities and proposals to mitigate such adverse impacts.

Section 2. Paragraph (e) of subsection (7) of section 163.3177, Florida Statutes, is amended to read:

163.3177 Required and optional elements of comprehensive plan; studies and surveys.—

(7)

(e) This subsection does not confer the status of rural area of opportunity, or any of the rights or benefits derived from such status, on any land area not otherwise designated as such pursuant to $\underline{s.\ 288.0656(8)}$ $\underline{s.\ 288.0656(7)}$.

Section 3. Subsection (3) of section 163.3187, Florida Statutes, is amended to read:

163.3187 Process for adoption of small-scale comprehensive plan amendment.—

(3) If the small scale development amendment involves a site within a rural area of opportunity as defined under \underline{s} . $\underline{288.0656(3)(d)}$ s. $\underline{288.0656(2)(d)}$ for the duration of such designation, the 10-acre limit listed in subsection (1) shall be increased by 100 percent to 20 acres. The local government approving the small scale plan amendment shall certify to the state land planning agency that the plan amendment furthers the economic objectives set forth in the executive order issued under \underline{s} . $\underline{288.0656(8)}$ s. $\underline{288.0656(7)}$, and the property subject to the plan amendment shall undergo public review to ensure that all concurrency requirements and federal, state, and local environmental permit requirements are met.

Section 4. Subsection (2) of section 257.193, Florida Statutes, is amended to read:

257.193 Community Libraries in Caring Program. -

(2) The purpose of the Community Libraries in Caring

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Program is to assist libraries in rural communities, as defined in $\underline{s.\ 288.0656(3)}$ $\underline{s.\ 288.0656(2)}$ and subject to the provisions of s. 288.06561, to strengthen their collections and services, improve literacy in their communities, and improve the economic viability of their communities.

Section 5. Section 288.019, Florida Statutes, is amended to read:

288.019 Rural considerations in grant review and evaluation processes.—Notwithstanding any other law, and to the fullest extent possible, the member agencies and organizations of the Rural Economic Development Initiative (REDI) as defined in \underline{s} . $\underline{288.0656(7)(a)}$ \underline{s} . $\underline{288.0656(6)(a)}$ shall review all grant and loan application evaluation criteria to ensure the fullest access for rural counties as defined in \underline{s} . $\underline{288.0656(3)}$ \underline{s} . $\underline{288.0656(2)}$ to resources available throughout the state.

- (1) Each REDI agency and organization shall review all evaluation and scoring procedures and develop modifications to those procedures which minimize the impact of a project within a rural area.
- (2) Evaluation criteria and scoring procedures must provide for an appropriate ranking based on the proportionate impact that projects have on a rural area when compared with similar project impacts on an urban area.
- (3) Evaluation criteria and scoring procedures must recognize the disparity of available fiscal resources for an equal level of financial support from an urban county and a rural county.
- (a) The evaluation criteria should weight contribution in proportion to the amount of funding available at the local

level.

(b) In-kind match should be allowed and applied as financial match when a county is experiencing financial distress through elevated unemployment at a rate in excess of the state's average by 5 percentage points or because of the loss of its ad valorem base.

(4) For existing programs, the modified evaluation criteria and scoring procedure must be delivered to the department for distribution to the REDI agencies and organizations. The REDI agencies and organizations shall review and make comments. Future rules, programs, evaluation criteria, and scoring processes must be brought before a REDI meeting for review, discussion, and recommendation to allow rural counties fuller access to the state's resources.

Section 6. Section 288.06561, Florida Statutes, is amended to read:

288.06561 Reduction or waiver of financial match requirements.—Notwithstanding any other law, the member agencies and organizations of the Rural Economic Development Initiative (REDI), as defined in $\underline{s.\ 288.0656(7)(a)}\ \underline{s.\ 288.0656(6)(a)}$, shall review the financial match requirements for projects in rural areas as defined in $\underline{s.\ 288.0656(3)}\ \underline{s.\ 288.0656(2)}$.

- (1) Each agency and organization shall develop a proposal to waive or reduce the match requirement for rural areas.
- (2) Agencies and organizations shall ensure that all proposals are submitted to the department for review by the REDI agencies.
- (3) These proposals shall be delivered to the department for distribution to the REDI agencies and organizations. A

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meeting of REDI agencies and organizations must be called within 30 days after receipt of such proposals for REDI comment and recommendations on each proposal.

- (4) Waivers and reductions must be requested by the county or community, and such county or community must have three or more of the factors identified in $\underline{s.\ 288.0656(3)(c)}$ $\underline{s.}$ $\underline{288.0656(2)(c)}$.
- (5) Any other funds available to the project may be used for financial match of federal programs when there is fiscal hardship, and the match requirements may not be waived or reduced.
- (6) When match requirements are not reduced or eliminated, donations of land, though usually not recognized as an in-kind match, may be permitted.
- (7) To the fullest extent possible, agencies and organizations shall expedite the rule adoption and amendment process if necessary to incorporate the reduction in match by rural areas in fiscal distress.
- (8) REDI shall include in its annual report an evaluation on the status of changes to rules, number of awards made with waivers, and recommendations for future changes.

Section 7. Paragraph (d) of subsection (6) of section 290.0055, Florida Statutes, is amended to read:

290.0055 Local nominating procedure.-

(6)

(d)1. The governing body of a jurisdiction which has nominated an application for an enterprise zone that is at least 15 square miles and less than 20 square miles and includes a portion of the state designated as a rural area of opportunity

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under $\underline{s.\ 288.0656(8)}$ $\underline{s.\ 288.0656(7)}$ may apply to the department to expand the boundary of the existing enterprise zone by not more than 3 square miles.

- 2. The governing body of a jurisdiction which has nominated an application for an enterprise zone that is at least 20 square miles and includes a portion of the state designated as a rural area of opportunity under $\underline{s.\ 288.0656(8)}\ \underline{s.\ 288.0656(7)}\ may$ apply to the department to expand the boundary of the existing enterprise zone by not more than 5 square miles.
- 3. An application to expand the boundary of an enterprise zone under this paragraph must be submitted by December 31, 2013.
- 4. Notwithstanding the area limitations specified in subsection (4), the department may approve the request for a boundary amendment if the area continues to satisfy the remaining requirements of this section.
- 5. The department shall establish the initial effective date of an enterprise zone designated under this paragraph.

Section 8. Section 290.06561, Florida Statutes, is amended to read:

290.06561 Designation of rural enterprise zone as catalyst site.—Notwithstanding s. 290.0065(1), the Department of Economic Opportunity, upon request of the host county, shall designate as a rural enterprise zone any catalyst site as defined in \underline{s} . $\underline{288.0656(3)(b)}$ \underline{s} . $\underline{288.0656(2)(b)}$ that was approved before January 1, 2010, and that is not located in an existing rural enterprise zone. The request from the host county must include the legal description of the catalyst site and the name and contact information for the county development authority

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responsible for managing the catalyst site. The designation shall provide businesses locating within the catalyst site the same eligibility for economic incentives and other benefits of a rural enterprise zone designated under s. 290.0065. The reporting criteria for a catalyst site designated as a rural enterprise zone under this section are the same as for other rural enterprise zones. Host county development authorities may enter into memoranda of agreement, as necessary, to coordinate their efforts to implement this section.

Section 9. Paragraph (h) of subsection (1) of section 337.403, Florida Statutes, is amended to read:

337.403 Interference caused by utility; expenses.-

- (1) If a utility that is placed upon, under, over, or within the right-of-way limits of any public road or publicly owned rail corridor is found by the authority to be unreasonably interfering in any way with the convenient, safe, or continuous use, or the maintenance, improvement, extension, or expansion, of such public road or publicly owned rail corridor, the utility owner shall, upon 30 days' written notice to the utility or its agent by the authority, initiate the work necessary to alleviate the interference at its own expense except as provided in paragraphs (a)-(j). The work must be completed within such reasonable time as stated in the notice or such time as agreed to by the authority and the utility owner.
- (h) If a municipally owned utility or county-owned utility is located in a rural area of opportunity, as defined in \underline{s} . $\underline{288.0656(3)}$ \underline{s} . $\underline{288.0656(2)}$, and the department determines that the utility is unable, and will not be able within the next 10 years, to pay for the cost of utility work necessitated by a

department project on the State Highway System, the department may pay, in whole or in part, the cost of such utility work performed by the department or its contractor.

Section 10. Subsection (7) of section 339.2818, Florida Statutes, is amended to read:

339.2818 Small County Outreach Program. -

(7) Subject to a specific appropriation in addition to funds annually appropriated for projects under this section, a municipality within a rural area of opportunity or a rural area of opportunity community designated under $s.\ 288.0656(8)(a)\ s.\ 288.0656(7)(a)$ may compete for the additional project funding using the criteria listed in subsection (4) at up to 100 percent of project costs, excluding capacity improvement projects.

Section 11. Paragraph (c) of subsection (4) of section 339.2819, Florida Statutes, is amended to read:

339.2819 Transportation Regional Incentive Program.-

481 (4)

- (c) The department shall give priority to projects that:
- 1. Provide connectivity to the Strategic Intermodal System developed under s. 339.64.
- 2. Support economic development and the movement of goods in rural areas of opportunity designated under $\underline{s.\ 288.0656(8)}$ $\underline{s.\ 288.0656(7)}$.
- 3. Are subject to a local ordinance that establishes corridor management techniques, including access management strategies, right-of-way acquisition and protection measures, appropriate land use strategies, zoning, and setback requirements for adjacent land uses.
 - 4. Improve connectivity between military installations and

the Strategic Highway Network or the Strategic Rail Corridor Network.

The department shall also consider the extent to which local matching funds are available to be committed to the project.

Section 12. Paragraph (b) of subsection (5) of section 339.63, Florida Statutes, is amended to read:

339.63 System facilities designated; additions and deletions.—

(5)

- (b) A facility designated part of the Strategic Intermodal System pursuant to paragraph (a) that is within the jurisdiction of a local government that maintains a transportation concurrency system shall receive a waiver of transportation concurrency requirements applicable to Strategic Intermodal System facilities in order to accommodate any development at the facility which occurs pursuant to a building permit issued on or before December 31, 2017, but only if such facility is located:
- 1. Within an area designated pursuant to $\underline{s. 288.0656(8)}$ $\underline{s.}$ $\underline{288.0656(7)}$ as a rural area of opportunity;
- 2. Within a rural enterprise zone as defined in s. 290.004(5); or
- 3. Within 15 miles of the boundary of a rural area of opportunity or a rural enterprise zone.

Section 13. Subsection (16) of section 479.16, Florida Statutes, is amended to read:

479.16 Signs for which permits are not required.—The following signs are exempt from the requirement that a permit for a sign be obtained under this chapter but are required to

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comply with s. 479.11(4)-(8), and subsections (15)-(20) may not be implemented or continued if the Federal Government notifies the department that implementation or continuation will adversely affect the allocation of federal funds to the department:

- (16) Signs placed by a local tourist-oriented business located within a rural area of opportunity as defined in \underline{s} . 288.0656(3) \underline{s} . 288.0656(2) which are:
- (a) Not more than 8 square feet in size or more than 4 feet in height;
- (b) Located only in rural areas on a facility that does not meet the definition of a limited access facility, as defined in s. 334.03;
- (c) Located within 2 miles of the business location and at least 500 feet apart;
- (d) Located only in two directions leading to the business; and
 - (e) Not located within the road right-of-way.

A business placing such signs must be at least 4 miles from any other business using this exemption and may not participate in any other directional signage program by the department.

If the exemptions in subsections (15)-(20) are not implemented or continued due to notification from the Federal Government that the allocation of federal funds to the department will be adversely impacted, the department shall provide notice to the sign owner that the sign must be removed within 30 days after receipt of the notice. If the sign is not removed within 30 days

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after receipt of the notice by the sign owner, the department may remove the sign, and the costs incurred in connection with the sign removal shall be assessed against and collected from the sign owner.

Section 14. Paragraph (d) of subsection (14) of section 627.6699, Florida Statutes, is amended to read:

- 627.6699 Employee Health Care Access Act.-
- (14) SMALL EMPLOYERS ACCESS PROGRAM.-
- (d) Eligibility.—
- 1. Any small employer that is actively engaged in business, has its principal place of business in this state, employs up to 25 eligible employees on business days during the preceding calendar year, employs at least 2 employees on the first day of the plan year, and has had no prior coverage for the last 6 months may participate.
- 2. Any municipality, county, school district, or hospital employer located in a rural community as defined in \underline{s} . 288.0656(3) \underline{s} . 288.0656(2) may participate.
 - 3. Nursing home employers may participate.
- 4. Each dependent of a person eligible for coverage is also eligible to participate.

Any employer participating in the program must do so until the end of the term for which the carrier providing the coverage is obligated to provide such coverage to the program. Coverage for a small employer group that ceases to meet the eligibility requirements of this section may be terminated at the end of the policy period for which the necessary premiums have been paid.

Section 15. This act shall take effect upon becoming a law.