

By Senator Burgess

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A bill to be entitled
An act relating to Space Florida; amending s. 196.012,
F.S.; revising the definition of the term
"governmental purpose"; providing that certain
property being used by a nongovernmental lessee
pursuant to a project authorized by the Space Florida
board of directors is deemed to perform an essential
governmental purpose and is exempt from taxation;
reordering and amending s. 212.08, F.S.; exempting
from the sales and use tax certain tangible personal
property leased to private entities; authorizing the
Department of Revenue to adopt rules; amending s.
331.302, F.S.; providing that Space Florida is not
subject to certain provisions; requiring Space Florida
to maintain a specified attestation in its records
under certain circumstances; providing an effective
date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (6) of section 196.012, Florida
Statutes, is amended to read:

196.012 Definitions.—For the purpose of this chapter, the
following terms are defined as follows, except where the context
clearly indicates otherwise:

(6) Governmental, municipal, or public purpose or function
is ~~shall be~~ deemed to be served or performed when the lessee
under any leasehold interest created in property of the United
States, the state or any of its political subdivisions, or any

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30 municipality, agency, special district, authority, or other
31 public body corporate of the state is demonstrated to perform a
32 function or serve a governmental purpose which could properly be
33 performed or served by an appropriate governmental unit or which
34 is demonstrated to perform a function or serve a purpose which
35 would otherwise be a valid subject for the allocation of public
36 funds. For purposes of the preceding sentence, an activity
37 undertaken by a lessee which is permitted under the terms of its
38 lease of real property designated as an aviation area on an
39 airport layout plan which has been approved by the Federal
40 Aviation Administration and which real property is used for the
41 administration, operation, business offices and activities
42 related specifically thereto in connection with the conduct of
43 an aircraft full service fixed base operation which provides
44 goods and services to the general aviation public in the
45 promotion of air commerce is ~~shall be~~ deemed an activity which
46 serves a governmental, municipal, or public purpose or function.
47 Any activity undertaken by a lessee which is permitted under the
48 terms of its lease of real property designated as a public
49 airport as defined in s. 332.004(14) by municipalities,
50 agencies, special districts, authorities, or other public bodies
51 corporate and public bodies politic of the state, a spaceport as
52 defined in s. 331.303, or which is located in a deepwater port
53 identified in s. 403.021(9)(b) and owned by one of the foregoing
54 governmental units, subject to a leasehold or other possessory
55 interest of a nongovernmental lessee that is deemed to perform
56 an aviation, airport, aerospace, maritime, or port purpose or
57 operation shall be deemed an activity that serves a
58 governmental, municipal, or public purpose. The use by a lessee,

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licensee, or management company of real property or a portion thereof as a convention center, visitor center, sports facility with permanent seating, concert hall, arena, stadium, park, or beach is deemed a use that serves a governmental, municipal, or public purpose or function when access to the property is open to the general public with or without a charge for admission. If property deeded to a municipality by the United States is subject to a requirement that the Federal Government must, through a schedule established by the Secretary of the Interior, determine that the property is being maintained for public historic preservation, park, or recreational purposes and that if those conditions are not met, the property will revert back to the Federal Government, ~~then~~ such property is ~~shall be~~ deemed to serve a municipal or public purpose. The term "governmental purpose" also includes a direct use of property on federal lands in connection with the Federal Government's Space Exploration Program, aerospace activities as specified in s. 331.303, or spaceport activities as defined in s. 212.02(22). Real property and tangible personal property owned by the Federal Government or Space Florida and used for defense and space exploration purposes or which is put to a use in support thereof is ~~shall be~~ deemed to perform an essential ~~national~~ governmental purpose and is ~~shall be~~ exempt. Real property and tangible personal property being used by a nongovernmental lessee within this state pursuant to a project authorized by the Space Florida board of directors is deemed to perform an essential governmental purpose and is exempt. As used in this chapter, the term "owned by the lessee" as used in this chapter does not include personal property, buildings, or other real property improvements used

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for the administration, operation, business offices and activities related specifically thereto in connection with the conduct of an aircraft full service fixed based operation which provides goods and services to the general aviation public in the promotion of air commerce provided that the real property is designated as an aviation area on an airport layout plan approved by the Federal Aviation Administration. For purposes of determination of "ownership," buildings and other real property improvements which will revert to the airport authority or other governmental unit upon expiration of the term of the lease are ~~shall be~~ deemed "owned" by the governmental unit and not the lessee. Also, for purposes of determination of ownership under this section or s. 196.199(5), flight simulation training devices qualified by the Federal Aviation Administration, and the equipment and software necessary for the operation of such devices, are ~~shall be~~ deemed "owned" by a governmental unit and not the lessee if such devices will revert to that governmental unit upon the expiration of the term of the lease, provided the governing body of the governmental unit has approved the lease in writing. Providing two-way telecommunications services to the public for hire by the use of a telecommunications facility, as defined in s. 364.02(14), and for which a certificate is required under chapter 364 does not constitute an exempt use for purposes of s. 196.199, unless the telecommunications services are provided by the operator of a public-use airport, as defined in s. 332.004, for the operator's provision of telecommunications services for the airport or its tenants, concessionaires, or licensees, or unless the telecommunications services are provided by a public hospital.

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Section 2. Paragraph (j) of subsection (5) of section 212.08, Florida Statutes, is reordered and amended to read:

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

(5) EXEMPTIONS; ACCOUNT OF USE.—

(j) *Machinery and equipment used in semiconductor, defense, or space technology production.*—

1. All of the following are exempt from the tax imposed by this chapter:

a. Industrial machinery and equipment used in semiconductor technology facilities certified under subparagraph 5. to manufacture, process, compound, or produce semiconductor technology products for sale or for use by these facilities ~~are exempt from the tax imposed by this chapter.~~ For purposes of this paragraph, industrial machinery and equipment includes molds, dies, machine tooling, other appurtenances or accessories to machinery and equipment, testing equipment, test beds, computers, and software, whether purchased or self-fabricated, and, if self-fabricated, includes materials and labor for design, fabrication, and assembly.

b. Industrial machinery and equipment used in defense or space technology facilities certified under subparagraph 5. to design, manufacture, assemble, process, compound, or produce defense technology products or space technology products for sale or for use by these facilities ~~are exempt from the tax~~

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~~imposed by this chapter.~~

c.(I) Tangible personal property, including, but not limited to, machinery or equipment, leased to a private entity lessee that:

(A) Is owned by a federal, state, or local governmental entity;

(B) Is located in this state;

(C) Is used by the lessee solely in connection with semiconductor, defense, or aerospace contracts, programs, or projects; and

(D) Is leased under a written lease, license, or similar agreement with the federal, state, or local governmental entity that owns the machinery or equipment.

(II) The department may adopt rules governing the manner and form of the application for, and the issuance of, exemption certificates pursuant to this sub-subparagraph.

2. Building materials purchased for use in manufacturing or expanding clean rooms in semiconductor-manufacturing facilities are exempt from the tax imposed by this chapter.

3. In addition to meeting the criteria mandated by subparagraph 1. or subparagraph 2., a business must be certified by the Department of Commerce in order to qualify for exemption under this paragraph.

4. For items purchased tax-exempt pursuant to this paragraph, possession of a written certification from the purchaser, certifying the purchaser's entitlement to the exemption, relieves the seller of the responsibility of collecting the tax on the sale of such items, and the department shall look solely to the purchaser for recovery of the tax if it

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determines that the purchaser was not entitled to the exemption.

5.a. To be eligible to receive the exemption provided by subparagraph 1. or subparagraph 2., a qualifying business entity shall initially apply to the Department of Commerce. The original certification is valid for a period of 2 years. In lieu of submitting a new application, the original certification may be renewed biennially by submitting to the Department of Commerce a statement, certified under oath, that there has not been a material change in the conditions or circumstances entitling the business entity to the original certification. The initial application and the certification renewal statement shall be developed by the Department of Commerce.

b. The Division of Economic Development of the Department of Commerce shall review each submitted initial application and determine whether or not the application is complete within 5 working days. Once complete, the division shall, within 10 working days, evaluate the application and recommend approval or disapproval to the Department of Commerce.

c. Upon receipt of the initial application and recommendation from the division or upon receipt of a certification renewal statement, the Department of Commerce shall certify within 5 working days those applicants who are found to meet the requirements of this section and notify the applicant of the original certification or certification renewal. If the Department of Commerce finds that the applicant does not meet the requirements, it shall notify the applicant within 10 working days that the application for certification has been denied and the reasons for denial. The Department of Commerce has final approval authority for certification under

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204 this section.

205 d. The initial application and certification renewal
206 statement must indicate, for program evaluation purposes only,
207 the average number of full-time equivalent employees at the
208 facility over the preceding calendar year, the average wage and
209 benefits paid to those employees over the preceding calendar
210 year, the total investment made in real and tangible personal
211 property over the preceding calendar year, and the total value
212 of tax-exempt purchases and taxes exempted during the previous
213 year. The department shall assist the Department of Commerce in
214 evaluating and verifying information provided in the application
215 for exemption.

216 e. The Department of Commerce may use the information
217 reported on the initial application and certification renewal
218 statement for evaluation purposes only.

219 6. A business certified to receive this exemption may elect
220 to designate one or more state universities or community
221 colleges as recipients of up to 100 percent of the amount of the
222 exemption. To receive these funds, the institution must agree to
223 match the funds with equivalent cash, programs, services, or
224 other in-kind support on a one-to-one basis for research and
225 development projects requested by the certified business. The
226 rights to any patents, royalties, or real or intellectual
227 property must be vested in the business unless otherwise agreed
228 to by the business and the university or community college.

229 7. As used in this paragraph, the term:

230 c.a. "Semiconductor technology products" means raw
231 semiconductor wafers or semiconductor thin films that are
232 transformed into semiconductor memory or logic wafers, including

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233 wafers containing mixed memory and logic circuits; related
234 assembly and test operations; active-matrix flat panel displays;
235 semiconductor chips; semiconductor lasers; optoelectronic
236 elements; and related semiconductor technology products as
237 determined by the Department of Commerce.

238 ~~a.b.~~ "Clean rooms" means manufacturing facilities enclosed
239 in a manner that meets the clean manufacturing requirements
240 necessary for high-technology semiconductor-manufacturing
241 environments.

242 ~~b.c.~~ "Defense technology products" means products that have
243 a military application, including, but not limited to, weapons,
244 weapons systems, guidance systems, surveillance systems,
245 communications or information systems, munitions, aircraft,
246 vessels, or boats, or components thereof, which are intended for
247 military use and manufactured in performance of a contract with
248 the United States Department of Defense or the military branch
249 of a recognized foreign government or a subcontract thereunder
250 which relates to matters of national defense.

251 d. "Space technology products" means products ~~that are~~
252 specifically designed or manufactured for application in space
253 activities, including, but not limited to, space launch
254 vehicles, space flight vehicles, missiles, satellites or
255 research payloads, avionics, and associated control systems and
256 processing systems and components of any of the foregoing. The
257 term does not include products that are designed or manufactured
258 for general commercial aviation or other uses even though those
259 products may also serve an incidental use in space applications.

260 Section 3. Subsection (4) of section 331.302, Florida
261 Statutes, is amended to read:

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331.302 Space Florida; creation; purpose.—

(4) (a) Space Florida is not an agency as defined in ss.
216.011 and 287.012.

(b) Space Florida is not subject to s. 255.20 when
purchasing professional or construction services, or both, using
funds that are not appropriated by the Legislature. For all such
purchases, Space Florida shall maintain in its records an
attestation that the funds used are not appropriated by the
Legislature.

Section 4. This act shall take effect July 1, 2026.