

**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.)

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Prepared By: The Professional Staff of the Committee on Governmental Oversight and Accountability

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BILL: SB 1512

INTRODUCER: Senator Wright

SUBJECT: Space Florida Board of Directors

DATE: March 23, 2021

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Stallard</u>	<u>Caldwell</u>	<u>MS</u>	<b>Favorable</b>
2.	<u>McVaney</u>	<u>McVaney</u>	<u>GO</u>	<b>Pre-meeting</b>
3.	_____	_____	<u>RC</u>	_____

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**I. Summary:**

SB 1512 increases the number of members of the board of directors of Space Florida from 13 to 15. The President of the Senate is authorized to appoint one member of the Florida Senate, and Speaker of the House of Representatives is authorized to appoint a member of the House of Representatives. These legislative appointees serve ex officio and as nonvoting members of the board.

Under current law, the Space Florida board of directors is comprised of the Governor or his or her designee, and 12 members from the board of directors of Enterprise Florida. Six of these twelve people are appointed by the Governor, and the President of the Senate and the Speaker of the House each appoint three members. The appointing officials must select members from various industries and areas of expertise as specified in statute. Moreover, they must consider candidates who reflect this state's racial, ethnic, and gender diversity.

By law, the board of directors of Space Florida performs various functions, including establishing rules and orders to conduct the business of Space Florida, and appointing a president of Space Florida. Additionally, Space Florida is granted various powers, including the authority to enter into contracts necessary to carry out Space Florida's mission and to provide financial services to support aerospace-related business development in this state.

Members of the board of directors serve 4-year terms.

The bill takes effect July 1, 2021.

## II. Present Situation:

### Space Florida – Creation and Purpose

Space Florida was created as an independent special district,<sup>1</sup> a body politic and corporate, and a subdivision of the state, to foster the growth and development of a sustainable and world-leading aerospace industry in this state. The purpose of Space Florida is to promote aerospace business development by facilitating business financing, spaceport operations, research and development, workforce development, and innovative education programs. To accomplish its purpose, Space Florida advises, coordinates, cooperates, and, when necessary, enters into memoranda of agreement with municipalities, counties, regional authorities, state agencies and organizations, appropriate federal agencies and organizations, and other interested persons and groups.<sup>2</sup> Space Florida may purchase or construct facilities; set rates, fees, and charges for the use of facilities; and undertake joint financing with municipalities or private sector entities for any project.<sup>3</sup>

### Space Florida’s Board of Directors

#### *Composition and Appointment*

Space Florida is governed by a 13-member independent board of directors. The board must be comprised of the 12 private-sector members of the Enterprise Florida Board, plus the Governor or designee. The Governor serves ex officio, as the chair, and as a voting member.<sup>4</sup>

The 12 private–sector members of the Enterprise Florida board, and thus of the Space Florida Board, are appointed to 4-year terms by the Governor (six), the President of the Senate (three), and the Speaker of the House of Representatives (three).<sup>5</sup> In appointing board members, the Governor and the presiding officers of the Legislature must “ensure that the composition of the board of directors reflects the diversity of Florida’s business community and is representative of” the following economic development goals:

- Increase private investment in Florida.
- Advance international and domestic trade opportunities.
- Market the state both as a probusiness location for new investment and as an unparalleled tourist destination.
- Revitalize Florida’s space and aerospace industries, and promote emerging complementary industries.
- Promote opportunities for minority-owned businesses.

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<sup>1</sup> Chapter 189, F.S.

<sup>2</sup> Space Florida is not an agency as defined in ss. 216.011 and 287.012, F.S. Space Florida is subject to applicable provisions of the Uniform Special District Accountability Act.

<sup>3</sup> Section 331.305, F.S.

<sup>4</sup> According to the Space Florida website, the following are members of the board: Governor Ron DeSantis; Lieutenant Governor Jeanette Nunez, Chairman of the Board; Jay Beyrouiti, President, Monicarla, Ltd.; Jesse Biter, President/CEO, Biter Enterprises, LLC.; Dean Cannon, President and CEO, Gray Robinson; Gregory Celestan, Chairman and Chief Executive Officer, Celestar Corporation; Daniel Davis, President and CEO, Jax Chamber; Sonya Deen, Vice President of Government Relations, JM Family Enterprises, Inc.; Barbara Essenwine, Owner, Above & Beyond Group; Mori Hosseini, Chairman & CEO, ICI Homes; Kenneth Kahn, President, LRP Media Group; Belinda Keiser, Vice Chancellor of Community Relations & Student Advancement, Keiser University; Katherine San Pedro, Partner, Ballard Partners, Inc. Available at <https://www.spaceflorida.gov/about/board-of-directors/> (Last visited on March 4, 2021).

<sup>5</sup> Section 331.3081., F.S.

- Assist and market professional and amateur sport teams and sporting events in Florida.
- Assist, promote, and enhance economic opportunities in this state’s rural and urban communities.<sup>6</sup>

Additionally, the board must include at least one director for each of the following areas of expertise:

- International business
- Tourism marketing
- The space or aerospace industry
- Managing or financing a minority-owned business
- Manufacturing
- Finance and accounting
- Sports marketing<sup>7</sup>

Finally, when appointing members from the private sector to serve on the Enterprise Florida Board (and therefore on the Space Florida board), the Governor, Senate President, and Speaker of the House must consider “appointees who reflect Florida’s racial, ethnic, and gender diversity. Efforts shall be taken to ensure participation from all geographic areas of the state, including representation from urban and rural communities.”<sup>8</sup>

#### ***Duties of the Board of Directors***

The board of directors’ duties include:

- Adopting rules and orders to conduct the business of Space Florida, the maintenance of records, and the form of all documents and records of Space Florida.
- Maintaining an executive office and Space Florida offices in close proximity to the John F. Kennedy Space Center.
- Appointing a president of Space Florida and determining his or her title, functions, duties, powers, and salary.
- Preparing an annual report of operations as a supplement to its annual report, which is also required by law.<sup>9</sup>

#### ***Powers of the Board of Directors***

The board of directors is authorized to exercise the following powers:

- Enter, and authorize any agent or employee of Space Florida to enter, upon any lands, waters, and premises, upon giving reasonable notice and due process to the land owner, for the purposes of making surveys, soundings, drillings, appraisals, and examinations necessary to perform its duties and functions.
- Execute all contracts and other documents, adopt all proceedings, and perform all acts determined by the board to be necessary or desirable to carry out the purposes given it in statute.

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<sup>6</sup> Section 288.901(5)(b), F.S. The goals are provided in s. 288.901(2), F.S.

<sup>7</sup> Section 288.901(5)(b), F.S.

<sup>8</sup> Section 288.901(5)(c), F.S.

<sup>9</sup> Section 331.310(2), F.S.

- Establish and create such departments, committees, or other entities as from time to time the board deems necessary or desirable in the performance of any acts or other things necessary to the exercise of the powers provided in statute.
- Provide financial services to support aerospace-related business development within the state. Financial services may include, but are not limited to:
  - Insuring, coinsuring, or originating for sale direct aerospace-related loans.
  - Direct lending.
  - Guaranteeing and collateralizing loans.
  - Creating accounts.
  - Capitalizing, underwriting, leasing, selling, or securing funding for aerospace-related infrastructure.
  - Investing in permissible securities.
  - Organizing financial institutions and international bank syndicates.
  - Acquiring, accepting, or administering grants, contracts, and fees from other organizations to perform activities that are consistent with the purposes of Space Florida's business plan. If the board deems a financial services entity is necessary, the board may create, form, or contract with one or more such entities.
- Examine, and authorize any officer or agent of Space Florida to examine, the county tax rolls with respect to the assessed valuation of the real and personal property within any spaceport territory.
- Engage in the planning and implementation of space-related economic and educational development within the state.
- Provide the strategic direction for the aerospace-related research priorities of the state and its aerospace-related businesses.
- Execute intergovernmental agreements and development agreements consistent with prevailing statutory provisions, including, but not limited to, special benefits or tax increment financing initiatives.
- Establish reserve funds for future board operations.
- Adopt rules pursuant to chapter 120, F.S., to carry out the purposes of ch. 331, F.S, which governs Space Florida.<sup>10</sup>

### **III. Effect of Proposed Changes:**

The bill increases the number of members of the board of directors of Space Florida from 13 to 15. The President of the Senate is authorized to appoint one member of the Florida Senate, and Speaker of the House of Representatives is authorized to appoint a member of the House of Representatives. These legislative appointees serve ex officio and as nonvoting members of the board.

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<sup>10</sup> Section 331.310(1), F.S.

By law, the board of directors of Space Florida performs various functions, including establishing rules and orders to conduct the business of Space Florida and appointing a president of Space Florida. Additionally, Space Florida is granted various powers, including the authority to enter into contracts necessary to carry out Space Florida's mission and provide financial services to support aerospace-related business development in this state.

Members of the board of directors serve 4-year terms.

The bill takes effect July 1, 2021.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

Not applicable. The mandate restrictions do not apply because the bill does not require counties and municipalities to spend funds, reduce counties' or municipalities' ability to raise revenue, or reduce the percentage of state tax shared with counties and municipalities.

##### **B. Public Records/Open Meetings Issues:**

None.

##### **C. Trust Funds Restrictions:**

None.

##### **D. State Tax or Fee Increases:**

None.

##### **E. Other Constitutional Issues:**

None identified.

#### **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 section 331.081 of the Florida Statutes.

**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.