

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.)

Prepared By: The Professional Staff of the Appropriations Committee on Transportation, Tourism, and Economic
Development

BILL: SB 602

INTRODUCER: Senator Truenow

SUBJECT: Fees/Florida Manufacturing Promotional Campaign

DATE: March 10, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Renner</u>	<u>McKay</u>	<u>CM</u>	<u>Favorable</u>
2.	<u>Griffin</u>	<u>Nortelus</u>	<u>ATD</u>	<u>Pre-meeting</u>
3.	_____	_____	<u>AP</u>	_____

I. Summary:

SB 602 requires the Department of Commerce (department) to establish registration and renewal fees sufficient to fund the costs of administering the Florida Manufacturing Promotional Campaign (campaign). The department must assess and collect fees to promote the campaign and fees must be deposited into the Economic Development Trust Fund to be used solely for administering the campaign.

SB 600 (Manufacturing), is a linked bill that creates the Statewide Office of Manufacturing within the department to promote the manufacturing ecosystem statewide. The bill also creates the campaign to serve as a marketing program to promote manufacturing products and businesses in the state. In promoting the campaign, the department must develop logos for the campaign, register campaign participants, collect rental receipts for industry promotions, develop in-kind advertising programs, and contract with media representatives to disperse promotional materials. A person who participates in the campaign must register annually with the department.

The bill may have an indeterminate fiscal impact on the department for collecting fees to promote the campaign. There is no impact expected on local government revenues and expenditures. See Section V. Fiscal Impact Statement.

The bill is effective on the same date that SB 600 (Manufacturing) or similar legislation takes effect if adopted in the same legislative session or any extension and becomes law.

II. Present Situation:

Florida has over 422,000 manufacturing jobs and ranks as the nation's 10th largest manufacturing employer. Since 2014, Florida has increased manufacturing employment by 23.3 percent, which

outpaced the other 11 states in the top 12 for manufacturing.¹ Manufacturing jobs generally pay higher wages than those in other industries. In 2022, the average annual wage for manufacturing jobs was over \$74,000, a 6.6 percent increase from 2021.²

The North American Industry Classification System (NAICS) is the standard used by federal statistical agencies to classify businesses by industry type for the purpose of statistical data collection and analysis related to the U.S. economy. NAICS Sector Codes 311-339 include unique manufacturing industries in Florida that have outpaced the nation in job growth, which include, but are not limited to, the following:³

- Food manufacturing
- Beverage and tobacco product manufacturing
- Textile mills and textile product mills
- Apparel manufacturing
- Leather and allied product manufacturing
- Wood product and paper manufacturing
- Printing and related support activities
- Petroleum and coal products manufacturing
- Chemical manufacturing
- Plastics and rubber products manufacturing
- Nonmetallic mineral product manufacturing
- Primary metal manufacturing
- Fabricated metal product manufacturing
- Machinery manufacturing
- Computer and electronic product manufacturing
- Electrical equipment and appliances
- Transportation equipment manufacturing
- Furniture and related product manufacturing
- Miscellaneous manufacturing

Under the Local Manufacturing Development Program, a local government may adopt an ordinance establishing a local manufacturing development program through which the local government may grant master development approval for developing or expanding sites operated by manufacturers.⁴ Local governments may establish a manufacturing master development plan review process that allows new or expanding manufacturing businesses to go through a single local-level master development plan process and, upon approval, proceed to development without requiring additional approvals or permits, except for building permits.⁵ The approval process must be coordinated with the department.⁶ Additionally, the department has developed a model local manufacturing development program ordinance to guide local governments that

¹ Department of Commerce, *2023 Florida Manufacturing*, 7, available at <https://www.floridajobs.org/docs/default-source/communicationsfiles/2023-florida-manufacturing-report.pdf> (last visited March 5, 2025).

² *Id.* at 10.

³ *Id.* at 114.

⁴ Section 163.3252, F.S.

⁵ *Id.*

⁶ Section 163.3253, F.S.

intend to establish a local manufacturing development program.⁷ Currently, only Manatee and Volusia County have adopted an ordinance.⁸

CareerSource Florida, a not-for-profit corporation administratively housed within the department,⁹ is the statewide workforce policy and investment board comprised of business and government leaders that helps Floridians enter, remain in, and advance in the workplace so that they may become more highly skilled and successful. The program also connects employers with qualified and skilled employees.¹⁰ Workforce training is administered through the 21 local workforce development boards.

The Florida Job Growth Grant Fund is an economic development program that promotes public infrastructure and workforce training across the state. Proposals are reviewed by the department and chosen by the Governor to meet the demand for workforce or infrastructure needs in the communities they are awarded to.¹¹

III. Effect of Proposed Changes:

The bill requires the department to establish, by rule, registration and renewal fees sufficient to fund the costs of administering the Florida Manufacturing Promotional Campaign. Fees must be deposited into the Economic Development Trust Fund under s. 288.095, F.S., to be used solely for administering the campaign.

The bill is effective on the same date that SB 600 (Manufacturing) or similar legislation takes effect, if adopted in the same legislative session or any extension, and becomes law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

⁷ Section 163.3252, F.S.

⁸ Department of Commerce, *Manufacturing Competitiveness Act Development Approval Program*, available at <https://floridajobs.org/community-planning-and-development/programs/community-planning-table-of-contents/manufacturing-competitiveness-act-development-approval-program> (last visited March 5, 2025).

⁹ Section 445.004(1), F.S.

¹⁰ See CareerSource Florida, *About Us*, available at <https://careersourceflorida.com/> (last visited March 5, 2025).

¹¹ See s. 288.101, F.S.

D. State Tax or Fee Increases:

Section 19 of Article VII of the State Constitution requires a “state tax or fee imposed, authorized, or raised under this section must be contained in a separate bill that contains no other subject.” A “fee” is defined by the Florida Constitution to mean “any charge or payment required by law, including any fee for service, fee or cost for licenses, and charge for service.”¹²

Section 19 of Article VII of the State Constitution also requires that a tax or fee raised by the Legislature must be approved by two-thirds of the membership of each house of the Legislature.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

The bill imposes a fee on manufacturing businesses who wish to participate in the Florida Manufacturing Promotional Campaign.

B. Private Sector Impact:

Certain businesses registering with the campaign must pay a fee to promote their business through the Florida Manufacturing Promotional Campaign.

C. Government Sector Impact:

Creating the Florida Manufacturing Promotional Campaign may have a fiscal impact on the department. The department must do certain things to promote a manufacturing campaign. Fees collected by the department for manufacturing campaign shall be deposited into the Economic Development Trust Fund (additional FTEs may be required by the department).

VI. Technical Deficiencies:

None.

VII. Related Issues:

On line 21, it is unclear who must pay the department fees to promote the Manufacturing Promotional Campaign.

¹² FLA. CONST. art. VII, s. 19(d)(1).

The bill does not include criteria or standards for how the department will determine the amount of fees. In order to avoid a delegation issue, the fee language could require that campaign participants be assessed fees on a pro-rata basis or by size of the business.

VIII. Statutes Affected:

This bill creates section 559.975 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
