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 Committee on Commerce and Tourism

BILL:	SB 1236
INTRODUCER:	Senator Massullo
SUBJECT:	Employers Receiving Economic Development Incentives from State Agencies
DATE:	Febuary 3, 2026
REVISED:	

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	McMillan	McKay	CM	**Favorable**
2.			GO	
3.			AP	

I. Summary:

SB 1236 establishes requirements for employers receiving state-awarded economic development incentives, and provides that in order to be eligible for an economic development incentive, an employer is required to sign an agreement with the state agency awarding the economic development incentive stating that it will not take certain actions. A violation of this requirement based on a reasonable belief may be reported to the Attorney General (AG), and the AG must determine whether a violation has occurred. Additionally, if the AG finds that an employer has violated the written agreement, then he or she must initiate proceedings to recover funds awarded to the employer.

The bill also requires a state agency to execute a separate written agreement with the recipient of the economic development incentive before contracting to award an economic development incentive. This agreement must reserve the right of the state agency to recover the amount of money, grants, funds, or other incentives disbursed by the state agency to the recipient of such benefit if the recipient fails to comply with the provisions in the bill.

The provisions in the bill apply to any agreement entered into, renewed, or modified after July 1, 2026.

The bill takes effect July 1, 2026.

II. Present Situation:

National Labor Relations Act

In 1935, Congress passed the National Labor Relations Act (NLRA), which provides that it is the policy of the United States to encourage collective bargaining by protecting workers' freedom of association.[1]

The NLRA provides that it is an unfair labor practice for an employer:

- To interfere with, restrain, or coerce employees in the exercise of the rights guaranteed to them.[2]
- To dominate or interfere with the formation or administration of any labor organization or contribute financial or other support to it.[3]
- To encourage or discourage membership in any labor organization by discrimination in regard to hire or tenure of employment or any term or condition of employment.[4]
- To discharge or otherwise discriminate against an employee because he or she has filed charges or given testimony under the NLRA.[5]
- To refuse to bargain collectively with the representatives of his or her employees.[6]

Further, the NLRA provides that it is an unfair labor practice for a labor organization or its agents:

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[1] *See National Labor Relations Board*, National Labor Relations Act, available at https://www.nlrb.gov/guidance/key-reference-materials/national-labor-relations-act (last visited Feb. 3, 2026). *See also* 29 U.S.C. §§ 151–169.

[2] *See id*. Section 7 of the NLRA provides that "employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and shall also have the right to refrain from any or all of such activities except to the extent that such right may be affected by an agreement requiring membership in a labor organization as a condition of employment as authorized in section 8(a)(3) of the NLRA." The NLRA applies to most private sector employers, including manufacturers, retailers, private universities, and health care facilities. The NLRA does *not* apply to federal, state, or local governments; employers who employ only agricultural workers; and employers subject to the Railway Labor Act. Additionally, most employees in the private sector are covered under the NLRA. The law does not cover government employees, agricultural laborers, independent contractors, and supervisors (with limited exceptions).

[3] *See id*. This is subject to rules and regulations made and published by the National Labor Relations Board (NLRB). Additionally, an employer must not be prohibited from permitting employees to confer with him or her during working hours without loss of time or pay.

[4] *See id*. However, nothing in the NLRA or in any other statute of the United States, shall preclude an employer from making an agreement with a labor organization to require as a condition of employment membership therein on or after the thirtieth day following the beginning of such employment or the effective date of such agreement, whichever is later if (1) such labor organization is the representative of the employees as provided in section 9(a) [section 159(a) of the NLRA, in the appropriate collective-bargaining unit covered by such agreement when made, and (2) unless following an election held as provided in section 9(e) of the NLRA within one year preceding the effective date of such agreement, the NLRB must have certified that at least a majority of the employees eligible to vote in such election have voted to rescind the authority of such labor organization to make such an agreement. Additionally, no employer shall justify any discrimination against an employee for non-membership in a labor organization (a) if he or she has reasonable grounds for believing that such membership was not available to the employee on the same terms and conditions generally applicable to other members, or (b) if he or she has reasonable grounds for believing that membership was denied or terminated for reasons other than the failure of the employee to tender the periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining membership.

[5] *See id.*

[6] *See id.*

- To restrain or coerce employees in the exercise of the rights guaranteed. However, this must not impair the right of a labor organization to prescribe its own rules with respect to the acquisition or retention of membership within such organization. It is also an unfair labor practice for a labor organization or its agents to restrain or coerce an employer in the selection of his or her representatives for the purposes of collective bargaining or the adjustment of grievances.[7]
- To cause or attempt to cause an employer to discriminate against an employee or to discriminate against an employee with respect to whom membership in such organization has been denied or terminated on some ground other than his or her failure to tender the periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining membership.[8]
- To refuse to bargain collectively with an employer, provided it is the representative of his or her employees.[9]
- To engage in or to induce or encourage any individual employed by any person engaged in commerce or in an industry affecting commerce to engage in, a strike or a refusal in the course of his employment to use, manufacture, process, transport, or otherwise handle or work on any goods, articles, materials, or commodities or to perform any services.[10]

After employees choose a union as a bargaining representative, the employer and union are required to meet at reasonable times to bargain in good faith about wages, hours, vacation time, insurance, safety practices and other mandatory subjects.[11]

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[7] *See id.*
[8] *See id.*
[9] *See id*.
[10] *See id.* Additionally, it is an unfair labor practice for a labor organization or its agents to threaten, coerce, or restrain any person engaged in commerce or in an industry affecting commerce, where in either case an object thereof is: (1) forcing or requiring any employer or self-employed person to join any labor or employer organization or to enter into any agreement which is prohibited; (2) forcing or requiring any person to cease using, selling, handling, transporting, or otherwise dealing in the products of any other producer, processor, or manufacturer, or to cease doing business with any other person, or forcing or requiring any other employer to recognize or bargain with a labor organization as the representative of his or her employees unless such labor organization has been certified as the representative of such employees, provided that nothing contained here shall be construed to make unlawful, where not otherwise unlawful, any primary strike or primary picketing; (3) forcing or requiring any employer to recognize or bargain with a particular labor organization as the representative of his or her employees if another labor organization has been certified as the representative of such employees; (4) forcing or requiring any employer to assign particular work to employees in a particular labor organization or in a particular trade, craft, or class rather than to employees in another labor organization or in another trade, craft, or class, unless such employer is failing to conform to an order or certification of the Board determining the bargaining representative for employees performing such work; (5) to require of employees covered by an agreement as a condition precedent to becoming a member of such organization, of a fee in an amount which the NLRB finds excessive or discriminatory under all the circumstances; (6) to cause or attempt to cause an employer to pay or deliver or agree to pay or deliver any money or other thing of value, in the nature of an exaction, for services which are not performed or not to be performed; and (7) to picket or cause to be picketed, or threaten to picket or cause to be picketed, any employer where an object thereof is forcing or requiring an employer to recognize or bargain with a labor organization as the representative of his or her employees, or forcing or requiring the employees of an employer to accept or select such labor organization as their collective- bargaining representative, unless such labor organization is currently certified as the representative of such employees.
[11] National Labor Relations Board, *Employer/Union Rights and Obligations*, available at https://www.nlrb.gov/about-nlrb/rights-we-protect/your-rights/employer-union-rights-and-obligations (last visited on Feb. 3, 2026). Some managerial decisions such as subcontracting, relocation, and other operational changes may not be mandatory subjects of bargaining, but the employer must bargain about the decision's effects on unit employees.

National Labor Relations Board

The NLRA created the National Labor Relations Board (NLRB), which is vested with the power to safeguard employees' rights to organize, engage with one another to seek better working conditions, choose whether or not to have a collective bargaining representative negotiate on their behalf with their employer, or refrain from doing so.[12] Additionally, the NLRB acts to prevent and remedy unfair labor practices committed by private sector employers and unions, as well as conducts secret-ballot elections regarding union representation.[13]

Secret Ballot

A party may file a petition (needing at least 30 percent of employee support in a proposed bargaining unit) with the NLRB to conduct a "secret ballot" election to determine whether a representative will represent, or continue to represent, a unit of employees. An NLRB agent manages the voting (typically at the workplace in a private booth), and the results are decided by a simple majority.[14]

Voluntary Recognition

In addition to the NLRB conducted elections, employees may persuade an employer to "voluntarily recognize" a union after showing majority support by signed authorization cards or other means.[15] If a union is voluntarily recognized, its status as bargaining representative cannot be challenged during a "reasonable period for bargaining," which the NLRB states as not less than 6 months (and not more than one year) after the parties' first bargaining session.[16] In addition to voluntary recognition, a "neutrality agreement" may be established. This means an employer agrees to not take a position (for or against worker organizing) but instead remains neutral.[17]

The Cemex Decision

In 2023, the NLRB issued a decision in *Cemex Construction Materials Pacific, LLC*, which established a new framework for determining when employers are required to bargain with unions without a representation election.[18]

Under the new framework, when a union requests recognition on the basis that a majority of employees in an appropriate bargaining unit have designated the union as their representative, an

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[12] National Labor Relations Board, *Who We Are*, available at https://www.nlrb.gov/about-nlrb/who-we-are (last visited on Feb. 3, 2026).
[13] *Id.*
[14] National Labor Relations Board, *The NLRB Process*, available at https://www.nlrb.gov/resources/nlrb-process (last visited on Feb. 3, 2026).
[15] National Labor Relations Board, *Conduct Elections,* available at https://www.nlrb.gov/about-nlrb/what-we-do/conduct-elections#:~:text=Alternate%20path%20to%20union%20representation,filed%20within%20those%2045%20days (last visited on Feb. 3, 2026).
[16] *Id.*
[17] United States Department of Labor, *Respecting Workers' Rights to Organize: An Employer's Guide*, available at https://www.dol.gov/sites/dolgov/files/general/workcenter/Neutrality-Guidance.pdf (last visited on Feb. 3, 2026).
[18] National Labor Relations Board, *Board Issues Decision Announcing New Framework for Union Representation*, available at https://www.nlrb.gov/news-outreach/news-story/board-issues-decision-announcing-new-framework-for-union-representation (last visited on Feb. 3, 2026).

employer must either recognize and bargain with the union or promptly (within 14 days) file an RM petition[19] seeking an election. However, if an employer who seeks an election commits any unfair labor practice that would require setting aside the election, the petition will be dismissed, and rather than re-running the election, the NLRB will order the employer to recognize and bargain with the union.[20]

Currently, this decision is being challenged in the United States Court of Appeals for the Ninth Circuit and a decision is pending.[21]

Prior to the *Cemex* decision, *Linden Lumber Division, Summer & Co. v. N.L.R.B.*, established that an employer does not violate the NLRA by refusing to recognize a union based on authorization cards alone.[22] Instead, the court held that where an employer had not engaged in an unfair labor practice impairing the electoral process, the employer did not violate their duty to bargain under the NLRA simply because the employer refused to accept evidence of the union's majority status other than by an NLRB election.[23]

Prior to the *Linden Lumber* decision, the "Joy Silk" doctrine[24] was the NLRB's policy that required employers to recognize and bargain with a union if it presented authorization cards from a majority of workers. A refusal to recognize a union by such means was deemed an unfair labor practice unless the employer could demonstrate it possessed a "good-faith" doubt as to the union's majority status when it refused to recognize the union.[25] Then, in 1969, the United States Supreme Court in *N.L.R.B. v. Gissel Packing Co.,* affirmed that the NLRB was permitted to order an employer to bargain with a union based on authorization cards rather than a secret ballot election, however, entry of a bargaining order without an election was only permitted in cases where the NLRB determined that the union did at some point enjoy majority support and a fair election was either unlikely or impossible due to unfair labor practices committed by the employer during the campaign.[26]

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[19] An RM petition is filed by an employer who seeks an election because one or more individuals or unions have sought recognition as the bargaining representative, or based on a reasonable belief supported by objective considerations that the currently recognized union has lost its majority status. *See* National Labor Relations Board, *The NLRB Process*, available at https://www.nlrb.gov/resources/nlrb-process (last visited on Feb. 3, 2026).

[20] National Labor Relations Board, *Board Issues Decision Announcing New Framework for Union Representation*, available at https://www.nlrb.gov/news-outreach/news-story/board-issues-decision-announcing-new-framework-for-union-representation (last visited on Feb. 3, 2026).

[21] National Labor Relations Board, *CEMEX Construction Materials Pacific LLC*, available at https://www.nlrb.gov/case/28-CA-230115 (last visited on Feb. 3, 2026).

[22] *See Linden Lumber Division, Summer & Co. v. N.L.R.B.*, 419 U.S. 301 (1974).

[23] *Id.* Additionally, in the absence of any agreement that permits majority status to be determined by means other than an NLRB elections the unions that were refused recognition despite cards and other evidence purporting to show that they represented the majority of the employees had the burden of taking the next step in invoking the NLRB's election procedure.

[24] The NLRB created this second avenue to union recognition through Section 8(a)(5) of the NLRA, which makes it an unfair labor practice for an employer to refuse to bargain collectively with the representative of its employees.

[25] *See Joy Silk Mills, Inc. v. N.L.R.B.,* 185 F.2d 732 (D.C. Cir. 1950).

[26] *See N.L.R.B. v. Gissel Packing Co., Inc.,* 395 U.S. 575 (1969).

Right-to-Work

The Florida State Constitution provides that the "right of persons to work shall not be denied or abridged on account of membership or non-membership in any labor union or labor organization."[27] Based on this constitutional right, Florida is regarded as a "right-to-work" state.

Collective Bargaining

The State Constitution also guarantees that "the right of employees, by and through a labor organization, to bargain collectively shall not be denied or abridged."[28] To implement this constitutional provision, the Legislature enacted ch. 447, F.S.

Part I of ch. 447, F.S., provides "general" labor union regulations, and establishes the following definitions:[29]

- "Labor organization" means any organization of employees or local or subdivision thereof, having within its membership residents of Florida, whether incorporated or not, organized for the purpose of dealing with employers concerning hours of employment, rate of pay, working conditions, or grievances of any kind relating to employment and recognized as a unit of bargaining by one or more employers doing business in Florida, except that an "employee organization," as defined in s. 447.203(11),F.S.,[30] must be included in this definition at such time as it seeks to register pursuant to s. 447.305, F.S.[31]
- "Business agent" means any person, without regard to title, who must, for a pecuniary or financial consideration, act or attempt to act for any labor organization in:
  - The issuance of membership or authorization cards, work permits, or any other evidence of rights granted or claimed in, or by, a labor organization; or
  - Soliciting or receiving from any employer any right or privilege for employees.

Part I of ch. 447, F.S., also provides the following:

- Labor unions or labor organizations must not charge an initiation fee of more than $15.[32]
- Any and all labor organizations in Florida must keep accurate books of accounts itemizing all receipts from whatsoever source and expenditures for whatsoever purpose, stating such sources and purposes. Any member of such labor organization must be entitled at all reasonable times to inspect the books, records and accounts of such labor organization.[33]
- Any employee who is a member of any labor organization who, because of services with the Armed Forces of the United States, during time of war or national emergency, has been unable to pay any dues, assessments or sums levied by any labor organization, must not be

[27] FLA. CONST. art. 1, s. 6.
[28] *Id*.
[29] Section 447.02, F.S.
[30] Section 447.203(11), F.S., defines "employment organization" as any labor organization, union, association, fraternal order, occupational or professional society, or group, however organized or constituted, which represents, or seeks to represent, any public employee or group of public employees concerning any matters relating to their employment relationship with a public employer.
[31] Section 447.305, F.S., provides registration requirements for every employee organization seeking to become a certified bargaining agent for public employees.
[32] Section 447.05, F.S. However, initiation fees in effect on January 1, 1940, may be continued.
[33] Section 447.07, F.S.

required to make such back payments as a condition to reinstatement in good standing as a member of any labor organization to which he or she belonged.[34]

Part I of ch. 447, F.S., makes it unlawful for any person:

- To interfere with or prevent the "right of franchise" of any member of a labor organization.[35]
- To prohibit or prevent any election of the officers of any labor organization.[36]
- To participate in any strike, walkout, or cessation of work or continuation thereof without the same being authorized by a majority vote of the employees to be governed thereby; provided, that this must not prohibit any person from terminating his or her employment of his or her own volition.[37]
- To conduct any election without a secret ballot.[38]
- To charge, receive, or retain any dues, assessments or other charges in excess of, or not authorized by, the constitution or bylaws of any labor organization.[39]
- To solicit membership for or to act as a representative of an existing labor organization without authority of such labor organization to do so.[40]
- To seize or occupy property unlawfully during the existence of a labor dispute.[41]
- To cause any cessation of work or interference with the progress of work by reason of any jurisdictional dispute, grievance or disagreement between or within labor organizations.[42]
- To coerce or intimidate any employee in the enjoyment of legal rights, including those guaranteed in s. 447.03, F.S.;[43] to coerce or intimidate any elected or appointed public official; or to intimidate the family, picket the domicile, or injure the person or property of such employee or public official, or his or her family.[44]
- To picket beyond the area of the industry or employment within which a labor dispute arises.[45]
- To engage in picketing by force and violence, or to picket in such a manner as to prevent ingress and egress to and from any premises, or to picket other than in a reasonable and peaceable manner.[46]
- To solicit advertising in the name of a labor organization without the written permission of such organization.[47]

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[34] Section 447.08, F.S.
[35] Section 447.09(1), F.S., provides that the "right of franchise" must include the right of an employee to make a complaint, file charges, give information or testimony concerning the violations of ch. 447, F.S., or the petitioning to the union regarding any grievance he or she may have concerning membership or employment, or the making known facts concerning such grievance or violations of law to any public officials, and the right of free petition, lawful assemblage and free speech.
[36] Section 447.09(2), F.S.
[37] Section 447.09(3), F.S.
[38] Section 447.09(4), F.S.
[39] Section 447.09(5), F.S.
[40] Section 447.09(6), F.S.
[41] Section 447.09(7), F.S.
[42] Section 447.09(8), F.S.
[43] Section 447.03, F.S., provides that employees must have the right to self-organization, to form, join, or assist labor unions or labor organizations or to refrain from such activity, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection.
[44] Section 447.09(8), F.S.
[45] Section 447.09(9), F.S.
[46] Section 447.09(10), F.S.
[47] Section 447.09(11), F.S.

- To undertake through the medium of a card, circular, pamphlet, newspaper or any other medium whatsoever, or by any holding out to the public as officially representing a labor organization without the written authority or contract with such labor organization. Any publication claiming endorsement by a labor organization must list in such publication the name and address of the organization or organizations.[48]

Additionally, part I of ch. 447, F.S., provides the following:

- Any labor organization may maintain any action or suit in its commonly used name and must be subject to any suit or action in its commonly used name in the same manner and to the same extent as any corporation authorized to do business in Florida.[49] All process, pleadings and other papers in such action may be served on the president or other officer, business agent, manager or person in charge of the business of such labor organization.[50] Judgment in such action may be enforced against the common property only of such labor organization.[51]
- Except as specifically provided in ch. 447, F.S., nothing therein shall be construed so as to interfere with or impede or diminish in any way the right to strike or the right of individuals to work; nor shall anything in ch. 447, F.S., be so construed as to invade unlawfully the right to freedom of speech.
- Any person or labor organization who violates any of the provisions in part I of ch. 447, F.S., is guilty of a misdemeanor of the second degree.[52]
- Any person who may be denied employment or discriminated against in his or her employment on account of membership or nonmembership in any labor union or labor organization must be entitled to recover from the discriminating employer, other person, firm, corporation, labor union, labor organization, or association, acting separately or in concert, in the courts of Florida, such damages as he or she may have sustained and the costs of suit, including reasonable attorney's fees.[53] If such employer, other person, firm, corporation, labor union, labor organization, or association acted willfully and with malice or reckless indifference to the rights of others, punitive damages may be assessed against such employer, other person, firm, corporation, labor union, labor organization, or association.[54]

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[48] Section 447.09(12), F.S.
[49] Section 447.09(13), F.S.
[50] Section 447.11, F.S.
[51] *Id*.
[52] Section 447.14, F.S. *See also* ss. 775.082 and 775.083, F.S., which provide that a "second degree misdemeanor" is punishable by a definite term of imprisonment not exceeding 60 days and a fine not to exceed $500.
[53] Section 447.17(1), F.S.
[54] *Id*. Further, any person sustaining injury as a result of any violation or threatened violation of the provisions of s. 447.17, F.S., must be entitled to injunctive relief against any and all violators or persons threatening violation. The remedy and relief provided by s. 447.17, F.S., must not be available to public employees as defined in part II of ch. 447, F.S. Part II of ch. 447, F.S., defines "public employee" as any person employed by a public employer except: (1) those persons appointed by the Governor or elected by the people, agency heads, and members of boards and commissions; (2) those persons holding positions by appointment or employment in the organized militia; (3) those individuals acting as negotiating representatives for employer authorities; (4) those persons who are designated by the "commission" as managerial or confidential employees pursuant to criteria contained in part II of ch. 447, F.S.; (5) those persons holding positions of employment with the Florida Legislature; (6) those persons who have been convicted of a crime and are inmates confined to institutions within Florida; and (7) those persons appointed to inspection positions in federal/state fruit and vegetable inspection service whose conditions of appointment are affected by the following: (a) federal license requirement; (b) federal autonomy regarding investigation and disciplining of appointees; and (c) frequent transfers due to harvesting conditions.

Examples of Economic Development Incentive Programs[55]

The Florida Department of Commerce Annual Incentives Report for Fiscal Year 2023-2024 specifies four types of economic development programs:

- Tax Refunds – Refund of taxes paid;
- Tax Credits – Credit against taxes owed;
- Tax Exemptions – Exemption from taxes owed; and
- Grants – Grant with a performance-based agreement.[56]

High Impact Performance Incentive (HIPI)

The objective of the "High Impact Performance Incentive" is to spur capital investment and job creation in Florida's high impact sectors,[57] and it is reserved for major facilities operating in designated portions of high-impact sectors.[58]

Capital Investment Tax Credit (CITC)

The CITC is an annual tax credit against corporate income tax.[59] This tax credit is for capital-intensive industries operating in a designated "high-impact" portion of the following sectors in Florida:

- Advanced manufacturing;

[55] Examples of "economic development incentives" in Florida include, the Work Opportunity Tax Credit Program, Quick Response Training, High Impact Performance Incentive, the Incumbent Worker Training Program, the Capital Investment Tax Credit, and the Manufacturing Machinery and Equipment Sales Tax Exemption. *See* Florida Commerce, *Business Resources,* available at https://floridajobs.org/docs/default-source/floridacommerce-toolkit/toolkit-floridacommerce-business-resources.pdf?sfvrsn=f61126b0_1 (last visited Feb. 3, 2026).

[56] *See* Florida Commerce, *Annual Incentives Report*, available at 2023-2024-annual-incentives-report.pdf (last visited Feb. 3, 2026).

[57] Section 288.108(2)(f), F.S., defines "qualified high-impact business" as a business in one of the high-impact sectors that has been certified by Florida Commerce as a qualified high-impact business to receive a high-impact sector performance grant. Florida Commerce provides the following as "key industries:" (1) aviation and aerospace; (2) military and defense; (3) manufacturing; (4) financial and professional services; (5) information technology; (6) life sciences; (7) logistics and distribution; (8) cleatech; and (9) headquarters. *See* Florida Commerce, *Resource Guide (pg. 13)*, available at https://www.floridajobs.org/docs/default-source/floridacommerce-toolkit/toolkit-complete-floridacommerce-resource-guide.pdf (last visited Feb. 3, 2026). Section 288.108(h), F.S., provides that a high-impact sector consists of the "silicon technology sector" found to be focused around the type of high-impact businesses for which the incentive was created.

[58] *See* Florida Commerce, *Types of Incentive Awards*, available at https://floridajobs.org/office-directory/division-of-economic-development/economic-development-incentives-portal/types-of-incentive-awards (last visited Feb. 3, 2026). *See also* s. 288.108, F.S. An "eligible business" for a HIPI grant means a business in one of the designated high-impact sectors that is making a cumulative investment in Florida of at least $50 million and is creating at least 50 new full-time equivalent jobs in Florida, or a research and development facility making a cumulative investment of at least $25 million and creating at least 25 new full-time equivalent jobs. Such investment and employment must be achieved in a period not to exceed 3 years after the date the business is certified as a qualified high-impact business. *See* s. 288.108(2)(c), F.S. Section 288.108(3), F.S., provides the criteria for determining a grant award. Additionally, s. 288.108(4), F.S., provides that the total amount of active performance grants scheduled for payment by Florida Commerce in any single fiscal year may not exceed the lesser of $30 million or the amount appropriated by the Legislature for that fiscal year for qualified high-impact business performance grants. If the scheduled grant payments are not made in the year for which they were scheduled in the qualified high-impact business agreement and are rescheduled, they are deemed to have been paid in the year in which they were originally scheduled in the qualified high-impact business agreement.

[59] Section 220.191, F.S. *See also* Florida Commerce, *Business Resources,* available at https://floridajobs.org/docs/default-source/floridacommerce-toolkit/toolkit-floridacommerce-business-resources.pdf?sfvrsn=f61126b0_1 (last visited Feb. 3, 2026).

- Clean energy;
- Financial services;
- Life sciences;
- Information Technology;
- Transportation;
- Semiconductors; or
- Corporate headquarters facility.[60]

The CITC is provided for up to 20 years.[61] A business must make a cumulative investment of at least $25 million and create a minimum of 100 new full-time jobs to receive the credit.[62]

Incumbent Worker Training Program

The Incumbent Worker Training Program helps Florida businesses avoid layoffs and retain a skilled workforce by providing grant funding to established Florida businesses.[63] Additionally, the program provides education and training for employees to obtain the skills needed to retain employment.[64]

For July 1, 2025 through June 30, 2026, the available funding for the Incumbent Worker Training Program is $3 Million, and the maximum amount is $100,000 per grant per company.[65]

Rural Job Tax Credit

The Rural Job Tax Credit Program offers a tax credit for eligible businesses to create new jobs located within one of 36 designated Qualified Rural Areas.[66] The tax credit ranges from $1,000 to $1,500 per qualified employee and can be taken against either Florida corporate income tax or Florida sales and use tax.[67] The Rural Job Tax Credit Program receives a tax credit allocation of up to $5 million each calendar year.[68]

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[60] *See id*.
[61] *Id.* An annual credit against the tax imposed will be granted to any qualifying business in an amount equal to 5 percent of the eligible capital costs generated by a qualifying project.
[62] *Id*.
[63] Section 445.003, F.S. *See also* Florida Commerce, *Business Resources,* available at https://floridajobs.org/docs/default-source/floridacommerce-toolkit/toolkit-floridacommerce-business-resources.pdf?sfvrsn=f61126b0_1 (last visited Feb. 3, 2026). The program is administered under s. 134(d)(4) of the Workforce Innovation and Opportunity Act.
[64] *Id.*
[65] CareerSource Florida, *Incumbent Working Training Program Guidelines (July 1, 2025 – June 30, 2026)*, available at https://careersourceflorida.com/wp-content/uploads/2025/06/2025-26_IWT-Guidelines.pdf (last visited Feb. 3, 2026).
[66] Section 212.098, F.S. A "qualified area" is defined as any area that is contained within a rural area of opportunity designated under s. 288.0656, F.S., a county that has a population of fewer than 75,000 persons, or a county that has a population of 125,000 or less and is contiguous to a county that has a population of less than 75,000, selected in the following manner: every third year, the Department of Commerce shall rank and tier the state's counties according to the following four factors: 91) highest unemployment rate for the most recent 36-month period; (2) lowest per capita income for the most recent 36-month period; (3) highest percentage of residents whose incomes are below the poverty level, based upon the most recent data available; and (4) average weekly manufacturing wage, based upon the most recent data available.
[67] *Id.*
[68] *Id*.

High Crime Tax Credit

The Urban High-Crime Area Job tax Credit Program offers a tax credit for eligible businesses to create new jobs located within one of 13 designated urban high-crime areas.[69] The tax credit ranges from $500 to $2,000 per qualified job and can be taken against either Florida corporate income tax or Florida sales and use tax.[70] The Urban High-Crime Area Job Tax Credit Program receives a tax credit allocation of up to $5 million each calendar year.[71]

III. Effect of Proposed Changes:

The bill creates s. 447.18, F.S., to establish requirements for employers receiving state-awarded economic development incentives.

Definitions

The bill creates the following definitions:

- "Contract" means an agreement between an employer and the state, or an agreement between an employer and a labor organization.
- "Economic development incentive" means a state economic development incentive program or an economic development grant authorized by any state agency for the purpose of economic development, the purpose of which is to attract or retain an employer's physical presence in Florida.
- "Employee" means an individual who performs services for an employer for wages that are subject to withholding requirements under 26 U.S.C. s. 3402.[72]
- "Employer" means a business entity that voluntarily pursues economic development incentives authorized under s. 447.18, F.S., or enters into an agreement with a state agency for the purpose of receiving economic development incentives.
- "Labor organization" has the same meaning as in s. 447.02(1), F.S.[73]
- "Neutrality agreement" means an agreement signed by an employer and a union in which the employer agrees to conditions including, but not limited to, committing not to speak to employees about union issues.
- "Personal contact information" means an employee's home address, personal phone number, or personal e-mail address.

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[69] Section 212.097, F.S. A "qualified high crime area" is defined as an area selected by the Department of Commerce in the following manner: every third year, the Department of Commerce must rank and tier areas nominated according to the following criteria: (1) highest arrest rates within the geographic area for violent crime and for such other crimes as drug sale, drug possession, prostitution, vandalism, and civil disturbances; (2) highest reported crime volume and rate of specific property crimes such as business and residential burglary, motor vehicle theft, and vandalism; (3) highest percentage of reported index crimes that are violent in nature; (3) highest overall index crime volume for the area; and (4) highest overall index crime rate for the geographic area. Tier-one areas are ranked 1 through 5 and represent the highest crime areas according to this ranking. Tier-two areas are ranked 6 through 10 according to this ranking. Tier-three areas are ranked 11 through 15.

[70] *Id.*

[71] *Id.*

[72] 26 U.S.C. s. 3402 is the law regulating "income tax collected at source."

[73] *See* s. II (Present Situation) of this bill analysis under the title "Collective Bargaining" for the definition of "labor organization."

- "Secret ballot election" means a process conducted by the National Labor Relations Board in which an employee casts a secret ballot for or against labor organization representation.[74]
- "Subcontractor" has the same meaning as in s. 448.095.[75]

Economic Development Incentive Eligibility

To be eligible for an economic development incentive, an employer must sign an agreement with the state agency awarding the economic development incentive stating that it will not do any of the following:

- Grant union recognition rights for employees solely on the basis of signed union authorization cards if the selection of a bargaining representative may instead be conducted through a secret ballot election conducted by the NLRB;
- Voluntarily disclose an employee's personal contact information to a labor organization, or third party acting on behalf of a labor organization, without the employee's written consent, unless otherwise required by state or federal law;
- Sign a neutrality agreement with a labor organization; and
- Require a subcontractor performing work for or providing services to the employer to engage in activities prohibited in s. 447.18(2)(a), F.S.

The above prohibitions apply to any work or service provided to the employer on the project for which the economic development incentive is awarded.

Reporting and Enforcement

A person or an entity may report, based upon a reasonable belief, a violation of the above requirement to the Attorney General, provided that such report is made during the term of the separate agreement entered into by and between the government agency awarding the economic development incentive and the employer in s. 447.18(5), F.S.

Upon receiving the report, the Attorney General must determine whether a violation has occurred. The Attorney General must request from the employer a copy of the written agreement signed pursuant to s. 447.18(2)(a), F.S. If the employer refuses to provide the Attorney General with the written agreement, the employer is in violation of the agreement entered into between the employer and the state agency that awarded the economic development incentive. The Attorney General must deliver in writing his or her findings to the employer alleged to be in violation within 60 days. If the Attorney General finds that an employer has violated the written agreement signed pursuant to s. 447.18(2)(a), F.S., he or she must initiate proceedings to recover funds awarded to the employer. The Attorney General's findings are final.

State Agency and Employer Agreement

Notwithstanding any other law to the contrary, before contracting to award an economic development incentive, the state agency must execute a separate written agreement with the recipient of the economic development incentive which reserves the right of the state agency to recover the amount of money, grants, funds, or other incentives disbursed by the state agency if

[74] *See* s. II (Present Situation) of this bill analysis under the subtitle "Secret Ballot."
[75] Section 448.095, F.S., defines "subcontractor" as a person or an entity that provides labor, supplies, or services to or for a contractor or another subcontractor in exchange for salary, wages, or other remuneration.

the recipient benefiting from such money, grants, funds, or other incentives fails to comply with the requirements in this bill. This agreement is effective for either:

- The duration of the project, to be determined by the state agency, for an economic development incentive award of less than $5 million; or
- No longer than 20 years, for an economic development incentive award of $5 million or more.

Applicability and Effective Date

The provisions in the bill apply to any agreement entered into, renewed, or modified after July 1, 2026. The term "agreement" includes a memorandum of understanding mutually accepted by the state agency awarding economic development incentives and an employer before July 1, 2026, including a legally binding agreement subsequent and subject to the memorandum of understanding.

The bill takes effect July 1, 2026.

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:

Article VI, Paragraph 2 of the U.S. Constitution, commonly referred to as the Supremacy Clause, establishes that the federal constitution, and federal law generally, take precedence over state laws and constitutions. The Supremacy Clause also prohibits states from interfering with the federal government's exercise of its constitutional powers and from assuming any functions that are exclusively entrusted to the federal government. It does not, however, allow the federal government to review or veto state laws before they take effect.[76]

[76] Cornell Law School, Legal Information Institute, *Supremacy Clause,* https://www.law.cornell.edu/wex/supremacy_clause (last visited Feb. 3, 2026).

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Indeterminate.

C. Government Sector Impact:

The Attorney General may incur costs in enforcing the provisions of the bill.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The definition of "economic development incentive" could potentially include any number of programs including programs designed to train or educate workers.

Providing a definition of "state agency" may lead to greater clarity in determining the entities to which the bill's provisions will apply.

VIII. Statutes Affected:

This bill creates section 447.18 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.