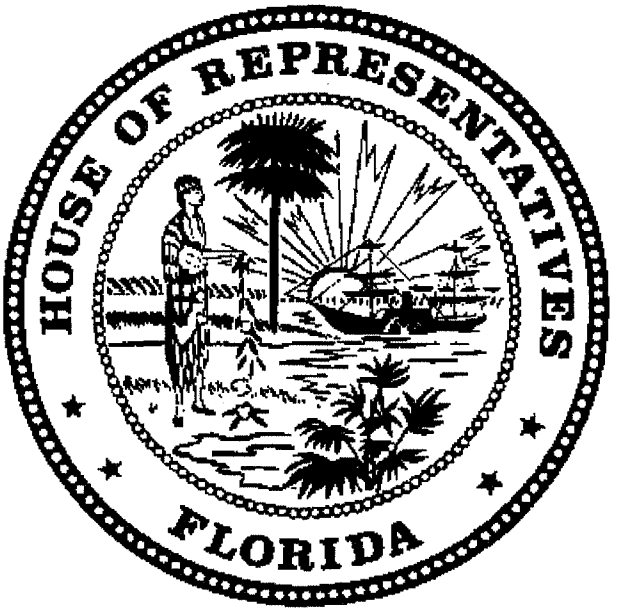

ECONOMIC AFFAIRS COMMITTEE

MEETING PACKET

Tuesday, November 15, 2011
4:00 PM
Reed Hall (102 HOB)

Dean Cannon
Speaker

Dorothy L. Hukill
Chair

The Florida House of Representatives

Economic Affairs Committee
Dorothy L. Hukill, Chair

AGENDA

Tuesday, November 15, 2011
Reed Hall (102 HOB)
4:00 pm

I. CALL TO ORDER AND WELCOME REMARKS

II. CONSIDERATION OF THE FOLLOWING BILLS:

HB 103 TRANSFER OF TAX LIABILITY BY WOOD

HJR 349 MIAMI-DADE COUNTY HOME RULE CHARTER BY LOPEZ-CANTERA

HB 4003 GROWTH POLICY BY DIAZ

HB 4007 TRANSPORTATION CORPORATIONS BY HORNER

HB 4027 COMMUNITY-BASED DEVELOPMENT ORGANIZATIONS BY ROUSON

HB 4035 DRIVER LICENSES BY WORKMAN

HB 4045 BEVERAGE LAW BY HORNER

HB 4059 PROPERTY AND CASUALTY INSURANCE BY METZ

HB 4061 UNIFORM HOME GRADING SCALE BY BERNARD

III. PRESENTATION

OVERVIEW AND PERFORMANCE OF FLORIDA'S ECONOMIC DEVELOPMENT INCENTIVES
GRAY SWOOPE, PRESIDENT OF ENTERPRISE FLORIDA, INC., AND FLORIDA SECRETARY OF COMMERCE

IV. ADJOURNMENT

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 103 Transfer of Tax Liability
SPONSOR(S): Wood
TIED BILLS: None **IDEN./SIM. BILLS:** SB 170

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Civil Justice Subcommittee	14 Y, 0 N	Cary	Bond
2) Economic Affairs Committee		Fennell	Tinker TBT
3) Finance & Tax Committee			

SUMMARY ANALYSIS

In general, a person who buys a business (transferee) assumes the tax liabilities of the seller (transferor), unless an exception applies. Current law provides three different statutes relating to state tax liability on a transfer of a business to new ownership. One applies to sales tax liability, one to communications services tax, and one to state taxes in general.

House Bill 103 repeals the two specific statutes (sales tax and communications services tax) and amends the statute relating to all taxes owed to the state.

The bill allows the transferee to take the business without assuming the transferor's liabilities under either of the following circumstances:

- If the transferor and the transferee do not have insiders in common, the transferor may provide the transferee a receipt or certificate of compliance from the Department of Revenue showing that a transferor has not received notice of audit, has filed all required tax returns, and has paid the tax due from those returns; or
- The transferee or transferor may request an audit of the transferor's books and records, to be completed within 90 days by the Department of Revenue, in order to find that a transferor is not liable for any outstanding tax liabilities.

The bill creates a new exemption from liability when the transferee is not an insider and the assets transferred are limited to:

- A one- to four-family residential real property and furnishing and fixtures within;
- Real property that has not been improved with a building; or
- Owner-occupied commercial real property.

This exception does not apply if such assets are accompanied by a transfer of other business assets.

On October 26, 2011, the Revenue Estimating Conference estimated that the bill had a negative, indeterminate impact on state and local government revenues.

The bill may implicate the constitutional limit on bills creating a local government mandate.

The bill is effective upon becoming law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

When a person buys a business, the buyer (transferee) is liable for unpaid business taxes, such as sales taxes, that the seller (transferor) owes.[1] In 2000, the Legislature passed s. 202.31, F.S., governing the transfer of tax liability related to communications services companies.[2] In 2010, the Legislature enacted s. 213.758, F.S., governing the transfer of tax liability in other situations.

Together, ss. 202.31, 212.10, and 213.758, F.S. govern the transfer of tax liability for every tax administered by the Department of Revenue[3] ("the department"), excluding the corporate income tax. Section 213.758(2), F.S., provides that a taxpayer who is liable for any tax, interest, penalty, surcharge, or fee[4] who quits a business without the benefit of a purchaser, successor, or assignee, or without transferring the business or stock of goods to a transferee must make a final return and pay the amount due within 15 days.

The transferee of more than 50% of a business is liable for any tax owed by the transferor unless the transferor provides the transferee a receipt or certificate from the department showing that the transferor is not liable for taxes and the department conducts an audit and finds that the transferor is not liable for taxes. The department may charge a fee to perform these audits and there is no time requirement for the Department to complete the audit.[5] The maximum liability for a transferee is the greater of the fair market value of the business or the purchase price paid.[6]

Sections 202.31 and 212.10, F.S., govern the transfer of tax liability for communications and services tax and sales and use tax, respectively. The procedures pursuant to those statutes are substantially similar to those in s. 213.758, F.S. Sections 202.31 and s. 212.10, F.S., also include misdemeanor criminal penalties for violations of the tax transfer provisions contained in those statutes.

Section 213.758, F.S., does not impose liability on those transferees who take possession due to an involuntary transfer.[7]

Effect of Proposed Changes

In general, this bill repeals the tax liability statutes specific to sales and communications services businesses. In addition, the bill amends the statute relating to all taxes owed to the state in order to consolidate all transfer of tax liabilities provisions into a single section of the Florida Statutes.

Tax Liability

If the transferor and transferee do not have any insiders in common, this bill allows a transferee to avoid liability for the unpaid tax of the transferor if the transferee receives a "certificate of compliance" from the department showing that the transferor has not received a notice of audit, has filed all required tax returns, and has paid all tax arising from those returns. The transferee may also be exempt from liability if the department performs an audit and finds that the transferor has no tax liability. Either the

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[1] *See* s. 212.10, F.S.
[2] *See* ss. 23.58, ch. 2000-260, L.O.F.
[3] As listed in s. 213.05, F.S.
[4] The statute refers to taxes, interest, penalties, surcharges, or fees pursuant to ch. 443, F.S., or described in s. 72.011(1), F.S., excluding the corporate income tax.
[5] Section 213.758(4), F.S.
[6] Section 213.758(6), F.S.
[7] Section 213.758(1)(a) defines an involuntary transfer as a transfer due to the foreclosure by a non-insider, from eminent domain or condemnation actions, those involved in a bankruptcy proceeding, or to a financial institution to satisfy a debt.

transferee or transferor may request that the department conduct such an audit, and if requested, the department must complete the audit within 90 days.[8]

This bill also creates a new exemption from liability when the transferee is not an insider and the assets transferred are limited to:

- A one- to four-family residential real property and furnishing and fixtures within;
- Real property that has not been improved with a building; or
- Owner-occupied commercial real property.

This exception does not apply if such assets are accompanied by a transfer of other business assets.

Under the bill, a circuit court shall issue a temporary injunction to enjoin further business activity by the taxpayer on the grounds of failure to pay taxes if DOR has provided the taxpayer with 20 days' written notice. Under the current law and the bill, the Department of Legal Affairs is authorized to seek an injunction from a circuit court at the request of DOR. Current law does not require notice before a court issues an injunction.

For transferees, the bill permits the Department of Legal Affairs, at the request of the department, to seek an injunction from a circuit court to enjoin further business activity by the transferee on the grounds of failure to pay taxes if:

- The assessment against the transferee is final and either the time for contesting the assessment under s. 72.011, F.S., has passed or such a contest was filed and resulted in a final and nonappealable judgment sustaining the assessment; and
- The department has provided at least 20 days' written notice of intention to seek an injunction.

Current law does not require a 20-day notice before a court issues an injunction against a transferee.

This bill provides that the maximum tax liability of the transferee is the greater of:

- The fair market value of the business, assets of the business, or stock of goods of the business, net of any liens or liability to non-insiders; and
- The purchase price paid for the business, assets of the business, or stock of goods of the business, net of any liens or liability to non-insiders.

Definitions

This bill defines the term "business" to require that a discrete division of a larger business be aggregated with all other divisions that are not separate legal entities. The definition of "financial institution" includes any person who controls, is controlled by, or is under common control with a financial institution.[9] The term "insider" encompasses a member, manager, managing member of a limited liability company, or a relative of such a person, as defined in s. 726.102(11), F.S.[10] The bill defines "stock of goods" as an inventory of a business held for sale to customers in the ordinary course of business. This bill defines "transfer" to include that a business is transferred when there is a transfer of more than 50 percent of the business, the assets of the business, or the stock of goods of the business. This bill defines "involuntary transfer" as a transfer of a business, assets of a business, or stock of goods of a business made without the consent of the transferor in the following situations:

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[8] Section 213.758(4)(a)2 authorizes the Department to charge a fee for an audit requested by the transferee or transferor. There is no set amount for the Department to charge and the Department has not promulgated rules to put a transferor or transferee on notice as to how much an audit will cost.

[9] The statute currently uses "financial institution" solely as defined by s. 655.005, F.S.

[10] Section 726.102(11), F.S. defines "relative" as "an individual related by consanguinity within the third degree as determined by the common law, a spouse, or an individual related to a spouse within the third degree as so determined, and includes an individual in an adoptive relationship within the third degree."

- Foreclosure of a security interest of a non-insider;
- Eminent domain or condemnation;
- Dissolution of marriage, foreclosure under Chapter 702, F.S., or bankruptcy;
- A transfer to a financial institution if the transfer is made to satisfy transferor's debt to the financial institution; or
- A transfer to a third party to satisfy the transferor's debt to a financial institution, to the extent that it satisfies the indebtedness.

Repeal of Statutes

This bill repeals ss. 202.31 and 212.10, F.S. The repeal of these sections eliminates the misdemeanor criminal penalty provisions for violations of these sections.

Effective Date

This bill provides that the bill is effective upon becoming law.

B. SECTION DIRECTORY:

Section 1 amends s. 213.758, F.S., relating to transfer of tax liabilities.

Section 2 amends s. 213.053, F.S., relating to confidentiality and record sharing.

Section 3 repeals s. 202.31, F.S., relating to sale of communications services businesses.

Section 4 repeals s. 212.10, F.S., relating to sale of sales (dealer) businesses.

Section 5 provides that the bill is effective upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   On October 26, 2011, the Revenue Estimating Conference estimated the bill had an indeterminate negative fiscal impact on state government revenues.

2. Expenditures:

   The bill does not appear to have any impact on state expenditures.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   On October 26, 2011, the Revenue Estimating Conference estimated the bill had an indeterminate negative fiscal impact on local government revenues.

2. Expenditures:

   The bill does not appear to have any impact on local government expenditures.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Local governments are given a share of sales tax revenue, and may impose additional sales taxes that are collected by the state on behalf of the local governments. It is possible that this bill may implicate the mandates provision at art. VII, s. 18(b) of the State Constitution, which provides:

> (b) Except upon approval of each house of the legislature by two-thirds of the membership, the legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenues in the aggregate; as such authority exists on February 1, 1989.

Subsection (d) provides an exemption from this prohibition. Laws determined to have an "insignificant fiscal impact," which means an amount not greater than the average statewide population for the applicable fiscal year times $0.10 (which is $1.88 million for the FY 2011-12), are exempt. If the bill passes with a 2/3rds vote of the membership of the House of Representatives and the Senate, it will not be subject to a mandates objection.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill appears to create a need for rulemaking or rulemaking authority, though there are currently no rules relating to the existing statute. There is a provision in s. 213.758(4)(a)2, F.S. that allows the department to adopt rules necessary to administer the section. The department has declared that any rulemaking would not have an adverse impact on small business or significantly increase regulatory costs.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

A bill to be entitled

An act relating to the transfer of tax liability; amending s. 213.758, F.S.; providing definitions; revising provisions relating to tax liability when a person transfers or quits a business; providing that the transfer of the assets of a business or stock of goods of a business under certain circumstances is considered a transfer of the business; requiring the Department of Revenue to provide certain notification to a business before a circuit court shall temporarily enjoin business activity by that business; providing that transferees of the business are liable for certain taxes unless specified conditions are met; requiring the department to conduct certain audits relating to the tax liability of transferors and transferees of a business within a specified time period; requiring certain notification by the Department of Revenue to a transferee before a circuit court shall enjoin business activity in an action brought by the Department of Legal Affairs seeking an injunction; specifying a transferor and transferee of the assets of a business are jointly and severally liable for certain tax payments up to a specified maximum amount; specifying the maximum liability of a transferee; providing methods for calculating the fair market value or total purchase price of specified business transfers to determine maximum tax liability of transferees; excluding certain transferees from tax

liability when the transfer consists only of specified assets; amending s. 213.053, F.S.; authorizing the Department of Revenue to provide certain tax information to a transferee against whom tax liability is being asserted pursuant to s. 213.758, F.S.; repealing s. 202.31, F.S., relating to the tax liability and criminal liability of dealers of communications services who make certain transfers related to a communications services business; repealing s. 212.10, F.S., relating to a dealer's tax liability and criminal liability for sales tax when certain transfers of a business occur; providing an effective date.

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

Section 1. Section 213.758, Florida Statutes, is amended to read:

213.758 Transfer of tax liabilities.—

(1) As used in this section, the term:

(a) "Business" means any activity regularly engaged in by any person, or caused to be engaged in by any person, for the purpose of private or public gain, benefit, or advantage. The term does not include occasional or isolated sales or transactions involving property or services by a person who does not hold himself or herself out as engaged in business. A discrete division or portion of a business is not a separate business and must be aggregated with all other divisions or

portions that constitute a business if the division or portion is not a separate legal entity.

(b) "Financial institution" means a financial institution as defined in s. 655.005 and any person who controls, is controlled by, or is under common control with a financial institution as defined in s. 655.005.

(c) "Insider" means:

1. Any person included within the meaning of insider as used in s. 726.102(7); or

2. A manager of, a managing member of, or a person who controls a transferor that is a limited liability company, or a relative as defined in s. 726.102(11) of any such persons.

(d) ~~(a)~~ "Involuntary transfer" means a transfer of a business, assets of a business, or stock of goods of a business made without the consent of the transferor, including, but not limited to, a transfer:

1. That occurs due to the foreclosure of a security interest issued to a person who is not an insider ~~as defined in s. 726.102~~;

2. That results from an eminent domain or condemnation action;

3. Pursuant to chapter 61, chapter 702, or the United States Bankruptcy Code;

4. To a financial institution~~, as defined in s. 655.005,~~ if the transfer is made to satisfy the transferor's debt to the financial institution; or

5. To a third party to the extent that the proceeds are used to satisfy the transferor's indebtedness to a financial

institution ~~as defined in s. 655.005~~. If the third party receives assets worth more than the indebtedness, the transfer of the excess may not be deemed an involuntary transfer.

(e) "Stock of goods" means the inventory of a business held for sale to customers in the ordinary course of business.

(f) "Tax" means any tax, interest, penalty, surcharge, or fee administered by the department pursuant to chapter 443 or any of the chapters specified in s. 213.05, excluding chapter 220, the corporate income tax code.

(g) ~~(b)~~ "Transfer" means every mode, direct or indirect, with or without consideration, of disposing of or parting with a business, assets of the business, or stock of goods of the business, and includes, but is not limited to, assigning, conveying, demising, gifting, granting, or selling, other than to customers in the ordinary course of business, to a transferee or to a group of transferees who are acting in concert. A business is considered transferred when there is a transfer of more than 50 percent of:

1. The business;

2. The assets of the business; or

3. The stock of goods of the business.

(2) A taxpayer engaged in a business who is liable for any tax arising from the operation of that business~~, interest, penalty, surcharge, or fee administered by the department pursuant to chapter 443 or described in s. 72.011(1), excluding corporate income tax,~~ and who quits the ~~a~~ business without the benefit of a purchaser, successor, or assignee, or without transferring the business, assets of the business, or stock of

goods of a business to a transferee, must file a final return for the business and make full payment of all taxes arising from the operation of that business within 15 days after quitting the business. ~~A taxpayer who fails to file a final return and make payment may not engage in any business in this state until the final return has been filed and all taxes, interest, or penalties due have been paid.~~ The Department of Legal Affairs may seek an injunction at the request of the department to prevent further business activity of a taxpayer who fails to file a final return and make payment of the taxes associated with the operation of the business until such taxes ~~tax, interest, or penalties~~ are paid. A temporary injunction enjoining further business activity shall ~~may~~ be granted by a circuit court if the department has provided at least 20 days' prior written notice to the taxpayer ~~without notice~~.

(3) A taxpayer who is liable for taxes with respect to a business~~, interest, or penalties levied under chapter 443 or any of the chapters specified in s. 213.05, excluding corporate income tax,~~ who transfers the taxpayer's business, assets of the business, or stock of goods of the business~~,~~ must file a final return and make full payment within 15 days after the date of transfer.

(4)(a) A transferee, or a group of transferees acting in concert, of more than 50 percent of a business, assets of a business, or stock of goods of a business is liable for any unpaid tax~~, interest, or penalties~~ owed by the transferor arising from the operation of that business unless:

1.a. The transferor provides a receipt or certificate of

compliance from the department to the transferee showing that the transferor has not received a notice of audit and the transferor has filed all required tax returns and has paid all tax arising ~~is not liable for taxes, interest, or penalties~~ from the operation of the business identified on the returns filed; and

b. There were no insiders in common between the transferor and the transferee at the time of the transfer; or

2. The department finds that the transferor is not liable for taxes, interest, or penalties after an audit of the transferor's books and records. The audit may be requested by the transferee or the transferor and, if not done pursuant to the certified audit program under s. 213.285, must be completed by the department within 90 days after the records are made available to the department. The department may charge a fee for the cost of the audit if it has not issued a notice of intent to audit by the time the request for the audit is received.

(b) A transferee may withhold a portion of the consideration for a business, assets of the business, or stock of goods of the business to pay the tax ~~taxes, interest, or penalties~~ owed to the state by the transferor taxpayer arising from the operation of the business. The transferee shall pay the withheld consideration to the state within 30 days after the date of the transfer. If the consideration withheld is less than the transferor's liability, the transferor remains liable for the deficiency.

(c) ~~A transferee who acquires the business or stock of goods and fails to pay the taxes, interest, or penalties due may~~

~~not engage in any business in the state until the taxes, interest, or penalties are paid.~~ The Department of Legal Affairs may seek an injunction at the request of the department to prevent further business activity of a transferee who is liable for unpaid tax of a transferor and who fails to pay or cause to be paid the transferee's maximum liability for such tax due until such maximum liability for the tax is~~, interest, or penalties are~~ paid. A temporary injunction enjoining further business activity shall ~~may~~ be granted by a circuit court if: ~~without notice.~~

1. The assessment against the transferee is final and either:

a. The time for filing a contest under s. 72.011 has expired; or

b. Any contest filed pursuant to s. 72.011 resulted in a final and nonappealable judgment sustaining any part of the assessment; and

2. The department has provided at least 20 days' prior written notice to the transferee of its intention to seek an injunction.

(5) The transferee, or transferees acting in concert, of more than 50 percent of a business, assets of the business, or stock of goods of a business who are liable for any tax pursuant to this section shall be ~~are~~ jointly and severally liable with the transferor for the payment of the tax ~~taxes, interest, or penalties~~ owed to the state from the operation of the business by the transferor up to the transferee's or transferees' maximum liability for such tax due.

(6) The maximum liability of a transferee pursuant to this section is equal to the fair market value of the business, assets of the business, or stock of goods of the business ~~property~~ transferred to the transferee or the total purchase price paid by the transferee for the business, assets of the business, or stock of goods of the business, whichever is greater.

(a) The fair market value must be determined net of any liens or liabilities, with the exception of liens or liabilities owed to insiders.

(b) The total purchase price must be determined net of liens and liabilities against the assets, with the exception of:

1. Liens or liabilities owed to insiders.

2. Liens or liabilities assumed by the transferee that are not liens or liabilities owed to insiders.

(7) After notice by the department of transferee liability under this section, the transferee has 60 days within which to file an action as provided in chapter 72.

(8) This section does not impose liability on a transferee of a business, assets of a business, or stock of goods of a business when:

(a) The transfer is pursuant to an involuntary transfer; or

(b) The transferee is not an insider, and the asset transferred consists solely of a one- to four-family residential real property and furnishings and fixtures therein; real property that has not been improved with any building; or owner-occupied commercial real property; and, in each case, is not

accompanied by a transfer of other assets of the business.

(9) The department may adopt rules necessary to administer and enforce this section.

Section 2. Subsection (17) of section 213.053, Florida Statutes, is amended to read:

213.053 Confidentiality and information sharing.—

(17) The department may provide to the person against whom transferee liability is being asserted pursuant to s. 213.758 ~~212.10(1)~~ information relating to the basis of the claim.

Section 3. Section 202.31, Florida Statutes, is repealed.

Section 4. Section 212.10, Florida Statutes, is repealed.

Section 5. This act shall take effect upon becoming a law.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HJR 349 Miami-Dade County Home Rule Charter
SPONSOR(S): Lopez-Cantera
TIED BILLS: **IDEN./SIM. BILLS:** SJR 720

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Economic Affairs Committee		Gibson	Tinker
2) State Affairs Committee			

SUMMARY ANALYSIS

HJR 349 proposes to amend the State Constitution to create the constitutional authority for Miami-Dade County's Home Rule Charter to be amended by a special law of the Legislature, provided that the special law is then approved by the vote of the electors of Miami-Dade County. The joint resolution also proposes to change references to "Metropolitan Dade County" to reflect the county's present name, "Miami-Dade County."

Each house of the Legislature must pass a joint resolution by a three-fifths vote in order for the proposal to be placed on the ballot. HJR 349 provides for the proposed constitutional amendment to be submitted to the electors of Florida for approval or rejection at the next general election or at an earlier special election specifically authorized by law for that purpose.

The Division of Elections, within the Department of State, is required to publish the proposed constitutional amendment twice in a newspaper of general circulation in each county. HJR 349 impacts state funds to the extent that the cost of placing the constitutional amendment on the ballot must be administered by the Department of State. The department estimated that the advertising costs for publishing this proposed constitutional amendment will be $67,611.18. This sum will depend on the final wording of the joint resolution and the language that is to be placed on the ballot.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

PRESENT SITUATION:

In 1956, an amendment to the State Constitution of 1885 provided that Dade County has the authority to adopt, revise, and amend from time to time a home rule charter government for Dade County.[1] The voters of Dade County approved that charter on May 21, 1957. Dade County, now known as Miami-Dade County, has unique home rule status.

Article VIII, section 6(e), of the State Constitution provides that the Metropolitan Dade County Home Rule Charter provisions shall be valid if authorized under Article VIII, section 11 of the State Constitution of 1885, as amended. However, Article VIII, section 11(5) of the State Constitution of 1885 prohibits any charter provisions in conflict with the constitution or with general law relating to Miami-Dade County.[2]

Article VIII, section 11(5) of the State Constitution further provides that the charter and any subsequent ordinances enacted pursuant to the charter may conflict with, modify or nullify any existing local, special or general law applicable only to Dade County. Accordingly, Miami-Dade County ordinances enacted pursuant to the Metropolitan Dade County Home Rule Charter may implicitly, as well as expressly, amend or repeal a special act, when it conflicts with a Miami-Dade County ordinance.

In *Chase v. Cowart,*[3] the Florida Supreme Court concluded that:

> When the Legislature enacted Chapter 31420, Laws of 1956, creating the metropolitan charter and providing the method of presenting the home rule charter to the voters of Dade County, and more specifically when the electors of Dade County adopted the home rule charter on May 21, 1957, the authority of the Legislature in affairs of local government in Dade County ceased to exist. Thereafter, the Legislature may lawfully exercise this power only through passage of general acts applicable to Dade County and any other one or more counties, or a municipality in Dade County and any other one or more municipalities in the State.[4]

A 1989 attorney general opinion cited *Dade County v. Dade County League of Municipalities,*[5] for the proposition that, following adoption of the Dade County Home Rule Charter, the Legislature is limited to enacting only general laws relating to Miami-Dade County and may not amend a special act relating to a municipality within Miami-Dade County that was enacted prior to the adoption of the Dade County Home Rule Charter.[6]

Currently, changes to the Miami-Dade County Home Rule Charter may only be made by the affirmative vote of the Miami-Dade County electorate, after an amendment is proposed and placed on the ballot either by the Board of County Commissioners or by petition of the citizens.

Constitutional Provision for Amending the Constitution

Article XI of the State Constitution, provides for amendment to the constitution by the Legislature. The Legislature is authorized to propose amendments to the constitution by joint resolution passed by three-fifths of the membership of each house of the legislature. The amendment must be placed before the electorate at the next general election held after the proposal has been filed with the Secretary of State's office; alternatively,

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[1] Section 11, Art. VIII, of the State Constitution of 1885, as amended.
[2] See also, *Dade County v. Wilson*, 386 So. 2d 556 (Fla. 1980).
[3] 102 So. 2d 147 (Fla. 1958).
[4] *Id.* at 150.
[5] 104 So. 2d 512, 517 (Fla. 1958).
[6] AGO 1989-9; *see also Dickenson v. Board of Public Instruction of Dade County*, 217 So.2d 553, 555 (Fla. 1969).

the amendment, if approved by three-fourths of the membership of each house and limited to a single amendment or revision, may be voted on at a special election held for that purpose.

EFFECT OF THE JOINT RESOLUTION:

HJR 349 proposes to amend the State Constitution to create the constitutional authority for Miami-Dade County's Home Rule Charter to be amended by a special law of the Legislature, provided that the special law is then approved by the vote of the electors of Miami-Dade County. The resolution also proposes to change references to "Metropolitan Dade County" to reflect the county's present name, "Miami-Dade County."

Each house of the Legislature must pass a joint resolution by a three-fifths vote in order for the proposal to be placed on the ballot. HJR 349 provides for the proposed constitutional amendment to be submitted to the electors of Florida for approval or rejection at the next general election or at an earlier special election specifically authorized by law for that purpose.

In addition to methods available locally, HJR 349 proposes to also authorize changes to the Miami-Dade County Charter through the following process:

1. A bill proposing a special law that would serve as a charter amendment would be approved at a meeting of the local legislative delegation.
2. The bill would be filed by a member of that delegation with the Florida House of Representatives and/or the Florida Senate.
3. The bill would require passage by the Legislature.
4. The special law would be placed on the ballot and require approval by the electors of Miami-Dade County.

B. SECTION DIRECTORY:

As this legislation is a joint resolution proposing a constitutional amendment, it does not contain bill sections. The joint resolution proposes to amend Article VIII, section 6 of the State Constitution, to authorize the amendment of the Miami-Dade County Home Rule Charter by special law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The joint resolution does not have a fiscal impact on state revenues.

2. Expenditures:

Article XI, section 5(d) of the State Constitution, requires proposed amendments or constitutional revisions to be published in a newspaper of general circulation in each county where a newspaper is published. The amendment or revision must be published once in the tenth week and again in the sixth week immediately preceding the week the election is held. The Division of Elections, within the Department of State, estimated that the average cost per word to advertise an amendment to the State Constitution is $106.14 for this fiscal year. The department estimated that the advertising costs for publishing this proposed constitutional amendment will be $67,611.18. This sum will depend on the final wording of the joint resolution and the language that is to be placed on the ballot.

The Department of State is normally the defendant in lawsuits challenging proposed amendments to the State Constitution. The department reported that the cost for defending these lawsuits has ranged from $10,000 to $150,000, depending on a number of variables.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The joint resolution does not appear to have a fiscal impact on local revenues.

2. Expenditures:

The joint resolution will have an indeterminate negative fiscal impact on Miami-Dade County. To the extent that special laws relating to Miami-Dade County are enacted, the county will have to expend funds to put the proposed charter amendments on the ballot.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

N/A

D. FISCAL COMMENTS:

See, Fiscal Impact on State Government, above.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. The joint resolution does not appear to require a county or municipality to spend funds or take an action requiring expenditures; reduce the authority that counties and municipalities had as of February 1, 1989, to raise revenues in the aggregate; or reduce the percentage of a state tax shared in the aggregate with counties and municipalities as of February 1, 1989.

2. Other:

Article XI, section 1 of the State Constitution provides for proposed changes to the Constitution by the Legislature:

> SECTION 1: **Proposal by legislature.** – Amendment of a section or revision of one or more articles, or the whole, of this constitution may be proposed by joint resolution agreed to by three-fifths of the membership of each house of the Legislature. The full text of the joint resolution and the vote of each member voting shall be entered on the journal of each house.

Article XI, section 5 of the State Constitution provides that the proposed amendment, if passed by the Legislature, must be submitted to the electors at the next general election held more than 90 days after the joint resolution is filed with the custodian of state records. The proposed amendment must be published, once in the tenth week and once in the sixth week immediately preceding the week of the election, in one newspaper of general circulation in each county where a newspaper is published. Submission of a proposed amendment at an earlier special election held more than 90 days after the joint resolution is filed with the custodian of state records requires the affirmative vote of three-fourths of the membership of each house of the Legislature and is limited to a single amendment or revision.

Article XI, section 5(e) of the State Constitution requires 60 percent voter approval for a proposed constitutional amendment to pass. If the proposed amendment or revision is approved by vote of the electors, it will be effective as an amendment to or revision of the constitution of the state on the first Tuesday after the first Monday in January following the election.

B. RULE-MAKING AUTHORITY:

N/A

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

House Joint Resolution

A joint resolution proposing an amendment to Section 6 of Article VIII of the State Constitution to authorize amendments or revisions to the home rule charter of Miami-Dade County by special law approved by a vote of the electors; providing requirements for a bill proposing such a special law.

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

That the following amendment to Section 6 of Article VIII of the State Constitution is agreed to and shall be submitted to the electors of this state for approval or rejection at the next general election or at an earlier special election specifically authorized by law for that purpose:

ARTICLE VIII

LOCAL GOVERNMENT

SECTION 6. Schedule to Article VIII.—

(a) This article shall replace all of Article VIII of the Constitution of 1885, as amended, except those sections expressly retained and made a part of this article by reference.

(b) COUNTIES; COUNTY SEATS; MUNICIPALITIES; DISTRICTS. The status of the following items as they exist on the date this article becomes effective is recognized and shall be continued until changed in accordance with law: the counties of the state; their status with respect to the legality of the sale of intoxicating liquors, wines and beers; the method of selection of county officers; the performance of municipal functions by

county officers; the county seats; and the municipalities and special districts of the state, their powers, jurisdiction and government.

(c) OFFICERS TO CONTINUE IN OFFICE. Every person holding office when this article becomes effective shall continue in office for the remainder of the term if that office is not abolished. If the office is abolished the incumbent shall be paid adequate compensation, to be fixed by law, for the loss of emoluments for the remainder of the term.

(d) ORDINANCES. Local laws relating only to unincorporated areas of a county on the effective date of this article may be amended or repealed by county ordinance.

(e) CONSOLIDATION AND HOME RULE. Article VIII, Sections 9, 10, 11 and 24, of the Constitution of 1885, as amended, shall remain in full force and effect as to each county affected, as if this article had not been adopted, until that county shall expressly adopt a charter or home rule plan pursuant to this article. All provisions of the Miami-Dade ~~Metropolitan Dade~~ County Home Rule Charter, heretofore or hereafter adopted by the electors of Miami-Dade ~~Dade~~ County pursuant to Article VIII, Section 11, of the Constitution of 1885, as amended, shall be valid, and any amendments to such charter shall be valid; provided that the said provisions of such charter and the said amendments thereto are authorized under said Article VIII, Section 11, of the Constitution of 1885, as amended. However, notwithstanding any provision of Article VIII, Section 11, of the Constitution of 1885, as amended, or any limitations under this subsection, the Miami-Dade County Home Rule Charter may be

amended or revised by special law approved by the electors of Miami-Dade County and, if approved, shall be deemed an amendment or revision of the charter by the electors of Miami-Dade County. A bill proposing such a special law must be approved at a meeting of the local legislative delegation and filed by a member of that delegation.

(f) DADE COUNTY; POWERS CONFERRED UPON MUNICIPALITIES. To the extent not inconsistent with the powers of existing municipalities or general law, the Metropolitan Government of Miami-Dade ~~Dade~~ County may exercise all the powers conferred now or hereafter by general law upon municipalities.

(g) DELETION OF OBSOLETE SCHEDULE ITEMS. The legislature shall have power, by joint resolution, to delete from this article any subsection of this Section 6, including this subsection, when all events to which the subsection to be deleted is or could become applicable have occurred. A legislative determination of fact made as a basis for application of this subsection shall be subject to judicial review.

BE IT FURTHER RESOLVED that the following statement be placed on the ballot:

CONSTITUTIONAL AMENDMENT

ARTICLE VIII, SECTION 6

AUTHORIZING AMENDMENTS TO MIAMI-DADE COUNTY HOME RULE CHARTER BY SPECIAL LAW APPROVED BY REFERENDUM.—Authorizes amendments or revisions to the Miami-Dade County Home Rule Charter by a special law when the law is approved by a vote of the electors of Miami-Dade County. A bill proposing such a

special law must be approved at a meeting of the local legislative delegation and filed by a member of that delegation. It also conforms references in the State Constitution to reflect the county's current name.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4003 Growth Policy
SPONSOR(S): Diaz
TIED BILLS: **IDEN./SIM. BILLS:** SB 188

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Community & Military Affairs Subcommittee	12 Y, 1 N	Gibson	Hoagland
2) Economic Affairs Committee		Gibson BG	Tinker TBT

SUMMARY ANALYSIS

This bill repeals section 163.2523, F.S., and thus eliminates the Urban Infill and Redevelopment Assistance Grant Program. The program was created as part of the 1999 "Growth Policy Act" to help local governments revitalize distressed urban areas. The Legislature appropriated $2.5 million in fiscal year 2000-2001 to the program, but has not appropriated funds in subsequent years. This bill does not affect a local government's ability to designate an urban infill and redevelopment area and to offer local incentives within the area in order to target economic development and job creation. This bill also does not affect the economic incentives available to local governments with an adopted urban infill and redevelopment plan such as the power to finance redevelopment plans through revenue bonds and employ tax increment financing. This bill corrects several statutory references.

This bill has an effective date of July 1, 2012.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Created as part of the "Growth Policy Act"[1] in 1999 to help local governments revitalize distressed urban core areas, the Urban Infill and Redevelopment Assistance Grant Program has not been funded since fiscal year 2000-2001. The program was administered by the Division of Housing and Community Development within the Department of Community Affairs, and as of October 1, 2011, is under the jurisdiction of the Division of Community Development within the new Department of Economic Opportunity.

Two main types of grants are offered under the program. Planning grants aid local governments in developing urban infill and redevelopment plans. The other type of grant money is used for implementing projects under existing urban infill and redevelopment plans. Section 163.2523, F.S., requires that thirty percent of all revenue appropriated to the program be used for planning grants. Sixty percent of appropriated funds must be used in fifty-fifty matching grants for implementing projects. The remaining ten percent is to be used in outright grants for implementing projects requiring expenditures of less than $50,000. Local government grant recipients may allocate the money to special districts, including community redevelopment agencies and nonprofit community development organizations to implement projects consistent with an urban infill and redevelopment plan.

The Legislature appropriated $2.5 million in fiscal year 2000-2001 to the program, but has not appropriated funds since then.[2] The Department of Community Affairs divided these funds among 22 local government grant applicants.

Section 163.2526, F.S., directed OPPAGA to report on the effectiveness of the designation of urban infill and redevelopment areas by 2004. OPPAGA's 2004 Status Report stated that evaluating the impact of the grants was difficult because little data and few evaluating criteria were available, yet the report stated that the local government grant recipients described the funds as useful in addressing local issues. Because its directive was complete, the OPPAGA review and evaluation requirement embodied in section 163.2526, F.S., was repealed in 2010.[3]

Effect of Proposed Changes

By repealing section 163.2523, F.S., this bill eliminates the Urban Infill and Redevelopment Assistance Program that has not been funded since fiscal year 2000-2001. The bill also corrects several statutory cross-references.

Regardless if section 163.2523, F.S., is repealed, local governments may continue to designate urban infill and redevelopment areas and implement plans for these areas under section 163.2517, F.S. Within an urban infill and redevelopment area, local governments continue to have the ability to offer financial and local government incentives in order to target economic development and job creation. Examples of incentives include waiver of license and permit fees, exemption of sales made in the area from local option sales surtaxes, waiver of delinquent local taxes or fees, expedited permitting, lower transportation impact fees, prioritization of infrastructure spending, and local government absorption of developers' concurrency costs.[4] Additionally, economic incentives, such as the power to finance redevelopment plans through revenue bonds and employ tax increment financing, remain available to local governments.[5]

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[1] Currently ss. 163.2511-163.2523, F.S.

[2] Office of Program Policy Analysis, Report No. 04-14, Status Report: Urban Infill and Redevelopment Areas Have Uncertain Impact But Perceived as Useful, p.2 (2004), *available at* http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/0414rpt.pdf.

[3] *See* ch. 2010-102, L.O.F.; SB 1412 (2010).

[4] *See* s. 163.2517(3)(j), F.S.

[5] *See* s. 163.2520, F.S. Other incentives available under s. 163.2520, F.S., include the authority to levy special assessments and prioritization in the allocation of private activity bonds from the state pool.

B. SECTION DIRECTORY:

Section 1: Repeals s. 163.2523, F.S., relating to the Urban Infill and Redevelopment Assistance Grant Program.

Section 2: Amends s. 163.065, F.S., to correct for references to repealed section.

Section 3: Amends s. 163.2511, F.S., to correct for references to repealed section.

Section 4: Amends s. 163.2514, F.S., to correct for references to repealed section.

Section 5: Provides an effective date of July 1, 2012.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

No direct fiscal impact. This repeals a grant program that has not been funded since fiscal year 2000-2001.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to: require counties or municipalities to spend funds or to take an action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

A bill to be entitled

An act relating to growth policy; repealing s. 163.2523, F.S., relating to the Urban Infill and Redevelopment Assistance Grant Program, to terminate the program; amending ss. 163.065, 163.2511, and 163.2514, F.S.; conforming cross-references to changes made by the act; providing an effective date.

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

Section 1. Section 163.2523, Florida Statutes, is repealed.

Section 2. Paragraph (a) of subsection (4) of section 163.065, Florida Statutes, is amended to read:

163.065 Miami River Improvement Act.—

(4) PLAN.—The Miami River Commission, working with the City of Miami and Miami-Dade County, shall consider the merits of the following:

(a) Development and adoption of an urban infill and redevelopment plan, under ss. 163.2511-163.2520 ~~163.2511-163.2523~~, which participating state and regional agencies shall review for the purposes of determining consistency with applicable law.

Section 3. Subsection (1) of section 163.2511, Florida Statutes, is amended to read:

163.2511 Urban infill and redevelopment.—

(1) Sections 163.2511-163.2520 ~~163.2511-163.2523~~ may be cited as the "Growth Policy Act."

Section 4. Section 163.2514, Florida Statutes, is amended to read:

163.2514 Growth Policy Act; definitions.—As used in ss. 163.2511-163.2520 ~~163.2511-163.2523~~, the term:

(1) "Local government" means any county or municipality.

(2) "Urban infill and redevelopment area" means an area or areas designated by a local government where:

(a) Public services such as water and wastewater, transportation, schools, and recreation are already available or are scheduled to be provided in an adopted 5-year schedule of capital improvements;

(b) The area, or one or more neighborhoods within the area, suffers from pervasive poverty, unemployment, and general distress as defined by s. 290.0058;

(c) The area exhibits a proportion of properties that are substandard, overcrowded, dilapidated, vacant or abandoned, or functionally obsolete which is higher than the average for the local government;

(d) More than 50 percent of the area is within 1/4 mile of a transit stop, or a sufficient number of transit stops will be made available concurrent with the designation; and

(e) The area includes or is adjacent to community redevelopment areas, brownfields, enterprise zones, or Main Street programs, or has been designated by the state or Federal Government as an urban redevelopment, revitalization, or infill area under empowerment zone, enterprise community, or brownfield showcase community programs or similar programs.

Section 5. This act shall take effect July 1, 2012.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4007 Transportation Corporations
SPONSOR(S): Horner
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Highway Safety Subcommittee	13 Y, 0 N	Kiner	Kruse
2) Economic Affairs Committee		Kiner KLK	Tinker TBT

SUMMARY ANALYSIS

The bill repeals sections of Florida law relating to the Florida Transportation Corporation Act ("the Act") that have never been used. This act was created in 1988 to allow certain corporations authorized by the Florida Department of Transportation to secure and obtain rights-of-way for transportation systems and to assist in the planning and design of such systems. The act contains statutory provisions related to those corporations.

The bill has an effective date of July 1, 2012.

The bill does not have a fiscal impact.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES

Present Situation

Sections 339.401 through 339.421, F.S., set out the Florida Transportation Corporation Act ("the Act"). The Act was created in 1988 to allow certain corporations authorized by the Department of Transportation ("FDOT") to secure and obtain rights-of-way for transportation systems and to assist in the planning and design of such systems.[1] According to legislative findings, the following factors contributed to the creation of the Act:

- New transportation facilities and systems were needed to combat present and future traffic congestion;
- Because state funds were limited, design of these facilities and systems required new and alternative means; and
- Authorizing nonprofit corporations to act on behalf of FDOT was essential to the continued economic growth of the state.[2]

The Act contains various statutory provisions related to the formation, operation, and dissolution of these corporations. According to FDOT, this act has never been used.

Effect of Proposed Changes

The bill repeals the Act in ss. 339.401 through 339.421, F.S. The bill also repeals s. 11.45(3)(m), F.S., authorizing the Auditor General to audit these corporations.

The repeal provisions of the bill will remove language authorizing certain corporations to act on behalf of FDOT.

The bill has an effective date of July 1, 2012.

B. SECTION DIRECTORY:

Section 1 Repeals s. 339.401 through s. 339.421, F.S., relating to the Florida Transportation Corporation Act, definition of terms used in the act, legislative findings and purpose, authorization of corporations, type and structure and income of corporations, contracts between FDOT and corporations, articles of incorporation, boards of directors and advisory directors, bylaws, notice of meetings and open records, amendment of articles of incorporation, powers of corporations, use of state property, exemption from taxation, authority to alter or dissolve corporations, dissolution upon completion of purposes, transfer of funds and property upon dissolution, department rules, construction of provisions, and issuance of debt.

Section 2 Repeals s. 11.45(3)(m), F.S., removing a provision for audits of transportation corporations by the Auditor General.

Section 3 Provides an effective date.

[1] s. 3, ch. 88-271, Laws of Florida.
[2] s. 339.403, F.S.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   None.

2. Expenditures:

   None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   None.

2. Expenditures:

   None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

   Not applicable. The bill does not appear to affect county or municipal government.

2. Other:

   None.

B. RULE-MAKING AUTHORITY:

The bill repeals FDOT's rulemaking requirement regarding the Act. FDOT will have to repeal its rules regarding these corporations contained in ch. 14-35.0011, F.A.C.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

A bill to be entitled

An act relating to transportation corporations; removing provisions that provide for nonprofit corporations to act on behalf of the Department of Transportation to secure and obtain rights-of-way for transportation systems and to assist in the planning and design of such systems; repealing ss. 339.401-339.421, F.S., relating to the Florida Transportation Corporation Act, definitions, legislative findings and purpose, authorization of corporations, type and structure and income of corporation, contract between the department and the corporation, articles of incorporation, boards of directors and advisory directors, bylaws, meetings and records, amendment of articles of incorporation, powers of corporations, use of state property, exemption from taxation, authority to alter or dissolve corporation, dissolution upon completion of purposes, transfer of funds and property upon dissolution, department rules, construction of provisions, and issuance of debt; repealing s. 11.45(3)(m), F.S.; removing a provision for audits of transportation corporations by the Auditor General, to conform; providing an effective date.

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

Section 1. Sections 339.401, 339.402, 339.403, 339.404, 339.405, 339.406, 339.407, 339.408, 339.409, 339.410, 339.411,

339.412, 339.414, 339.415, 339.416, 339.417, 339.418, 339.419, 339.420, and 339.421, Florida Statutes, are repealed.

Section 2. Paragraph (m) of subsection (3) of section 11.45, Florida Statutes, is repealed.

Section 3. This act shall take effect July 1, 2012.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4027 Community-Based Development Organizations
SPONSOR(S): Rouson
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Community & Military Affairs Subcommittee	13 Y, 1 N	Duncan	Hoagland
2) Economic Affairs Committee		Duncan pdd	Tinker JBT

SUMMARY ANALYSIS

In 2000, the Legislature established the Community-Based Development Organization Assistance Act for the purpose of providing community-based development organizations (CBDOs) with administrative and operating funds to retain project staff to plan, implement, and manage job-generating and community revitalization developments in distressed neighborhoods.

The law authorizes the Department of Community Affairs (DCA) to award core administrative and operating grants used for staff salaries and administrative expenses for eligible CBDOs selected using a competitive three-tiered process for housing and economic development projects. DCA is required to adopt by rule a set of criteria for three-tiered funding that ensures equitable statewide geographic distribution of the funding. The plan must include emerging, intermediate, and mature CBDOs recognizing the varying needs of the three tiers. Each eligible CBDO may apply for a grant of up to $50,000 per year for a period of 5 years. When the act was created, the Legislature appropriated $1 million to be distributed as grants to CBDOs. Subsequently, the appropriation was vetoed by the Governor and as a result no grants were awarded.

This bill repeals ss. 163.455, 163.456, 163.457, 163.458, 163.459, 163.460, 163.461, and 163.462, F.S., eliminating the Community-Based Development Organization Assistance Act, which has not been funded or implemented since it was created by the Legislature in 2000.

The bill has an effective date of July 1, 2012.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

In 2000,[1] the Legislature established the Community-Based Development Organization Assistance Act for the purpose of providing community-based development organizations (CBDOs) with administrative and operating funds to retain project staff to plan, implement, and manage job-generating and community revitalization developments in distressed neighborhoods.[2]

The law authorizes the Department of Community Affairs (DCA) to award core administrative and operating grants used for staff salaries and administrative expenses for eligible CBDOs selected using a competitive three-tiered process for housing and economic development projects. DCA is required to adopt by rule[3] a set of criteria for three-tiered funding that ensures equitable statewide geographic distribution of the funding. The plan must include emerging, intermediate, and mature CBDOs recognizing the varying needs of the three tiers. Each eligible CBDO may apply for a grant of up to $50,000 per year for a period of 5 years.[4] When the act was created, the Legislature appropriated $1 million to be distributed as grants to CBDOs. Subsequently, the appropriation[5] was vetoed by the Governor and as a result no grants were awarded.

Eligible activities include, but are not limited to:[6]

- Preparing grant and loan applications, proposals, fundraising letters, and other documents essential to securing additional administrative or project funds.
- Developing local programs and home ownership housing projects to encourage the participation of financial institutions, insurance companies, attorneys, architects, planners, developers and other professional firms and individuals providing services beneficial to redevelopment efforts.
- Coordinating with state, federal, and local governments and nonprofit organizations to ensure that activities meet local plans and ordinances to avoid duplication of tasks.
- Assisting service area residents in identifying and determining eligibility for state, federal, and local housing programs, including rehabilitation, weatherization, home ownership, rental assistance, or public housing programs.

In order to be eligible for assistance, a CBDO must be a nonprofit corporation under state law and s. 501(c)(3) of the Internal Revenue Code; maintain a service area in which economic and housing development projects are located; and meet other specific criteria as provided by law. In addition, a majority of the CBDO's board members must be elected by those members of the nonprofit corporation who are stakeholders, comprising a mix of service area residents, area business property owners, area employees, and low-income residents.[7]

A CBDO applying for a core administrative and operating grant must also submit a proposal to DCA.[8] Those CBDOs receiving funds must submit an annual report providing information specified by law and other information as may be required by DCA.[9]

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[1] Chapter 2000-351, L.O.F. codified at s. 163.455, F.S.
[2] Section 163.456, F.S.
[3] The Department of Community Affairs was granted rulemaking authority for the purposes of administering the Community-Based Development Organization Assistance Act pursuant to s. 163.462, F.S.
[4] Section 163.458, F.S.
[5] Section 9, ch. 2000-351, L.O.F.
[6] Section 163.459, F.S.
[7] Section 163.457, F.S.
[8] Section 163.460, F.S.
[9] Section 163.461, F.S.

DCA was abolished by the Legislature during the 2011 legislative session and several of its programs and functions including the Division of Housing and Community Development, which manages grant programs, were incorporated into the newly created Department of Economic Opportunity.[10]

Effect of the Proposed Changes

By repealing ss. 163.455, 163.456, 163.457, 163.458, 163.459, 163.460, 163.461, and 163.462, F.S., this bill eliminates the Community-Based Development Organization Assistance Act which has not been funded or implemented since it was created by the Legislature in 2000.

B. SECTION DIRECTORY:

Section 1: Repeals ss. 163.455, 163.456, 163.457, 163.458, 163.459, 163.460, 163.461, and 163.462, F.S., relating to the Community-Based Development Organization Assistance Act and other provisions related to the act.

Section 2: Provides an effective date of July 1. 2012.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to: require counties or municipalities to spend funds or to take an action requiring the expenditure of funds; reduce the authority that counties or municipalities

[10] *See* s. 3, ch. 2011-142, L.O.F.

have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

N/A.

A bill to be entitled

An act relating to community-based development organizations; repealing ss. 163.455, 163.456, 163.457, 163.458, 163.459, 163.460, 163.461, and 163.462, F.S., relating to the Community-Based Development Organization Assistance Act, the eligibility of community-based development organizations and eligible activities for certain grant funding, the award of grants by the former Department of Community Affairs, the reporting of certain information by grant recipients to the former department, and rulemaking authority of the former department; providing an effective date.

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

Section 1. Sections 163.455, 163.456, 163.457, 163.458, 163.459, 163.460, 163.461, and 163.462, Florida Statutes, are repealed.

Section 2. This act shall take effect July 1, 2012.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4035 Driver Licenses
SPONSOR(S): Workman
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Highway Safety Subcommittee	13 Y, 0 N	Kiner	Kruse
2) Economic Affairs Committee		Kiner KUK	Tinker TBT

SUMMARY ANALYSIS

The bill repeals Florida law relating to chauffeurs' licenses, which were phased out and replaced by Commercial Driver's Licenses ("CDLs") in the early 1990's.

The bill does not have a fiscal impact and has an effective date of July 1, 2012.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Section 322.58, F.S., enacted in 1989, provides a period of time for holders of a chauffeur's license to transfer to uniform Commercial Driver's Licenses ("CDLs"). The 'phasing out' period ended on April 1, 1991, after which time chauffeurs' licenses were no longer issued or recognized as valid.

The bill repeals s. 322.58, F.S., as chauffeurs' licenses have neither been issued nor recognized since 1991.

B. SECTION DIRECTORY:

Section 1 Repeals s. 322.58, F.S., regarding chauffeurs' licenses; repealing provisions for licensure of such persons under the appropriate license classification.

Section 2 Provides an effective date of July 1, 2012.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to: require counties or cities to spend funds or take action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

N/A.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

A bill to be entitled

An act relating to driver licenses; repealing s. 322.58, F.S., relating to the effect of classified licensure on persons holding a chauffeur's license; repealing provisions for licensure of such persons under the appropriate license classification; providing an effective date.

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

Section 1. Sections 322.58, Florida Statutes, is repealed.

Section 2. This act shall take effect July 1, 2012.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4045 Beverage Law
SPONSOR(S): Horner
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Business & Consumer Affairs Subcommittee	13 Y, 0 N	Morton	Creamer
2) Economic Affairs Committee		Morton	Tinker TBT

SUMMARY ANALYSIS

HB 4045 removes a requirement that the Division of Alcoholic Beverages and Tobacco within the Department of Business and Professional Regulation issue liquor licenses in duplicate. The division would be able to maintain a copy of the license, but would no longer be required to maintain a hard copy.

The bill is not expected to have a significant fiscal impact.

The bill provides that it will be effective upon becoming law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

In administering Florida's Beverage Law, the Division of Alcoholic Beverages and Tobacco within the Department of Business and Professional Regulation licenses anyone dealing with the manufacturing, bottling, distributing, or selling of alcoholic beverages.[1] Licensees fall into the following categories:[2]

Manufacturers:	Manufacture and distribute alcoholic beverages at wholesale to distributors.
Distributors:	Sell and distribute alcoholic beverages at wholesale to vendors.
Vendors:	Sell alcoholic beverages at retail only.
Brokers:	Also called sales agents, sell, or to cause to be distributed, alcoholic beverages to manufacturers or distributors.
Importers/exporters:	Sell, or to cause to be distributed, alcoholic beverages to manufacturers or distributors for use either in this state or outside the state.
Bottle clubs:	Establishments permitting the consumption of alcoholic beverages, which are brought onto the premises and not sold or supplied to the patrons by the establishment.

The division issues annual licenses provided applicants meet applicable licensure requirements and pay the requisite fees. Currently, s. 561.23, F.S., requires the division issue such licenses in duplicate. The division retains one copy and delivers the other to the licensee. The last time the statute was amended was to reduce the requirement from triplicate in 1993.[3]

According to the department:

> The bill deletes the requirement for the division "to issue" duplicate copies of alcoholic beverage licenses. Since the original is still mailed to the licensee and the copy of the original, the duplicate, is now maintained electronically, there is no longer a need "to issue" or print another hard copy of each license. Thus reducing paper use and corresponding filing space needed for the hard copies. This change is part of the division's legislative proposals.

Proposed Changes

The bill would remove the requirement that the division issue liquor licenses in duplicate. The division would be able to maintain a copy of the license, but would no longer be required to maintain a hard copy.

B. SECTION DIRECTORY:

Section 1 amends s. 561.23, F.S., to remove a requirement that alcoholic beverage licenses be issued in duplicate.

Section 2 provides that it will be effective upon becoming law.

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[1] Section 561.02, F.S.
[2] Section 561.14, F.S.
[3] Section 4, ch. 93-134, L.O.F.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   None.

2. Expenditures:

   To the extent that the division no longer prints and maintains hard copies of licenses, its costs could be reduced. Any impact is expected to be insignificant.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   None.

2. Expenditures:

   None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

   Not Applicable. This bill does not appear to affect county or municipal governments.

2. Other:

   None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

A bill to be entitled

An act relating to the Beverage Law; amending s. 561.23, F.S.; deleting the requirement that licenses be issued in duplicate; providing an effective date.

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

Section 1. Section 561.23, Florida Statutes, is amended to read:

561.23 License ~~issued in duplicate;~~ display.—

~~(1) Licenses shall be issued in duplicate. The original license shall be delivered to the licensee; and one copy shall be retained by the division.~~

~~(2)~~ All vendors licensed under the Beverage Law shall display their licenses in conspicuous places on their licensed premises.

Section 2. This act shall take effect upon becoming a law.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4059 Property and Casualty Insurance
SPONSOR(S): Metz
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Insurance & Banking Subcommittee	12 Y, 2 N	Callaway	Cooper
2) Economic Affairs Committee		Callaway	Tinker TBT

SUMMARY ANALYSIS

The bill repeals s. 627.3519, F.S., which requires the Financial Services Commission to provide to the Legislature an annual report on probable maximum losses, financing options, and potential assessments for the Florida Hurricane Catastrophe Fund and Citizens Property Insurance Corporation. This statute was enacted in 2006 and the Financial Services Commission has provided the report annually since 2008.

The bill has no fiscal impact and is effective on July 1, 2012.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Section 627.3519, F.S., requires the Financial Services Commission (FSC)[1] to provide the Legislature, by February 1st each year, a report on the aggregate net probable maximum losses[2], financing options, and potential assessments of the Florida Hurricane Catastrophe Fund (Fund) and Citizens Property Insurance Corporation (Citizens). This statute was enacted in 2006.[3] The Financial Services Commission has provided the required report to the Legislature each February since 2008.

The report must include the amount and term of debt needed to be issued by the Fund and Citizens to support the probable maximum losses required to be reported. The assessment percentage that would be needed to support the debt is also required to be reported.

The Office of Insurance Regulation (OIR) prepares the report on behalf of the FSC. The OIR does not compute or generate the information required to be reported. Much of the information needed in the report is already computed by the Fund and by Citizens and provided to various stakeholders, such as potential bond investors, rating agencies, public policymakers, and the advisory and governing boards of the Fund and Citizens. Thus, the information contained in the report is readily available from other resources.

The bill repeals s. 627.3519, F.S., requiring the annual report.

B. SECTION DIRECTORY:

Section 1: Repeals s. 627.3519, F.S., relating to an annual report of aggregate net probable maximum losses, financing options, and potential assessments.

Section 2: Provides an effective date of July 1, 2012.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   None.

2. Expenditures:

   None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   None.

2. Expenditures:

   None.

[1] The Financial Services Commission is comprised of the Governor and Cabinet (s. 20.121(3), F.S.).
[2] Probable maximum loss is an estimate of maximum dollar value that can be lost under realistic situations.
[3] Section 20, Ch. 2006-12.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The OIR's budget does not include any funds for preparation of the report covering the probable maximum loss, financing options, and assessment need of the Florida Hurricane Catastrophe Fund (Fund) and Citizens. The OIR partners with an outside source to compile and obtain the information required in the report. Much of the information required to be compiled and obtained for the report has already been compiled by the Fund and Citizens and is shared by the Fund and Citizens to enable the report to be completed without expense. Thus, repeal of the report will not reduce state expenditures.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to: require counties or municipalities to spend funds or take an action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None provided in the bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

A bill to be entitled

An act relating to property and casualty insurance; repealing s. 627.3519, F.S.; deleting a requirement that the Financial Services Commission provide an annual report to the Legislature consisting of specified data and analysis related to the aggregate net probable maximum losses, financing options, and potential assessments of the Florida Hurricane Catastrophe Fund and Citizens Property Insurance Corporation; providing an effective date.

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

Section 1. Section 627.3519, Florida Statutes, is repealed.

Section 2. This act shall take effect July 1, 2012.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4061 Uniform Home Grading Scale
SPONSOR(S): Bernard
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Insurance & Banking Subcommittee	13 Y, 1 N	Callaway	Cooper
2) Economic Affairs Committee		Callaway	Tinker TBT

SUMMARY ANALYSIS

Section 215.55865, F.S., enacted in 2007, requires the Financial Services Commission to adopt a uniform home grading scale consistent with the rating system required by legislation enacted in 2006. The 2006 legislation required the Office of Insurance Regulation (OIR) to develop a program to provide an objective rating system allowing homeowners to evaluate the relative ability of Florida properties to withstand the wind load from a sustained severe tropical storm or hurricane. The OIR developed the home structure rating system on March 30, 2007. In November 2007, the Financial Services Commission adopted the home structure rating system developed by the OIR as the uniform home rating scale required by s. 215.55865, F.S.

The uniform home rating scale adopted scores a homes' ability to withstand wind load from a tropical storm or hurricane on a scale of 1 to 100.

In 2008, the Legislature required use of the home grading scale in sales of homes located in the state's wind borne debris region. The 2008 legislation required sellers of homes located in this region to disclose the home's windstorm mitigation rating based on the home grading scale to buyers. The legislation established a two-part phase in for this disclosure requirement. However, the entire disclosure requirement was subsequently repealed and current law does not require use of the home grading scale in real estate transactions.

The only other use of the home grading scale in Florida law was repealed during the 2011 Session. Section 627.0629(1)(b), F.S., which was repealed in 2011, required the OIR to develop a method for correlating the numerical rating of a home issued pursuant to the uniform home grading scale with mitigation discount amounts and required the Financial Services Commission to adopt rules requiring property insurers to make a rate filing to correlate mitigation discounts to the home grading scale.

The bill repeals the statutory authority for the home grading scale and makes a conforming change to the My Safe Florida Home Program statute that refers to the uniform home grading scale. There is nothing in current law requiring use of the scale.

The bill has no fiscal impact on state or local governments or the private sector.

The bill is effective July 1, 2012.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Section 215.55865, F.S., enacted in 2007,[1] requires the Financial Services Commission to adopt a uniform home grading scale consistent with the rating system required by legislation enacted in 2006.[2] The 2006 legislation required the Office of Insurance Regulation (OIR) to develop a program to provide an objective rating system allowing homeowners to evaluate the relative ability of Florida properties to withstand the wind load from a sustained severe tropical storm or hurricane. In response to the 2006 legislation, the OIR created a Home Structure Rating System Advisory Board (advisory board) comprised of representatives from the:

- OIR
- Department of Community Affairs Building Codes and Standards Office;
- Department of Financial Services;
- Federal Alliance for Safe Homes;
- Florida Insurance Council;
- Florida Home Builders Association;
- Florida Manufactured Housing Association;
- Florida State University, Risk Management and Insurance, College of Business;
- Institute for Business and Homes Safety; and
- Mercedes Homes.

Faculty from the University of Florida in the following areas provided technical support to the advisory board:

- Rinker School of Building Construction, College of Design, Construction and Planning;
- Institute of Food and Agricultural Science; and
- Department of Civil Engineering, College of Engineering.

The advisory board held numerous meetings in 2006 and 2007 and recommended a home structure rating system to the OIR on March 30, 2007.[3] In November 2007, the Financial Services Commission[4] adopted the home structure rating system developed by the OIR based upon recommendations by the advisory board as the uniform home rating scale required by s. 215.55865, F.S.[5]

The uniform home rating scale adopted scores a homes' ability to withstand wind load from a tropical storm or hurricane on a scale of 1 to 100. The primary factors used to calculate the home rating score include roof shape, secondary water resistance, roof cover, roof deck attachment, roof-to-wall connection, opening protection, number of stories, and roof covering type. General geographic features of wind zone location and local terrain are also used to calculate a home's score.

In 2008, the Legislature required use of the home grading scale in sales of homes located in the state's wind borne debris region.[6] The 2008 legislation required sellers of homes located in this region to disclose the home's windstorm mitigation rating based on the home grading scale to buyers.[7] The legislation established a two-part phase in for this disclosure requirement:[8]

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[1] Section 40, Ch. 2007-1, L.O.F.
[2] Section 39, 2006-12, L.O.F.
[3] The report issued by the OIR on the home structure rating system can be found at http://www.floir.com/siteDocuments/HSRS_Report_Package_March302007.pdf (last viewed October 25, 2011).
[4] The Financial Services Commission is comprised of the Governor and Cabinet (s. 20.121(3), F.S.).
[5] Rule 69O-167.015, F.A.C.
[6] The wind borne debris region applicable in is the one defined in s. 1609.2 of the 2006 International Building Code. A map of the region is on file with the Insurance & Banking Subcommittee.
[7] Section 13, Ch. 2008-66, L.O.F., created the first part of the phase-in of disclosure that was to begin January 2010, and section 15 created s. 689.262 F.S., the second part of the phase-in of disclosure that was to begin January 2011.
[8] s. 627.351(6)(a)5., F.S. (changes made by Ch. 2009-87, L.O.F. now repealed); s. 689.262, F.S. (complete statute now repealed)

- The first part of the phase-in was to begin in January 2010 and would have required sellers of homes insured by Citizens Property Insurance Corporation for $500,000 or more to disclose the home's windstorm mitigation rating. However, in 2009, before it took effect, this disclosure requirement was repealed.[9]

- The second part of the phase-in,[10] which was to begin on January 1, 2011, would have required sellers of any home in the windborne debris region to disclose the home's rating. However, in 2010, before it took effect, this disclosure requirement was repealed.[11]

Current law does not require use of the home grading scale in real estate transactions.

The only other use of the home grading scale in Florida law was repealed during the 2011 Session. Section 627.0629(1)(b), F.S., which was repealed in 2011, required the OIR to develop a method for correlating the numerical rating of a home issued pursuant to the uniform home grading scale with mitigation discount amounts and required the Financial Services Commission to adopt rules requiring property insurers to make a rate filing to correlate mitigation discounts to the home grading scale.

The bill repeals the statutory authority for the home grading scale. There is nothing in current law requiring use of the scale.

The bill also makes a conforming change to s. 215.5586, F.S., relating to the My Safe Florida Home Program (program). The program was created in 2006 to provide Florida residential property owners with mitigation inspections and mitigation grants for installation of specified mitigation features in order to make the property less vulnerable to hurricane damage and help decrease the cost of residential property insurance.[12] The program began operation on August 15, 2006 and was administered by the Department of Financial Services. The program is no longer operative as all funds originally appropriated to the program were exhausted and no additional funding was appropriated.[13] The mitigation inspection provided by the program was required to specify the property's hurricane resistance rating based on the uniform home grading scale. Because the bill repeals the uniform home grading scale, the reference to the scale in the My Safe Florida Home Program statute is obsolete and is repealed by the bill.

B. SECTION DIRECTORY:

Section 1: Repeals s. 215.55865, F.S., relating to the uniform home grading scale.

Section 2: Amends s. 215.5586, F.S.; relating to the My Safe Florida Home Program to make a conforming change.

Section 3: Provides an effective date of July 1, 2012.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   None.

[9] Ch. 2009-87, L.O.F., s.10 removed ("repealed") the first part of the phase-in of disclosure from s. 627.351(6)(a)5., F.S.
[10] s. 689.262, F.S.
[11] Ch. 2010-275, L.O.F.
[12] s. 215.5586(1)(a) and (2), F.S.
[13] The program stopped accepting applications in 2008. Chapter 2006-12, L.O.F., created the program and specified the unused funds appropriated to the program revert back to the state on June 30, 2009. The program expended all funds appropriated and to date, no additional funding has been appropriated.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to: require counties or municipalities to spend funds or take an action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The statute repealed requires the Financial Services Commission to adopt the uniform home grading scale by rule.

C. DRAFTING ISSUES OR OTHER COMMENTS:

The bill does not impact or preclude a homeowner's receipt of mitigation discounts or credits pursuant to s. 627.0629(1), F.S.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

A bill to be entitled

An act relating to a uniform home grading scale; repealing s. 215.55865, F.S., relating to the required adoption by the Financial Services Commission of a uniform home grading scale to grade the ability of a home to withstand the wind load from certain tropical storms or hurricanes; amending s. 215.5586, F.S., to conform; providing an effective date.

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

Section 1. Section 215.55865, Florida Statutes, is repealed.

Section 2. Paragraph (a) of subsection (1) of section 215.5586, Florida Statutes, is amended to read:

215.5586 My Safe Florida Home Program.—There is established within the Department of Financial Services the My Safe Florida Home Program. The department shall provide fiscal accountability, contract management, and strategic leadership for the program, consistent with this section. This section does not create an entitlement for property owners or obligate the state in any way to fund the inspection or retrofitting of residential property in this state. Implementation of this program is subject to annual legislative appropriations. It is the intent of the Legislature that the My Safe Florida Home Program provide trained and certified inspectors to perform inspections for owners of site-built, single-family, residential properties and grants to eligible applicants as funding allows.

The program shall develop and implement a comprehensive and coordinated approach for hurricane damage mitigation that may include the following:

(1) HURRICANE MITIGATION INSPECTIONS.—

(a) Certified inspectors to provide home-retrofit inspections of site-built, single-family, residential property may be offered to determine what mitigation measures are needed, what insurance premium discounts may be available, and what improvements to existing residential properties are needed to reduce the property's vulnerability to hurricane damage. The Department of Financial Services shall contract with wind certification entities to provide hurricane mitigation inspections. The inspections provided to homeowners, at a minimum, must include:

1. A home inspection and report that summarizes the results and identifies recommended improvements a homeowner may take to mitigate hurricane damage.

2. A range of cost estimates regarding the recommended mitigation improvements.

3. Insurer-specific information regarding premium discounts correlated to the current mitigation features and the recommended mitigation improvements identified by the inspection.

~~4. A hurricane resistance rating scale specifying the home's current as well as projected wind resistance capabilities. As soon as practical, the rating scale must be the uniform home grading scale adopted by the Financial Services Commission pursuant to s. 215.55865.~~

Section 3. This act shall take effect July 1, 2012.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

Florida's Business Incentives and Job Creation Overview

Gray Swoope, Secretary of Commerce
President & CEO, Enterprise Florida

Where we are- Day 46

- October 1, 2011- 4 government entities combined

- Steady progress on streamlining functions, improving an outdated system, ensuring accountability measures are intact, maintaining a higher level of service

- Strong commitment to improving Florida's competitiveness while being good stewards of tax dollars

Incentives and Compliance

- EFI and DEO will continue to follow the law regarding public records and compliance
- Most of Florida's Incentives are performance-based meaning that the companies must perform or no incentives are paid
- Florida's legislature has consistently & statutorily mandated some of the strongest clawbacks and sanctions for non-performance in the United States
- Companies that aren't in compliance, and not following the laws of Florida, will be subject to appropriate action

Overview of Current Incentive Data

- Items to consider when looking at DEO data from 1995-present
  - 1,622 incentives have been approved since 1995 and state is only renegotiating 6 closing funds
  - This represents less than 2% of the total award payments
  - More than 1,000 of the approved incentives fall into the Qualified Target Industry Tax Refund, a tax refund provided to create high wage jobs in targeted high value-added industries. **No cash is paid to companies up front in this program**
  - Not every negotiated incentive award is acted upon by the company
  - Many projects are worked and brought to fruition that require no incentives

Measuring Incentive Programs in Context

- The spreadsheet provided by DEO to the media, listed 1,622 notations of incentives used by projects
- Companies often use multiple incentives, so the number of projects is actually 1,332
- You can not simply add up all of the programs and expect them to equal job numbers – the math doesn't work!
- Met with the media (10/28) to give some context on incentives available and the reasons they're used
- How are we measuring success?

ROI, Payback, Economic Benefit

- **2011 Incentives Report will provide actual ROI results based on verified company performance and State incentives paid to these businesses**
  - Data currently being compiled and analyzed
  - Report due December 30
- **Project versus program approach**
  - Looking at ROI program by program tells only part of the story
  - An incentive program with a high ROI does not mean the State should focus its limited funds to that program in lieu of others
  - SEED funding structure is an important step in the right direction
- **Revised impact analysis model in place**
  - Model reviewed by EDR (Office of Economic and Demographic Research) Implemented on July 1, 2011

Qualified Targeted Industry (QTI) Tax Refund

Objective: Spur new job creation in Florida's target industries

- Based on net-new jobs
- Performance-based – **Incentive paid after verification of jobs created, average wage, and taxes paid**
- Requires a local community match

Total QTI projects	Currently active	Choose not to proceed with project	Partial Performance	Completed	Confirmed jobs created
1047	306 (29%)	485 (46%)	163 (16%)	93 (9%)	80,870

Quick Action Closing Fund (QAC)

Objective: Spur new job creation in Florida's target industries

- Discretionary cash incentive used to create and retain Florida jobs
- Companies make specific job, wage, and investment commitments
- Every contract contains sanctions and penalties (clawbacks) for falling short of commitments
- Companies sign a contract to utilize funds within a certain time frame, if they are not used the funds become available for reallocation

Total QAC projects	Currently active	Choose not to proceed with project	Partial Performance	Complete	Jobs created
95	70 (75%)	15 (15%)	7 (7%)	3 (3%)	14,034

Innovation Incentive Fund (IIF)

Objective: Spur research and development and innovative business projects

- Negotiated multi-year award based on unique project needs (long term intent to build capacity in key sectors)
- Companies make specific job, wage, and investment commitments
- Contracts include a reinvestment requirement; business repays funds into State trust fund
- Requires a 1:1 match by local community

Total IIF projects	Active contracts	Awards paid to companies	Awards held by State
8	8	$225m	$194m

Economic Development Transportation Fund ("Road Fund")

Objective: Improve transportation infrastructure to support economic development projects

- Cash grant to local governments for the construction or improvement of transportation infrastructure needed to accommodate new or existing industry
- Reimbursable grant to community, with payments made after business has begun vertical construction
- State and local government have a permanent asset
- Not measured by job creation

Completed Projects	Total State Investment
166	$115m

High Impact Performance Incentive Grants (HIPI)

Objective: Spur new job creation and capital investment in Florida's high impact sectors

- Performance-based; company receives grant in two payments, both after job creation and capital investment have been verified

Total HIPI Projects	Currently Active	Partial Performance	Completed Projects	Confirmed Capital Investment	Confirmed Jobs Created
11	5 (45%)	3 (27%)	3 (27%)	$1.39B	1,904

Capital Investment Tax Credit (CITC)

Objective: Spur new capital investment in Florida's high impact sectors

- Tax credit for up to 20 years, based on the amount of capital investment
- Credits claimed after job and investment milestones have been met

Total CITC Projects	Businesses Eligible to Claim Credits	Credits Claimed	Confirmed Capital Investment	Confirmed Jobs Created
24	19	$54.5m	$790m	3,571

Additional Incentives

- **Brownfield Redevelopment & Bonus Tax Refund**
  - Objective: Spur new job creation and investment in blighted or environmentally contaminated areas
- **Qualified Defense & Space Contractor Tax Refund (QDSC)**
  - Objective: Spur new job creation in Florida's defense and space industries
- **Semiconductor, Defense and Space Technology Sales Tax Exemption (SDST)** –
  - Objective: Spur new capital investment in Florida's semiconductor, defense and space industries
- **Manufacturing and Spaceport Investment Incentive (MSII)**
  - Objective: Spur new capital investment in Florida's manufacturing and space industries
- **Local Government Distressed Area Matching Grant (LDAMG)**
  - Objective: Spur new job creation and capital investment in Florida's distressed areas

Six Companies in Renegotiation

- There are checks and balances
- All contracts have performance requirements
- Sometimes market or economic conditions impact whether a company is able to meet their economic and job creation goals during the anticipated timeframe
- DEO is in the process of renegotiating with these companies because there is an opportunity to lock-in a variation of the original project and still generate a positive return on the State's investment

About the Escrow Fund

- Of the six companies currently in renegotiations, funds are being held in escrow for two:
  - $12,438,000 – Jabil
  - $13,333,334 – Piper
- The escrow account is managed by Enterprise Florida who gives quarterly reports to DEO regarding the fund balance
- Incentive closing funds are held in the account until such time the companies have met performance measures
- Including the $25,771,334 held in escrow for Piper and Jabil there is a total of $42,271,034 being held for 15 different projects that are in varying stages of progress

Effective Economic Development

- Flexibility
  - Allow the state the funding flexibility to be able to compete
- This administration's economic development team looks to maximize private investment and local commitment in a project prior to any public funds being committed
- Through our combined efforts, we will create jobs for Floridians and ensure our state has the most business-friendly climate in the nation

FLORIDA'S ECONOMIC DEVELOPMENT INCENTIVES – TARGETED INDUSTRIES

The Department of Economic Opportunity, Enterprise Florida, Inc., and Workforce Florida, Inc. facilitate the administration of a host of state level incentives. These incentives are guided by statutory directive with respect to industry and programmatic criteria. Florida Statute 288.106 (2)(t) is the driving guideline for industries for which state incentives can be utilized.

Most state incentive programs require that business operate within a target industry. A Target Industry Business means a corporate headquarters business or any business that is designated as a Target Industry by the Department of Economic Opportunity in consultation with Enterprise Florida, Inc. The following criteria are required for inclusion as a Target Industry:

1. FUTURE GROWTH
Industry forecasts should indicate strong expectation for future growth in both employment and output, according to the most recent available data. Special consideration should be given to businesses that export goods to, or provide services in, international markets and businesses that replace domestic and international imports of goods or services.

2. STABILITY
The industry should not be subject to periodic layoffs, whether due to seasonality or sensitivity to volatile economic variables such as weather. The industry should also be relatively resistant to recession, so that the demand for products of this industry is not typically subject to decline during an economic downturn.

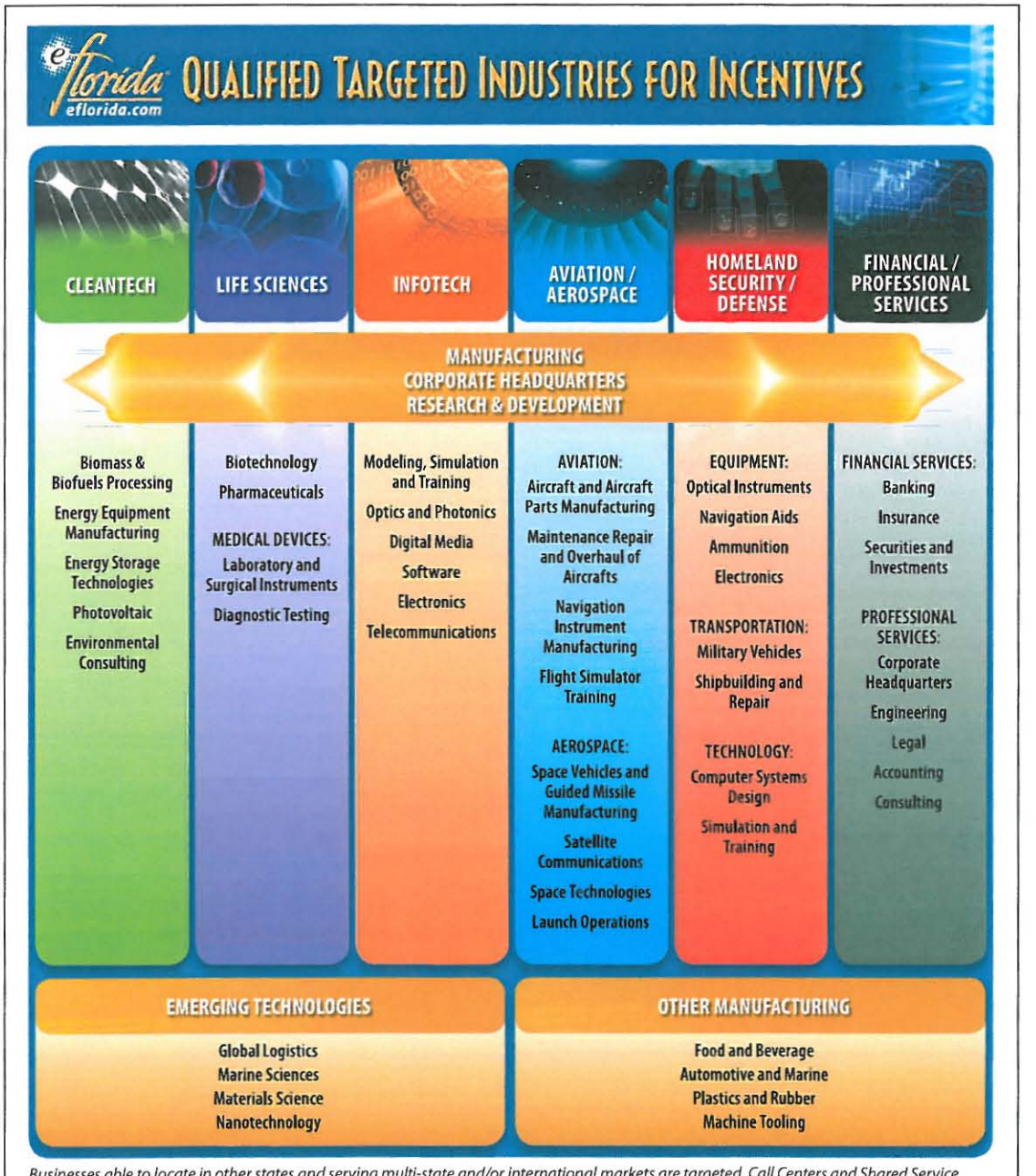
3. HIGH WAGE
The industry should pay relatively high wages compared to statewide or area averages.

4. MARKET AND RESOURCE INDEPENDENT
The location of industry businesses should not be dependent on Florida markets or resources as indicated by industry analysis, except for businesses in the renewable energy industry.

5. INDUSTRIAL BASE DIVERSIFICATION AND STRENGTHENING
The industry should contribute toward expanding or diversifying the state's or area's economic base, as indicated by analysis of employment and output shares compared to national and regional trends. Special consideration should be given to industries that strengthen regional economies by adding value to basic products or building regional industrial clusters as indicated by industry analysis. Special consideration should also be given to the development of strong industrial clusters that include defense and homeland security businesses.

6. ECONOMIC BENEFITS
The industry is expected to have strong positive impacts on or benefits to the state or regional economies.

The qualified targeted industries for incentives list was updated and approved in January 2011. The complete report is available at **http://www.eflorida.com/download/Target_Industry_Update.pdf**



Businesses able to locate in other states and serving multi-state and/or international markets are targeted. Call Centers and Shared Service Centers may qualify for incentives if certain economic criteria are met. Retail activities, utilities, mining and other extraction or processing businesses, and activities regulated by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation are statutorily excluded from consideration. All projects are evaluated on an individual basis and therefore operating in a target industry does not automatically indicate eligibility.

FLORIDA'S ECONOMIC DEVELOPMENT INCENTIVES – DESCRIPTIONS

CASH & GRANTS

QUICK ACTION CLOSING FUND (QACF)

The Quick Action Closing Fund (Closing Fund) is a discretionary grant incentive that can be accessed by Florida's Governor, after consultation with the President of the Senate and the Speaker of the House of Representatives, to respond to unique requirements of wealth-creating projects. When Florida is vying for intensely competitive projects, Closing Funds may be utilized to overcome a distinct, quantifiable disadvantage after other available resources have been exhausted. The Closing Fund award is paid out based on specific project criteria outlined in a performance-based contract between the company and the State of Florida. Sanctions are applied to companies who fail to meet or maintain performance goals.

Statutory Reference: Section 288.1088, Florida Statutes

HIGH IMPACT PERFORMANCE INCENTIVE (HIPI)

The High Impact Performance Incentive (HIPI) is a negotiated performance grant used to attract and grow major, high impact facilities in Florida. Once approved the high impact business is awarded 50 percent of the eligible grant upon commencement of operations and the balance of the awarded grant once full operations have commenced and the full investment and employment goals have been met and verified.

Statutory Reference: Section 288.108, Florida Statutes

LOCAL GOVERNMENT DISTRESSED AREA MATCHING GRANT PROGRAM (LDMG)

The Local Government Distressed Area Matching Grant Program stimulates investment in Florida's economy by assisting Local Governments in attracting and retaining targeted businesses. Applications are accepted from local governments/municipalities that plan on offering qualified business assistance that are not derived from State or Federal funds to a specific business in the area. These targeted businesses are required to create at least 15 full-time jobs and the project must either be a new to Florida business; expanding operations in Florida; or leaving Florida unless it receives local and state government assistance. The amount awarded by the State of Florida will equal $50,000 or 50% of the local government's qualified business assistance amount (not derived from State or Federal funds), whichever is less, and be provided following the commitment and payment of that assistance.

Statutory Reference: Section 288.0659, Florida Statutes

ECONOMIC DEVELOPMENT TRANSPORTATION FUND (ROAD FUND)

The Economic Development Transportation Fund (EDTF or Road Fund) may be used to alleviate transportation impediments that adversely impact a company's location or expansion decision. Eligible transportation projects may include improvements such as access roads, turn lanes, and signalization. The funds may be used for design and engineering costs and construction costs of the transportation project. The award amount depends on the improvements needed and the number of jobs created. The maximum grant amount is the eligible transportation improvement project cost, up to $3 million.

Statutory Reference: Section 288.063, Florida Statues

TAX CREDITS & REFUNDS

CAPITAL INVESTMENT TAX CREDIT

The Capital Investment Tax Credit is used to attract and grow capital-intensive industries in Florida. It is an annual credit against Florida state corporate income tax liability for a period of 20 years from the commencement of operations. The amount of the annual credit is equal to 5 percent of the eligible capital costs generated by a qualifying project. Eligible capital costs include all expenses incurred in the acquisition, construction, installation and equipping of a project from the beginning of construction to the commencement of operations. The ultimate value of credit will depend on the project's Florida corporate income tax liability for the 20 years following commencement of operations. Florida's Corporate Income Tax Rate is 5.5% of apportioned taxable income.

Statutory Reference: Section 220.191, Florida Statutes

QUALIFIED TARGET INDUSTRY (QTI) TAX REFUND

The Qualified Target Industry (QTI) Tax Refund is a tax refund program available to new to Florida companies and existing Florida companies looking to expand by 10 percent. The program is used to encourage quality job growth in targeted, high value-added industries. Pre-approved applicants creating jobs in Florida receive refunds on the taxes they pay including corporate income, sales, ad valorem, insurance and certain other taxes. Refund amounts are dependent upon location, wages paid, and industry of projected jobs.

The program is performance-based and requires the local community to pay 20% of the award for this program.

Statutory Reference: Section 288.106, Florida Statutes

QUALIFIED DEFENSE AND SPACE CONTRACTOR

The Qualified Defense and Space Contractor Tax Refund is a tool to preserve and grow Florida's high technology, defense related employment base – giving Florida a competitive edge as defense, homeland security, or space business contractors consolidate defense contracts, acquire new contracts, or convert to commercial production. Companies are eligible for awards up to $8,000 per job depending on location and wages paid. For defense consolidation projects companies must expand by at least 25 percent or create at least 80 new jobs. This program is performance-based and requires the local community to pay 20% of the award for this program.

Statutory Reference: Section 288.1045, Florida Statutes

BROWNFIELD REDEVELOPMENT BONUS

The Brownfield Redevelopment Bonus is available to encourage redevelopment and job creation within designated brownfield areas. Florida brownfield areas are designated by units of local governments and encompass one or more abandoned, idled, or underused industrial and commercial properties where expansion or redevelopment is complicated by real or perceived environmental contamination.

Pre-approved applicants receive tax refunds of up to 20 percent of the average annual wage of the new jobs created, up to $2,500 per new job in a designated brownfield area. Refunds are based upon taxes paid by the applicant, including corporate income, sales, ad valorem, intangible personal property, insurance premium, and certain other taxes. The Brownfield Development Bonus may be awarded in addition to the Qualified Target Industry (QTI) Tax Refund.

To qualify, an applicant must locate within a brownfield area and be eligible for the Qualified Target Industry (QTI) program; or demonstrate a fixed capital investment of at least $500,000 in mixed-use business activities in a brownfield area ($2 million if the site requires clean-up), including multiunit housing, commercial, retail, and industrial; create at least 10 new Florida full-time jobs with benefits, excluding construction and site cleanup jobs; and provide a resolution from the city or county commission recommending the applicant for the incentive and, at the option of the city or county, committing the community to provide a local match equaling 20 percent of the tax refund.

Statutory Reference: Section 288.107, Florida Statutes

JOBS FOR THE UNEMPLOYED TAX CREDIT

The 2010 Florida Legislature created a new state corporate income tax credit incentive designed to encourage the hiring of unemployed Florida residents, known as "qualified employees." A qualified employee is a person who was unemployed at least 30 days immediately prior to being hired by the company (hire date after July 1, 2010) and who is a full time employee (working a minimum of an average 36 hours per week) for at least 12 months before the tax credit can be applied for. Additionally, the qualified employee cannot have worked for the applicant, its subsidiaries, or a parent or affiliated company.

The value of the tax credit is $1,000 per "qualified employee" hired and retained. Tax credits are available on a first come, first served basis. In order to participate, the company must apply to the Department of Economic Opportunity after the qualified employees have been in place for at least 12 months.

Statutory Reference: Section 220.1896, Florida Statutes

RESEARCH AND DEVELOPMENT TAX CREDIT

A tax credit for qualified research and development expenses, allowed under U.S. Code Title 26 §41. The Florida credit is equal to 10 percent of the excess qualified research expenses over the company's base amount. The base amount is equal to the qualified research expenses for the four prior taxable years. The credits may not exceed 50 percent of the business's Florida Corporate Income Tax liability.

A $9 million program cap exists, therefore the credits will be granted based on the order in which completed applications are received. Applications may be filed with the Florida Department of Revenue on or after March 20 for qualified research expenses incurred within the preceding calendar year.

Statutory Reference: Section. 220.196, Florida Statutes

MANUFACTURING AND SPACEPORT INVESTMENT INCENTIVE PROGRAM (MSII)

The Manufacturing and Spaceport Investment Incentive Program encourages capital investment and job creation in manufacturing and spaceport activities in Florida. Applications will be accepted by eligible businesses from July 1, 2010 to June 30, 2012. A tax refund up to $50,000 will be given on the State Sales and Use Tax paid for eligible equipment purchases. Purchase cost must exceed a business' total expenditures on eligible equipment purchased and placed into service in this state during the 2008 tax year.

Statutory Reference: Section. 288.1083, Florida Statutes

TAX EXEMPTIONS

MANUFACTURING MACHINERY AND EQUIPMENT SALES TAX EXEMPTION

The Manufacturing Machinery and Equipment Sales Tax Exemption is a 100 percent exemption of the sales and use tax on manufacturing machinery and equipment. In order to qualify for the new business exemption, the machinery and equipment must have been purchased, or a purchase agreement made, prior to the date the business first begins to produce a product for inventory or immediate sale. If a purchase agreement was made prior to the beginning of production, such machinery and equipment must be received within twelve months of the date that production began.

Industrial machinery and equipment is exempt from tax when purchased by an expanding business for the purpose of increasing "productive output" by not less than ten percent.

Statutory Reference: Section 212.08, Florida Statutes

POLLUTION CONTROL EQUIPMENT EXEMPTION

The sales tax levied on pollution control equipment shall be exempted for any facility, device, fixture, equipment, machinery, specialty chemical, or bioaugmentation product used primarily for the control or abatement of pollution or contaminants in manufacturing, processing, compounding, or producing for sale items of tangible personal property at a fixed location, or any structure, machinery, or equipment installed in the reconstruction or replacement of such facility, device, fixture, equipment, or machinery.

Statutory Reference: Section 212.051, Florida Statutes

ELECTRICITY TAX EXEMPTION

The Electricity Tax Exemption is applied to 100 percent of the electricity purchased if 75 percent or more is used to operate machinery and equipment at a fixed location to manufacture, process, compound, produce, or prepare for shipment items of tangible personal property for sale, or to operate pollution control equipment, recycling equipment, maintenance equipment, or monitoring or control equipment used in such operations. The exemption is applied to 50 percent of the electricity or steam purchased if 50 to 75 percent is used in manufacturing. No separate metering is required.

Statutory Reference: Section 212.08, Florida Statutes

BOILER FUELS TAX EXEMPTION

When purchased for use as a combustible fuel, purchases of natural gas, residual oil, recycled oil, waste oil, solid waste material, coal, sulfur, wood, wood residues or wood bark used in an industrial manufacturing, processing, compounding, or production process at a fixed location in this state are exempt from the taxes imposed by this chapter; however, such exemption shall not be allowed unless the purchaser signs a certificate stating that the fuel to be exempted is for the exclusive use designated herein. This exemption does not apply to use of boiler fuels that are not used in manufacturing, processing, compounding, or producing items of tangible personal property for sale, or to the use of boiler fuels used by any firm subject to regulation by the Division of Hotels and Restaurants or the Department of Business and Professional Regulation. Propane is not a tax exempt boiler fuel..

Statutory Reference: Section 212.08, Florida Statutes

REPAIR AND LABOR CHARGES TAX EXEMPTION

The Repair and Labor Charges Tax Exemption fully exempts sales tax on labor charges for the repair of, and parts and materials used in the repair of and incorporated into, industrial machinery and equipment which is used for the manufacture, processing, compounding, production, or preparation for shipping of items of tangible personal property at a fixed location within Florida.

Statutory Reference: Section 212.08, Florida Statutes

MACHINERY AND EQUIPMENT USED FOR RESEARCH AND DEVELOPMENT

Machinery and equipment, including but not limited to molds, dies, machine tooling, other appurtenances or accessories to machinery and equipment, testing and measuring equipment, test beds, computers and software, whether purchased or self-fabricated, includes materials and labor for design, fabrication and assembly, used predominantly for research and development and used to meet a qualifying research and development goal are exempt from sales and use tax.

Statutory Reference: Section 212.08, Florida Statutes

SEMICONDUCTOR, DEFENSE, OR SPACE TECHNOLOGY SALES TAX EXEMPTION

Semiconductor, Defense, or Space Technology Sales Tax Exemption applies to the purchase of machinery and equipment used in semiconductor technology facilities to manufacture, process, compound, or produce semiconductor technology products for sale or for use by these facilities (100% sales tax exemption). Eligible 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. Machinery and equipment are exempt from sales and use tax if used predominately in semiconductor wafer research and development activities in a semiconductor technology research and development facility, under a separate R&D sales tax exemption.

Defense or Space Technology Sales Tax Exemption applies to industrial machinery and equipment used in defense or space technology facilities to manufacture, process, compound, or produce defense technology products or space technology products for sale or for use by these facilities are exempt from 100 percent of the sales and use tax. Machinery and equipment used predominately in defense or space research and development activities in a defense or space technology research and development facility are also exempt from the sales and use tax, under a separate R&D sales tax exemption.

Statutory Reference: Section 212.08, Florida Statutes

AIRCRAFT REPAIR AND MAINTENANCE LABOR SALES TAX EXEMPTION

All labor charges for the repair and maintenance of qualified aircraft are exempt from sales and use tax. Qualified aircraft is that of more than 15,000 pounds maximum certified takeoff weight and rotary wing aircraft of more than 10,000 pounds maximum certified takeoff weight.

Statutory Reference: Section 212.08, Florida Statutes

EQUIPMENT USED IN AIRCRAFT REPAIR OR MAINTENANCE SALES TAX EXEMPTION

Replacement engines, parts, and equipment are exempt from sales and use tax when used in the repair or maintenance of aircraft of more than 15,000 pounds maximum certified takeoff weight and rotary wing aircraft of more than 10,300 pounds maximum certified takeoff weight, when such parts or equipment are installed on such aircraft that is being repaired or maintained in this state.

Statutory Reference: Section 212.08, Florida Statutes

FIXED WING AIRCRAFT SALES OR LEASES

Fixed Wing Aircraft Sales or Leases having a maximum certified takeoff weight of more than 15,000 pounds; and, used by a "common carrier," as defined in Federal Aviation Administration regulations (Title 14, chapter I, part 128 or 129, Code of Federal Regulations).

Statutory Reference: Section 212.08, Florida Statutes

RENEWABLE ENERGY PRODUCTION TAX CREDIT

The Renewable Energy Production Tax Credit is available to encourage the development and expansion of facilities that produce renewable energy in Florida. An annual credit will be awarded, based on the taxpayer's production and sale of electricity from a new or expanded Florida renewable energy facility.

The credit is equal to $0.01 for each kilowatt-hour of electricity produced and sold by the taxpayer to an unrelated party during a given tax year.

It is capped at $5 million per state fiscal year per applicant.

It is applicable to solar thermal electric, photovoltaics, wind, biomass, hydroelectric, geothermal electric, CHP/cogeneration, hydrogen, tidal energy, wave energy, and ocean thermal.

Statutory Reference: Section 220.193, Florida Statutes

WORKFORCE INCENTIVES

QUICK RESPONSE TRAINING (QRT)

Quick Response Training (QRT) is an employer-driven training program designed to assist new value-added businesses and provide existing Florida businesses the necessary training for expansion. This program is customized, flexible, and responsive to individual company needs. The company may use in-house training, outside vendor training programs or the local educational entity to provide training. Reimbursable training expenses include: instructors' wages, curriculum development, and textbooks.

Statutory Reference: Section 288.047, Florida Statutes

INCUMBENT WORKER TRAINING (IWT)

Incumbent Worker Training (IWT) provides training to currently employed workers to keep Florida's workforce competitive in a global economy and to retain existing businesses. The program is available to all Florida businesses that have been in operation for at least one year prior to application and require skills upgrade training for existing employees. Priority is given to businesses in targeted industries, Enterprise Zones, HUB Zones, Inner City Distressed areas, Rural Counties and areas, and Brownfield areas.

*IWT is a federally funded program.

Statutory Reference: Section 445.003, Florida Statutes

EXPEDITED PERMITTING

Florida fully understands the importance of timely and responsive action and assistance on all regulatory issues, and is committed to meeting the needs and timeframe of companies. Expedited Permitting law, among other benefits, ensures final agency action on permit applications within 90 days from the receipt of complete application(s).

Statutory Reference: Section 403.973, Florida Statutes

ENTERPRISE ZONE, URBAN, AND RURAL OPPORTUNITIES

URBAN JOB TAX CREDIT

The Urban Job Tax Credit Program encourages the creation of jobs in urban areas of Florida. The program provides tax credits to eligible businesses that hire a specific number of employees and are located within the 13 Urban Areas designated by the Department of Economic Opportunity. The credit ranges from $500 to $2,000 per qualified job and can be taken against either the Florida Corporate Income Tax or the Florida Sales and Use Tax. A total of $5 million of tax credits may be approved under the Urban Job Tax Credit Program each calendar year. One million dollars of tax credits will be exclusively reserved for businesses located within Tier One designated areas.

Statutory Reference: Section 212.097, Florida Statutes (sales and use tax) and

Statutory Reference: Section 212.1895, Florida Statues (corporate income tax)

ENTERPRISE ZONE JOBS TAX CREDIT

Enterprise Zone Jobs Tax Credit allows a credit against Corporate Income taxes or Sales and Use taxes collected and remitted to the State by businesses located in an Enterprise Zone and who create new full-time jobs. The amount of the credit is based the amount of wages and the number of employees who are residents of the Enterprise Zone.

If 20 percent of less of the business' employees are residents of the Enterprise Zone, the business is eligible to receive a credit of 20 percent of wages paid to new eligible employees. If 20 percent or more of the permanent, full-time employees are residents of the Enterprise Zone, then the business is eligible to receive a credit of 30 percent of wages. The credit is limited to 24 months if the employee remains employed for 24 months.

Statutory Reference: Section 220.181, Florida Statutes (corporate income tax) and

Statutory Reference: Section 212.096, Florida Statutes (sale tax)

RURAL ENTERPRISE ZONE JOBS TAX CREDIT

The Rural Enterprise Zone Jobs Tax Credit allows a credit against taxes for businesses located in a rural Florida Enterprise Zone, who remit corporate income tax or collect and pay Florida Sales and Use Tax. The credit is based on wages paid to new employees in a new full-time job who have been employed by the business for at least 3 months and are residents of a rural county.

Businesses located within a rural Enterprise Zone will receive a credit of 30 percent of wages paid to new eligible employees who are residents of a rural county. If 20 percent or more of the permanent, full-time employees are residents of a Florida rural enterprise zone, the credit is 45 percent.

Statutory Reference: Section 212.096, Florida Statutes (sale tax) and

Statutory Reference: Section 220.181, Florida Statutes (corporate income tax)

ENTERPRISE ZONE PROPERTY TAX CREDIT

Enterprise Zone Property Tax Credit is a tax credit on corporate income tax equal to 96 percent of ad valorem taxes paid on the new or improved property. Any unused portion of the credit may be carried forward for five years. The credit can be claimed for five years, up to a maximum of $50,000 annually, if 20 percent or more employees are enterprise zone residents. Otherwise the credit is limited to $25,000 annually. Firms must earn more than $5,000 to take advantage of the credit. The Federal tax burden may increase, since state tax liability is reduced. The amount of the credit must also be added back to Florida taxable income.

Statutory Reference: Section 220.182, Florida Statutes

BUSINESS MACHINERY AND EQUIPMENT SALES TAX EXEMPTION

The Sales Tax Refund for Business Machinery and Equipment Used in an Enterprise Zone is available for sales taxes paid on the purchase of certain business property, (e.g., tangible personal property such as office equipment, warehouse equipment and some industrial machinery and equipment), which is used exclusively in an enterprise zone for at least three years. Business equipment must have a sales price of at least $5,000 per unit.

The maximum refund per application will be no more than $5,000 or 97 percent of the tax paid. If 20 percent or more of the permanent, full-time employees of the business are residents of a Florida enterprise zone, the refund will be no more than the lesser of $10,000 or 97 percent of the tax paid. Multiple applications may be submitted.

Statutory Reference: Section 212.0805b, Florida Statutes

BUILDING MATERIALS TAX EXEMPTION

The Sales Tax Refund for Building Materials Used in an Enterprise Zone is available for sales taxes paid on the purchase of building materials used to rehabilitate real property located in an enterprise zone.

The total amount of the sales tax refund must be at least $500, but may be up to $5,000 of the tax paid per parcel of property. If 20 percent or more of the permanent, full-time employees of the business are residents of a Florida enterprise zone the refund will be no more than $10,000 per parcel.

Statutory Reference: Section 212.0805g, Florida Statutes

ELECTRICITY TAX EXEMPTION

The Enterprise Zone Sales Tax Exemption for Electrical Energy is a 50% sales tax exemption available to qualified businesses located in an enterprise zone on the purchase of electrical energy. If 20 percent or more of the permanent, full-time employees are residents of a Florida enterprise zone, the exemption is 100 percent of sales tax. This exemption is only available if the municipality in which the business is located has passed an ordinance to exempt enterprise zone businesses from 50 percent of the municipal utility tax.

Statutory Reference: Section 212.0815, Florida Statutes

RURAL JOB TAX CREDIT

The Rural Jobs Tax Credit is an incentive for eligible businesses located in one of Florida's 33 rural counties to create new jobs. These tax credits are provided to encourage meaningful employment opportunities that will improve the quality of life of those employed and to encourage economic expansion of new and existing businesses in rural areas of Florida.

The tax credit provides for $1,000 per qualified job and can only be taken against either the Florida Corporate Income Tax or the Florida Sales and Use Tax (remitted). Five million dollars of tax credits may be approved in a calendar year.

Statutory Reference: Section 212.098, Florida Statutes (sales tax) and

Statutory Reference: Section 220.1895, Florida Statues (corporate income tax)

RURAL INFRASTRUCTURE FUND

The Rural Infrastructure Fund is a resource available to rural communities to facilitate infrastructure projects in Florida. Eligible projects must result in job creation, capital investment, and the strengthening and diversification of rural economies by promoting tourism, trade and economic development. The grant award is up to 30 percent of the total infrastructure project cost up to a maximum of $675,000. The project must be related to specific job-creating opportunities and may be awarded to applicants who have applied for the maximum available under other state or federal infrastructure funding programs.

Statutory Reference: Section 288.065, Florida Statutes

FILM AND ENTERTAINMENT PRODUCTION INCENTIVES

ENTERTAINMENT INDUSTRY FINANCIAL INCENTIVE PROGRAM

The Entertainment Industry Financial Incentive Program is a transferable tax credit that can be taken against corporate income or sales and use tax collected and remitted in Florida. The program is used to encourage the use of Florida as a site for filming, for the digital production of films, and to develop and sustain the workforce and infrastructure for film, digital media, and entertainment production. The tax credits are calculated as a percentage of each pre-certified project's qualified Florida expenditures. The tax credit is awarded to the pre-certified production projects once they have completed their projects and after the Office of Film and Entertainment reviews their CPA audited receipts and final reports.

Statutory Reference: Section 288.1254, Florida Statutes

ENTERTAINMENT INDUSTRY SALES TAX EXEMPTION PROGRAM

Any production company engaged in this state in the production of motion pictures, made-for-TV motion pictures, television series, commercial advertising, music videos, or sound recordings may submit an application to the Department of Revenue to be approved by the Office of Film and Entertainment as a qualified production company for the purpose of receiving a sales and use tax certificate of exemption from the Department of Revenue.

Statutory Reference: Section 288.1258, Florida Statutes