

By the Committee on Finance and Tax; and Senator Albritton

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1                   A bill to be entitled  
2           An act relating to economic development; amending s.  
3           166.231, F.S.; authorizing municipalities to exempt by  
4           ordinance the public service tax that specified users  
5           would pay on energy purchases; requiring  
6           municipalities to provide copies of such ordinances to  
7           the Department of Revenue within a certain timeframe;  
8           amending s. 212.02, F.S.; defining the term  
9           "opportunity zone"; amending s. 212.08, F.S.; defining  
10          terms; providing an exemption from the state tax on  
11          sales, use, and other transactions for building  
12          materials used in the rehabilitation of real property  
13          in an opportunity zone; specifying requirements,  
14          limitations, and procedures for the exemption;  
15          requiring the department to adopt rules; authorizing  
16          the department to establish guidelines; providing an  
17          exemption from the state tax on sales, use, and other  
18          transactions for energy used in an opportunity zone,  
19          subject to certain ordinances adopted by  
20          municipalities; specifying requirements, limitations,  
21          and procedures for the exemption; providing a penalty;  
22          requiring the department to adopt rules; authorizing  
23          the department to establish guidelines; defining the  
24          term "qualified business"; amending s. 288.018, F.S.;  
25          revising the matching requirement for grant funds  
26          received by a regional economic development  
27          organization; amending s. 288.065, F.S.; deleting the  
28          requirement for certain repayments to be matched in  
29          rural areas of opportunity; amending s. 288.0655,

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30 F.S.; revising the purpose of the Rural Infrastructure  
31 Fund; revising authorized amounts and uses of certain  
32 grants; providing that certain grants do not require  
33 local matches; revising the requirements for review of  
34 certain applications; creating s. 288.066, F.S.;  
35 establishing a rural opportunity tax refund program  
36 for qualified target industry businesses in rural  
37 areas; defining terms; specifying the criteria the  
38 Department of Economic Opportunity and Enterprise  
39 Florida, Inc., must consider in identifying target  
40 industries; authorizing the grant of certain tax  
41 refunds under certain circumstances; specifying  
42 limitations on refunds; providing administrative and  
43 criminal penalties; specifying requirements and  
44 procedures for applications; specifying requirements  
45 and limitations for the review of applications by the  
46 Department of Economic Opportunity; providing  
47 construction; authorizing the Department of Economic  
48 Opportunity to issue certain opinion letters;  
49 providing requirements, procedures, and limitations  
50 for annual refund claims; providing requirements for  
51 the Chief Financial Officer for the issuance of  
52 warrants for refunds; providing for administration by  
53 the Department of Economic Opportunity; amending s.  
54 288.095, F.S.; conforming provisions to changes made  
55 by the act; providing an effective date.

56  
57 Be It Enacted by the Legislature of the State of Florida:  
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59 Section 1. Present subsections (9) and (10) of section  
60 166.231, Florida Statutes, are redesignated as subsections (10)  
61 and (11), respectively, and a new subsection (9) is added to  
62 that section, to read:

63 166.231 Municipalities; public service tax.—

64 (9) Beginning July 1, 2023, a municipality may by ordinance  
65 exempt not less than 100 percent of the tax imposed under this  
66 section on purchasers of electrical energy, natural gas, or  
67 propane who the Department of Revenue determines are eligible  
68 for the exemption provided by s. 212.08(19). The exemption shall  
69 be administered as provided in that section. The municipality  
70 shall provide a copy of any ordinance adopted pursuant to this  
71 subsection to the Department of Revenue not less than 14 days  
72 before its effective date.

73 Section 2. Subsection (35) is added to section 212.02,  
74 Florida Statutes, to read:

75 212.02 Definitions.—The following terms and phrases when  
76 used in this chapter have the meanings ascribed to them in this  
77 section, except where the context clearly indicates a different  
78 meaning:

79 (35) "Opportunity zone" means a population census tract  
80 designated by the United States Department of the Treasury as a  
81 qualified opportunity zone pursuant to s. 1400Z-1(b)(1)(B) of  
82 the Internal Revenue Code and located in a rural community as  
83 defined in s. 288.0656.

84 Section 3. Paragraph (v) is added to subsection (5) of  
85 section 212.08, Florida Statutes, and subsection (19) is added  
86 to that section, to read:

87 212.08 Sales, rental, use, consumption, distribution, and

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88 storage tax; specified exemptions.—The sale at retail, the  
89 rental, the use, the consumption, the distribution, and the  
90 storage to be used or consumed in this state of the following  
91 are hereby specifically exempt from the tax imposed by this  
92 chapter.

93 (5) EXEMPTIONS; ACCOUNT OF USE.—

94 (v) Building materials used in the rehabilitation of real  
95 property located in an opportunity zone.—

96 1. For the purposes of the exemption provided in this  
97 paragraph, the term:

98 a. "Building materials" means tangible personal property  
99 that becomes a component part of improvements to real property.

100 b. "Real property" has the same meaning as provided in s.  
101 192.001(12), except that the term does not include a condominium  
102 parcel or condominium property as defined in s. 718.103.

103 c. "Rehabilitation of real property" means the  
104 reconstruction, renovation, restoration, rehabilitation,  
105 construction, or expansion of improvements to real property.

106 d. "Substantially completed" has the same meaning as  
107 provided in s. 192.042(1).

108 2. Building materials used in the rehabilitation of real  
109 property are exempt from the tax imposed by this chapter upon an  
110 affirmative showing to the satisfaction of the department that  
111 the items have been used for the rehabilitation of real property  
112 located in an opportunity zone. This exemption inures to the  
113 owner, lessee, or lessor at the time the real property is  
114 rehabilitated, but only through a refund of previously paid  
115 taxes. To receive a refund pursuant to this paragraph, the  
116 owner, lessee, or lessor of the rehabilitated real property must

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117 file an application under oath with the governing body having  
118 jurisdiction over the opportunity zone where the property is  
119 located, as applicable. A single application for a refund may be  
120 submitted for multiple, contiguous parcels that were part of a  
121 single parcel divided as part of the rehabilitation of the real  
122 property. All other requirements of this paragraph apply to each  
123 parcel on an individual basis. The application must include all  
124 of the following:

125 a. The name and address of the person claiming the refund.

126 b. An address and assessment roll parcel number of the  
127 rehabilitated real property for which a refund of previously  
128 paid taxes is being sought.

129 c. A description of the improvements made to accomplish the  
130 rehabilitation of the real property.

131 d. A copy of a valid building permit issued by the county  
132 or municipal building department for the rehabilitation of the  
133 real property.

134 e. A sworn statement, under penalty of perjury, from the  
135 general contractor licensed in this state with whom the  
136 applicant contracted to make the improvements necessary to  
137 rehabilitate the real property. The sworn statement must list  
138 the building materials used to rehabilitate the real property,  
139 the actual cost of the building materials, and the amount of  
140 sales tax paid in this state on the building materials. If a  
141 general contractor was not used, the applicant, not a general  
142 contractor, shall make the sworn statement required by this sub-  
143 subparagraph. Copies of the invoices that show the purchase of  
144 the building materials used in the rehabilitation and the  
145 payment of sales tax on the building materials must be attached

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146 to the sworn statement provided by the general contractor or by  
147 the applicant. Unless the actual cost of building materials used  
148 in the rehabilitation of real property and the payment of sales  
149 taxes are documented by a general contractor or by the applicant  
150 in this manner, the cost of the building materials is deemed to  
151 be an amount equal to 40 percent of the increase in assessed  
152 value for ad valorem tax purposes.

153 f. The census tract number of the opportunity zone in which  
154 the rehabilitated real property is located.

155 g. A certification by the local building code inspector  
156 that the improvements necessary to rehabilitate the real  
157 property are substantially completed.

158 3. Within 10 working days after receipt of an application,  
159 the governing body shall review the application to determine if  
160 it contains all the information required by subparagraph 1. and  
161 meets the criteria set forth in this paragraph. The governing  
162 body shall certify all applications that contain the required  
163 information and are eligible to receive a refund. The  
164 certification must be in writing, and a copy of the  
165 certification shall be transmitted to the executive director of  
166 the department. The applicant is responsible for forwarding a  
167 certified application to the department within the time  
168 specified in subparagraph 4.

169 4. An application for a refund must be submitted to the  
170 department within 6 months after the rehabilitation of the real  
171 property is deemed to be substantially completed by the local  
172 building code inspector or by November 1 after the rehabilitated  
173 real property is first subject to assessment.

174 5. Only one exemption through a refund of previously paid

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175 taxes for the rehabilitation of real property is allowed for any  
176 single parcel of real property unless there is a change in  
177 ownership, a new lessor, or a new lessee of the real property. A  
178 refund may not be granted unless the amount to be refunded  
179 exceeds \$500. A refund may not exceed the lesser of 97 percent  
180 of the Florida sales or use tax paid on the cost of the building  
181 materials used in the rehabilitation of the real property, as  
182 determined pursuant to sub-subparagraph 2.e., or \$7,500. The  
183 department shall make the refund within 30 days after formally  
184 approving the application.

185 6. The department shall adopt rules governing the manner  
186 and form of refund applications and may establish guidelines as  
187 to the requisites for an affirmative showing of qualification  
188 for exemption under this paragraph.

189 (19) ENERGY USED IN AN OPPORTUNITY ZONE.—

190 (a) Beginning July 1, 2023, a qualified business that uses  
191 electrical energy, natural gas, or propane at a fixed location  
192 in an opportunity zone in a municipality that has enacted an  
193 ordinance pursuant to s. 166.231(9) which provides for exemption  
194 of municipal utility taxes on such businesses shall receive an  
195 exemption equal to 50 percent of the tax imposed by this  
196 chapter. A qualified business may receive such exemption for a  
197 period of 5 years from the billing period beginning not more  
198 than 30 days following the department notifying the applicable  
199 utility company that an exemption has been authorized pursuant  
200 to this subsection and s. 166.231(9).

201 (b) To receive this exemption, a business must file an  
202 application with the department on a form provided for the  
203 purposes of this subsection and s. 166.231(9). The application

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204 must be made under oath and include all of the following:

205 1. The name and location of the business.

206 2. The census tract number of the opportunity zone in which  
207 the business is located.

208 3. The date on which electrical, natural gas, or propane  
209 service is to be first initiated at the business.

210 4. The name and mailing address of the entity from which  
211 electrical energy, natural gas, or propane is to be purchased.

212 5. The date of the application.

213 6. The name of the city in which the business is located.

214 (c) An application for an exemption under this subsection  
215 must be submitted to the department within 6 months after the  
216 occurrence of the appropriate qualifying provision set out in  
217 paragraph (f).

218 (d) If, in a subsequent audit conducted by the department,  
219 it is determined that the business did not meet the criteria  
220 mandated in this subsection, the amount of taxes exempted shall  
221 immediately be due and payable to the department by the  
222 business, together with the appropriate interest and penalty,  
223 computed from the due date of each bill for the electrical  
224 energy, natural gas, or propane purchased as exempt under this  
225 subsection, in the manner prescribed by this chapter.

226 (e) The department shall adopt rules governing applications  
227 and the required forms for, and issuance of, the exemption  
228 authorized in this subsection and provisions for recapture of  
229 taxes exempted under this subsection, and the department may  
230 establish guidelines as to qualifications for the exemption.

231 (f) For the purpose of the exemption provided in this  
232 subsection, the term "qualified business" means a business that



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233 is:

234 1. First occupying a new structure to which electrical,  
235 natural gas, or propane service, other than that used for  
236 construction purposes, has not been previously provided or  
237 furnished;

238 2. Newly occupying an existing, remodeled, renovated, or  
239 rehabilitated structure to which electrical, natural gas, or  
240 propane service, other than that used for remodeling,  
241 renovation, or rehabilitation of the structure, has not been  
242 provided or furnished in the three preceding billing periods; or

243 3. Occupying a new, remodeled, rebuilt, renovated, or  
244 rehabilitated structure for which a refund has been granted  
245 pursuant to paragraph (5) (v).

246 Section 4. Paragraph (d) of subsection (1) of section  
247 288.018, Florida Statutes, is amended to read:

248 288.018 Regional Rural Development Grants Program.—  
249 (1)

250 (d) Grant funds received by a regional economic development  
251 organization must be matched each year by nonstate financial or  
252 in-kind contributions ~~resources~~ in an amount equal to 15 ~~25~~  
253 percent of the state contribution.

254 Section 5. Paragraph (c) of subsection (2) of section  
255 288.065, Florida Statutes, is amended to read:

256 288.065 Rural Community Development Revolving Loan Fund.—  
257 (2)

258 (c) All repayments of principal and interest shall be  
259 returned to the loan fund and made available for loans to other  
260 applicants. However, in a rural area of opportunity designated  
261 by the Governor, and upon approval by the department, repayments

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262 of principal and interest may be retained by the applicant if  
263 such repayments are dedicated ~~and matched~~ to fund regionally  
264 based economic development organizations representing the rural  
265 area of opportunity.

266 Section 6. Subsection (1), paragraphs (b), (c), and (e) of  
267 subsection (2), and subsection (3) of section 288.0655, Florida  
268 Statutes, are amended to read:

269 288.0655 Rural Infrastructure Fund.—

270 (1) There is created within the department the Rural  
271 Infrastructure Fund to facilitate the planning, preparing, and  
272 financing of infrastructure ~~projects~~ in rural communities which  
273 will encourage job creation, capital investment, and the  
274 strengthening and diversification of rural economies by  
275 promoting tourism, trade, and economic development.

276 (2)

277 (b) To facilitate access of rural communities and rural  
278 areas of opportunity as defined by the Rural Economic  
279 Development Initiative to infrastructure funding programs of the  
280 Federal Government, such as those offered by the United States  
281 Department of Agriculture and the United States Department of  
282 Commerce, and state programs, including those offered by Rural  
283 Economic Development Initiative agencies, and to facilitate  
284 local government or private infrastructure funding efforts, the  
285 department may award grants for up to 75 ~~50~~ percent of the total  
286 infrastructure ~~project~~ cost, or up to 100 percent of the total  
287 infrastructure project cost for a project that is located in a  
288 rural community as defined in s. 288.0656(2)(e) or a rural area  
289 of opportunity as defined in s. 288.0656(2)(d) and that is also  
290 located in a fiscally constrained county as defined in s.

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291 ~~218.67(1). Eligible projects must be related to specific job~~  
292 ~~creation or job-retention opportunities.~~ Eligible uses of funds  
293 ~~projects~~ may also include improving any inadequate  
294 infrastructure that has resulted in regulatory action that  
295 prohibits economic or community growth, reducing the costs to  
296 community users of proposed infrastructure improvements that  
297 exceed such costs in comparable communities, and improving  
298 access to and the availability of broadband Internet service.  
299 Eligible uses of funds shall include improvements to public  
300 infrastructure for industrial or commercial sites, upgrades to  
301 or development of public tourism infrastructure, and  
302 improvements to broadband Internet service and access in  
303 unserved or underserved rural communities. Improvements to  
304 broadband Internet service and access must be conducted through  
305 a partnership or partnerships with one or more dealers, as  
306 defined in s. 202.11(2), and the partnership or partnerships  
307 must be established through a competitive selection process that  
308 is publicly noticed. Authorized infrastructure may include the  
309 following public or public-private partnership facilities: storm  
310 water systems; telecommunications facilities; broadband  
311 facilities; roads or other remedies to transportation  
312 impediments; nature-based tourism facilities; or other physical  
313 requirements necessary to facilitate tourism, trade, and  
314 economic development activities in the community. Authorized  
315 infrastructure may also include publicly or privately owned  
316 self-powered nature-based tourism facilities, publicly owned  
317 telecommunications facilities, and broadband facilities, and  
318 additions to the distribution facilities of the existing natural  
319 gas utility as defined in s. 366.04(3)(c), the existing electric

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320 utility as defined in s. 366.02, or the existing water or  
321 wastewater utility as defined in s. 367.021(12), or any other  
322 existing water or wastewater facility, which owns a gas or  
323 electric distribution system or a water or wastewater system in  
324 this state where:

325 1. A contribution-in-aid of construction is required to  
326 serve public or public-private partnership facilities under the  
327 tariffs of any natural gas, electric, water, or wastewater  
328 utility as defined herein; and

329 2. Such utilities as defined herein are willing and able to  
330 provide such service.

331 ~~(c) To facilitate timely response and induce the location~~  
332 ~~or expansion of specific job creating opportunities,~~ The  
333 department may award grants of up to \$300,000 for infrastructure  
334 feasibility studies, design and engineering activities, or other  
335 infrastructure planning and preparation activities. ~~Authorized~~  
336 ~~grants shall be up to \$50,000 for an employment project with a~~  
337 ~~business committed to create at least 100 jobs; up to \$150,000~~  
338 ~~for an employment project with a business committed to create at~~  
339 ~~least 300 jobs; and up to \$300,000 for a project in a rural area~~  
340 ~~of opportunity.~~ Grants awarded under this paragraph may be used  
341 in conjunction with grants awarded under paragraph (b), ~~provided~~  
342 ~~that the total amount of both grants does not exceed 30 percent~~  
343 ~~of the total project cost.~~ In evaluating applications under this  
344 paragraph, the department shall consider the extent to which the  
345 application seeks to minimize administrative and consultant  
346 expenses.

347 (e) To enable local governments to access the resources  
348 available pursuant to s. 403.973(18), the department may award

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349 grants for surveys, feasibility studies, and other activities  
350 related to the identification and preclearance review of land  
351 which is suitable for preclearance review. Authorized grants  
352 under this paragraph do not require a local match and may not  
353 exceed \$75,000 each, except in the case of a project in a rural  
354 area of opportunity, in which case the grant may not exceed  
355 \$300,000. ~~Any funds awarded under this paragraph must be matched~~  
356 ~~at a level of 50 percent with local funds, except that any funds~~  
357 ~~awarded for a project in a rural area of opportunity must be~~  
358 ~~matched at a level of 33 percent with local funds. If an~~  
359 ~~application for funding is for a catalyst site, as defined in s.~~  
360 ~~288.0656, the requirement for local match may be waived pursuant~~  
361 ~~to the process in s. 288.06561.~~ In evaluating applications under  
362 this paragraph, the department shall consider the extent to  
363 which the application seeks to minimize administrative and  
364 consultant expenses.

365 (3) The department, in consultation with Enterprise  
366 Florida, Inc., the Florida Tourism Industry Marketing  
367 Corporation, the Department of Environmental Protection, and the  
368 Florida Fish and Wildlife Conservation Commission, as  
369 appropriate, shall review and certify applications pursuant to  
370 s. 288.061. The review shall include an evaluation of the  
371 economic benefit ~~of the projects~~ and ~~their~~ long-term viability.  
372 The department shall have final approval for any grant under  
373 this section.

374 Section 7. Section 288.066, Florida Statutes, is created to  
375 read:

376 288.066 Rural opportunity tax refund program.—

377 (1) DEFINITIONS.—As used in this section:

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378       (a) "Account" means the Economic Development Incentives  
379 Account within the Economic Development Trust Fund established  
380 under s. 288.095.

381       (b) "Authorized local economic development agency" means a  
382 public or private entity, including an entity defined in s.  
383 288.075, authorized by a county or municipality to promote the  
384 general business or industrial interests of that county or  
385 municipality.

386       (c) "Average private sector wage in the area" means the  
387 statewide private sector average wage or the average of all  
388 private sector wages and salaries in the county or in the  
389 standard metropolitan area in which the business is located.

390       (d) "Business" means an employing unit, as defined in s.  
391 443.036, registered for reemployment assistance purposes with  
392 the state agency providing reemployment assistance tax  
393 collection services under an interagency agreement pursuant to  
394 s. 443.1316, or a subcategory or division of an employing unit  
395 accepted by the state agency providing reemployment assistance  
396 tax collection services as a reporting unit.

397       (e) "Corporate headquarters business" means an  
398 international, national, or regional headquarters office of a  
399 multinational or multistate business enterprise or national  
400 trade association, whether separate from or connected with other  
401 facilities used by such business.

402       (f) "Expansion of an existing business" means the expansion  
403 of an existing Florida business by or through additions to real  
404 and personal property, resulting in a net increase in  
405 employment.

406       (g) "Fiscal year" means the fiscal year of the state.

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407       (h) "Jobs" means full-time equivalent positions, including,  
408 but not limited to, positions obtained from a temporary  
409 employment agency or employee leasing company or through a union  
410 agreement or coemployment under a professional employer  
411 organization agreement, that result directly from a project in  
412 this state. The term does not include temporary construction  
413 jobs involved with the construction of facilities for the  
414 project or any jobs previously included in any application for  
415 tax refunds under s. 288.1045 or this section.

416       (i) "Local financial support" means funding from local  
417 sources, public or private, which is paid to the Economic  
418 Development Trust Fund and which is equal to 20 percent of the  
419 annual tax refund for a qualified target industry business. A  
420 qualified target industry business may not provide, directly or  
421 indirectly, more than 5 percent of such funding in any fiscal  
422 year. The sources of such funding may not include, directly or  
423 indirectly, state funds appropriated from the General Revenue  
424 Fund or any state trust fund, excluding tax revenues shared with  
425 local governments pursuant to law.

426       (j) "Local financial support exemption option" means the  
427 option to exercise an exemption from the local financial support  
428 requirement available to any applicant whose project is located  
429 in a brownfield area, a rural city, or a rural community. Any  
430 applicant that exercises this option is not eligible for more  
431 than 80 percent of the total tax refunds allowed such applicant  
432 under this section.

433       (k) "New business" means a business that applies for a tax  
434 refund under this section before beginning operations in this  
435 state and that is a legal entity separate from any other

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436 commercial or industrial operations owned by the same business.

437 (l) "Project" means the creation of a new business or  
438 expansion of an existing business.

439 (m) "Qualified target industry business" means a target  
440 industry business approved by the department to be eligible for  
441 tax refunds under this section.

442 (n) "Rural city" means a city having a population of 10,000  
443 or less, or a city having a population of greater than 10,000  
444 but less than 20,000, which has been determined by the  
445 department to have such economic characteristics as, but not  
446 limited to, a significant percentage of residents on public  
447 assistance, a significant percentage of residents with incomes  
448 below the poverty level, or a significant percentage of the  
449 city's employment base in agriculture-related jobs.

450 (o) "Rural community" means:

451 1. A county having a population of 75,000 or less.

452 2. A county having a population of 125,000 or less which is  
453 contiguous to a county having a population of 75,000 or less.

454 3. A municipality within a county described in subparagraph  
455 1. or subparagraph 2.

456  
457 For purposes of this paragraph, population shall be determined  
458 in accordance with the most recent official estimate pursuant to  
459 s. 186.901.

460 (p) "Target industry business" means a corporate  
461 headquarters business or any business engaged in one of the  
462 target industries identified pursuant to subsection (2). The  
463 term does not include any business engaged in retail industry  
464 activities; any electric utility company as defined in s.



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465 366.02(2); any phosphate or other solid minerals severance,  
466 mining, or processing operation; any oil or gas exploration or  
467 production operation; or any business subject to regulation by  
468 the Division of Hotels and Restaurants of the Department of  
469 Business and Professional Regulation. Any business in NAICS code  
470 5611 or 5614, office administrative services and business  
471 support services, respectively, may be considered a target  
472 industry business only after the local governing body and  
473 Enterprise Florida, Inc., determine that the community where the  
474 business may locate has conditions affecting the fiscal and  
475 economic viability of the local community or area, including,  
476 but not limited to, such factors as low per capita income, high  
477 unemployment, high underemployment, and a lack of year-round  
478 stable employment opportunities, and such conditions may be  
479 improved by the location of such a business to the community. By  
480 January 1 of every 3rd year, beginning January 1, 2023, the  
481 department, in consultation with Enterprise Florida, Inc.,  
482 economic development organizations, the State University System,  
483 local governments, employee and employer organizations, market  
484 analysts, and economists, shall review and, as appropriate,  
485 revise the list of such target industries and submit the list to  
486 the Governor, the President of the Senate, and the Speaker of  
487 the House of Representatives.

488 (q) "Taxable year" has the same meaning as provided in s.  
489 220.03(1)(y).

490 (2) DESIGNATION OF TARGET INDUSTRIES.—In identifying target  
491 industries, the department, in consultation with Enterprise  
492 Florida, Inc., shall consider the following criteria:

493 (a) Future growth.—Whether industry forecasts indicate

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494 strong expectation for future growth in both employment and  
495 output, according to the most recent available data. Special  
496 consideration must be given to businesses that export goods to,  
497 or provide services in, international markets and to businesses  
498 that replace international imports of goods or services.

499 (b) *Stability*.—Special consideration must be given to an  
500 industry not subject to periodic layoffs, whether due to  
501 seasonality or sensitivity to volatile economic variables, such  
502 as weather. The industry must also be relatively resistant to  
503 recession, so that the demand for products of this industry is  
504 not typically subject to decline during an economic downturn.

505 (c) *High wage*.—Whether the industry pays relatively high  
506 wages compared to statewide or area averages.

507 (d) *Market and resource independent*.—Whether industry  
508 business locations are not dependent upon Florida markets or  
509 resources, as indicated by industry analysis, except for  
510 businesses in the renewable energy industry.

511 (e) *Industrial base diversification and strengthening*.—  
512 Whether the industry is contributing toward expanding or  
513 diversifying the state's or area's economic base, as indicated  
514 by analysis of the industry's share of employment and output,  
515 compared to national and regional trends. Special consideration  
516 must be given to industries that strengthen regional economies  
517 by adding value to basic products or building regional  
518 industrial clusters, as indicated by industry analysis. Special  
519 consideration must also be given to the development of strong  
520 industrial clusters that include defense and homeland security  
521 businesses.

522 (f) *Positive economic impact*.—Whether the industry is

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523 expected to have strong positive economic impacts on or benefits  
524 to the state or regional economies. Special consideration must  
525 be given to industries that facilitate the development of this  
526 state as a hub for domestic and global trade and logistics.

527 (3) TAX REFUND; ELIGIBLE AMOUNTS.—

528 (a) A qualified target industry business may be allowed a  
529 refund from the account for the amount of eligible taxes the  
530 business paid which is certified by the department. The total  
531 amount of refunds for all fiscal years for each qualified target  
532 industry business must be determined pursuant to subsection (4).  
533 The annual amount of a refund to a qualified target industry  
534 business must be determined pursuant to subsection (5).

535 (b) Upon approval by the department, a qualified target  
536 industry business located in a rural community is allowed tax  
537 refund payments equal to \$6,000 multiplied by the number of jobs  
538 the business creates.

539 (c) A qualified target industry business may:

540 1. Receive refunds from the account for the following taxes  
541 due and paid by that business beginning with the first taxable  
542 year of the business which begins after the business has been  
543 certified as a qualified target industry business:

544 a. Corporate income taxes under chapter 220.

545 b. Insurance premium tax under s. 624.509.

546 2. Receive refunds from the account for the following taxes  
547 due and paid by that business after being certified as a  
548 qualified target industry business:

549 a. Taxes on sales, use, and other transactions under  
550 chapter 212.

551 b. Intangible personal property taxes under chapter 199.

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552 c. Excise taxes on documents under chapter 201.

553 d. Ad valorem taxes paid, as defined in s. 220.03(1).

554 e. State communications services taxes administered under  
555 chapter 202. This provision does not apply to the gross receipts  
556 tax imposed under chapter 203 and administered under chapter 202  
557 or the local communications services tax authorized under s.  
558 202.19.

559 (d) A qualified target industry business may not receive a  
560 refund under this section for any amount of credit, refund, or  
561 exemption previously granted to that business for any of the  
562 taxes listed in paragraph (c). If the department provides a  
563 refund for such taxes and the taxes are subsequently adjusted by  
564 the application of any credit, refund, or exemption granted to  
565 the qualified target industry business other than as provided in  
566 this section, the business must reimburse the account for the  
567 amount of that credit, refund, or exemption. A qualified target  
568 industry business shall notify and tender payment to the  
569 department within 20 days after receiving any credit, refund, or  
570 exemption other than one provided under this section.

571 (e) Refunds made available under this section may not be  
572 expended in connection with the relocation of a business from  
573 one community to another community in this state unless the  
574 department determines that, without such relocation, the  
575 business will move outside this state, or it determines that the  
576 business has a compelling economic rationale for relocation and  
577 that the relocation will create additional jobs.

578 (f) A qualified target industry business that fraudulently  
579 claims a refund under this section:

580 1. Is liable for repayment of the amount of the refund to

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581 the account, plus a mandatory penalty in the amount of 200  
582 percent of the tax refund. The repayment shall be deposited into  
583 the General Revenue Fund.

584 2. Commits a felony of the third degree, punishable as  
585 provided in s. 775.082, s. 775.083, or s. 775.084.

586 (4) APPLICATION AND APPROVAL PROCESS.—

587 (a) To apply for certification as a qualified target  
588 industry business under this section, the business must file an  
589 application with the department before the business decides to  
590 locate in this state or before the business decides to expand  
591 its existing operations in this state. The application must  
592 include, but need not be limited to, the following information:

593 1. The applicant's federal employer identification number  
594 and, if applicable, state sales tax registration number.

595 2. The proposed permanent location of the applicant's  
596 facility in this state where the project is to be located.

597 3. A description of the type of business activity or  
598 product covered by the project, including a minimum of a five-  
599 digit NAICS code for all activities included in the project. As  
600 used in this paragraph, the term "NAICS" means those  
601 classifications contained in the North American Industry  
602 Classification System, as published in 2007 by the Office of  
603 Management and Budget, Executive Office of the President, and  
604 updated periodically.

605 4. The proposed number of net new full-time equivalent  
606 Florida jobs at the qualified target industry business as of  
607 December 31 of each year included in the project and the average  
608 wage of those jobs. If more than one type of business activity  
609 or product is included in the project, the number of jobs and

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610 average wage for those jobs must be separately stated for each  
611 type of business activity or product.

612 5. The total number of full-time equivalent employees  
613 employed by the applicant in this state, if applicable.

614 6. The anticipated commencement date of the project.

615 7. A brief statement explaining the role that the estimated  
616 tax refunds to be requested will play in the decision of the  
617 applicant to locate or expand in this state.

618 8. An estimate of the proportion of the sales resulting  
619 from the project which will be made outside this state.

620 9. An estimate of the proportion of the cost of the  
621 machinery and equipment, and any other resources necessary in  
622 the development of its product or service, to be used by the  
623 business in its Florida operations which will be purchased  
624 outside this state.

625 10. A resolution adopted by the governing board of the  
626 county or municipality in which the project will be located,  
627 which resolution recommends that the applicant be approved as a  
628 qualified target industry business and specifies that the  
629 commitments of local financial support necessary for the target  
630 industry business exist. Before the passage of such resolution,  
631 the department may also accept an official letter from an  
632 authorized local economic development agency which endorses the  
633 proposed target industry project and pledges that sources of  
634 local financial support for such project exist. For the purposes  
635 of making pledges of local financial support under this  
636 subparagraph, the local governing board shall pass a one-time  
637 resolution officially designating the authorized local economic  
638 development agency.

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639 11. Any additional information requested by the department.

640 (b) Each application must be submitted to the department  
641 for determination of eligibility. The department shall review  
642 and evaluate each application based on, but not limited to, the  
643 following criteria:

644 1. Expected contributions to the state's economy,  
645 consistent with the state strategic economic development plan  
646 prepared by the department.

647 2. The economic benefits of the proposed award of tax  
648 refunds under this section.

649 3. The amount of capital investment to be made by the  
650 applicant in this state.

651 4. The local financial commitment and support for the  
652 project.

653 5. The expected effect of the project on the unemployed and  
654 underemployed in the county where the project will be located.

655 6. The expected effect of the award on the viability of the  
656 project and the probability that the project would be undertaken  
657 in this state if such tax refunds are granted to the applicant.

658 7. Whether the business activity or project is in an  
659 industry identified by the department as a target industry  
660 business that contributes to the economic growth of this state  
661 and the area in which the business is located, produces a higher  
662 standard of living for residents of this state in the new global  
663 economy, or can be shown to make an equivalent contribution to  
664 the area's and this state's economic progress.

665 8. A review of the business' past activities in this state  
666 or other states, including whether the business has been  
667 subjected to criminal or civil fines and penalties. This

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668 subparagraph does not require the disclosure of confidential  
669 information.

670 (c) Applications shall be reviewed and certified pursuant  
671 to s. 288.061. The department shall include in its review  
672 projections of the tax refunds the business would be eligible to  
673 receive in each fiscal year based on the creation and  
674 maintenance of the net new Florida jobs specified in  
675 subparagraph (a)4. as of December 31 of the preceding state  
676 fiscal year.

677 (d) The department may not certify any target industry  
678 business as a qualified target industry business if the value of  
679 tax refunds to be included in that letter of certification  
680 exceeds the available amount of authority to certify new  
681 businesses as determined in s. 288.095(3). However, if the  
682 commitments of local financial support represent less than 20  
683 percent of the eligible tax refund payments, or to otherwise  
684 preserve the viability and fiscal integrity of the program, the  
685 department may certify a qualified target industry business to  
686 receive tax refund payments of less than the allowable amount  
687 specified in paragraph (3)(b). A letter of certification that  
688 approves an application must specify the maximum amount of tax  
689 refund that will be available to the qualified target industry  
690 business in each fiscal year and the total amount of tax refunds  
691 that will be available to the business for all fiscal years.

692 (e) This section does not create a presumption that an  
693 applicant will receive any tax refunds under this section.  
694 However, the department may issue nonbinding opinion letters,  
695 upon the request of prospective applicants, as to the  
696 applicants' eligibility and the potential amount of refunds.



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697 (5) ANNUAL CLAIM FOR REFUND.—

698 (a) To be eligible to claim any scheduled tax refund, a  
699 qualified target industry business must apply by January 31 of  
700 each fiscal year to the department for the tax refund scheduled  
701 to be paid from the appropriation for the fiscal year that  
702 begins on July 1 following the January 31 claims-submission  
703 date. The department may, upon written request, grant a 30-day  
704 extension of the filing date.

705 (b) The claim for refund by the qualified target industry  
706 business must include a copy of all receipts pertaining to the  
707 payment of taxes for which the refund is sought.

708 (c) The department may waive the requirement for proof of  
709 taxes paid in future years for a qualified target industry  
710 business that provides the department with proof that, in a  
711 single year, the business has paid an amount of state taxes from  
712 the categories in paragraph (3)(c) which is at least equal to  
713 the total amount of tax refunds that the business may receive  
714 through successful completion of its project.

715 (d) A tax refund may not be approved for a qualified target  
716 industry business unless the required local financial support  
717 has been paid into the account for that refund. If the local  
718 financial support provided is less than 20 percent of the  
719 approved tax refund, the tax refund must be reduced. The tax  
720 refund may not exceed an amount equal to 5 times the amount of  
721 the local financial support received. The qualified target  
722 industry business must provide a report listing all sources of  
723 the local financial support to the department when such support  
724 is paid to the account.

725 (e) The department, with such assistance as may be required

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726 from the Department of Revenue, shall, by June 30 following the  
727 scheduled date for submission of the tax refund claim, specify  
728 by written order the approval or disapproval of the tax refund  
729 claim and, if approved, the amount of the tax refund authorized  
730 to be paid to the qualified target industry business. The  
731 department may grant an extension of this date upon the request  
732 of the qualified target industry business for the purpose of  
733 filing additional information in support of the claim.

734 (f) The total amount of tax refund claims approved by the  
735 department under this section in any fiscal year must not exceed  
736 the amount authorized under s. 288.095(3).

737 (g) This section does not create a presumption that a tax  
738 refund claim will be approved and paid.

739 (h) Upon approval of the tax refund under paragraphs (d)  
740 and (e), the Chief Financial Officer shall issue a warrant for  
741 the amount specified in the written order. If the written order  
742 is appealed, the Chief Financial Officer may not issue a warrant  
743 for a refund to the qualified target industry business until the  
744 conclusion of all appeals of that order.

745 (6) ADMINISTRATION.—

746 (a) The department may verify information provided in any  
747 claim submitted for tax credits under this section with regard  
748 to employment and wage levels or the payment of the taxes to the  
749 appropriate agency or authority, including the Department of  
750 Revenue or any local government or authority.

751 (b) To facilitate the process of monitoring and auditing  
752 applications made under this section, the department may provide  
753 a list of qualified target industry businesses to the Department  
754 of Revenue or to any local government or authority. The

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755 department may request the assistance of those entities with  
756 respect to monitoring jobs, wages, and the payment of the taxes  
757 listed in subsection (3).

758 (c) Funds specifically appropriated for tax refunds for  
759 qualified target industry businesses under this section may not  
760 be used by the department for any purpose other than the payment  
761 of tax refunds authorized by this section.

762 Section 8. Section 288.095, Florida Statutes, is amended to  
763 read:

764 288.095 Economic Development Trust Fund.—

765 (1) The Economic Development Trust Fund is created within  
766 the Department of Economic Opportunity. Moneys deposited into  
767 the fund must be used only to support the authorized activities  
768 and operations of the department.

769 (2) There is created, within the Economic Development Trust  
770 Fund, the Economic Development Incentives Account. The Economic  
771 Development Incentives Account consists of moneys appropriated  
772 to the account for purposes of the tax incentives programs  
773 authorized under ss. 288.066, 288.1045, and 288.106 ~~ss. 288.1045~~  
774 ~~and 288.106~~, and local financial support provided under ss.  
775 288.066, 288.1045, and 288.106. Moneys in the Economic  
776 Development Incentives Account shall be subject to the  
777 provisions of s. 216.301(1)(a).

778 (3)(a) The department may approve applications for  
779 certification pursuant to ss. 288.066, 288.1045(3), and 288.106.  
780 However, the total state share of tax refund payments may not  
781 exceed \$35 million.

782 (b) The total amount of tax refund claims approved for  
783 payment by the department based on actual project performance

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784 may not exceed the amount appropriated to the Economic  
785 Development Incentives Account for such purposes for the fiscal  
786 year. Claims for tax refunds under ss. 288.066, 288.1045, and  
787 288.106 shall be paid in the order the claims are approved by  
788 the department. In the event the Legislature does not  
789 appropriate an amount sufficient to satisfy the tax refunds  
790 under ss. 288.066, 288.1045, and 288.106 in a fiscal year, the  
791 department shall pay the tax refunds from the appropriation for  
792 the following fiscal year. By March 1 of each year, the  
793 department shall notify the legislative appropriations  
794 committees of the Senate and House of Representatives of any  
795 anticipated shortfall in the amount of funds needed to satisfy  
796 claims for tax refunds from the appropriation for the current  
797 fiscal year.

798 (c) Moneys in the Economic Development Incentives Account  
799 may be used only to pay tax refunds and make other payments  
800 authorized under s. 288.066, s. 288.1045, s. 288.106, or s.  
801 288.107.

802 (d) The department may adopt rules necessary to carry out  
803 the provisions of this subsection, including rules providing for  
804 the use of moneys in the Economic Development Incentives Account  
805 and for the administration of the Economic Development  
806 Incentives Account.

807 Section 9. This act shall take effect July 1, 2022.