

**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 Appropriations Committee on Transportation, Tourism, and Economic Development

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BILL: CS/CS/SB 1664

INTRODUCER: Appropriations Committee on Transportation, Tourism and Economic Development; Commerce and Tourism Committee; and Senator Hooper

SUBJECT: Economic Development

DATE: April 19, 2023

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

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Renner</u>	<u>McKay</u>	<u>CM</u>	<u>Fav/CS</u>
2.	<u>Nortelus</u>	<u>Jerrett</u>	<u>ATD</u>	<u>Fav/CS</u>
3.	_____	_____	<u>FP</u>	_____

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**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

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**I. Summary:**

CS/CS/SB 1664 modifies provisions related to economic development and the Department of Economic Opportunity (DEO), including:

- Requiring the Secretary of the DEO to appoint deputy secretaries for the Division of Strategic Business Development, the Division of Community Development, and the Division of Workforce Services; and to appoint directors for the Division of Finance and Administration and the Division of Information Technology;
- Revising the list of local governments affected by Naval Support Activity Orlando to include Lake, Marion, and Sumter Counties and Groveland, Howey-in-the-Hills, Leesburg, and Wildwood to encourage compatible land use;
- Exempting any loan made with funds administered by the DEO from the documentary stamp tax;
- Specifying that funding provided under the Regional Rural Development Grant Program are not matching grants and removing the requirement that an applicant must show proof that each local government and the private sector made a financial or in-kind commitment to the regional organization in order to receive funding;
- Removing the requirement that repaid funds from the Rural Community Development Revolving Loan Fund be matched in order to be retained to fund future loans;
- Revising the uses of the Rural Infrastructure Fund to remove the requirement that grants be linked to financing specific projects; specifies that funds may not be used to serve any retail end user that already has access to broadband Internet service; increases the proportion of an

infrastructure project that may be covered by the grant from 50 percent to 75 percent and increase the maximum grant for infrastructure feasibility studies and certain other activities to \$300,000 for all projects; removes the local match requirement for surveys, feasibility studies, and other activities related to the identification and preclearance review of land which is suitable for preclearance review; and removes the requirement that a grant for an employment project create a minimum number of jobs;

- Clarifying a public records exemption;
- Deleting the July 1, 2023 repeal of the Florida Development Finance Corporation;
- Renaming the Florida Defense Support Task Force the Florida Defense Support Council; and
- Requiring, rather than authorizing, the DEO to adopt rules related to the Everglades Restoration Agricultural Community Employment Training Program, and providing that the DEO must use program funds to provide grants to stimulate and support employer-based training programs and institution-based training programs that seek to match persons to nonagricultural employment opportunities in the Everglades Agricultural Area and certain rural areas of opportunity.

The bill exempts loans made with funds administered by the DEO from the documentary stamp tax, which could result in a positive fiscal impact for loan recipients. The bill does not affect state revenues or expenditures relating to the Rural Development Grants Program, Rural Community Development Revolving Loan Fund, and the Rural Infrastructure Fund. However, the removal of match requirements and the increase in allowable grant awards under the Rural Infrastructure Fund may limit the total number of grants awarded if funding of these programs remains unchanged. See Section V., Fiscal Impact Statement.

The bill takes effect July 1, 2023.

## II. Present Situation:

The present situation for each issue is described below in Section III, Effect of Proposed Changes.

## III. Effect of Proposed Changes:

### Department of Economic Opportunity (DEO) (Section 1)

#### *Present Situation*

The Department of Economic Opportunity (DEO) is tasked with assisting the Governor in working with the Legislature, state agencies, business leaders, and economic development professionals to formulate and implement coherent and consistent policies and strategies designed to promote economic opportunities for all Floridians.<sup>1</sup> The DEO must also ensure that the state's goals and policies relating to economic development, workforce development, community planning and development, and affordable housing are fully integrated with appropriate implementation strategies.<sup>2</sup>

<sup>1</sup> Section 20.60(4), F.S.

<sup>2</sup> OPPAGA, *Program Summary: Department of Economic Opportunity*, available at <https://oppaga.fl.gov/ProgramSummary/ProgramDetail?programNumber=6101> (last visited March 24, 2023).

To achieve these goals, the Legislature established seven divisions and offices within the DEO:

- Strategic Business Development
- Community Development
- Workforce Services
- Finance and Administration
- Division of Information Technology
- Office of the Secretary
- Office of Economic Accountability and Transparency<sup>3</sup>

The seven divisions and offices help fulfill the DEO's statutorily mandated responsibilities, which include:

- Facilitating the direct involvement of the Governor and the Lieutenant Governor in economic development and workforce development projects designed to create, expand, and retain businesses in Florida, to recruit business from around the world, and to facilitate other job-creating efforts.
- Recruiting new businesses to this state and promote the expansion of existing businesses by expediting permitting and location decisions, worker placement and training, and incentive awards.
- Promoting viable, sustainable communities by providing technical assistance and guidance on growth and development issues, grants, and other assistance to local communities.
- Ensuring that the state's goals and policies relating to economic development, workforce development, community planning and development, and affordable housing are fully integrated with appropriate implementation strategies.
- Managing the activities of public-private partnerships and state agencies in order to avoid duplication and promote coordinated and consistent implementation of programs in areas including, but not limited to, tourism; international trade and investment; business recruitment, creation, retention, and expansion; minority and small business development; rural community development; and the development and promotion of professional and amateur sporting events.
- Coordinating with state agencies on the processing of state development approvals or permits to minimize the duplication of information provided by the applicant and the time before approval or disapproval.<sup>4</sup>

The Secretary may create offices within the Office of the Secretary and within the divisions to promote efficient and effective operation of the DEO.<sup>5</sup>

### *Effect of Proposed Changes*

**Section 1** amends s. 20.60(3)(b), F.S., to require the Secretary of the DEO to appoint deputy secretaries for the Division of Strategic Business Development, the Division of Community Development, and the Division of Workforce Services. The Secretary is also required to appoint

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<sup>3</sup> Section 20.60(3), F.S.

<sup>4</sup> Section 20.60(4), F.S.

<sup>5</sup> Section 20.60(3)(b), F.S.

directors for the Division of Finance and Administration and the Division of Information Technology.

## **Compatibility of Development with Military Installations (Section 2)**

### ***Present Situation***

Section 163.3175(2), F.S., identifies the major military installations that, due to their mission and activities, have a greater potential for experiencing compatibility and coordination issues than others, and identifies the local governments proximate to these installations that are required to address compatibility of land development with military installations in their comprehensive plans.

Currently, there are 16 military installations that cooperate with local governments to encourage compatible land use, help prevent incompatible encroachment, and facilitate the continued presence of major military installations in Florida.<sup>6</sup> Included on the list is Naval Support Activity Orlando, including Bugg Spring and Naval Ordnance Test unit associated with Orange County and the city of Orlando.

### ***Effect of Proposed Changes***

**Section 2** amends s. 163.3175(2), F.S., to revise the list of local governments affected by Naval Support Activity Orlando to include Lake, Marion, and Sumter Counties and Groveland, Howey-in-the-Hills, Leesburg, and Wildwood.

The bill also amends s. 163.3175(3), F.S., to rename the Florida Defense Support Task Force the Florida Defense Support Council to conform to the changes made in section 12 of the bill.

## **Tax Exemptions for Certain Loans (Section 3)**

### ***Present Situation***

Florida levies a documentary stamp tax on certain documents executed, delivered, or recorded in Florida. The most common examples are documents that transfer an interest in Florida real property, such as deeds; and mortgages and written obligations to pay money, such as promissory notes.<sup>7</sup>

The tax on deeds and other documents related to real property is 70 cents per \$100,<sup>8</sup> and the tax on bonds, debentures, certificates of indebtedness, promissory notes, nonnegotiable notes, and other written obligations to pay money is 35 cents per \$100.<sup>9</sup> Documentary stamp taxes levied on promissory notes, nonnegotiable notes, and written obligations may not exceed \$2,450.<sup>10</sup>

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<sup>6</sup> See s. 163.3175(2)(a)-(p), F.S., which lists each affected military installation and its related communities.

<sup>7</sup> Florida Department of Revenue, *Florida Documentary Stamp Tax*, available at [https://floridarevenue.com/taxes/taxesfees/pages/doc\\_stamp.aspx](https://floridarevenue.com/taxes/taxesfees/pages/doc_stamp.aspx) (last visited March 24, 2023).

<sup>8</sup> Section 201.02(1)(a), F.S.

<sup>9</sup> Sections 201.07 and 201.08(1)(b), F.S.

<sup>10</sup> Section 201.08(1)(a), F.S.

Chapter 201, F.S., provides that certain transactions are exempt from the documentary stamp tax. Notably, s. 201.25, F.S., exempts loans made by the Small Business Emergency Bridge Loan Program in response to a disaster for which the Governor declares a state of emergency, any loan made by the Agricultural Economic Development Program<sup>11</sup> used to aid agricultural producers who experienced losses from a natural disaster or a socioeconomic condition or event, and any federal loan that is related to a state of emergency declared by executive order or proclamation of the Governor pursuant to s. 252.36, F.S.

### *Effect of Proposed Changes*

**Section 3** amends s. 201.25, F.S., to exempt any loan made with funds administered by the DEO from the documentary stamp tax.

### **Regional Rural Development Grants Program (Section 4)**

#### *Present Situation*

The Regional Rural Development Grants Program was established to provide funding, through matching grants, to build the professional capacity of regionally based economic development organizations located in rural communities. The concept of building the “professional capacity” of an economic development organization includes hiring professional staff to develop, deliver, and provide economic development professional services. Professional services includes technical assistance, education and leadership development, marketing, and project recruitment.<sup>12</sup>

Applications submitted to the DEO for funding through this program must provide proof:<sup>13</sup>

- Of official commitments of support from each of the units of local government represented by the regional organization;
- That each local government has made a financial or in-kind commitments to the regional organization;
- That the private sector has made financial or in-kind commitments to the regional organization;
- That the regional organization is in existence and actively involved in economic development activities serving the region; and
- Of the manner in which the organization coordinates its efforts with those other local and state organizations.

An organization may receive up to \$50,000 a year or \$250,000 if located in a rural area of opportunity (RAO).<sup>14</sup> Grants must be matched by an amount of non-state resources equal to 25 percent of the state contribution. The DEO is authorized to spend up to \$750,000 each fiscal year from funds appropriated to the Rural Community Development Revolving Loan Fund to carry out this program.<sup>15</sup>

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<sup>11</sup> See Section 570.82, F.S.

<sup>12</sup> Section 288.018(1)(b), F.S.

<sup>13</sup> Section 288.018(2), F.S.

<sup>14</sup> Section 288.018(1)(c), F.S.

<sup>15</sup> Section 288.018(4), F.S.

### *Effect of Proposed Changes*

**Section 4** amends s. 288.018, F.S., to specify that funding provided under the program is not required to be matched. The bill eliminates the requirement that grant funds received by a regional economic development organization must be matched each year by nonstate resources in an amount equal to 25 percent of the state contributions. The bill also removes the requirement that an applicant must show proof that each local government and the private sector made a financial or in-kind commitment to the regional organization in order to receive funding.

### **Rural Community Development Revolving Loan Fund (Section 5)**

#### *Present Situation*

The Rural Community Development Revolving Loan Fund Program was created to facilitate the use of existing federal, state, and local financial resources by providing local governments with financial assistance to further promote the economic viability of rural communities.<sup>16</sup>

The program provides term loans to local governments, or economic development organizations substantially underwritten by a unit of local government, within counties with populations of 75,000 or fewer or a contiguous county of 125,000 or fewer.<sup>17</sup>

Loan repayments are generally returned to the loan fund to be made available to other applicants, but repayments made by an applicant in an RAO may be retained by the applicant if the repayments are dedicated and matched to fund regionally based economic development organizations representing the RAO and if retention of funds is approved by the DEO.<sup>18</sup>

#### *Effect of Proposed Changes*

**Section 5** amends s. 288.065, F.S., to remove the requirement that funds be matched by the local government, or an economic development organization substantially underwritten by a local government, as long as the funds are retained for the purpose of funding regionally based economic development organizations representing the RAO.

### **Rural Infrastructure Fund (Section 6)**

#### *Present Situation*

The Rural Infrastructure Fund is a grant program created to facilitate the planning, preparing, and financing of infrastructure projects in rural communities.<sup>19</sup> The program provides access to federal and state infrastructure funding programs, including, but not limited to, those offered by the United States Departments of Agriculture and Commerce.<sup>20</sup> The program funds total infrastructure project grants, infrastructure feasibility grants, and preclearance review grants.

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<sup>16</sup> Section 288.065(1), F.S.

<sup>17</sup> Section 288.065(2)(a), F.S.

<sup>18</sup> Section 288.065(2)(c), F.S.

<sup>19</sup> See s. 288.0655, F.S.

<sup>20</sup> Section 288.0655(2)(b), F.S.

The DEO may award grants for up to 50 percent of the total infrastructure project cost.<sup>21</sup> Projects must be related to specific job-creation or job-retention opportunities. Additionally, projects may include improving any inadequate infrastructure that has resulted in regulatory action that prohibits economic or community growth or reducing the costs to community users of proposed infrastructure improvements that exceed such costs in comparable communities, and improving the access availability of broadband Internet service.

Eligible uses of funds include improvements to public infrastructure for industrial or commercial sites, upgrades to or development of public tourism infrastructure, and improvements to broadband Internet service and access in unserved or underserved rural communities.<sup>22</sup> Infrastructure can include public or public-private partnership facilities, like storm water systems, telecommunication, broadband, roads, and nature-based tourism.<sup>23</sup>

The infrastructure feasibility grant provides awards of up to 30 percent of the total project costs for infrastructure feasibility studies, design and engineering activities, or other infrastructure planning and preparation activities.<sup>24</sup> Maximum awards are dependent on the number of jobs that a business commits to create and may be up to \$300,000 if the project is located in a RAO. The total project participation grant may be used in conjunction with the infrastructure feasibility grant.

The preclearance review grant provides awards to help a local government participate in expedited permitting processes through technical assistance in preparing permit applications and local comprehensive plan amendments.<sup>25</sup> Grants may be used for surveys, feasibility studies, and other activities related to the identification and preclearance review of land use modifications. Grants are limited to \$75,000 and must be matched 50 percent with local funds. However, projects in a RAO may receive up to \$300,000 and must be matched 33 percent with local funds.<sup>26</sup>

Grant applications are reviewed and certified by the DEO in consultation with Enterprise Florida, Inc., VISIT Florida, the Department of Environmental Protection, and the Florida Fish and Wildlife Conservation Commission.<sup>27</sup> Reviews include an evaluation of the economic benefit of the projects and their long-term viability.

A total of \$30 million in funding was made through the Rural Infrastructure Fund for Fiscal Year 2022-2023. Twenty-five million was available for eligible rural communities statewide and an additional \$5 million was available specifically for Florida Panhandle counties.<sup>28</sup>

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<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

<sup>23</sup> Broadband Internet service must be provided in partnership with one or more dealers of communications services. Section 288.0655(2)(b), F.S.

<sup>24</sup> Section 288.0655(2)(c), F.S.

<sup>25</sup> Section 288.0655(2)(e), F.S. *See* s. 403.9739(18), F.S., for the expedited permitting process.

<sup>26</sup> Section 288.0655(2)(e), F.S.

<sup>27</sup> Section 288.0655(3), F.S.

<sup>28</sup> Department of Economic Opportunity, *Rural Infrastructure Fund*, available at <https://floridajobs.org/community-planning-and-development/rural-community-programs/rural-infrastructure-fund> (last visited March 24, 2023).

### *Effect of Proposed Changes*

**Section 6** amends s. 288.0655, F.S., to increase the maximum grant award from 50 percent to 75 percent of the total infrastructure cost, or up to 100 percent of the total infrastructure project cost for a project that is located in a rural community<sup>29</sup> or a RAO and that is also located in a fiscally constrained county.<sup>30</sup> The bill removes the requirement that projects must be linked to financing specific projects.

The bill increases the maximum grant for infrastructure feasibility studies, design and engineering activities, or other infrastructure planning and preparation activities to \$300,000 for all projects. It removes the limitation that the grant not exceed 30 percent of the total project cost.

The bill removes the local match requirement for surveys, feasibility studies, and other activities related to the identification and preclearance review of land which is suitable for preclearance review. It also removes the requirement that a grant for an employment project create or retain a minimum number of jobs.

The bill also specifies that funds may not be used to serve any retail end user that already has access to broadband Internet service.

### **Confidentiality of Records (Section 7)**

#### *Present Situation*

Section 288.075, F.S., provides for a number of temporary public records exemptions for information held by an economic development agency, including:

- Information concerning a corporation’s plans to relocate or expand any of its business activities in the state for 12 months after the date an economic development agency receives a request for confidentiality or until the information is otherwise disclosed;
- Proprietary confidential business information, until the information becomes publicly available or is no longer treated by the proprietor as confidential;
- Specific sales, employee wage, and tax information the administration of an economic incentive program for qualified businesses for the duration of the incentive agreement or upon termination of the agreement; and
- Certain information held by an economic development agency pursuant to its administration of a state or federal funded small business loan program.

Section 288.075(1)(a), F.S., defines an “economic development agency” as:

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<sup>29</sup> “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; or (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. Section 288.0656(2)(e), F.S.

<sup>30</sup> A fiscally constrained country is any county that is entirely within a rural area of opportunity as designated by the Governor pursuant to s. 288.0656 or each county for which the value of a mill will raise no more than \$5 million in revenue, based on the taxable value certified pursuant to s. 1011.62(4)(a)1.a., from the previous July 1. Section 218.67(1), F.S.



- The Department of Economic Opportunity;
- Any industrial development authority created in accordance with part III of chapter 159, F.S., or by special law;
- Space Florida;
- The public economic development agency of a county or municipality or, if the county or municipality does not have a public economic development agency, the county or municipal officers or employees assigned the duty to promote the general business interests or industrial interests of that county or municipality or the responsibilities related thereto;
- Any research and development authority created in accordance of part V of chapter 159, F.S.; or
- Any private agency, person, partnership, corporation, or business entity when authorized by the state, a municipality, or a county to promote the general business interests or industrial interests of the state or that municipality or county.

### *Effect of Proposed Changes*

**Section 7** amends s. 288.075(1)(a), F.S. to provide that the public economic development agency of a county or municipality or the county or municipal officers or employees assigned the duty to promote the general business interests or industrial interests of that county or municipality are considered an economic development agency for purposes of the public records exemption.

## **Florida Development Finance Corporation (Section 8)**

### *Present Situation*

#### Operation

The Florida Development Finance Corporation (FDFC) is a statewide development financing authority created by the Legislature in 1993.<sup>31</sup> The original purpose of the FDFC was to foster the growth of manufacturing and other strong job-creating businesses in Florida by brokering private-activity bond financing through inter-local agreements with counties, municipalities, and other local political subdivisions.<sup>32</sup>

In the 2010 legislative session, the FDFC's responsibilities were broadened to allow it to participate in a federal Department of Energy guaranteed loan program for the development of renewable energy infrastructure projects, and related energy projects that may be eligible under federal law.<sup>33</sup> The FDFC has the power to function within the corporate limits of any public agency including local governments with which it enters into an inter-local agreement.<sup>34</sup>

Pursuant to s. 288.9605, F.S., the FDFC operates as a conduit bond issuer that issues bonds on behalf of borrowers. While the FDFC functions as a mechanism to help borrowers access capital markets, it does not take on responsibility of debt repayment, even when a borrower fails to

<sup>31</sup> Chapter 288, Part X, F.S. The corporation was created as a "public body corporate and politic" meaning that it is a legal entity or corporation with a public function. Ch. 93-187, ss. 24-45, Laws of Fla.

<sup>32</sup> Section 288.9602, F.S., generally expresses the legislative intent of the FDFC.

<sup>33</sup> Sections 2-10, ch. 2010-139, Laws of Fla.

<sup>34</sup> Section 288.9605(2)(e), F.S.

repay. Conversely, the FDFC does not guarantee the bonds it issues but certain borrowers may opt in to the guaranty fund established by the FDFC pursuant to s. 288.9607, F.S., which guarantees that the bonds issued will be repaid. This guaranty fund consists of premiums paid by businesses that wish to participate in the fund and by a property interest in the infrastructure built with the insured bond's proceeds.<sup>35</sup>

A majority of the FDFC's financial assistance results from the issuance of municipal bonds, of which it may issue either a taxable revenue bond or a tax-exempt bond.<sup>36</sup> The bonds issued can provide financing for projects that further public purposes and are issued on behalf of a range of organizations.

Tax exempt bonds, known also as private activity bonds, require additional borrower qualification processes, including approval pursuant to the Tax Equity and Fiscal Responsibility Act of 1986 (TEFRA) and allocation from the Florida State Board of Administration's Division of Bond Finance. These bonds are more lucrative financing options because they tend to have a lower interest rate than bank loans or taxable fixed-income securities, and investors benefit by not paying income taxes on interest payments.<sup>37</sup> The FDFC helps its borrowers pursue private activity bonds by assisting them with the additional qualification processes.<sup>38</sup>

During fiscal year 2021-2022, the FDFC facilitated the authorization and issuance of 24 private activity bonds totaling \$2,107,659,000. The borrowers served by these bonds include 11 charter schools, four senior living facilities, four healthcare facilities, two transportation facilities, two not-for-profits, and one private school.<sup>39</sup>

The FDFC also administers the Property Assessed Clean Energy (PACE) program, for which it may issue bonds and other financial assistance that supports energy conservation.<sup>40</sup> PACE allows for the repayment of debt to be paid through a property tax bill and typical measures funded by the program include HVAC, elevators, lighting, solar, and water fixtures.<sup>41</sup> The PACE program issued \$37,535,012 in financing for seven projects in fiscal year 2021-2022.<sup>42</sup>

### Governance and Administration

The FDFC is governed by a seven-member board of directors. The Secretary of the DEO must serve as chair of the board of directors, and the director of the Division of Bond Finance of the State Board of Administration must serve as a director on the board of directors. The remaining

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<sup>35</sup> The guaranty may not exceed 5 percent of the aggregate principal amount of bonds or other indebtedness relating to any capital project. Section 288.9607, F.S.

<sup>36</sup> Florida Development Finance Corporation, *About Us*, available at <https://www.fdfcbonds.com/about> (last visited March 24, 2023).

<sup>37</sup> Grant A. Driessen, Congressional Research Service, *Private Activity Bonds: An Introduction* (January 31, 2022), available at <https://crsreports.congress.gov/product/pdf/RL/RL31457>, (last visited March 24, 2023).

<sup>38</sup> Florida Development Finance Corporation, *Private Activity Bonds*, available at <https://www.fdfcbonds.com/pab> (last visited March 24, 2023).

<sup>39</sup> Florida Development Finance Corporation, *2021-2022 Annual Report*. (On file with the Senate Commerce and Tourism Committee).

<sup>40</sup> Florida Development Finance Corporation, *Property Assessed Clean Energy "PACE" – Commercial PACE*, available at <https://www.fdfcbonds.com/cpace> (last visited March 24, 2023).

<sup>41</sup> *Id.*

<sup>42</sup> *Supra* note 45.

five directors must be appointed by the Governor and confirmed by the Senate for four-year terms.<sup>43</sup> At least three of the appointed directors must have experience in finance, and one of the directors must have experience in economic development.<sup>44</sup>

The FDFC stands repealed on July 1, 2023.<sup>45</sup>

### *Effect of Proposed Changes*

**Section 8** amends s. 288.9604, F.S., to delete the July 1, 2023, repeal of the FDFC.

### **Florida Defense Support Task Force (Section 11)**

#### *Present Situation*

In 2011,<sup>46</sup> the Legislature created the Florida Defense Support Task Force (task force) with the mission to make recommendations to preserve and protect military installations to support the state's position in research and development related to or arising out of military missions and contracting, and to improve the state's military-friendly environment for servicemembers, military dependents, military retirees, and businesses that bring military and base-related jobs to the state.<sup>47</sup>

The task force is comprised of the Governor, or his or her designee, and 12 members representing defense-related industries or communities that host military bases and installations.<sup>48</sup>

The DEO is required to contract with the task force for the expenditure of appropriated funds, which may be used by the task force for:

- Economic and product research and development;
- Joint planning with host communities to accommodate military missions and prevent base encroachment;
- Advocacy on the state's behalf with federal civilian and military officials;
- Assistance to school districts in providing a smooth transition for large numbers of additional military-related students;
- Job training and placement for military spouses in communities with high proportions of active duty military personnel; and
- Promotion of the state to military and related contractors and employers.<sup>49</sup>

A "task force" is defined as an advisory body created without specific statutory enactment for a time not to exceed one year or created by specific statutory enactment for a time not to exceed three years, and appointed to study a specific problem and recommend a solution or policy

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<sup>43</sup> Section 288.9604(2), F.S.

<sup>44</sup> *Id.*

<sup>45</sup> Chapter 2020-30, Laws of Fla.

<sup>46</sup> Chapter 2011-76, s. 38, Laws of Fla.

<sup>47</sup> Section 288.987(2), F.S.

<sup>48</sup> Section 288.987(3), F.S.

<sup>49</sup> Section 299.987(7), F.S.

alternative with respect to the problem. Its existence terminates upon the completion of its assignment.<sup>50</sup>

A “council” or “advisory council” is defined as an advisory body created by specific statutory enactment and appointed to function on a continuing basis for the study of the problems arising in a specified functional or program area of state government and to provide recommendations and policy alternatives.<sup>51</sup>

The Florida Defense Support Task Force was statutorily enacted in 2011 and has exceeded the three-year timeframe pursuant to the “task force” definition.

### *Effect of Proposed Changes*

**Section 11** amends s. 288.987, F.S., to rename the Florida Defense Support Task Force the Florida Defense Support Council.

### **Everglades Restoration Agricultural Community Employment Training Program (Section 12)**

#### *Present Situation*

The Everglades Restoration Agricultural Community Employment Training Program (program) requires the DEO, in cooperation with CareerSource Florida, Inc., to use funds to provide grants to stimulate and support training and employment programs that seek to match persons who complete such training programs to nonagricultural employment opportunities in areas of high agricultural unemployment. The program also provides other training, educational, and information services necessary to stimulate the creation of jobs in the areas of high agricultural unemployment.<sup>52</sup>

Funds may be used for grants for tuition for public or private technical or vocational programs and matching grants to employers to conduct employer-based training programs, or for the purchase of equipment to be used for training purposes, the hiring of instructors, or any other purpose directly associated with the program.<sup>53</sup>

The DEO is prohibited from awarding a grant to any given training program which exceeds 50 percent of the total cost of the program, unless the training program is located within a RAO, in which case the grant may exceed 50 percent of the total cost of the program and up to 100 percent.<sup>54</sup> Matching contributions may include in-kind services, including, but not limited to, the provision of training instructors, equipment, and training facilities.

The DEO may grant up to 100 percent of the tuition for a participant who resides, and has resided for at least three of the last five immediately preceding years, within the Everglades

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<sup>50</sup> Section 20.03(8), F.S.

<sup>51</sup> Section 20.03(7), F.S.

<sup>52</sup> Section 446.71(1), F.S.

<sup>53</sup> Section 446.71(3), F.S.

<sup>54</sup> Section 446.71(4), F.S.

Agricultural Area (EAA)<sup>55</sup> and in counties that provide for water storage and dispersed water storage that are located in RAOs.<sup>56</sup>

Programs established in the EAA must include opportunities to obtain the qualifications and skills necessary for jobs related to federal and state restoration projects, the Airglades Airport in Hendry County, or an inland port in Palm Beach County, or other industries with verifiable, demonstrated interest in operating within the EAA, as well as in counties that provide for water storage and dispersed water storage that are located in RAOs.<sup>57</sup>

The DEO is required to adopt rules to implement the program.

In 2022, the Legislature awarded more than \$700,000 to the program.<sup>58</sup>

### *Effect of Proposed Changes*

**Section 12** amends s. 446.71, F.S., to specify that the DEO, in cooperation with CareerSource Florida, Inc., must use program funds to provide grants to stimulate and support employer-based training programs and institution-based training programs to match persons to nonagricultural employment opportunities in the EAA and any RAOs which include DeSoto, Glades, Hardee, Hendry, Highlands, and Okeechobee Counties and the cities of Pahokee, Belle Glade, and South Bay, and Immokalee. Grants must be prioritized for the employer-based training programs. Program funds may also be used to provide other training, educational, and information services necessary to stimulate the creation of jobs within the same areas. The DEO must consider the location of the training program in proximity to the program's intended participants.

Program funds may be used to provide tuition for institution-based training programs, rather than public or private technical or vocational programs as provided in current law, or any other purpose directly associated with the employer-based training program or institution-based training program. The DEO must set aside up to 50 percent of the funds for employer-based training programs for the first six months of each fiscal year. Any unused funds may be used for the institution-based training programs.

The DEO must prioritize grants to employer-based training programs. However, grants may not be awarded to an employer-based training program if the grant exceeds 50 percent of the total cost of the program except that if the employer-based training program is in a RAO, then the DEO may grant an award up to 100 percent of the program costs.

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<sup>55</sup> The Everglades Agricultural Area is an approximately 1,160 square-mile area south of Lake Okeechobee of productive agricultural land. See s. 373.4592(15), F.S., for the property description. See also Lake Okeechobee Business Alliance, *The Everglades Agricultural Area*, available at <http://www.lakeoalliance.org/everglades-agricultural-area#:~:text=The%20Everglades%20Agricultural%20Area,vibrant%20and%20sustianable%20local%20economies>. (last visited March 24, 2023).

<sup>56</sup> Section 446.71(6), F.S.

<sup>57</sup> Section 446.71(7), F.S.

<sup>58</sup> Department of Economic Opportunity, DEO Press Releases, *Governor DeSantis Awards More Than \$700,000 for Workforce Training in Everglades Agricultural Communities*, available at [https://www.floridajobs.org/news-center/DEO-Press/2022/04/18/governor-desantis-awards-more-than-\\$700-000-for-workforce-training-in-everglades-agricultural-communities](https://www.floridajobs.org/news-center/DEO-Press/2022/04/18/governor-desantis-awards-more-than-$700-000-for-workforce-training-in-everglades-agricultural-communities) (last visited March 24, 2023).

A grant of up to 100 percent may be awarded for an institution-based training program participant who has lived within the EAA or in any RAO in the designated counties and cities listed above for the past 12 months.

The bill clarifies that employer based training programs established in the EAA or in any RAO in the designated counties and cities listed above must include opportunities to obtain the qualifications and skills necessary for jobs related to federal and state restoration projects, the Airglades Airport in Hendry County, or an inland port in Palm Beach County, or other industries with verifiable, demonstrated interest in operating within the EAA or in any RAO in the designated counties and cities listed above.

The bill authorizes, rather than requires, the DEO to adopt rules to administer the program.

The bill defines an “employer-based training program” as a program established by, or to be established by, a business in the state that provides training for in-demand nonagricultural occupations for its employees.

The bill defines an “institution-based training program” as a certificate program or other program of study provided by a public or private university, college, or technical or vocational training institution which provides training for in-demand nonagricultural occupations.

### **Miscellaneous Provisions**

**Section 9** amends s. 288.980, F.S., to update a cross reference.

**Section 10** amends s. 288.985, F.S., to update a cross reference.

**Section 13** amends s. 695.03, F.S., to require the Secretary of the DEO, rather than the Governor, to appoint commissioners of deeds who authenticate acknowledgements in certain real estate transactions.

**Section 14** reenacts s. 288.106(2), F.S., to incorporate the amendment made in section 7, relating to the term “economic development agency.”

**Section 15** provides the bill takes effect July 1, 2023.

## **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

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:

The bill exempts any loans made with funds administered by the DEO from documentary stamp taxes, which may result in a positive fiscal impact for loan recipients.

C. Government Sector Impact:

The bill does not affect state revenues or expenditures relating to the Rural Development Grants Program, Rural Community Development Revolving Loan Fund, and the Rural Infrastructure Fund. However, the removal of match requirements and the increase in allowable grant awards under the Rural Infrastructure Fund may limit the total number of grants awarded if funding of these programs remains unchanged.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

The bill amends 288.075, F.S., to provide that the public economic development agency of a county or municipality *or* the county municipal officers or employees assigned the duty to promote the general business interests or industrial interests of that county or municipality are considered an economic development agency for purposes of the public records exemption. If the intent of the bill is to exempt both entities then the word “or” on line 263 is unclear.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 20.60, 163.3175, 201.25, 288.018, 288.065, 288.0655, 288.075, , 288.9604, 288.980, 288.985, 288.987, 446.71, 695.03, and 288.106.

**IX. Additional Information:**

- A. **Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS by Appropriations Committee on Transportation, Tourism and Economic Development on April 18, 2023:**

The committee substitute removes the provision relating to Triumph Gulf Coast, Inc.

**CS by Commerce and Tourism on March 27, 2023:**

The amendment makes the following changes:

- Specifies that Rural Infrastructure Funds may not be used to serve any retail end user that already has access to broadband Internet service;
  - Specifies that the term “public infrastructure projects” includes projects for workforce housing in terms of awards that may be provided through Triumph Gulf Coast, Inc.; and
  - Deletes a section relating to the makeup of the Space Florida board of directors.
- B. **Amendments:**

None.