

Agenda Order

Tab 1	CS/SB 184 by CA, Gaetz ; Compare to H 00247 Affordable Housing
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Tab 2	SB 600 by Truenow ; Identical to H 00561 Manufacturing
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655942 D S L ATD, Truenow Delete everything after 03/10 10:20 AM

Tab 3	SB 602 by Truenow ; Identical to H 00563 Fees/Florida Manufacturing Promotional Campaign
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345782 A S L ATD, Truenow Delete L.15 - 25: 03/10 10:19 AM

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA
APPROPRIATIONS COMMITTEE ON TRANSPORTATION,
TOURISM, AND ECONOMIC DEVELOPMENT
Senator DiCeglie, Chair
Senator Polsky, Vice Chair

MEETING DATE: Tuesday, March 11, 2025
TIME: 8:30—10:30 a.m.
PLACE: *Toni Jennings Committee Room, 110 Senate Building*

MEMBERS: Senator DiCeglie, Chair; Senator Polsky, Vice Chair; Senators Arrington, Avila, Bernard, Collins, Grall, Ingoglia, Leek, Martin, McClain, Sharief, Smith, Truenow, and Wright

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	CS/SB 184 Community Affairs / Gaetz (Compare H 247)	Affordable Housing; Requiring, rather than authorizing, a local government to adopt an ordinance to allow accessory dwelling units in certain areas; authorizing a local government to provide a density bonus incentive to landowners who make certain real property donations to assist in the provision of affordable housing for military families; requiring the Office of Program Policy Analysis and Government Accountability to evaluate the efficacy of using mezzanine finance and the potential of tiny homes for specified purposes, etc.	CA 02/18/2025 Fav/CS ATD 03/11/2025 RC
2	SB 600 Truenow (Identical H 561, Compare H 563, Linked S 602)	Manufacturing; Creating the Statewide Office of Manufacturing within the Department of Commerce for a certain purpose; requiring that the office be headed by a Chief Manufacturing Officer appointed by and serving at the pleasure of the Secretary of Commerce; requiring the department to biennially prepare a report regarding manufacturing efforts in this state; creating the Florida Manufacturers' Workforce Development Grant Program; requiring the department, the Chief Manufacturing Officer, and the state Manufacturing Extension Partnership to review applications submitted and to select specified projects, etc.	CM 03/03/2025 Favorable ATD 03/11/2025 AP

COMMITTEE MEETING EXPANDED AGENDA

Appropriations Committee on Transportation, Tourism, and Economic Development
Tuesday, March 11, 2025, 8:30—10:30 a.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
3	SB 602 Truenow (Identical H 563, Compare H 561, Linked S 600)	Fees/Florida Manufacturing Promotional Campaign; Requiring the Department of Commerce to establish by rule registration and renewal fees sufficient to fund the costs of administering the Florida Manufacturing Promotional Campaign; requiring the department to assess and collect fees for the purpose of promoting the campaign; requiring that such fees be deposited into the Economic Development Trust Fund for a specified purpose, etc.	CM 03/03/2025 Favorable ATD 03/11/2025 AP

Other Related Meeting Documents

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: CS/SB 184

INTRODUCER: Community Affairs Committee and Senator Gaetz

SUBJECT: Affordable Housing

DATE: March 10, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Fleming</u>	<u>Fleming</u>	<u>CA</u>	<u>Fav/CS</u>
2.	<u>Nortelus</u>	<u>Nortelus</u>	<u>ATD</u>	<u>Pre-meeting</u>
3.	_____	_____	<u>RC</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 184 proposes three changes to current law relating to the development and supply of affordable housing. First, the bill requires each county and municipality to enact an ordinance to allow accessory dwelling units (ADU) in all single-family residential areas to increase the availability of affordable rentals for low-and moderate-income persons. Under current law, local governments are authorized, but not required, to enact such ordinance. The bill provides that the owner of a property with an ADU may not be denied a homestead exemption for those portions of property on which the owner maintains a permanent residence solely on the basis of the property containing an ADU.

The bill also allows certain land donated to a local government for affordable housing to be used to provide affordable housing to military families receiving the basic allowance for housing. Current law establishes a system in which local governments may issue density bonuses to landowners that donate land to the local government for affordable housing, and the density bonus can be used anywhere within the jurisdiction that allows residential development.

Finally, the bill directs the Office of Program Policy Analysis and Government Accountability (OPPAGA) to evaluate the efficacy of using mezzanine finance, or second position short-term debt, to stimulate the construction of owner-occupied affordable housing, and evaluate potential for tiny homes to meet affordable housing needs.

The bill has a negative, insignificant fiscal impact on OPPAGA which can be absorbed within existing resources. See Section V. Fiscal Impact Statement.

The bill takes effect on July 1, 2025.

II. Present Situation:

Affordable Housing

One major goal at all levels of government is to ensure that citizens have access to affordable housing. Housing is considered affordable when it costs less than 30 percent of a family's gross income. A family paying more than 30 percent of its income for housing is considered "cost burdened," while those paying more than 50 percent are considered "extremely cost burdened." Severely cost burdened households are more likely to sacrifice other necessities such as healthy food and healthcare to pay for housing, and to experience unstable housing situations such as eviction.

Affordable housing is defined in terms of household income. Resident eligibility for Florida's state and federally funded housing programs is typically governed by area median income (AMI) levels. These levels are published annually by the U.S. Department of Housing and Urban Development (HUD) for every county and metropolitan area.¹ Florida Statutes categorizes the levels of household income as follows:

- Extremely low income – earning up to 30 percent AMI;²
- Very low income – earning from 30.01 to 50 percent AMI;³
- Low income – earning from 50.01 to percent AMI;⁴ and
- Moderate income – earning from 80.01 to 120 percent of AMI.⁵

Florida Housing Finance Corporation

The 1997 Legislature created the Florida Housing Finance Corporation (FHFC) as a public-private entity to assist in providing a range of affordable housing opportunities for Floridians.⁶ The FHFC is a corporation held by the state and housed within the Department of Commerce (department). The FHFC is a separate budget entity and its operations, including those relating to personnel, purchasing, transactions involving real or personal property, and budgetary matters, are not subject to control, supervision, or direction by the department.⁷

The goal of the FHFC is to increase the supply of safe, affordable housing for individuals and families with very low to moderate incomes by stimulating investment of private capital and encouraging public and private sector housing partnerships. As a financial institution, the FHFC

¹ U.S. Department of Housing and Urban Development, *Income Limits, Access Individual Income Limits Areas – Click Here for FY 2024 IL Documentation*, available at <https://www.huduser.gov/portal/datasets/il.html> (last visited Feb. 16, 2025).

² Section 420.0004(9), F.S.

³ Section 420.0004(17), F.S.

⁴ Section 420.0004(11), F.S.

⁵ Section 420.0004(12), F.S.

⁶ Chapter 97-167, Laws of Fla. From 1980 through 1997, the former Florida Housing Finance Agency, placed within the former Department of Community Affairs, performed similar duties.

⁷ Section 420.504(1), F.S.

administers federal and state resources to finance the development and preservation of affordable rental housing and assist homebuyers with financing and down payment assistance.

Funding for Affordable Housing

The FHFC draws and administers funds from federal programs through federal tax credits and the HUD,⁸ from the state through the State Housing Trust Fund and Local Government Housing Trust Fund,⁹ both funded by documentary stamp taxes, as well as ad hoc individual legislative appropriations, and through program income, which consists primarily of funds from successful loan repayment that is recycled into the program it came from.

Multifamily Affordable Housing Development

The primary state program for the development of multifamily rental housing is the State Apartment Incentive Loan (SAIL) Program, administered by the FHFC. The SAIL program provides low-interest loans on a competitive basis to multifamily affordable housing developers,¹⁰ used to bridge the gap between the development's primary financing and the total cost of the development. SAIL dollars are available for developers proposing to construct or substantially rehabilitate multifamily rental housing¹¹ and who agree to set-aside a specified number of units for households at certain AMI levels.

Additionally, local governments can participate in the development of multifamily rental through the State Housing Incentive Partnership (SHIP) Program. Also administered through the FHFC, the SHIP program provides funds to all 67 counties and 52 Community Development Block Grant¹² entitlement cities on a population-based formula to finance and preserve affordable housing based on locally adopted housing plans. SHIP funds may be used to pay for emergency repairs, rehabilitation, down payment and closing cost assistance, impact fees, construction and gap financing, mortgage buydowns, acquisition of property for affordable housing, matching dollars for federal housing grants and programs, and homeownership counseling.¹³

Homeownership Assistance

The state's primary homeownership assistance program is the Hometown Hero Program,¹⁴ administered by the FHFC. Under the program, eligible first time homebuyers have access to a zero-interest second mortgage to reduce the amount of down payment and closing costs by a minimum of \$10,000 and up to 5 percent of the first mortgage loan, not exceeding \$35,000. Loans must be repaid when the property is sold, refinanced, rented, or transferred unless otherwise approved by the FHFC.

⁸ See ss. 420.507(33) and 159.608, F.S.

⁹ Section 201.15, F.S.

¹⁰ Section 420.5087, F.S.

¹¹ See Florida Housing Finance Corporation, *State Apartment Incentive Loan*, available at <https://floridahousing.org/programs/developers-multifamily-programs/state-apartment-incentive-loan> (last visited February 24, 2025).

¹² The CDBG program is a federal program created in 1974 that provides funding for housing and community development activities.

¹³ Section 420.072(7), F.S.

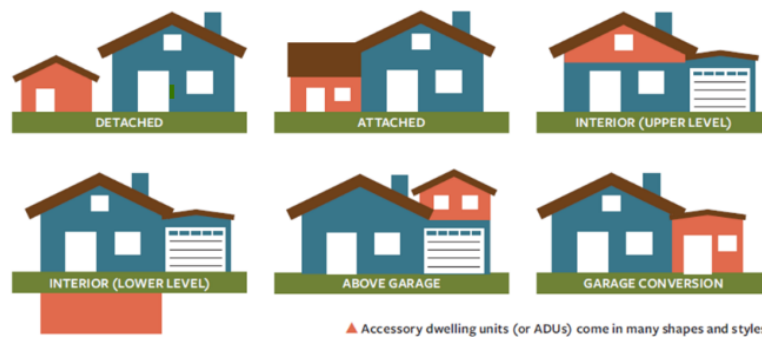
¹⁴ Section 420.5096, F.S.

Additionally, many local governments also independently offer their own downpayment assistance programs, separate from the Hometown Hero Program, using SHIP funds, or other locally generated funds.

Accessory Dwelling Units

Accessory dwelling units, or ADUs, have been proposed as a way to add housing stock to address the country's housing crisis.¹⁵ ADUs are independent living spaces, outfitted with their own kitchen, bathroom, and sleeping area, and located on the same lot as a primary dwelling, but are smaller in size.¹⁶ Florida Statutes defines ADU as “an ancillary or secondary living unit that has a separate kitchen, bathroom, and sleeping area existing either within the same structure, or on the same lot, as the primary dwelling unit.”¹⁷

ADUs go by many different names, including accessory apartments, secondary suites, and granny flats.¹⁸ ADUs can be converted portions of existing homes (i.e., interior ADUs), additions to new or existing homes (i.e., attached ADUs), or new stand-alone accessory structures or converted portions of existing stand-alone accessory structures (i.e., detached ADUs).¹⁹ The graphic below illustrates the various options for the construction or conversion of ADUs.



Source: AARP, ADUs Come in Many Shapes and Sizes²⁰

Section 163.31771, F.S., finds that encouraging local governments to permit ADUs to increase the availability of affordable rentals serves a public purpose.²¹ Current law expressly authorizes a local government to adopt an ordinance allowing ADUs in any area zoned for single-family

¹⁵ Joint Center for Housing Studies of Harvard University, *How Nonprofits Are Using Accessory Dwelling Units as an Affordable Housing Strategy*, Sept. 26, 2024, available at: <https://www.jchs.harvard.edu/blog/how-nonprofits-are-using-accessory-dwelling-units-affordable-housing-strategy> (last visited Feb. 24, 2025).

¹⁶ *Id.*

¹⁷ Section 163.31771(2)(a), F.S.

¹⁸ American Planning Association, *Accessory Dwelling Units*, available at: <https://www.planning.org/knowledgebase/accessorydwelling/> (last visited Feb. 24, 2025). ADUs are sometimes referred to as “granny flats” to denote their use in accommodating the housing needs of aging parents.

¹⁹ *Id.*

²⁰ AARP, *AARP Livable Communities: ADUs Come in Many Shapes and Sizes*, available at: <https://www.aarp.org/livable-communities/housing/info-2019/adus-come-in-many-shapes-and-styles.html> (last visited Feb. 24, 2025).

²¹ Section 163.31771(1), F.S.

residential use.²² Further, an application for a building permit to construct an ADU must include an affidavit which attests that the unit will be rented at an affordable rate to an extremely-low-income, very-low-income, low-income, or moderate-income person or persons.²³

The Florida Housing Coalition studied the extent to which local governments recognized ADUs in their land development regulations and found the following:

- Of Florida’s 67 counties, 16 did not address any ADU in their land development codes; and
- Of the 15 most populous cities in Florida, 11 of them explicitly allow ADUs in single-family districts.²⁴

Density Bonus Incentives for Land Donation

A common tool in boosting affordable housing supply is the use of density bonuses for affordable housing. Typically, a density bonus allows developers to exceed a project’s zoning limitations, such as height or density restrictions, in exchange for including a certain number of affordable units in their development. As an affordable housing incentive, a jurisdiction may increase the maximum units allowable if a builder develops affordable housing units in exchange. The presence of bonus units will allow a developer to sell more homes or rent more apartments and thus help meet various financial feasibility criteria.²⁵

Section 420.615, F.S., expressly authorizes local governments to provide density bonus incentives to landowners who voluntarily donate fee simple interest in real property to the local government for the purpose of assisting the local government in providing affordable housing.²⁶ The density bonus may be applied to any land within the local government’s jurisdiction provided that residential use is an allowable use on the receiving land.²⁷ The local government may transfer all or a portion of the donated land to a nonprofit housing organization, such as a community land trust, housing authority, or community redevelopment agency, to be used for the production and preservation of permanently affordable housing. The donated land must be subject to deed restrictions to ensure that the property will be used for affordable housing.²⁸

General Overview of Property Taxation

The ad valorem tax or “property tax” is an annual tax levied by counties, municipalities, school districts, and some special districts. The tax is based on the taxable value of a property as of

²² Section 163.31771(3), F.S.

²³ Section 163.31771(4), F.S. The parameters defining the various income designations are specified in s 420.0004, F.S.

²⁴ See Florida Housing Coalition, *Accessory Dwelling Unit Guidebook*, April 2024, available at <https://www.flhousing.org/wp-content/uploads/2019/08/ADU-Guidebook.pdf> (last visited Feb. 24, 2025).

²⁵ Florida Housing Coalition, *Affordable Housing Incentive Strategies: A Guidebook for Affordable Housing Advisory Committee Members and Local Government Staff*, 2021, p. 49, available at: <https://www.flhousing.org/wp-content/uploads/2021/08/8-4-21-AHAC-Guide-UPDATE.pdf> (last visited Feb. 24, 2025).

²⁶ For purposes of this section, the terms “affordable,” “extremely-low-income persons,” “low-income persons,” “moderate-income persons,” and “very-low-income persons” have the same meaning as in s. 420.0004, F.S.

²⁷ Section 420.615(3), F.S.

²⁸ Section 420.615(6), F.S.

January 1 of each year.²⁹ The property appraiser annually determines the “just value”³⁰ of property within the taxing authority and then applies relevant exclusions, assessment limitations, and exemptions to determine the property’s “taxable value.”³¹ The Florida Constitution prohibits the state from levying ad valorem taxes³² and it limits the Legislature’s authority to provide for property valuations at less than just value, unless expressly authorized.³³

Homestead Exemptions

The Florida Constitution establishes homestead protections for certain residential real estate in the state in three distinct ways. First, it provides homesteads, property owned and maintained as a person’s primary residence, with an exemption from taxes.³⁴ Second, the homestead provisions protect the homestead from forced sale by creditors.³⁵ Third, the homestead provisions delineate the restrictions a homestead owner faces when attempting to alienate or devise the homestead property.³⁶

Every person having legal or equitable title to real estate and who maintains a permanent residence on the real estate is deemed to establish homestead property. Homestead property is eligible for a \$25,000 tax exemption applicable to all ad valorem tax levies, including levies by school districts.³⁷ An additional exemption applies to homestead property value between \$50,000 and \$75,000. This exemption is adjusted annually for inflation from the 2024 value of \$25,000 and does not apply to ad valorem taxes levied by school districts.³⁸

Save Our Homes Assessment Limitation and Portability

In 1992, Florida voters approved the Save Our Homes amendment to the Florida Constitution.³⁹ The Save Our Homes assessment limitation limits the amount that a homestead property's assessed value may increase annually to the lesser of 3 percent or the percentage increase in the Consumer Price Index.⁴⁰ The accumulated difference between the assessed value and the just

²⁹ Both real property and tangible personal property are subject to tax. Section 192.001(12), F.S., defines “real property” as land, buildings, fixtures, and all other improvements to land. Section 192.001(11)(d), F.S., defines “tangible personal property” as all goods, chattels, and other articles of value capable of manual possession and whose chief value is intrinsic to the article itself.

³⁰ Property must be valued at “just value” for purposes of property taxation, unless the Florida Constitution provides otherwise. FLA. CONST. Art VII, s. 4. Just value has been interpreted by the courts to mean the fair market value that a willing buyer would pay a willing seller for the property in an arm’s-length transaction. *See, e.g., Walter v. Schuler*, 176 So. 2d 81 (Fla. 1965); *Deltona Corp. v. Bailey*, 336 So. 2d 1163 (Fla. 1976); *S. Bell Tel. & Tel. Co. v. Dade Cnty.*, 275 So. 2d 4 (Fla. 1973).

³¹ *See* ss. 192.001(2) and (16), F.S.

³² FLA. CONST. art. VII, s. 1(a).

³³ *See* FLA. CONST. art. VII, s. 4.

³⁴ FLA. CONST. art. VII, s. 6.

³⁵ FLA. CONST. art. X, s. 4.

³⁶ *Id.* at (c).

³⁷ FLA. CONST. art VII, s. 6(a).

³⁸ *Id.* The percent change in the Consumer Price Index for All Urban Consumers, U.S. City Average, all items 1967=100 is used to adjust the exemption, if such percent change is positive. *Id.* For the 2025 tax year, the exemption amount is \$25,722. *See* Volusia County Property Appraiser, Homestead Exemption, <https://vcpa.vcgov.org/exemption/homestead> (last visited Feb. 24, 2025).

³⁹ FLA. CONST. art. VII, s. 4(d). The Florida Legislature implemented the Save Our Homes amendment in s. 193.155, F.S.

⁴⁰ FLA. CONST. art. VII, s. 4(d).

value is the Save Our Homes benefit. The Save Our Homes assessment limitation is considered portable because a homestead property owner may transfer this benefit when moving from one homestead property to another.⁴¹ Due to the homestead exemption effects and the Save Our Homes assessment limitation, many homestead properties enjoy significant tax savings.

Commercial Use of Homestead Property

Section 196.012(13), F.S., provides that “ ‘[r]eal estate used and owned as a homestead’ means real property to the extent provided in s. 6(a), Art. VII of the State Constitution, but less any portion thereof used for commercial purposes, with the title of such property being recorded in the official records of the county in which the property is located. Property rented for more than 6 months is presumed to be used for commercial purposes.”⁴²

Abandonment of Homestead Property

Both the homestead property tax exemption and the Save Our Homes assessment limitation may be lost by a property owner that abandons homestead property. Failure to maintain a homestead property as a permanent residence may constitute abandonment under certain circumstances.⁴³ Section 196.061(1), F.S., describes when renting a homestead property constitutes abandonment:

“The rental of all or substantially all of a dwelling previously claimed to be a homestead for tax purposes shall constitute the abandonment of such dwelling as a homestead, and the abandonment continues until the dwelling is physically occupied by the owner. However, such abandonment of the homestead after January 1 of any year does not affect the homestead exemption for tax purposes for that particular year unless the property is rented for more than 30 days per calendar year for 2 consecutive years.”

III. Effect of Proposed Changes:

Section 1 amends s. 163.31771, F.S., to require, instead of authorize, local governments to adopt an ordinance to allow ADUs in any area zoned for single-family residential use. The ordinance cannot require any increase in parking requirements to accommodate the ADU, may not require that the owner of a parcel with an ADU reside on such parcel, and does not apply to a planned unit development or master planned community.⁴⁴

The bill also provides that the owner of a property with an ADU may not be denied a homestead exemption for those portions of property on which the owner maintains a permanent residence solely on the basis of the property containing an ADU.

⁴¹ See FLA. CONST. art. VII, s. 4(d)(8); see also s. 193.155, F.S.

⁴² See also Florida Administrative Code Rule 12D-7.013(5): “Property used as a residence and also used by the owner as a place of business does not lose its homestead character. The two uses should be separated with that portion used as a residence being granted the exemption and the remainder being taxed.”

⁴³ See ss. 196.031 and 193.155, F.S.

⁴⁴ “Planned unit development” or “master planned community” means an area of land that is planned and developed as a single entity or in approved stages with uses and structures substantially related to the character of the entire development, or a self-contained development in which the subdivision and zoning controls are applied to the project as a whole rather than to individual lots. Section 163.3202(b)2., F.S.

Section 2 amends s. 420.615, F.S., to expand the express authorization for local governments to grant density bonuses to landowners that donate land to the local government for the purpose of providing affordable housing, to specify that affordable housing includes housing for military families receiving the basic allowance for housing.

Section 3 directs OPPAGA to evaluate the efficacy of using mezzanine finance,⁴⁵ or second position short-term debt, to stimulate the construction of owner-occupied affordable housing. OPPAGA must also evaluate the potential of tiny homes to meet affordable housing needs in this state. OPPAGA must consult with the FHFC and the Shimberg Center for Housing Studies at the University of Florida and submit a report of its finding to the Legislature by December 31, 2026. The report must include recommendations for the structuring of a model mezzanine finance program.

Section 4 provides that the bill takes effect on July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18(a) of the Florida Constitution provides, in part, that a county or municipality may not be bound by a general law requiring a county or municipality to spend funds or take an action that requires the expenditure of funds unless certain specified exemptions or exceptions are met. The bill may require counties and municipalities to expend funds associated with the requirement to enact an ordinance authorizing the use of ADUs. However, the mandate requirement does not apply to laws having an insignificant impact,⁴⁶ which for Fiscal Year 2025-2026 is forecast at approximately \$2.4 million.⁴⁷ The aggregate cost for local governments to implement this provision is likely insignificant.

However, if the bill does qualify as a mandate, in order to be binding upon cities and counties, the bill must contain a finding of important state interest and be approved by a two-thirds vote of the membership of each house.

B. Public Records/Open Meetings Issues:

None.

⁴⁵ A mezzanine loan is a debt-equity instrument that sits in a middle, or “mezzanine” position in the capital stack: below the mortgage, but above the equity. Because it is subordinate to direct loans and other types of senior debts, its paid after these other debts in the event of insolvency. Mezzanine loans are associated with higher risk because they are typically unsecured, or only have a junior lien on assets as collateral, and as such can command higher interest rates than traditional loans. However, mezzanine loans may provide more flexibility than direct loans, including flexible repayment terms, where the lender may agree to interest-only payments for initial periods. See Center for Public Enterprise. *Smoothing the Housing Investment Cycle. Part I.* July 2024. Available at: <https://publicenterprise.org/wp-content/uploads/Smoothing-the-Housing-Investment-Cycle-Part-1.pdf> (last visited Feb. 24, 2025).

⁴⁶ FLA. CONST. art. VII, s. 18(d).

⁴⁷ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year times \$0.10. See FLA. SENATE COMM. ON CMTY. AFFAIRS, Interim Report 2012-115: Insignificant Impact (Sept. 2011), available at: <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf>.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Upon enactment of local ADU ordinances across the state, individuals may benefit from greater access to affordable rentals and single-family property owners may benefit from the resulting ADU rental income. Additionally, there may be opportunities to increase the supply of housing that is affordable for military families due to density bonus incentives.

C. Government Sector Impact:

Counties and municipalities will likely incur administrative expenses associated with the development and noticing of the ADU ordinance as required in section 1 of the bill. The bill requires OPPAGA to submit a report to the Legislature which will have a negative fiscal impact on the office which can be absorbed within existing resources.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 163.31771 and 420.615.

This bill creates an undesignated section of Florida law.

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 Community Affairs on February 18, 2025:

The committee substitute:

- Provides that a local government may not require that the owner of a parcel with an ADU reside on such parcel.
- Modifies the mezzanine finance provision to require OPPAGA to study the efficacy of using mezzanine finance, instead of directing FHFC to implement a model program, and requires OPPAGA to also evaluate tiny homes used for affordable housing.
- Provides that the owner of a property with an ADU may not be denied a homestead exemption solely on the basis of the property containing an ADU that is or may be rented to another person

- B. **Amendments:**

None.

By the Committee on Community Affairs; and Senator Gaetz

578-01992-25

2025184c1

1 A bill to be entitled
2 An act relating to affordable housing; amending s.
3 163.31771, F.S.; requiring, rather than authorizing, a
4 local government to adopt an ordinance to allow
5 accessory dwelling units in certain areas; prohibiting
6 such an ordinance from increasing parking
7 requirements; prohibiting such an ordinance from
8 including a specified requirement; providing
9 applicability of such an ordinance; prohibiting the
10 denial of a homestead exemption for certain portions
11 of property on a specified basis; requiring that a
12 rented accessory dwelling unit be assessed separately
13 from the homestead property; amending s. 420.615,
14 F.S.; authorizing a local government to provide a
15 density bonus incentive to landowners who make certain
16 real property donations to assist in the provision of
17 affordable housing for military families; requiring
18 the Office of Program Policy Analysis and Government
19 Accountability to evaluate the efficacy of using
20 mezzanine finance and the potential of tiny homes for
21 specified purposes; requiring the office to consult
22 with certain entities; requiring the office to submit
23 a certain report to the Legislature by a specified
24 date; providing an effective date.

25
26 Be It Enacted by the Legislature of the State of Florida:

27
28 Section 1. Present subsection (5) of section 163.31771,
29 Florida Statutes, is redesignated as subsection (6), a new

578-01992-25

2025184c1

30 subsection (5) is added to that section, and subsection (3) of
31 that section is amended, to read:

32 163.31771 Accessory dwelling units.—

33 (3) A local government shall ~~may~~ adopt an ordinance to
34 allow accessory dwelling units, without any corresponding
35 increase in parking requirements, in any area zoned for single-
36 family residential use. Such ordinance may not require that the
37 owner of a parcel on which an accessory dwelling unit is
38 constructed reside on such parcel and does not apply to a
39 planned unit development or master planned community as those
40 terms are defined in s. 163.3202 (5) (b) 2.

41 (5) The owner of a property with an accessory dwelling unit
42 may not be denied a homestead exemption for those portions of
43 property on which the owner maintains a permanent residence
44 solely on the basis of the property containing an accessory
45 dwelling unit that is or may be rented to another person.
46 However, if the accessory dwelling unit is rented to another
47 person, the accessory dwelling unit must be assessed separately
48 from the homestead property.

49 Section 2. Subsection (1) of section 420.615, Florida
50 Statutes, is amended to read:

51 420.615 Affordable housing land donation density bonus
52 incentives.—

53 (1) A local government may provide density bonus incentives
54 pursuant to the provisions of this section to any landowner who
55 voluntarily donates fee simple interest in real property to the
56 local government for the purpose of assisting the local
57 government in providing affordable housing, including housing
58 that is affordable for military families receiving the basic

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59 allowance for housing. Donated real property must be determined
60 by the local government to be appropriate for use as affordable
61 housing and must be subject to deed restrictions to ensure that
62 the property will be used for affordable housing.

63 Section 3. The Office of Program Policy Analysis and
64 Government Accountability (OPPAGA) shall evaluate the efficacy
65 of using mezzanine finance, or second-position short-term debt,
66 to stimulate the construction of owner-occupied housing that is
67 affordable as defined in s. 420.0004(3), Florida Statutes, in
68 this state. OPPAGA shall also evaluate the potential of tiny
69 homes in meeting the need for affordable housing in this state.
70 OPPAGA shall consult with the Florida Housing Finance
71 Corporation and the Shimberg Center for Housing Studies at the
72 University of Florida in conducting its evaluation. By December
73 31, 2026, OPPAGA shall submit a report of its findings to the
74 President of the Senate and the Speaker of the House of
75 Representatives. Such report must include recommendations for
76 the structuring of a model mezzanine finance program.

77 Section 4. This act shall take effect July 1, 2025.

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 600

INTRODUCER: Senator Truenow

SUBJECT: Manufacturing

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 600 creates the Statewide Office of Manufacturing (Office) within the Department of Commerce (department) to promote manufacturing statewide. The Chief Manufacturing Officer, who is appointed by the Secretary of Commerce, heads the program and, among other duties, is responsible for promoting, supporting, and coordinating manufacturing efforts in the state. In consultation with the Chief Manufacturing Officer and the state Manufacturing Extension Partnership, the department must report on manufacturing efforts in the state and submit the report by December 15, 2026, and every two years thereafter to the Governor and the Legislature.

The bill creates the Florida Manufacturers' Workforce Development Grant Program (program) within the department to fund proposed projects, subject to appropriation by the Legislature, that support small manufacturers in the state with the deployment of new technologies or cybersecurity infrastructure and provide training support to the workforce. Grants would be funded from the Economic Development Trust Fund. The department must provide a list of each awarded project annually and include such information in its annual incentives report.

The bill creates the Florida Manufacturing Promotional Campaign (campaign), a marketing program to promote manufacturing products and businesses in the state. Participants must register with the department. The campaign would be funded by fees acquired by the department from campaign participants.

The bill authorizes the department to adopt rules to administer the program and establish, by rule, the logos or product identifiers to be depicted for use in the campaign.

The bill will have an impact on state expenditures. It does not appear to impact local government revenues and expenditures. See Section V. Fiscal Impact Statement.

The bill takes effect July 1, 2025.

II. Present Situation:

Manufacturing

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. The 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

Additionally, manufacturing sectors with a high value-added component, such as aviation and aerospace, defense, microelectronics, medical devices and equipment, marine, fabricated metal products, and industrial machinery, have helped Florida's small and mid-size manufacturers grow quickly.⁴

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 *Id.* at 47

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.⁵ 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.⁶ The approval process must be coordinated with the department.⁷ Additionally, the department has developed a model local manufacturing development program ordinance to guide local governments that intend to establish a local manufacturing development program.⁸ Currently, only Manatee and Volusia County have adopted an ordinance.⁹

Workforce Training Programs

CareerSource Florida, a not-for-profit corporation administratively housed within the department,¹⁰ 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.¹¹ 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.¹²

III. Effect of Proposed Changes:

Statewide Office of Manufacturing

The bill creates s. 14.37, F.S., to establish the Statewide Office of Manufacturing (Office) within the department to support manufacturing within the state. The Office must be headed by the Chief Manufacturing Officer (Officer) who serves at the pleasure of the Secretary of the department. Duties of the Officer include:

- Serving as the subject-matter expert on manufacturing;

⁵ Section 163.3252, F.S.

⁶ *Id.*

⁷ Section 163.3253, F.S.

⁸ Section 163.3252, F.S.

⁹ 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).

¹⁰ Section 445.004(1), F.S.

¹¹ See CareerSource Florida, *About Us*, available at <https://careersourceflorida.com/> (last visited March 5, 2025).

¹² See s. 288.101, F.S.

- Promoting and coordinating manufacturing efforts in the state and identifying gaps across state-supported activities;
- Working with federal, state, regional, and local governmental entities and nongovernmental entities to align manufacturing priorities; and
- Engaging with state agencies and water management districts to innovate processes, programs, decision frameworks, and reporting mechanisms intended to support manufacturing in the state.

All state and local governmental agencies must assist the Officer to the extent such assistance is consistent with law and budgetary constraints.

In consultation with the Officer and the state Manufacturing Extension Partnership,¹³ the department must prepare a report on manufacturing efforts in the state, including information regarding the strength and economic importance of the manufacturing industry, and submit the report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 15, 2026, and every two years thereafter.

Florida Manufacturer's Workforce Development Grant Program

The bill creates s. 288.103, F.S., to establish the Florida Manufacturers' Workforce Development Grant Program (program) within the department. The program will fund proposed projects, subject to appropriation by the Legislature, that support small manufacturers in the state in deploying new technologies or cybersecurity infrastructure and providing training support to the workforce.

The department, in coordination with the Officer and the state Manufacturing Extension Partnership, must review applicants and select projects for awards that create strategic investments in workforce training to facilitate the deployment of new technologies or cybersecurity infrastructure. Priority must be given to projects with innovative plans, advanced technologies, and development strategies focusing on workforce development for small manufacturers across the state.

Grants awarded under the program must be administered by the department from the Economic Development Trust Fund under s. 288.095, F.S. Applicants are authorized to seek workforce development and operations funding. However, grant funding may not be used to pay salary, benefits, or general business or office expenses.

Each year, the department must provide the public with a list of all awarded projects, detailing how each project benefits the program's goals and objectives and the project's current status. This information must be included in the department's annual incentives report under s. 288.0065, F.S. The department may adopt rules to implement this provision.

¹³ FloridaMakes is the official representative of the Manufacturing Extension Partnership (MEP) in Florida. The MEP, which provides U.S. manufacturers with access to resources, is a public-private partnership comprised of the National Institute of Standards and Technology's Manufacturing Extension Partnership, 51 MEP centers located in all 50 states and Puerto Rico, and over 1,300 advisors and experts at more than 400 MEP service locations. See <https://www.floridamakes.com/about-us/how-we-help> (last visited March 5, 2025).

Florida Manufacturing Promotional Campaign

The Legislature finds that there is a need for the Florida Manufacturing Promotional Campaign (campaign) to do the following in the state:

- Increase consumer awareness of manufacturing;
- Expand market exposure for manufactured products and goods; and
- Inspire future generations of entrepreneurs, fabricators, and skilled workers to build and grow domestic businesses and manufacturing operations.

The Legislature also finds that the campaign is a partnership between industry and the state to promote and advertise such products efficiently.

The bill defines the following terms:

- “Campaign” to mean the Florida Manufacturing Promotional Campaign.
- “Department” to mean the Department of Commerce.
- “Manufactured product” to mean any tangible personal property fabricated or produced, often through industrial or mechanical processes. The term includes items sold or leased to consumers.
- “Person” to mean an individual, firm, partnership, corporation, association, business, trust, legal representative, or any other business unit.

The bill creates s. 559.973, F.S., to establish the campaign within the department, under the Office's supervision, and in coordination with the state Manufacturing Extension Partnership. The campaign's purpose is to serve as a marketing program to promote manufacturing products and businesses in the state. In promoting the campaign, the department must do the following:

- Develop logos for the campaign and authorize the use of such logos as provided by rule;
- Register campaign participants;
- Collect rental receipts for industry promotions;
- Develop in-kind advertising programs; and
- Contract with media representatives to disperse promotional materials.

The bill creates s. 559.974, F.S., to establish campaign registration requirements. Campaign participants must register annually with the department in a form and manner as prescribed by the department.

The bill creates s. 559.976, F.S., to authorize the department to adopt rules to implement the campaign. The department is authorized to establish the logos or product identifiers to be depicted for use in the campaign for advertising, publicizing, and promoting the sale of manufactured products in the state. The department is authorized to adopt any other necessary rules to ensure compliance with the provision, including, but not limited to, rules governing participant registration, registration renewal, membership classes, application forms, and other forms and enforcement measures.

The bill takes effect July 1, 2025.

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:

The promotional campaign created by this bill is funded by a fee authorized in SB 602, a linked bill.

B. Private Sector Impact:

Manufacturing businesses may see increased demand due to receiving a Florida Manufacturers' Workforce Development Grant and/or participating in the Manufacturing Promotional Campaign.

C. Government Sector Impact:

The bill requires the department to establish the Statewide Office of Manufacturing. The department¹⁴ estimates the creation of this office will cost approximately \$251,021. However, costs could be closer to \$364,263 for two FTE, related benefits, and expenses. The FTE will include a Chief Manufacturing Officer and a Governmental Operations Consultant II.

The bill does not appear to impact local government revenues and expenditures.

VI. Technical Deficiencies:

None.

¹⁴ Department of Commerce analysis for SB 600. On file with Senate Commerce and Tourism Committee.

VII. Related Issues:

The bill creates the Office in s. 14.37, F.S. However, s. 20.60, F.S., which creates and provides the organization and duties of the department, where the Office is to be located, may be preferable for organizational clarity.

The biennial reporting on manufacturing efforts could potentially be integrated into the department's annual report required by s. 20.60(10), F.S.

The Legislature may wish to clarify whether the workforce development grant awards will be made solely at the discretion of the department.

To avoid duplication of effort and funds in workforce training, the Legislature could consider requiring coordination with CareerSource Florida in the consideration and award of grants.

The Legislature could consider whether the grant program and promotional campaign should be included in the economic development program reviews conducted by the Office of Program Policy Analysis and Government Accountability and the Office of Economic & Demographic Research pursuant to s. 288.0001, F.S.

The promotional campaign is created in Chapter 559, F.S., Regulation of Trade, Commerce, and Investments, Generally. The promotional campaign could potentially be created in Chapter 288, F.S., Commercial Development and Capital Improvements.

VIII. Statutes Affected:

This bill creates sections 14.37, 288.103, 559.971, 559.976, 559.972, 559.973, and 559.974 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.



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LEGISLATIVE ACTION

Senate

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House

The Appropriations Committee on Transportation, Tourism, and Economic Development (Truenow) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Paragraph (m) is added to subsection (4) of
section 20.60, Florida Statutes, to read:

20.60 Department of Commerce; creation; powers and duties.—

(4) The purpose of the department is to assist the Governor
in working with the Legislature, state agencies, business
leaders, and economic development professionals to formulate and



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11 implement coherent and consistent policies and strategies
12 designed to promote economic opportunities for all Floridians.
13 The department is the state's chief agency for business
14 recruitment and expansion and economic development. To
15 accomplish such purposes, the department shall:

16 (m) Encourage and oversee manufacturing in this state in
17 coordination with the Chief Manufacturing Officer.

18 Section 2. Section 20.601, Florida Statutes, is created to
19 read:

20 20.601 Chief Manufacturing Officer.—

21 (1) There shall be designated among the senior leadership
22 of the Department of Commerce a Chief Manufacturing Officer for
23 the purpose of supporting the manufacturing ecosystem statewide.
24 The Chief Manufacturing Officer is appointed by and serves at
25 the pleasure of the Secretary of Commerce.

26 (2) The Chief Manufacturing Officer shall:

27 (a) Serve as a subject-matter expert for the state on
28 issues related to manufacturing.

29 (b) Be responsible for promoting and coordinating
30 manufacturing efforts in this state and identifying gaps across
31 state-supported activities.

32 (c) Provide strategic direction for interagency and cross-
33 disciplinary initiatives to promote and support manufacturing in
34 this state.

35 (d) Work with federal, state, regional, and local
36 governmental entities and nongovernmental entities to align
37 manufacturing priorities.

38 (e) Engage with state agencies and water management
39 districts to innovate processes, programs, decision frameworks,



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40 and reporting mechanisms intended to support manufacturing in
41 this state.

42 (3) All state and local governmental entities shall assist
43 the Chief Manufacturing Officer to the extent such assistance is
44 consistent with law and with budgetary constraints.

45 (4) The department shall prepare a report, in consultation
46 with the Chief Manufacturing Officer and the state Manufacturing
47 Extension Partnership, regarding manufacturing efforts in this
48 state. The department shall submit the report to the Governor,
49 the President of the Senate, and the Speaker of the House of
50 Representatives by December 15, 2026, and every 2 years
51 thereafter. The report must include information regarding the
52 strength and economic importance of the manufacturing industry
53 in this state.

54 Section 3. Section 288.103, Florida Statutes, is created to
55 read:

56 288.103 Florida Manufacturers' Workforce Development Grant
57 Program.—

58 (1) The Florida Manufacturers' Workforce Development Grant
59 Program is created within the Department of Commerce, under the
60 direction of the Chief Manufacturing Officer and in consultation
61 with the state Manufacturing Extension Partnership, to fund
62 proposed projects, subject to appropriation by the Legislature,
63 which support small manufacturers in this state with the
64 deployment of new technologies or cybersecurity infrastructure
65 and to provide training support to the workforce.

66 (2) The department, in coordination with the Chief
67 Manufacturing Officer and the state Manufacturing Extension
68 Partnership, shall review applications submitted and select



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69 projects for awards which create strategic investments in
70 workforce training to facilitate the deployment of new
71 technologies or cybersecurity infrastructure. Final grant awards
72 are made at the sole discretion of the department.

73 (3) Priority must be given to projects with innovative
74 plans, advanced technologies, and development strategies that
75 focus on workforce development for small manufacturers across
76 this state.

77 (4) Applicants may seek funding for workforce development
78 and operations, but grant funding awarded under this section may
79 not be used to pay salary and benefits or general business or
80 office expenses. Grants awarded under the program shall be
81 administered by the department from the Economic Development
82 Trust Fund established in s. 288.095.

83 (5) The department shall annually provide a list available
84 to the public of each project awarded a grant, the benefit of
85 each project in meeting the goals and objectives of the program,
86 and the current status of each project. The department shall
87 include such information in its annual incentives report
88 required under s. 288.0065.

89 (6) The department may adopt rules to implement this
90 section.

91 Section 4. Section 288.1031, Florida Statutes, is created
92 to read:

93 288.1031 Legislative findings.—The Legislature finds that
94 there is a need for the Florida Manufacturing Promotional
95 Campaign, as established in s. 288.1033, to increase consumer
96 awareness of manufacturing activities in this state, to expand
97 market exposure for manufactured products and goods in this



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98 state, and to inspire future generations of entrepreneurs,
99 fabricators, and skilled workers to build and grow domestic
100 businesses and manufacturing operations in this state. The
101 Legislature further finds that a campaign that creates a
102 partnership between industry and the state is necessary to
103 promote and advertise such products efficiently.

104 Section 5. Section 288.1032, Florida Statutes, is created
105 to read:

106 288.1032 Definitions.—As used in ss. 288.1031-288.1036, the
107 term:

108 (1) "Campaign" means the Florida Manufacturing Promotional
109 Campaign.

110 (2) "Department" means the Department of Commerce.

111 (3) "Manufactured product" means any tangible personal
112 property that has been fabricated or produced, often through
113 industrial or mechanical processes. The term includes items sold
114 or leased to consumers.

115 (4) "Person" means an individual, a firm, a partnership, a
116 corporation, an association, a business, a trust, a legal
117 representative, or any other business unit.

118 Section 6. Section 288.1033, Florida Statutes, is created
119 to read:

120 288.1033 Florida Manufacturing Promotional Campaign;
121 purpose; duties of the department.—There is created within the
122 department, under the supervision of the Chief Manufacturing
123 Officer and in coordination with the state Manufacturing
124 Extension Partnership, the Florida Manufacturing Promotional
125 Campaign. The purpose of the campaign is to serve as a voluntary
126 marketing program to promote manufacturing products and



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127 businesses in this state. In promoting the campaign, the
128 department shall do all of the following:

129 (1) Develop logos for the campaign and authorize the use of
130 such logos as provided by rule.

131 (2) Register campaign participants.

132 (3) Collect rental receipts for industry promotions.

133 (4) Develop in-kind advertising programs.

134 (5) Contract with media representatives for the purpose of
135 dispersing promotional materials.

136 Section 7. Section 288.1034, Florida Statutes, is created
137 to read:

138 288.1034 Registration.—A person that participates in the
139 Florida Manufacturing Promotional Campaign must register
140 annually with the department in a form and manner as prescribed
141 by the department.

142 Section 8. Section 288.1036, Florida Statutes, is created
143 to read:

144 288.1036 Rulemaking authority.—The department may adopt
145 rules to implement and administer the Florida Manufacturing
146 Promotional Campaign. By rule, the department may establish the
147 logos or product identifiers to be depicted for use in the
148 campaign for advertising, publicizing, and promoting the sale of
149 manufactured products in this state. The department may also
150 adopt any other rules as deemed necessary to ensure compliance
151 with the Florida Manufacturing Promotional Campaign, including,
152 but not limited to, rules governing participant registration,
153 renewal of registration, classes of membership, application
154 forms, and other forms and enforcement measures.

155 Section 9. This act shall take effect July 1, 2025.



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===== T I T L E A M E N D M E N T =====

And the title is amended as follows:

Delete everything before the enacting clause
and insert:

A bill to be entitled
An act relating to manufacturing; amending s. 20.60,
F.S.; revising the duties of the Department of
Commerce; creating s. 20.601, F.S.; establishing the
Chief Manufacturing Officer among the senior
leadership of the department; providing that the Chief
Manufacturing Officer is appointed by and serves at
the pleasure of the Secretary of Commerce; providing
responsibilities for the Chief Manufacturing Officer;
directing all state and local governmental entities to
assist the Chief Manufacturing Officer; requiring the
department biennially to prepare a report regarding
manufacturing efforts in this state; requiring the
department to submit its report on a specified date
and biennially thereafter to the Governor and the
Legislature; requiring that the report include certain
information; creating s. 288.103, F.S.; creating the
Florida Manufacturers' Workforce Development Grant
Program; providing that the grant program is created
within the department and under the direction of the
Chief Manufacturing Officer; providing a specified
purpose for the grant program; requiring the
department, the Chief Manufacturing Officer, and the
state Manufacturing Extension Partnership to review



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185 applications submitted and to select specified
186 projects; providing that the department has sole
187 discretion in final grant awards; requiring that
188 priority be given to projects that meet certain
189 criteria; authorizing applicants to seek funding for a
190 specified purpose; requiring the department to
191 administer the grant awards from the Economic
192 Development Trust Fund; requiring the department to
193 include certain information in its annual incentives
194 report; authorizing the department to adopt rules;
195 creating s. 288.1031, F.S.; providing legislative
196 findings; creating s. 288.1032, F.S.; defining terms;
197 creating s. 288.1033, F.S.; creating the Florida
198 Manufacturing Promotional Campaign within the
199 department; providing the purpose of the campaign;
200 requiring the department to take certain actions in
201 promoting the campaign; creating s. 288.1034, F.S.;
202 requiring persons that participate in the campaign to
203 register annually with the department; creating s.
204 288.1036, F.S.; authorizing the department to adopt
205 rules; authorizing the department to establish, by
206 rule, the logos or product identifiers to be depicted
207 for use in the campaign; providing an effective date.

By Senator Truenow

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1 A bill to be entitled
2 An act relating to manufacturing; creating s. 14.37,
3 F.S.; creating the Statewide Office of Manufacturing
4 within the Department of Commerce for a certain
5 purpose; requiring that the office be headed by a
6 Chief Manufacturing Officer appointed by and serving
7 at the pleasure of the Secretary of Commerce;
8 providing responsibilities for the Chief Manufacturing
9 Officer; directing all state and local governmental
10 entities to assist the Chief Manufacturing Officer;
11 requiring the department to biennially prepare a
12 report regarding manufacturing efforts in this state;
13 requiring the department to submit its report on a
14 specified date and biennially thereafter to the
15 Governor and the Legislature; requiring that the
16 report include certain information; creating s.
17 288.103, F.S.; creating the Florida Manufacturers'
18 Workforce Development Grant Program; providing that
19 the grant program is created within the Department of
20 Commerce and under the direction of the Chief
21 Manufacturing Officer; providing a specified purpose
22 for the grant program; requiring the department, the
23 Chief Manufacturing Officer, and the state
24 Manufacturing Extension Partnership to review
25 applications submitted and to select specified
26 projects; requiring that priority be given to projects
27 that meet certain criteria; authorizing applicants to
28 seek funding for a specified purpose; requiring the
29 department to administer the grant awards from the

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30 Economic Development Trust Fund; requiring the
31 department to include certain information in its
32 annual incentives report; authorizing the department
33 to adopt rules; creating part XIV of ch. 559, F.S., to
34 be entitled "Florida Manufacturing Promotional
35 Campaign"; creating s. 559.971, F.S.; providing
36 legislative findings; creating s. 559.972, F.S.;
37 defining terms; creating s. 559.973, F.S.; creating
38 the Florida Manufacturing Promotional Campaign within
39 the Department of Commerce; providing the purpose of
40 the campaign; requiring the department to take certain
41 actions in promoting the campaign; creating s.
42 559.974, F.S.; requiring persons that participate in
43 the campaign to register annually with the department;
44 creating s. 559.976, F.S.; authorizing the department
45 to adopt rules; authorizing the department to
46 establish, by rule, the logos or product identifiers
47 to be depicted for use in the campaign; providing an
48 effective date.

49

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

51

52 Section 1. Section 14.37, Florida Statutes, is created to
53 read:

54 14.37 Statewide Office of Manufacturing.—

55 (1) The Statewide Office of Manufacturing is established
56 within the Department of Commerce for the purpose of supporting
57 the manufacturing ecosystem statewide. The office shall be
58 headed by a Chief Manufacturing Officer, who is appointed by and

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59 serves at the pleasure of the Secretary of Commerce.

60 (2) The Chief Manufacturing Officer shall:

61 (a) Serve as a subject-matter expert for the state on
62 issues related to manufacturing.

63 (b) Be responsible for promoting and coordinating
64 manufacturing efforts in this state and identifying gaps across
65 state-supported activities.

66 (c) Provide strategic direction for interagency and cross-
67 disciplinary initiatives to promote and support manufacturing in
68 this state.

69 (d) Work with federal, state, regional, and local
70 governmental entities and nongovernmental entities to align
71 manufacturing priorities.

72 (e) Engage with state agencies and water management
73 districts to innovate processes, programs, decision frameworks,
74 and reporting mechanisms intended to support manufacturing in
75 this state.

76 (3) All state and local governmental entities shall assist
77 the Chief Manufacturing Officer to the extent such assistance is
78 consistent with law and with budgetary constraints.

79 (4) The department shall prepare a report, in consultation
80 with the Chief Manufacturing Officer and the state Manufacturing
81 Extension Partnership, regarding manufacturing efforts in this
82 state. The department shall submit the report to the Governor,
83 the President of the Senate, and the Speaker of the House of
84 Representatives by December 15, 2026, and every 2 years
85 thereafter. The report must include information regarding the
86 strength and economic importance of the manufacturing industry
87 in this state.

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88 Section 2. Section 288.103, Florida Statutes, is created to
89 read:

90 288.103 Florida Manufacturers' Workforce Development Grant
91 Program.—

92 (1) The Florida Manufacturers' Workforce Development Grant
93 Program is created within the Department of Commerce, under the
94 direction of the Chief Manufacturing Officer and in consultation
95 with the state Manufacturing Extension Partnership, to fund
96 proposed projects, subject to appropriation by the Legislature,
97 which support small manufacturers in this state with the
98 deployment of new technologies or cybersecurity infrastructure
99 and to provide training support to the workforce.

100 (2) The department, in coordination with the Chief
101 Manufacturing Officer and the state Manufacturing Extension
102 Partnership, shall review applications submitted and select
103 projects for awards which create strategic investments in
104 workforce training to facilitate the deployment of new
105 technologies or cybersecurity infrastructure.

106 (3) Priority must be given to projects with innovative
107 plans, advanced technologies, and development strategies that
108 focus on workforce development for small manufacturers across
109 this state.

110 (4) Applicants may seek funding for workforce development
111 and operations, but grant funding awarded under this section may
112 not be used to pay salary and benefits or general business or
113 office expenses. Grants awarded under the program shall be
114 administered by the department from the Economic Development
115 Trust Fund established in s. 288.095.

116 (5) The department shall annually provide a list available

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117 to the public of each project awarded, the benefit of each
118 project in meeting the goals and objectives of the program, and
119 the current status of each project. The department must include
120 such information in its annual incentives report required under
121 s. 288.0065.

122 (6) The department may adopt rules to implement this
123 section.

124 Section 3. Part XIV of chapter 559, Florida Statutes,
125 consisting of ss. 559.971-559.976, Florida Statutes, is created
126 and entitled "Florida Manufacturing Promotional Campaign."

127 Section 4. Section 559.971, Florida Statutes, is created to
128 read:

129 559.971 Legislative findings.—The Legislature finds that
130 there is a need for the Florida Manufacturing Promotional
131 Campaign to increase consumer awareness of manufacturing
132 activities in this state, to expand market exposure for
133 manufactured products and goods in this state, and to inspire
134 future generations of entrepreneurs, fabricators, and skilled
135 workers to build and grow domestic businesses and manufacturing
136 operations in this state. The Legislature further finds that the
137 campaign is a partnership between industry and the state to
138 promote and advertise such products efficiently.

139 Section 5. Section 559.972, Florida Statutes, is created to
140 read:

141 559.972 Definitions.—As used in this part, the term:

142 (1) "Campaign" means the Florida Manufacturing Promotional
143 Campaign.

144 (2) "Department" means the Department of Commerce.

145 (3) "Manufactured product" means any tangible personal

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146 property that has been fabricated or produced, often through
147 industrial or mechanical processes. The term includes items sold
148 or leased to consumers.

149 (4) "Person" means an individual, a firm, a partnership, a
150 corporation, an association, a business, a trust, a legal
151 representative, or any other business unit.

152 Section 6. Section 559.973, Florida Statutes, is created to
153 read:

154 559.973 Florida Manufacturing Promotional Campaign;
155 purpose; duties of the department.—There is created within the
156 department, under the supervision of the Chief Manufacturing
157 Officer and in coordination with the state Manufacturing
158 Extension Partnership, the Florida Manufacturing Promotional
159 Campaign. The purpose of the campaign is to serve as a marketing
160 program to promote manufacturing products and businesses in this
161 state. In promoting the campaign, the department shall do all of
162 the following:

163 (1) Develop logos for the campaign and authorize the use of
164 such logos as provided by rule.

165 (2) Register campaign participants.

166 (3) Collect rental receipts for industry promotions.

167 (4) Develop in-kind advertising programs.

168 (5) Contract with media representatives for the purpose of
169 dispensing promotional materials.

170 Section 7. Section 559.974, Florida Statutes, is created to
171 read:

172 559.974 Registration.—A person that participates in the
173 campaign must register annually with the department in a form
174 and manner as prescribed by the department.

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175 Section 8. Section 559.976, Florida Statutes, is created to
176 read:

177 559.976 Rulemaking authority.—The department may adopt
178 rules that implement and administer this part. By rule, the
179 department may establish the logos or product identifiers to be
180 depicted for use in the campaign for advertising, publicizing,
181 and promoting the sale of manufactured products in this state.
182 The department may also adopt any other rules as deemed
183 necessary to ensure compliance with this part, including, but
184 not limited to, rules governing participant registration,
185 renewal of registration, classes of membership, application
186 forms, and other forms and enforcement measures.

187 Section 9. This act shall take effect July 1, 2025.

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.



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LEGISLATIVE ACTION

Senate

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House

The Appropriations Committee on Transportation, Tourism, and Economic Development (Truenow) recommended the following:

Senate Amendment (with title amendment)

Delete lines 15 - 25

and insert:

Section 1. Section 288.1035, Florida Statutes, is created to read:

288.1035 Fees.—

(1) The department shall assess and collect an annual fee not to exceed \$100 per registrant to fund the costs of administering the voluntary Florida Manufacturing Promotional



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11 Campaign.

12 (2) Fees must be deposited into the Economic Development
13 Trust Fund established in s. 288.095 to be used solely for
14 administering the campaign.

15

16 ===== T I T L E A M E N D M E N T =====

17 And the title is amended as follows:

18 Delete lines 2 - 8

19 and insert:

20 An act relating to fees; creating s. 288.1035, F.S.;

21 requiring the Department of Commerce to assess and

22 collect a specified annual fee sufficient to fund the

23 costs of administering the voluntary Florida

24 Manufacturing Promotional Campaign; requiring that

25 such fees be deposited

By Senator Truenow

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1 A bill to be entitled
2 An act relating to fees; creating s. 559.975, F.S.;
3 requiring the Department of Commerce to establish by
4 rule registration and renewal fees sufficient to fund
5 the costs of administering the Florida Manufacturing
6 Promotional Campaign; requiring the department to
7 assess and collect fees for the purpose of promoting
8 the campaign; requiring that such fees be deposited
9 into the Economic Development Trust Fund for a
10 specified purpose; providing a contingent effective
11 date.

12
13 Be It Enacted by the Legislature of the State of Florida:

14
15 Section 1. Section 559.975, Florida Statutes, is created to
16 read:

17 559.975 Fees.-

18 (1) The department shall establish by rule registration and
19 renewal fees sufficient to fund the costs of administering the
20 Florida Manufacturing Promotional Campaign.

21 (2) The department shall assess and collect fees for the
22 purpose of promoting the campaign.

23 (3) Fees must be deposited into the Economic Development
24 Trust Fund established in s. 288.095 to be used solely for
25 administering the campaign.

26 Section 2. This act shall take effect on the same date that
27 SB 600 or other similar legislation takes effect, if such
28 legislation is adopted in the same legislative session or an
29 extension thereof and becomes a law.