

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1303 Northeast Florida Regional Spaceport Authority

SPONSOR(S): Duggan and others

TIED BILLS: **IDEN./SIM. BILLS:** SB 1814

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Tourism, Infrastructure & Energy Subcommittee	17 Y, 0 N	Walsh	Keating
2) Infrastructure & Tourism Appropriations Subcommittee			
3) Ways & Means Committee			
4) Commerce Committee			

SUMMARY ANALYSIS

Space Florida acts as Florida’s point of contact for state aerospace-related activities with federal agencies, the military, state agencies, businesses, and the private sector. Space Florida is an independent special district and a subdivision of the state. Special districts are subject to the Uniform Special District Accountability Act.

Facilities that are equipped to serve the aerospace industry, including a horizontal take-off runway and solid rocket motor storage, are located in Northeast Florida.

The bill creates the Northeast Florida Regional Spaceport Authority (Authority), which will serve to promote the development of Northeast Florida’s commercial space industry. The bill creates the Authority as an independent special district, body politic and corporate, and a subdivision of the state. The bill provides certain territorial limits for the Authority.

The bill authorizes the Authority to have and exercise all powers necessary or convenient to effect any or all of the purposes for which it is organized. The bill states that the Authority will be governed by a nine-member board of directors. Under the bill, the Authority and its board of directors are given various powers and duties related to the purpose for which the Authority is created.

The bill grants bonding authority and provides tax exempt status for the Authority. The bill permits the Department of Transportation to include projects of the Authority in the department’s annual legislative budget request.

The bill provides an effective date of July 1, 2022.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Space Florida

In 2006, the Legislature passed the Space Florida Act,¹ which created Space Florida as an independent special district to promote aerospace business development by facilitating business and infrastructure financing, spaceport operations, research and development, workforce development, and innovative education programs.² Space Florida acts as Florida's point of contact for state aerospace-related activities with federal agencies, the military, state agencies, businesses, and the private sector.³

Space Florida is governed by a 13-member independent board of directors consisting of members appointed by the Governor, the President of the Senate, the Speaker of the House of Representatives, and members of the board of directors of Enterprise Florida, Inc. The Governor serves ex officio, or may appoint a designee to serve as the chair and a voting member of the board.⁴

Space Florida is an independent special district and a subdivision of the state. The boundary and services area for the Space Florida special district covers the entire state.⁵ Space Florida is subject to the provisions of the Uniform Special District Accountability Act, to the extent that the provisions of that act do not conflict with the Space Florida Act.⁶

Special Districts

In 1989, the Legislature passed the Uniform Special District Accountability Act.⁷ This Act sets forth the general provisions for all special districts, addressing such issues as creation, operation, financial reporting, taxation, assessments, elections, definitions, compliance with general law, and comprehensive planning. Generally, the charter creating an independent special district must contain the following information:

- The purpose of the special district;
- The powers, functions and duties of the special district relating to ad valorem taxes, bonds and other revenue-raising abilities, budget preparation and approval, liens and lien foreclosures, and the use of tax deeds and certificates for non-ad valorem assessments and contractual agreements;
- A method for establishing the district and amending the district charter;
- The membership, organization, compensation, and administrative duties of the governing board and its members;
- Applicable financial disclosures, noticing, and reporting requirements;
- Procedures and requirements for bond issues, if the special district will issue bonds;
- Election procedures and requirements;
- A method for financing the district;
- Authorized millage rate, and methods for collecting non-ad valorem assessments, fees, or service charges;
- Planning requirements; and
- District boundaries.⁸

¹ See ss. 331.301 through 331.371, F.S.

² S. 331.302, F.S.

³ S. 331.3011, F.S.

⁴ S. 331.3081, F.S.

⁵ S. 331.302(1), F.S.

⁶ Ss. 331.301-331.371, F.S.

⁷ Ch. 189, F.S.

⁸ S. 189.031, F.S.

Northeast Florida Aerospace Commerce

Northeast Florida has multiple facilities that are equipped to serve the aerospace industry. For example, Camp Blanding, located in Clay County, is equipped to provide rail transport and solid rocket motor storage, and Cecil Air and Spaceport, located in Duval County, is equipped with a horizontal launch runway.⁹

Effect of the Bill

The bill creates the Northeast Florida Regional Spaceport Authority (Authority), which will serve to promote the development of Northeast Florida's commercial space industry.

Legislative Findings and Intent

The bill provides a short title of the "Northeast Florida Regional Spaceport Authority Act." The bill contains legislative findings that:

- The commercial aerospace industry of Florida is integral to the state's long-term success in diversifying its economy and creating an economy that can support the creation of high-value-added businesses and jobs;
- Attaining these economic goals requires a strong public and private commitment to the commercial aerospace industry;
- Clay, Duval, and Nassau Counties have ideal geographic spaceport attributes; and
- It is the intent of the Legislature that commercial aerospace activities in Northeast Florida be coordinated by the Authority and that, notwithstanding any other provision of law, the Authority be an independent point of contact for commercial aerospace activities with federal agencies, the military, state agencies, businesses, and the private sector.

Creation and Purpose of the Authority

The bill creates the Authority as an independent special district, body politic and corporate, and a subdivision of the state. As an independent special district, the Authority would be subject to the Uniform Special District Accountability Act. However, the bill states that to the extent that any provision of the Uniform Special District Accountability Act conflicts with the bill, the bill will prevail.

The Authority would not be considered an agency as defined in s. 216.011(1)(qq)¹⁰ or s. 287.012(1),¹¹ F.S. Under the bill, the Authority's purpose is to promote commercial aerospace business development by facilitating business financing, spaceport operations, research and development, local workforce development, and local education programs.

The bill requires that in carrying out its duties and responsibilities, the Authority must advise, coordinate, cooperate, and when necessary, enter into memoranda of agreement with municipalities, counties, regional authorities, state agencies and organizations both within and outside Florida, appropriate federal agencies and organizations, and other interested persons and groups. The Authority may not endorse any candidate for elected public office or contribute money to such a candidate's campaign.

The bill defines the following terms: "aerospace," "authority," "board" or "board of directors," "bonds," "financing agreement," "landing area," "launch pad," "launch support facilities," "payload," "person," "project," "range," "recovery," "region," "regional spaceport," "spaceport," "spaceport discretionary capacity improvement projects," and "spaceport user."

⁹ Attachment to email from Koby Adams, Legislative Assistant to Rep. Wyman Duggan, to Cochran Keating, Policy Chief, RE: Global Space Economy DOC (Jan. 19, 2022).

¹⁰ S. 216.011, F.S. relates to planning and budgeting.

¹¹ S. 216.012, F.S. relates to procurement of personal property and services.

The bill provides that it supersedes any general or special act that is inconsistent with the language of the bill.

Territory of the Authority

The bill provides that the following property constitutes the Authority's regional spaceport territory:

- Real property located in Duval County which is included within the boundaries of Cecil Airport and Cecil Commerce Center and any other real property designated by the Jacksonville City Council;¹²
- Real property located in Nassau County as designated by the Nassau County Board of County Commissioners;
- Real property located in Clay County as designated by the Clay County Board of County Commissioners; and
- Real property within Duval, Nassau, and Clay Counties which is licensed by the Federal Aviation Administration (FAA) as a spaceport.

Powers and Duties of the Authority

Under the bill, the Authority may conduct its affairs, carry on its operations, and have offices and exercise the powers granted by the bill in any state, territory, district, or possession of the United States or any foreign country. The bill gives the Authority the ability to have and exercise all powers necessary or convenient to effect any or all of the purposes for which it is organized.

The bill further provides that the Authority may examine, develop, and use new concepts, designs, and ideas relating to the purpose for which it is created. To do so, the bill provides that the Authority may own, acquire, construct, reconstruct, equip, operate, maintain, extend, and improve experimental spaceport facilities and services and otherwise undertake, sponsor, finance, and maintain research activities, experimentation, and development, in order to promote the development and use of new concepts, designs, and ideas in the fields of space exploration, commercialization of the space industry, and spaceport facilities.

The bill states that the Authority may acquire real, personal, intangible, tangible, or mixed property, within or without its territorial limits by purchase, gift, devise, or lease, on such terms and conditions as the board may deem necessary or desirable, and sell or otherwise dispose of any of the assets and properties of the authority.

With regard to real and personal property, the bill gives the Authority power to own, acquire, construct, develop, create, reconstruct, equip, operate, maintain, extend, and improve launch pads, landing areas, ranges, payload assembly buildings, payload processing facilities, laboratories, aerospace business incubators, launch vehicles, payloads, space flight hardware, facilities and equipment for the construction of payloads, space flight hardware, rockets, and other launch vehicles, and other spaceport facilities and aerospace-related systems, including educational, cultural, and parking facilities and aerospace-related initiatives.

The bill also gives the Authority powers relating to the construction, possession, maintenance, and operation of:

- Transportation facilities appropriate to meet the transportation requirements of the Authority and activities conducted within the regional spaceport;
- Electric power plants, transmission lines and related facilities, gas mains and facilities of any nature for the production or distribution of natural gas, and transmission lines and related facilities for the generation and transmission of power through traditional, new, and experimental sources of power and energy;¹³

¹² The bill provides that, notwithstanding any other provision of law, the spaceport facilities and projects owned and administered by the Jacksonville Airport Authority will become the property and responsibility of the Authority.

¹³ With regard to utilities, the bill provides that the Authority may also: purchase sources of power for distribution within any spaceport territory; develop and operate water and sewer systems; and develop and operate new and experimental

- Water and flood control facilities, subject to the rules and regulations of the appropriate water management district;
- Public safety facilities for the regional spaceport; and
- Such works to construct facilities determined by the board to promote and ensure public safety.

The bill outlines other powers of the Authority as the abilities to:

- Sue and be sued;
- Adopt and use a corporate seal;
- Acquire, enjoy, use, and dispose of patents, copyrights, and trademarks and any licenses and other rights or interests under or in such licenses;
- Purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote on, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of and otherwise use and deal in and with shares and other interests in, or obligations of, other domestic or foreign corporations;
- Lend money for its purposes, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds loaned;
- Make and execute any contracts and other instruments, including financing agreements with persons or spaceport users, to facilitate the financing, construction, leasing, or sale of any project;
- Whenever deemed necessary by the board, lease any facilities or property for the use of the Authority to carry out the purposes of the Authority;
- Hire a safety officer with substantial experience in public safety procedures and programs for space vehicle launching and related hazardous operations;¹⁴
- Issue revenue bonds or other evidences of indebtedness;
- In connection with any financing agreement, fix and collect fees, loan payments, rental payments, and other charges for the use of any project in such amount as to provide sufficient moneys to pay the principal of and interest on bonds as they become due and payable;
- Recover the costs of a spaceport facility or system;
- Prescribe, fix, establish, and collect rates, fees, rentals, tolls, fares, or other charges and revise such revenues for the facilities and services furnished or to be furnished by the Authority and the spaceport;
- Recover any unpaid balance, all interest accrued thereon, and attorney fees and costs if any rates, fees, rentals, tolls, fares, other charges, or delinquent penalties go unpaid and are in default for 30 days or more;
- Accept, receive, and receipt for federal moneys, property, and other moneys or properties, either public or private, for the Authority's purposes; and
- Sell bonds in blocks in compliance with current law.

The bill provides that the Authority must, in accordance with FAA procedures, file the appropriate federal notification to activate special use airspace in support of launch operations. Furthermore, the bill states that the Authority must obtain the required environmental permits in accordance with state and federal law. The bill requires the Authority to involve and utilize women, minorities, and socially and economically disadvantaged business enterprises in all phases of the design, development, construction, maintenance, and operation of spaceports developed by the bill.

Under the bill, the Authority is not required to pay any taxes on any project or any other property owned by the Authority or on the income from such projects or property.

The bill provides that no corporation incorporated or authorized to transact business in Florida, nor any person or business entity transacting business in Florida, may use the words "Northeast Florida Regional Spaceport Authority" in its name, unless the board gives written approval for such use. The

public utilities. However, the Authority may not construct any of the aforementioned systems if a system of similar character is actually being operated by a municipality or private company in the area adjacent thereto, unless such entity consents to the construction.

¹⁴ The bill provides that the safety officer shall monitor and report on the safety and hazards of ground-based space operations to the chair.

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bill authorizes the Department of State to dissolve any corporation that uses the Authority's name without consent to do so.

The bill requires the Authority to develop a spaceport master plan for expansion and modernization of space transportation facilities within the region. The Authority must submit the plan to the Department of Transportation and to any appropriate metropolitan planning organization. The department may participate in the capital cost of eligible spaceport discretionary capacity improvement projects, and the department's annual legislative budget request shall be based on the proposed funding requested for approved spaceport discretionary capacity improvement projects.

Board of Directors

The bill states that the Authority will be governed by a nine-member board of directors (board). Under the bill, the Authority's board of directors consists of:

- Three members appointed by the Governor and confirmed by the Senate,¹⁵
- Three members appointed by the Mayor of the City of Jacksonville and confirmed by the Jacksonville City Council,
- Two members appointed by the Clay County Board of County Commissioners, and
- One member appointed by the Nassau County Board of County Commissioners.¹⁶

The bill provides that each member of the board will serve a term of four years beginning on June 1 of the year in which he or she is appointed and will hold office until a successor has been appointed. The bill provides a process for how a vacancy on the board must be filled.

Under the bill, the members of the board are not entitled to compensation but must be reimbursed for travel expenses or other expenses incurred in their duties as provided by law.

Five voting members of the board shall constitute a quorum, and a resolution adopted by the board may not become effective without the affirmative vote of at least five members.

Powers and Duties of the Board of Directors

The bill provides that the board must designate an individual who is a resident of the state, or a qualified public depository, as treasurer of the Authority, who must have charge of the Authority's funds. The bill outlines how the treasurer must handle funds. Under the bill, the board may give the treasurer additional powers and duties as it deems appropriate, and the board must determine the treasurer's compensation.

The bill provides that the board may also employ a fiscal agent, who must be a resident of this state or a corporation organized under the laws of this or any other state and authorized by such laws to act as a fiscal agent in such state.

The bill provides that the board may:

- Execute contracts and other documents, adopt all proceedings, and perform all acts determined by the board to be necessary or desirable to carry out its purposes;
- Establish, create, and delegate the proper authority to departments, committees, or other entities the board deems necessary or desirable in the performance of any acts or other things necessary to the exercise of the powers provided in the bill;
- Provide financial services to support commercial aerospace-related business development within the region;¹⁷

¹⁵ At least one of the members appointed by the Governor must be a resident and qualified elector of Clay County, Duval County, or Nassau County.

¹⁶ Each of the six members not appointed by the Governor must be a resident and qualified elector of the county from which he or she is appointed.

¹⁷ The bill provides what the financial services may include.

- Execute intergovernmental agreements and development agreements consistent with prevailing statutory provisions;
- Establish reserve funds for future board operations;
- Enter into contracts for the use of projects and for the services and facilities furnished or to be furnished by the Authority;
- Discontinue and shut off services and facilities of any project if the rates, fees, rentals, tolls, fares, or other charges for services and facilities are not paid when due;
- Enter into and execute contracts and agreements relating to the common powers, duties, and functions of the board and other officers, agents, and employees of the Authority, and the respective governing body or bodies of one or more municipalities;
- Authorize bonds by resolution;
- Invest the funds of the Authority in and through the means outlined in the bill; and
- Establish a fiscal year for the Authority.

The bill provides that the board has the following duties:

- Adopt rules and orders to conduct the business of the authority, the maintenance of records, and the form of all documents and records of the authority;
- Prepare an annual report of operations for the previous fiscal year and submit the report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by November 30th of each year;
- Establish a safety program;
- Secure insurance coverage within reasonable limits for liability; and
- Secure reasonable levels of insurance coverage on its buildings, facilities, and property, if such coverage is available and cost effective.

The Authority and Political Subdivisions

The bill provides that the Authority may exercise any of its rights, powers, privileges, and authority in any portion of the regional spaceport lying within the boundaries of any municipality or other political subdivision whose boundaries lie wholly or partly in the territory of the Authority to the same extent as in areas of the regional spaceport not incorporated as part of a municipality or other political subdivision. However, the Authority may only do so within the portion of the municipality or other political subdivision lying within the boundaries of the regional spaceport.

The state, counties, municipalities, and other political subdivisions, public bodies, and agencies thereof may aid and cooperate with the Authority in carrying out any of the purposes and projects of the Authority, enter into cooperative agreements with the Authority, and participate in any such cooperative agreement for carrying out the purpose and projects of the Authority. Any such agreement may not exceed 99 years.

B. SECTION DIRECTORY:

Section 1: Creates ss. 331.601 through 331.661, F.S., otherwise known as the Northeast Florida Regional Spaceport Authority Act.

Section 2: Provides an effective date of July 1, 2022.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

See Fiscal Comments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill may aid in developing Northeast Florida's private aerospace industry, which may bring jobs to the area.

D. FISCAL COMMENTS:

The bill grants bonding authority to the Northeast Florida Spaceport Authority. The bill provides tax exempt status for the Authority. The bill permits the Department of Transportation to include projects of the Authority in the department's annual legislative budget request.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill authorizes the board of directors of the Authority to adopt rules to conduct the business of the Authority. Under the bill, the Authority's board of directors may adopt rules with respect to any of the projects of the Authority, with notice and a public hearing.

C. DRAFTING ISSUES OR OTHER COMMENTS:

The bill provides that it is the Legislature's intent that the Authority be an independent point of contact for commercial aerospace activities with federal agencies, the military, state agencies, businesses, and the private sector. However, current law provides similar language for Space Florida, which is an independent special district with territory that covers the entire State of Florida.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

Not applicable.