Transportation & Economic Development Appropriations Subcommittee

Wednesday, March 5, 2014
9:00 AM - 11:00 AM
Reed Hall (102 HOB)

MEETING PACKET

Will Weatherford
Speaker

Ed Hooper
Chair

The Florida House of Representatives

Appropriations Committee

Transportation & Economic Development Appropriations Subcommittee

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March 5, 2014

AGENDA
9:00 AM – 11:00 AM
Reed Hall

I. Call to Order/Roll Call

II. Consideration of Bills

HB 345 Transportation by Rep. Beshears

HB 559 Military Veterans by Rep. Metz

HB 7023 Economic Development by Rep. Hutson

III. Closing Remarks/Adjourn

221 The Capitol, 402 South Monroe Street, Tallahassee, Florida 32399-1300
(850) 717-4818 Fax: (850) 488-9633

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 345 Transportation
SPONSOR(S): Beshears
TIED BILLS: **IDEN./SIM. BILLS:** CS/SB 218

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Highway Safety Subcommittee	11 Y, 0 N	Johnson	Miller
2) Transportation & Economic Development Appropriations Subcommittee		Davis	Davis
3) Economic Affairs Committee			

SUMMARY ANALYSIS

The bill revises provisions related to certain transportation-related utility relocation expenses, outdoor advertising permit exemptions, and the tourist-oriented directional sign program. Specifically, the bill:

- Provides an additional exemption for payment to relocate certain municipally or county-owned utilities located in road and rail corridors under specified conditions.
- Eliminates unnecessary rulemaking authority relating to lighting restrictions for certain outdoor advertising signs.
- Exempts from permitting certain signs placed by tourist-oriented businesses, farm signs placed during harvest season, acknowledgement signs on publicly funded school premises, and displays on specific sports facilities.
- Provides that certain exemptions from sign permitting may not be implemented if such exemptions will adversely affect the allocation of federal funds to the Department of Transportation (DOT).
- Directs DOT to notify a sign owner that a sign must be removed if federal funds are adversely impacted.
- Authorizes DOT to remove a sign and assess costs to the sign owner under certain circumstances.
- Clarifies provisions relating to the tourist-oriented directional sign program.

The bill has an indeterminate fiscal impact on both state and local government revenues and expenditures. (See Fiscal Analysis section for further detail.)

The bill has an effective date of July 1, 2013.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Utility Relocation

Current Situation

Section 337.104, F.S., addresses the use of road and rail corridor right-of-way by utilities,[1] authorizing the Department of Transportation (DOT) and local government entities[2] to prescribe and enforce reasonable regulations relating to the placing and maintaining of any utility lines along, across, or on any road or publicly-owned rail corridors under their respective jurisdictions.

Section 337.403, F.S., provides that, other than the exceptions below, if an authority determines that a utility upon, under, over, or along a public road or publicly-owned rail corridor, is interfering with the safe continuous use, maintenance, improvement, extension or expansion of the road or rail corridor, the utility, upon 30 days written notice, is required to begin work to remove or relocate the utility at its own expense. The exceptions are:

- When the project is on the federal aid interstate system and federal funding is identified for at least 90 percent of the cost, DOT pays for the removal or relocation with federal funds.
- When utility work is performed as part of a transportation facility construction contract, DOT may participate in those costs in an amount limited to the difference between the official estimate of all the work in the agreement plus 10 percent of the amount awarded for the utility work in the construction contract.
- When utility work is performed in advance of a construction contract, DOT may participate in the cost of clearing and grubbing necessary for relocation.
- If the utility being removed or relocated was initially installed to serve an authority or its tenants, or both, the authority bears the cost of the utility work but is not responsible for the cost of removal or relocation of any subsequent additions to the facility for the purpose of serving others.
- If, in an agreement between the utility and an authority entered into after July 1, 2009, the utility convey, subordinates, or relinquishes a compensable property right to the authority for the purpose of accommodating the acquisition or use of the right-of-way by the authority without the agreement expressly addressing future responsibility for cost of removal or relocation the authority bears the cost of the utility work, but nothing impairs or restricts, or may be used to interpret, the terms of any agreement entered into prior to July 1, 2009.
- If the utility is an electric facility being relocated underground to enhance vehicular, bicycle, and pedestrian safety, and if ownership of the electric facility to be placed underground has been transferred from a private to a public utility within the past five years, DOT bears the cost of the necessary utility work.
- An authority may bear the cost of utility work when the utility is not able to establish a compensable property right in the property where the utility is located if:
    - The utility was physically located on the particular property before the authority acquired rights in the property;
    - The utility demonstrates that it has a compensable property right in all adjacent properties along the alignment of the utility; and
    - The information available to the authority does not establish the relative priorities of the authority's and the utility's interest in the property.

[1] "Utility" means any electric transmission, telephone, telegraph, or other communications service lines; pole lines; poles; railways; ditches; sewers; water, heat, or gas mains; pipelines; fences; gasoline tanks and pumps; or other structure. See s. 337.401(1)(a), F.S.
[2] Referred to in ss. 337.401-337.404, F.S., as the "authority."

Under DOT procedure 710-030-005, *Utility Work for Local Government Utilities,*[3] when a government entity cannot afford utility work necessitated by a DOT project, DOT will pay for the work and the government entity will sign a promissory note to reimburse DOT. Under these circumstances, if the entity does not reimburse DOT within 10 years, DOT can take steps to write off the loss as opposed to continuing the collection efforts.

Proposed Changes

The bill creates s. 337.403(h), F.S., providing that if a municipally owned or county-owned utility is located in a rural area of critical economic concern (RACEC)[4] and DOT determines that the utility is unable, and will not be able within the next 10 years to pay for the cost of utility work necessitated by a DOT project on the State Highway System, DOT may pay, in whole or in part, the cost of such utility work performed by DOT or its contractor.

According to DOT, this formalizes its current procedure of promissory note forgiveness for a local utility that meets certain criteria and demonstrates an inability to pay for utility work necessitated by a DOT project. DOT retains discretion to pay for work if the utility meets the prerequisites established in the bill.

According to DOT, it currently "has approximately $12 million in promissory notes for utility relocations that under the legislation would be eligible for waivers."[5]

Outdoor Advertising

Current Situation

Control of Outdoor Advertising

Since the passage of the Highway Beautification Act (HBA) in 1965,[6] FHWA has established controls for outdoor advertising along Federal-Aid Primary, Interstate and National Highway System (NHS) roads. The HBA allows the location of billboards in commercial and industrial areas, mandates a state compliance program, requires the development of state standards, promotes the expeditious removal of illegal signs, and requires just compensation for takings.

The primary features of the Highway Beautification Act include:

- Billboards are allowed, by statute, in commercial and industrial areas consistent with size, lighting and spacing provisions as agreed to by the state and federal governments. Billboard controls apply to all Interstates, Federal-Aid Primaries, and other highways that are part of the National Highway System.
- States have the discretion to remove legal nonconforming signs[7] along highways. However, the payment of just (monetary) compensation is required for the removal of any lawfully erected billboard along the Federal-Aid Primary, Interstate and National Highway System roads.
- States and localities may enact stricter laws than stipulated in the HBA.

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[3] http://www2.dot.state.fl.us/proceduraldocuments/procedures/proceduresbynumber.asp?index=7 (Last visited November 6, 2013.)

[4] Section 288.0656(2)(d) defines "rural area of critical economic concern" as "a rural community, or a region composed of rural communities, designated by the Governor, that has been adversely affected by an extraordinary economic event, severe or chronic distress, or a natural disaster or that presents a unique economic development opportunity of regional impact."

[5] Department of Transportation bill analysis of SB 218. Copy on file with House Transportation and Highway Safety Subcommittee.

[6] 23 U.S.C. 131

[7] A "legal nonconforming sign" is a sign that was legally erected according to the applicable laws or regulations of the time, but which does not meet current laws or regulations.

- No new signs can be erected along the scenic portions of state designated scenic byways of the Interstate and Federal-Aid Primary highways, but billboards are allowed in segmented areas deemed un-scenic on those routes.

The HBA mandates state compliance and the development of standards for certain signs as well as the removal of nonconforming signs. While the states are not directly forced to control signs, failure to impose the required controls can result in a substantial penalty. The penalty for non-compliance with the HBA is a 10 percent reduction of the state's annual federal-aid highway apportionment.[8]

Under the provisions of a 1972 agreement[9] between the State of Florida and the U.S. Department of Transportation (USDOT) incorporating the HBA's required controls, DOT requires commercial signs to meet certain requirements when they are within 660 feet of Interstate and Federal-Aid Primary highways in urban areas, or visible at any distance from the same roadways when outside of urban areas. The agreement embodies the federally-required "effective control of the erection and maintenance of outdoor advertising signs, displays, and devices." Absent this effective control, the non-compliance penalty of 10 percent of federal highway funds may be imposed. Florida has never been penalized for loss of effective control of outdoor advertising signs.

Florida's outdoor advertising laws are found in ch. 479, F.S., and are based on federal law and the 1972 agreement.

On Premise Signs/Lighting Restrictions/Rulemaking Authority
Section 479.16(1), F.S., currently allows, without the need for a permit, signs erected on the premises of an establishment that consists primarily of the name of the establishment or identify the principal or accessory merchandise, services, activities, or entertainment sold, produced, manufactured, or furnished on the premises of the establishment, provided the signs comply with the lighting restrictions "under department rule adopted pursuant to s. 479.11(5), F.S."

Section 479.11(5), F.S., prohibits on-premises signs that display "intermittent lights not embodied in the sign, or rotating or flashing light within 100 feet of the outside boundary of the right of way of any highway on the State Highway System, interstate highway system, or federal–aid primary highway system or which is illuminated in such a manner so as to cause glare or the impair the vision of motorists or otherwise distract motorists so as to interfere with the motorists' ability to safely operate the vehicle."

DOT currently has no adopted rule that addresses lighting restrictions for on-premise signs and relies on the quoted statute.

Other Permit Exemptions
Section 479.16, F.S., currently identifies a number of other signs for which permits are not required, including:

- Signs on property stating only the name of the owner, lessee, or occupant of the premises and not exceeding eight square feet in area;
- Signs that are not in excess of eight square feet that are owned by and relate to the facilities or activities of churches, civic organizations, fraternal organizations, charitable organizations, or units or agencies of government;
- Signs placed on benches, transit shelters, and waste receptacles; and
- Signs not in excess of 16 square feet placed at a road junction with the State Highway System denoting only the distance or direction of a residence or farm operation, or, in a rural area where a hardship is created because a small business is not visible from the road junction, one sign

[8] 23 U.S.C. 131(b)
[9] A copy of the 1972 agreement is available at http://www.dot.state.fl.us/rightofway/Documents.shtm (Last visited November 26, 2013).

not in excess of 16 square feet, denoting only the name of, and the distance and direction to, the business.

The latter provision does not apply to charter counties and may not be implemented if the federal government notifies DOT that implementation will adversely affect the allocation of federal funds to DOT.

Tourist-Oriented Directional Sign Program

Section 479.262, F.S., establishes a tourist-oriented directional (TOD) sign program for intersections on rural and conventional state, county, or municipal roads. The program is intended to provide directions to rural tourist-oriented businesses, services, and activities in rural counties identified by criteria and population in s. 288.0656, F.S., when approved and permitted by county or local government entities.

The latter section of law defines a "rural area of critical economic concern" as a rural community, or a region composed of rural communities, designated by the Governor, that has been adversely affected by an extraordinary economic event, severe or chronic distress, or a natural disaster or that presents a unique economic development opportunity of regional impact.[10] "Rural community" is defined to mean a county with a population of 75,000 or fewer, and a county with a population of 125,000 or fewer that is contiguous to a county with a population of 75,000 or fewer.

A county or local government that issues permits for a TOD sign program is responsible for sign construction, maintenance, and program operation for roads on the State Highway System and may establish permit fees sufficient to offset associated costs. TOD signs installed on the State Highway System must comply with the requirements of the Manual on Uniform Traffic Control Devices (MUTCD) and rules established by DOT.

TOD signs may be installed on the State Highway System only after being permitted by DOT and placement of TOD signs is limited to rural conventional roads, as required in the MUTCD. TOD signs may not be placed within the right-of-way of limited access facilities; within the right-of-way of a limited access facility interchange, regardless of jurisdiction or local road classification; on conventional roads in urban areas; or at interchanges on freeways or expressways.

Proposed Changes

The bill clarifies the already existing permit exemption of signs for rural business directional signs to make the provision applicable to signs located outside an incorporated area. The bill also repeals the language that provides that the rural small business sign permit exemption does not apply in charter counties.

The bill provides the following new exemptions with the caveat that they may not be implemented or continued if the Federal Government notifies DOT that the implementation or continuation will adversely affect the allocation of federal funds to DOT:

- Signs placed by a local tourist-oriented business located within a RACEC which signs meet the following criteria:
  - Not more than eight square feet in size or more than four feet in height;
  - Located only in rural areas on a facility that does not meet the definition of a limited access facility as defined by DOT rule;
  - Located within two miles of the business location and not less than 500 feet apart;
  - Located only in two directions leading to the business;
  - Not located within the road right-of-way.

[10] A list of rural areas of critical economic concern is available at: http://www.eflorida.com/FloridasFuture.aspx?id=2108 (Last visited November 25, 2013).

Businesses placing such signs must be a minimum of four miles from any other business utilizing this exemption and such business may not participate in any other DOT directional signage program.

- Signs not in excess of 32 square feet placed temporarily during harvest season of a farm operation for a period of no more than four months at a road junction with the State Highway System denoting only the distance or direction of the farm operation.
- Acknowledgement signs erected upon publicly-funded school premises relating to a specific public school club, team or event placed no closer than 1,000 feet from another acknowledgement sign on the same side of the roadway. All sponsors on an acknowledgement sign may constitute no more than 100 square feet of the sign.[11]
- Displays erected upon a sports facility that displays content directly related to the facility's activities or where a presence of the products or services offered on the property exists. Displays are to be mounted flush or flat to the surface of the sports facility and rely upon the building façade for structural support.[12]

The bill provides that if certain exemptions are not implemented or continued due to Federal Government notification that the allocation of federal funds to DOT will be adversely affected, DOT shall provide notice to the sign owner that the sign must be removed within 30 days. If the sign is not removed within 30 days, DOT is authorized to remove the sign and all costs associated with sign removal are to be assessed against and collected from the sign owner.

Effective Date

The bill has an effective date of July 1, 2014.

B. SECTION DIRECTORY:

Section 1 Amends s. 337.403, F.S., relating to interference cause by relocation of utility; expenses.

Section 2 Amends s. 479.16, F.S., relating to signs for which permits are not required.

Section 3 Amends s. 479.262, F.S., relating to the tourist oriented directional sign program.

Section 4 Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   None.

2. Expenditures:

   DOT may incur some additional expenditures for paying for certain utility work on a DOT project on the State Highway System for municipally-owned and county-owned utilities in RACECs, but the bill does not require DOT's payment for such utility work. The fiscal impact of any future expenditures, should the case arise, is indeterminate at this time.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

[11] The bill defines "acknowledgement sign" as signs that are intended to inform the traveling public that a public school club, team, or event has been sponsored by a person, firm, or entity.

[12] The bill defines, "sports facility" as an athletic complex, athletic arena, or athletic stadium, including physically connected parking facilities, which is open to the public and has a permanent installed seating capacity of 15,000 or more.

1. Revenues:

   The bill expands the tourist-oriented directional sign program beyond RACEC communities provided the locals adhere to certain eligibility requirements. Current statute permits local governments to establish permit fees for TOD signs sufficient to offset the associated costs of sign construction, maintenance and program operations. To the extent additional communities participate in the TOD program, local governments could realize increased revenues from permit fees, but the amount of this revenue is indeterminate positive.

   The bill also expands the list of exemptions from permitting requirements for certain signs. The placement of any additional signs falling within this expanded list equates to a decrease in revenues a local government would otherwise have obtained from these permits. This provision will have a negative indeterminate impact.

2. Expenditures:

   Municipally and county-owned utilities in RACECs may see a reduction in expenditures due to DOT paying for utility work in certain circumstances.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

In the event DOT bears the cost of utility work for a municipally or county-owned utility removal or relocation and such actions avoid delays of a project on the State Highway System, a positive but indeterminate fiscal impact to business and private individuals may be realized.

The bill expands the list of exemptions from permitting requirements for certain signs. To the extent a sign owner had been paying for permits for these signs in the past, this change will have a positive impact on the private sector. Such signs are also required to be removed at the owner's expense should DOT find the sign must be removed due to federal notification. The net effect of these provisions on a sign owner is indeterminate.

Revisions of the TOD sign program eliminating the restriction of the program to signs at intersections in RACECs provides greater opportunity for business participation in the program. Participants will be subject to permit fees established by local governments.

D. FISCAL COMMENTS:

Failure of the state to maintain control of its outdoor advertising could result in a 10 percent reduction in federal highway funds, which correlates to approximately $160 million annually. To prevent noncompliance with federal law, however, the bill provides that the outdoor advertising exemptions may not be implemented or continued if the Federal Government notifies DOT that the implementation or continuation will adversely affect the allocation of federal funds to DOT. In such cases, DOT shall provide notice to the sign owner that the sign must be removed, and is further authorized to remove the sign and assess removal costs to the owner should it become necessary.

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 action requiring the expenditures of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill eliminates unnecessary rulemaking authority related to lighting restrictions for certain outdoor advertising signs.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

A bill to be entitled

An act relating to transportation; amending s. 337.403, F.S.; providing an exception for payment of certain utility work necessitated by a project on the State Highway System for municipally owned utilities or county-owned utilities located in rural areas of critical economic concern and authorizing the Department of Transportation to pay for such costs under certain circumstances; amending s. 479.16, F.S.; exempting certain signs from the provisions of ch. 479, F.S.; exempting from permitting certain signs placed by tourist-oriented businesses, certain farm signs placed during harvest seasons, certain acknowledgement signs on publicly funded school premises, and certain displays on specific sports facilities; providing that certain provisions relating to the regulation of signs may not be implemented or continued if such actions will adversely impact the allocation of federal funds to the Department of Transportation; directing the department to notify a sign owner that the sign must be removed if federal funds are adversely impacted; authorizing the department to remove the sign and assess costs to the sign owner under certain circumstances; amending s. 479.262, F.S.; clarifying provisions relating to the tourist-oriented directional sign program; limiting

the placement of such signs to intersections on certain rural roads; prohibiting such signs in urban areas or at interchanges on freeways or expressways; providing an effective date.

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

Section 1. Subsection (1) of section 337.403, Florida Statutes, is amended to read:

337.403 Interference caused by relocation of utility; expenses.—

(1) If a utility that is placed upon, under, over, or along any public road or publicly owned rail corridor is found by the authority to be unreasonably interfering in any way with the convenient, safe, or continuous use, or the maintenance, improvement, extension, or expansion, of such public road or publicly owned rail corridor, the utility owner shall, upon 30 days' written notice to the utility or its agent by the authority, initiate the work necessary to alleviate the interference at its own expense except as provided in paragraphs (a)-(h) ~~(a)-(g)~~. The work must be completed within such reasonable time as stated in the notice or such time as agreed to by the authority and the utility owner.

(a) If the relocation of utility facilities, as referred to in s. 111 of the Federal-Aid Highway Act of 1956, Pub. L. No. 84-627 ~~627 of the 84th Congress~~, is necessitated by the

construction of a project on the federal-aid interstate system, including extensions thereof within urban areas, and the cost of the project is eligible and approved for reimbursement by the Federal Government to the extent of 90 percent or more under the Federal Aid Highway Act, or any amendment thereof, then in that event the utility owning or operating such facilities shall perform any necessary work upon notice from the department, and the state shall pay the entire expense properly attributable to such work after deducting therefrom any increase in the value of a new facility and any salvage value derived from an old facility.

(b) When a joint agreement between the department and the utility is executed for utility work to be accomplished as part of a contract for construction of a transportation facility, the department may participate in those utility work costs that exceed the department's official estimate of the cost of the work by more than 10 percent. The amount of such participation is ~~shall be~~ limited to the difference between the official estimate of all the work in the joint agreement plus 10 percent and the amount awarded for this work in the construction contract for such work. The department may not participate in any utility work costs that occur as a result of changes or additions during the course of the contract.

(c) When an agreement between the department and utility is executed for utility work to be accomplished in advance of a contract for construction of a transportation facility, the

department may participate in the cost of clearing and grubbing necessary to perform such work.

(d) If the utility facility was initially installed to exclusively serve the authority or its tenants, or both, the authority shall bear the costs of the utility work. However, the authority is not responsible for the cost of utility work related to any subsequent additions to that facility for the purpose of serving others.

(e) If, under an agreement between a utility and the authority entered into after July 1, 2009, the utility conveys, subordinates, or relinquishes a compensable property right to the authority for the purpose of accommodating the acquisition or use of the right-of-way by the authority, without the agreement expressly addressing future responsibility for the cost of necessary utility work, the authority shall bear the cost of removal or relocation. This paragraph does not impair or restrict, and may not be used to interpret, the terms of any such agreement entered into before July 1, 2009.

(f) If the utility is an electric facility being relocated underground in order to enhance vehicular, bicycle, and pedestrian safety and in which ownership of the electric facility to be placed underground has been transferred from a private to a public utility within the past 5 years, the department shall incur all costs of the necessary utility work.

(g) An authority may bear the costs of utility work required to eliminate an unreasonable interference when the

utility is not able to establish that it has a compensable property right in the particular property where the utility is located if:

1. The utility was physically located on the particular property before the authority acquired rights in the property;

2. The utility demonstrates that it has a compensable property right in all adjacent properties along the alignment of the utility; and

3. The information available to the authority does not establish the relative priorities of the authority's and the utility's interests in the particular property.

(h) If a municipally owned utility or county-owned utility is located in a rural area of critical economic concern, as defined in s. 288.0656(2), and the department determines that the utility is unable, and will not be able within the next 10 years, to pay for the cost of utility work necessitated by a department project on the State Highway System, the department may pay, in whole or in part, the cost of such utility work performed by the department or its contractor.

Section 2. Section 479.16, Florida Statutes, is amended to read:

479.16 Signs for which permits are not required.—Signs placed on benches, transit shelters, modular news racks, street light poles, public pay telephones, and waste receptacles within the right-of-way, as provided under s. 337.408, are exempt from this chapter. The following signs are exempt from the

requirement that a permit ~~for a sign~~ be obtained under ~~the provisions of~~ this chapter but must ~~are required to~~ comply with ~~the provisions of~~ s. 479.11(4)-(8):

(1) Signs erected on the premises of an establishment~~,~~ which ~~signs~~ consist primarily of the name of the establishment or ~~which~~ identify the principal or accessory merchandise, services, activities, or entertainment sold, produced, manufactured, or furnished on the premises of the establishment and which comply with the lighting restrictions imposed under ~~department rule adopted pursuant to~~ s. 479.11(5), or signs owned by a municipality or ~~a~~ county located on the premises of such municipality or ~~such~~ county which display information regarding government services, activities, events, or entertainment. For purposes of this section, the following types of messages shall not be considered information regarding government services, activities, events, or entertainment:

(a) Messages that ~~which~~ specifically reference any commercial enterprise.

(b) Messages that ~~which~~ reference a commercial sponsor of any event.

(c) Personal messages.

(d) Political campaign messages.

If a sign located on the premises of an establishment consists principally of brand name or trade name advertising and the merchandise or service is only incidental to the principal

activity, or if the owner of the establishment receives rental income from the sign, ~~then~~ the sign is not exempt under this subsection.

(2) Signs erected, used, or maintained on a farm by the owner or lessee of such farm and relating solely to farm produce, merchandise, service, or entertainment sold, produced, manufactured, or furnished on such farm.

(3) Signs posted or displayed on real property by the owner or by the authority of the owner, stating that the real property is for sale or rent. However, if the sign contains any message not pertaining to the sale or rental of the ~~that~~ real property, ~~then~~ it is not exempt under this section.

(4) Official notices or advertisements posted or displayed on private property by or under the direction of any public or court officer in the performance of her or his official or directed duties~~,~~ or by trustees under deeds of trust or deeds of assignment or other similar instruments.

(5) Danger or precautionary signs relating to the premises on which they are located; forest fire warning signs erected under the authority of the Florida Forest Service of the Department of Agriculture and Consumer Services; and signs, notices, or symbols erected by the United States Government under the direction of the United States Forestry Service.

(6) Notices of any railroad, bridge, ferry, or other transportation or transmission company necessary for the direction or safety of the public.

(7) Signs, notices, or symbols for the information of aviators as to location, directions, and landings and conditions affecting safety in aviation erected or authorized by the department.

(8) Signs or notices measuring up to 8 square feet in area which are erected or maintained upon property and state ~~stating~~ only the name of the owner, lessee, or occupant of the premises ~~and not exceeding 8 square feet in area~~.

(9) Historical markers erected by ~~duly constituted and~~ authorized public authorities.

(10) Official traffic control signs and markers erected, caused to be erected, or approved by the department.

(11) Signs erected upon property warning the public against hunting and fishing or trespassing ~~thereon~~.

(12) Signs ~~not in excess~~ of up to 8 square feet which ~~that~~ are owned by and relate to the facilities and activities of churches, civic organizations, fraternal organizations, charitable organizations, or units or agencies of government.

~~(13) Except that signs placed on benches, transit shelters, and waste receptacles as provided for in s. 337.408 are exempt from all provisions of this chapter.~~

(13)~~(14)~~ Signs relating exclusively to political campaigns.

(14)~~(15)~~ Signs measuring up to ~~not in excess of~~ 16 square feet placed at a road junction with the State Highway System denoting only the distance or direction of a residence or farm

operation, or, outside an incorporated ~~in a rural~~ area where a hardship is created because a small business is not visible from the road junction with the State Highway System, one sign measuring up to ~~not in excess of~~ 16 square feet, denoting only the name of the business and the distance and direction to the business. ~~The small-business-sign provision of this subsection does not apply to charter counties and may not be implemented if the Federal Government notifies the department that implementation will adversely affect the allocation of federal funds to the department.~~

(15) Signs placed by a local tourist-oriented business located within a rural area of critical economic concern as defined under s. 288.0656(2) which are:

(a) Not more than 8 square feet in size or more than 4 feet in height;

(b) Located only in rural areas on a facility that does not meet the definition of a limited access facility as defined by department rule;

(c) Located within 2 miles of the business location and at least 500 feet apart;

(d) Located only in two directions leading to the business; and

(e) Not located within the road right-of-way.

A business placing such signs must be at least 4 miles from any other business using this exemption and may not participate in

any other directional signage program by the department.

(16) Signs measuring up to 32 square feet denoting only the distance or direction of a farm operation which are erected at a road junction with the State Highway System, but only during the harvest season of the farm operation for a period not to exceed 4 months.

(17) Acknowledgement signs erected upon publicly funded school premises which relate to a specific public school club, team, or event which are placed at least 1,000 feet from any other acknowledgement sign on the same side of the roadway. The sponsor information on an acknowledgement sign may constitute no more than 100 square feet of the sign. For purposes of this subsection, the term "acknowledgement sign" means a sign that is intended to inform the traveling public that a public school club, team, or event has been sponsored by a person, firm, or other entity.

(18) Displays erected upon a sports facility the content of which is directly related to the facility's activities or where products or services offered on the sports facility property are present. Displays must be mounted flush to the surface of the sports facility and must rely upon the building facade for structural support. For purposes of this subsection, the term "sports facility" means an athletic complex, athletic arena, or athletic stadium, including physically connected parking facilities, which is open to the public and has a permanent installed seating capacity of 15,000 people or more.

The exemptions in subsections (14)-(18) may not be implemented or continued if the Federal Government notifies the department that implementation or continuation will adversely impact the allocation of federal funds to the department. If the exemptions in subsections (14)-(18) are not implemented or continued due to notification from the Federal Government that the allocation of federal funds to the department will be adversely impacted, the department shall provide notice to the sign owner that the sign must be removed within 30 days. If the sign is not removed within 30 days after receipt of the notice by the sign owner, the department may remove the sign, and the costs incurred in connection with the sign removal shall be assessed against and collected from the sign owner.

Section 3. Section 479.262, Florida Statutes, is amended to read:

479.262 Tourist-oriented directional sign program.—

(1) A tourist-oriented directional sign program to provide directions to rural tourist-oriented businesses, services, and activities may be established for intersections on rural and conventional state, county, or municipal roads only ~~in rural counties identified by criteria and population in s. 288.0656~~ when approved and permitted by county or local government entities within their respective jurisdictional areas ~~at intersections on rural and conventional state, county, or municipal roads~~. A county or local government that ~~which~~ issues

permits for a tourist-oriented directional sign program is ~~shall be~~ responsible for sign construction, maintenance, and program operation in compliance with subsection (3) for roads on the state highway system and may establish permit fees sufficient to offset associated costs. A tourist-oriented directional sign may not be used on roads in urban areas or at interchanges on freeways or expressways.

(2) This section does not create a proprietary or compensable interest in any tourist-oriented directional sign site or location for any permittee on any rural and conventional state, county, or municipal road ~~roads~~. The department or the permitting entity may terminate permits or change locations of tourist-oriented directional sign sites as determined necessary for construction or improvement of transportation facilities or for improved traffic control or safety.

(3) Tourist-oriented directional signs installed on the state highway system must ~~shall~~ comply with the requirements of the federal Manual on Uniform Traffic Control Devices and rules established by the department. The department may adopt rules to establish requirements for participant qualification, construction standards, location of sign sites, and other criteria necessary to implement this program.

Section 4. This act shall take effect July 1, 2014.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 559 Military Veterans
SPONSOR(S): Metz and others
TIED BILLS: **IDEN./SIM. BILLS:** SB 724

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Veteran & Military Affairs Subcommittee	11 Y, 0 N	Dugan	Kiner
2) Transportation & Economic Development Appropriations Subcommittee		Perkins	Davis
3) Economic Affairs Committee			

SUMMARY ANALYSIS

The bill relates to military special use license plates issued by the Florida Department of Highway Safety and Motor Vehicles (DHSMV). Specifically, the bill renames the Korean Conflict Veteran special use license plate as the Korean War Veteran special use license plate and redesigns that plate and the Vietnam War Veteran special use license plate by requiring that the likeness of the relevant campaign medal or badge be placed on the respective plate. The bill also revises statutory references to "Korean Conflict" and "Vietnam Era" to conform to the changes.

The bill also creates a new special use license plate for a recipient of the Combat Medical Badge and redesigns several special use license plates for military servicemembers or veterans identified in s. 320.089, F.S., by requiring that the likeness of the relevant campaign medal or badge be placed on the respective plate.

The Revenue Estimating Conference projected this bill would have an insignificant negative impact on General Revenue and an insignificant positive impact on state trust funds. An estimated negative fiscal impact to the DHSMV of $52,920 can be absorbed within department resources.

The bill has an effective date of July 1, 2014.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Background

Florida has the third largest population of veterans in the nation with over 1.5 million, behind only California and Texas.[1] Florida has more than 113,000 veterans from World War II, the largest number in the nation.[2] In addition, approximately 75 percent of Florida's veteran population is wartime veterans, including more than 231,000 veterans of the Afghanistan and Iraq wars and 498,000 Vietnam-era veterans. There are approximately 188,500 military retirees who call Florida home.[3]

Florida has a large military population with more than 61,000 military personnel and 12,000 Florida National Guard members.[4] Another 25,000 civilian personnel are directly associated with the military presence in Florida.[5]

Florida's military installations and defense businesses provide a $73 billion annual economic impact, and account for more than 758,000 jobs in Florida, representing the 3rd largest sector of the state economy after agriculture and tourism.[6] The military spent $31.3 billion across Florida in Fiscal Year 2011 in goods and services, pensions, and salaries. Retirement, disability benefits and other transfers represent $12.8 billion of that total.[7]

Motor Vehicle License Plates

The DHSMV administers the issuance of motor vehicle license plates as a part of the tag and registration requirements specified in ch. 320, F.S. License plates are issued for a ten-year period and are replaced upon renewal at the end of the ten-year period.[8] The license plate fee for both an original issuance and replacement is $28.00.[9] An advance replacement fee of $2.80 is applied to the annual vehicle registration and is credited towards the next replacement.[10] Section 320.08, F.S., requires the payment of an annual license tax, which varies by motor vehicle type and weight. For a standard passenger vehicle weighing between 2,500 and 3,500 pounds, the annual tax is $30.50, of which $8 is deposited in the General Revenue Fund.[11]

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[1] FDVA, Annual Report Fiscal Year 2012-13, Facts and Figures.
[2] Id.
[3] Id; FDVA, Fast Facts, available at: http://floridavets.org/?page_id=50 (last viewed February 18, 2014).
[4] Florida Defense Factbook, EFI and Haas Center, January 2013, available at: http://www.enterpriseflorida.com/the-florida-defense-support-task-force/resources/ (last viewed February 18, 2014).
[5] Id.
[6] Florida's Military Profile, Enterprise Florida, Defense Office, available at: http://www.enterpriseflorida.com/the-florida-defense-support-task-force/information/ (last viewed February 18, 2014).
[7] Florida Defense Industry Economic Impact Analysis, available at: http://www.floridadefense.org/documents/HAAS%20Study%202013/Impact2013FinalSubmission3.26.13.pdf (last viewed February 18, 2014).
[8] s. 320.06(1)(b), F.S.
[9] s. 320.06(1)(b), F.S.; DHSMV, Fee Schedule, available at: http://www.flhsmv.gov/DHSMVfees.htm (last viewed February 18, 2014).
[10] s. 320.06(1)(b), F.S.; DHSMV, License Plate Rate Chart, available at: www.flhsmv.gov/dmv/forms/BTR/83140.pdf (last viewed February 18, 2014).
[11] DHSMV, Fee Schedule, available at: http://www.flhsmv.gov/DHSMVfees.htm (last viewed February 18, 2014).

Current law provides for several types of license plates. In addition to plates issued for governmental or business purposes, the DHSMV offers four basic types of plates to the general public:

- standard plates;
- specialty license plates;
- personalized prestige license plates;
- special use license plates.

Special Use License Plates

Certain members of the general public may be eligible to apply for special use license plates if they are able to document their eligibility[12] pursuant to various sections of ch. 320, F.S. Special use license plates primarily include special use military license plates as well as plates for the handicapped.

Currently, there are 13 special use license plates authorized in s. 320.089, F.S., which can be issued to military servicemembers or veterans for the following types of service:[13]

- active or retired member of the Florida National Guard;
- active or retired member of any branch of the United States Armed Forces Reserve;
- former Prisoner of War;
- survivor of Pearl Harbor;
- recipient of the Purple Heart medal;
- servicemember or veteran of Operation Desert Storm;
- servicemember or veteran of Operation Desert Shield;
- servicemember or veteran of Operation Iraqi Freedom;
- servicemember or veteran of Operation Enduring Freedom;
- recipient of the Combat Infantry Badge;
- recipient of the Combat Action Badge;
- veteran of the Vietnam War;
- veteran of the Korean Conflict.

Current law directs the first $100,000 of general revenue generated from the issuance of these special use plates is deposited into the Grants and Donations Trust Fund under the Veterans' Nursing Homes of Florida Act.[14] Any additional general revenue is deposited into the State Homes for Veterans Trust Fund and used to construct, operate, and maintain domiciliary and nursing homes for veterans.[15] For Fiscal Year 2012-2013 the total revenue from these plates was $2,112,491.73.[16]

Tax Collectors maintain an adequate inventory on hand for each special use license plate. Upon issuance of a redesigned special use license plate, the on-hand inventory with the existing design would become obsolete and be removed from inventory.[17] Two of the thirteen military-related special use license plates in s. 320.089, F.S., currently have images related to the campaign medal or badge: the Purple Heart and the Combat Infantry Badge. Thus, these two special use license plates would not be removed from the current inventory upon passage of this bill. Based on current figures, the DHSMV identified the following information as it relates to redesigning the 11 special use license plates:[18]

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[12] See DHSMV form HSMV 83030 for an example of instructions on the required proof of service and/or receipt of a campaign medal or badge, available at: http://www.flhsmv.gov/specialtytags/miltags.html#ng (last viewed February 18, 2014). A veteran of the U.S. Armed Forces would present Department of Defense form DD-214.

[13] s. 320.089, F.S.; Recipients of the special use license plates in s. 320.089, F.S. are required to pay the annual license tax in s. 320.08, F.S., except for survivors of Pearl Harbor, recipients of the Purple Heart medal, and former Prisoners of War.

[14] s. 320.089(1)(b), F.S.

[15] Id.

[16] FDVA, 2014 Agency Bill Analysis: HB 559.

[17] DHSMV, 2014 Agency Bill Analysis: HB 559.

[18] Per email correspondence with DHSMV staff, February 11, 2014, on file with Veteran & Military Affairs Subcommittee Staff and DHSMV, 2014 Agency Bill Analysis: HB559.

Plate	Inventory	Cost Per Plate[19]	Total	Valid Registration
Florida National Guard	4,280	$ 2.82	$ 12,069.60	5,304
U.S. Armed Forces Reserve	4,310	$ 2.82	$ 12,154.20	2,223
EX-POW	3,917	$ 2.82	$ 11,045.94	962
Pearl Harbor	3,858	$ 2.82	$ 10,879.56	144
Purple Heart	8,840	$ 0	$ 0	12,782
Operation Desert Storm	2,533	$ 2.82	$ 7,143.06	62
Operation Desert Shield	2,475	$ 2.82	$ 6,979.50	1
Operation Iraqi Freedom	3,667	$ 2.82	$ 10,340.94	3,176
Operation Enduring Freedom	3,793	$ 2.82	$ 10,696.26	1,653
Combat Infantry Badge	2,613	$ 0	$ 0	214
Combat Action Badge	2,702	$ 2.82	$ 7,619.64	112
Vietnam War	3,168	$ 2.82	$ 8,933.76	1,762
Korean Conflict	2,720	$ 2.82	$ 7,670.40	119
Total	**48,876**		**$105,532.86**	**28,514**

Combat Medical Badge

Army regulations provide for three types of combat badges: the Combat Infantryman Badge, the Combat Action Badge, and the Combat Medical Badge.[20] Currently, the DHSMV offers a Combat Action Badge special use license plate and a Combat Infantry Badge license plate, but not a Combat Medical Badge special use license plate.

The Combat Medical Badge was created by the War Department on March 1, 1945.[21] Its evolution stemmed from a requirement to recognize medical aid-men who shared the same hazards and hardships of ground combat on a daily basis with the infantry soldier.[22] The Combat Medical Badge was designed to provide recognition to the field medic who accompanies the infantryman into battle and shares the experiences unique to the infantry in combat.[23]

Effect of Proposed Changes

The bill renames the Korean Conflict Veteran special use license plate as the Korean War Veteran special use license plate and redesigns that plate and the Vietnam War Veteran special use license plate by requiring that the likeness of the relevant campaign medal or badge be placed on the respective plate. The bill also revises statutory references to "Korean Conflict" and "Vietnam Era" to conform to the changes.

The bill also amends s. 320.089, F.S., creating a special use license plate for recipients of the Combat Medical Badge. Upon payment of the license tax for the vehicle as provided in s. 320.08, F.S., and proof of being a recipient of the Combat Medical Badge, the applicant may receive a special use license plate bearing the words "Combat Medical Badge," and a likeness of the related campaign badge, followed by the license plate serial number.

[19] The DHSMV cost to manufacture a special use license plate with a likeness of a campaign medal or badge is $2.82, while a license plate with only black lettering is $1.71. The Purple Heart and Combat Infantry Badge special use license plates currently have an image related to the relevant campaign medal or badge, and thus will not result in an additional cost to the DHSMV.

[20] United States Army Regulation 600-8-22, Section II, available at: http://armypubs.army.mil/epubs/600_Series_Collection_1.html (last viewed February 18, 2014).

[21] U.S. Army Human Resources Command, Combat Medical Badge, available at: https://www.hrc.army.mil/TAGD/Combat%20Medical%20Badge%20CMB (last viewed February 18, 2014).

[22] Id.

[23] Id.

The bill further requires that military-related special use license plates be stamped with the likeness of the related campaign medal or badge. Currently, only two of the 11 military-related special use license plates are stamped with the likeness of the related campaign medal or badge. As a result, the bill would require the following military-related special use license plates to be redesigned:

- active or retired member of the Florida National Guard;
- active or retired member of any branch of the United States Armed Forces Reserve;
- former Prisoner of War;
- survivor of Pearl Harbor;
- servicemember or veteran of Operation Desert Storm;
- servicemember or veteran of Operation Desert Shield;
- servicemember or veteran of Operation Iraqi Freedom;
- servicemember or veteran of Operation Enduring Freedom;
- recipient of the Combat Action Badge;
- veteran of the Vietnam War;
- veteran of the Korean Conflict.

Effective Date

The bill is effective July 1, 2014.

B. SECTION DIRECTORY:

Section 1: Amends s. 1.01(14), F.S., to revise references from the "Korean Conflict" and the "Vietnam Era" to the "Korean War" and the "Vietnam War", respectively.

Section 2: Amends s. 295.125(2), F.S., to revise a reference from "Vietnam Era" to "Vietnam War".

Section 3: Amends s. 320.089, F.S., to create a special use plate for recipients of the Combat Medical Badge and redesigns the special use license plate for a military servicemember or veteran identified in s. 320.089, F.S., by creating a likeness of the relevant campaign medal or badge on the license plate.

Section 4: Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The DVA receives the General Revenue generated from the issuance of these special use license plates authorized in s. 320.089, F.S. The first $100,000 of General Revenue generated annually from these plates is deposited into the Grants and Donations Trust Fund (State Veterans' Nursing Homes) and any additional revenue is deposited into the State Homes for Veterans Trust Fund. For Fiscal Year 2012-2013, the total revenue from these plates was $2,112,491.73. The Revenue Estimating Conference (REC) met on February 21, 2014, and projected an insignificant negative impact on General Revenue and an insignificant positive impact on state trust funds.

2. Expenditures:

According to DHSMV, the total cost to create the Combat Medical Badge license plate and redesign the 11 existing special use license plates is $52,920, which can be absorbed within existing resources. This includes programming costs required to accommodate the changes of this bill.

- The initial startup cost to create and manufacture a Combat Medical Badge license plate would be $4,230. An initial order of 1,500 license plates would be made (1,500 x $2.82) and distributed to Tax Collector offices statewide to meet public demand.
- Startup costs to place the eleven redesigned special use license plates (1,500 of each) in inventory statewide would be $46,530 (11 x 1500 x $2.82).
- Programming costs of $2,160 are required to implement the provisions of this bill.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

In each jurisdiction, the local tax collector office serves as an agent for various state and local government agencies. When processing motor vehicle registration transactions, the tax collector retains a $2.50 service fee, and a $0.50 fee if the transaction is processed at a branch office. The fee is often distributed to the appropriate local governmental entity. To the extent that new Combat Medical Badge special use license plates or redesigned special use license plates in s. 320.089, F.S., result in new registrations, local governments may see an indeterminate increase in revenue.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Upon passage and implementation of this bill, a redesigned special use license plate currently listed in s. 320.089, F.S., may be issued to a current Florida motor vehicle registrant, as a "renewal" license plate as opposed to a "new" license plate.[24] Registration fees and taxes vary, based on the weight of the vehicle. On average, it costs approximately $45-50 in taxes and fees for either the renewal of a special use license plate or the first time issuance of a special use license plate in exchange for a standard license plate.[25]

In addition, there is a one-time $225 fee for a driver who registers a vehicle in Florida for the first time. This fee does not apply to a registrant who renews his or her registration.[26]

A special use license plate would be available to a new group of registrants who are recipients the Combat Medical Badge.

D. FISCAL COMMENTS:

None.

[24] Per email correspondence with DHSMV staff, February 11, 2014, on file with Veteran & Military Affairs Subcommittee staff.
[25] Per email correspondence with DHSMV staff, February 12, 2014, on file with Veteran & Military Affairs Subcommittee staff.
[26] Id.

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 action requiring the expenditures of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

Not Applicable.

B. RULE-MAKING AUTHORITY:

Not Applicable.

C. DRAFTING ISSUES OR OTHER COMMENTS:

The DHSMV recommends the effective date of the bill be amended to January 1, 2015, to allow sufficient time to implement programming to accomplish the provisions of the bill. According to the DHSMV, it takes approximately six months to redesign an existing plate type as new sheeting has to be designed and approved for manufacture and distribution statewide.

There are seven additional military related license plates that may be issued to military servicemembers and veterans for the following types of service:

- disabled veterans per s. 320.084, F.S.;
- disabled veterans who use a wheelchair per s. 320.0842, F.S.;
- members of Paralyzed Veterans of America per s. 320.0846, F.S.;
- active duty members of the Florida National Guard per s. 320.0846, F.S.;
- active or retired United States Paratroopers per s. 320.0891, F.S.;
- recipient of the Silver Star, Distinguished Service Cross, Navy Cross, or Air Force Cross per s. 320.0892, F.S.;
- recipient of the Medal of Honor per s 320.0893, F.S.

Further, there is one military related license plate that may be issued to Gold Star family members of military servicemembers who were killed in the line of duty per s. 320.0894, F.S.

Currently, there is not a likeness of the relevant service on these additional plates, other than the Medal of Honor, U.S. Paratrooper, and the Gold Star Family license plates.[27]

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

[27] DHSMV Military License Plates, available at: http://www.flhsmv.gov/specialtytags/miltags.html#ng (last viewed February 18, 2014).

A bill to be entitled

An act relating to military veterans; amending ss. 1.01 and 295.125, F.S.; revising references from the "Korean Conflict" and the "Vietnam Era" to the "Korean War" and the "Vietnam War," respectively, and from "Korean Conflict Veteran" to "Korean War Veteran"; reordering and amending s. 320.089, F.S.; authorizing the issuance of a Combat Medical Badge license plate; revising references; establishing a method of proof of eligibility for certain specialty license plates; providing an effective date.

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

Section 1. Subsection (14) of section 1.01, Florida Statutes, is amended to read:

1.01 Definitions.—In construing these statutes and each and every word, phrase, or part hereof, where the context will permit:

(14) The term "veteran" means a person who served in the active military, naval, or air service and who was discharged or released ~~therefrom~~ under honorable conditions only or who later received an upgraded discharge under honorable conditions, notwithstanding any action by the United States Department of Veterans Affairs on individuals discharged or released with other than honorable discharges. To receive benefits as a wartime veteran, a veteran must have served in a campaign or expedition for which a campaign badge has been authorized or ~~a~~

~~veteran must have served~~ during one of the following periods of wartime service:

(a) Spanish-American War: April 21, 1898, to July 4, 1902, and including the Philippine Insurrection and the Boxer Rebellion.

(b) Mexican Border Period: May 9, 1916, to April 5, 1917, in the case of a veteran who during such period served in Mexico, on the borders of ~~thereof~~, or in the waters adjacent to Mexico ~~thereto~~.

(c) World War I: April 6, 1917, to November 11, 1918; extended to April 1, 1920, for those veterans who served in Russia; also extended through July 1, 1921, for those veterans who served after November 11, 1918, and before July 2, 1921, provided such veterans had at least 1 day of service between April 5, 1917, and November 12, 1918.

(d) World War II: December 7, 1941, to December 31, 1946.

(e) Korean War ~~Conflict~~: June 27, 1950, to January 31, 1955.

(f) Vietnam War ~~Era~~: February 28, 1961, to May 7, 1975.

(g) Persian Gulf War: August 2, 1990, to January 2, 1992.

(h) Operation Enduring Freedom: October 7, 2001, and ending on the date thereafter prescribed by presidential proclamation or by law.

(i) Operation Iraqi Freedom: March 19, 2003, and ending on the date thereafter prescribed by presidential proclamation or by law.

Section 2. Subsection (2) of section 295.125, Florida Statutes, is amended to read:

295.125 Preference for admission to career training.—

(2) In determining order of admission or acceptance for students, every career center or career program that ~~which~~ receives state funding or support shall give preference as provided in subsection (3) to a person who served in the Armed Forces of the United States at any time during the Vietnam War ~~Era~~, as defined in s. 1.01(14), and who has been separated therefrom under honorable conditions, if such person's enrollment is directly related to his or her present employment or to his or her securing employment.

Section 3. Section 320.089, Florida Statutes, is reordered and amended to read:

320.089 Members of National Guard ~~and active United States Armed Forces reservists~~; ~~former prisoners of war;~~ survivors of Pearl Harbor; Purple Heart medal recipients; active or retired United States Armed Forces reservists ~~Operation Desert Storm Veterans; Operation Desert Shield Veterans; Operation Iraqi Freedom and Operation Enduring Freedom Veterans~~; Combat Infantry Badge, Combat Medical Badge, or Combat Action Badge recipients; former prisoners of war; Korean War Veterans; Vietnam War Veterans; Operation Desert Shield Veterans; Operation Desert Storm Veterans; Operation Enduring Freedom Veterans; and Operation Iraqi Freedom ~~Korean Conflict~~ Veterans; special license plates; fee.—

(1)(a) Each owner or lessee of an automobile or truck for private use or recreational vehicle as specified in s. 320.08(9)(c) or (d), which is not used for hire or commercial use, who is a resident of the state and an active or retired

member of the Florida National Guard, a survivor of the attack on Pearl Harbor, a recipient of the Purple Heart medal, an active or retired member of any branch of the United States Armed Forces Reserve, or a recipient of the Combat Infantry Badge, Combat Medical Badge, or Combat Action Badge shall, upon application to the department, accompanied by proof of active membership or retired status in the Florida National Guard, proof of membership in the Pearl Harbor Survivors Association or proof of active military duty in Pearl Harbor on December 7, 1941, proof of being a Purple Heart medal recipient, proof of active or retired membership in any branch of the Armed Forces Reserve, or proof of membership in the Combat Infantrymen's Association, Inc., or other proof of being a recipient of the Combat Infantry Badge, Combat Medical Badge, or Combat Action Badge, and upon payment of the license tax for the vehicle as provided in s. 320.08, be issued a license plate as provided by s. 320.06, upon which, in lieu of the serial numbers prescribed by s. 320.06, shall be stamped the words "National Guard," "Pearl Harbor Survivor," "Combat-wounded veteran," "U.S. Reserve," "Combat Infantry Badge," "Combat Medical Badge," or "Combat Action Badge," as appropriate, and a likeness of the related campaign medal or badge, followed by the serial number of the license plate. Additionally, the Purple Heart plate may have the words "Purple Heart" stamped on the plate and the likeness of the Purple Heart medal appearing on the plate.

(b) Notwithstanding any other provision of law to the contrary, beginning with fiscal year 2002-2003 and annually thereafter, the first $100,000 in general revenue generated from

the sale of license plates issued under this section shall be deposited into the Grants and Donations Trust Fund, as described in s. 296.38(2), to be used for the purposes established by law for that trust fund. Any additional general revenue generated from the sale of such plates shall be deposited into the State Homes for Veterans Trust Fund and used solely to construct, operate, and maintain domiciliary and nursing homes for veterans, subject to the requirements of chapter 216.

(c) Notwithstanding any provisions of law to the contrary, an applicant for a Pearl Harbor Survivor license plate or a Purple Heart license plate who also qualifies for a disabled veteran's license plate under s. 320.084 shall be issued the appropriate special license plate without payment of the license tax imposed by s. 320.08.

(2) Each owner or lessee of an automobile or truck for private use, truck weighing not more than 7,999 pounds, or recreational vehicle as specified in s. 320.08(9)(c) or (d), which is not used for hire or commercial use, who is a resident of the state and who is a former prisoner of war, or their unremarried surviving spouse, shall, upon application therefor to the department, be issued a license plate as provided in s. 320.06, on which license plate are stamped the words "Ex-POW" followed by the serial number. Each application shall be accompanied by proof that the applicant meets the qualifications specified in paragraph (a) or paragraph (b).

(a) A citizen of the United States who served as a member of the Armed Forces of the United States or the armed forces of a nation allied with the United States who was held as a

prisoner of war at such time as the Armed Forces of the United States were engaged in combat, or their unremarried surviving spouse, may be issued the special license plate provided for in this subsection without payment of the license tax imposed by s. 320.08.

(b) A person who was serving as a civilian with the consent of the United States Government, or a person who was a member of the Armed Forces of the United States who was not a United States citizen and was held as a prisoner of war when the Armed Forces of the United States were engaged in combat, or their unremarried surviving spouse, may be issued the special license plate provided for in this subsection upon payment of the license tax imposed by s. 320.08.

(3) Each owner or lessee of an automobile or truck for private use, truck weighing not more than 7,999 pounds, or recreational vehicle as specified in s. 320.08(9)(c) or (d), which is not used for hire or commercial use, who is a resident of this state and who is the unremarried surviving spouse of a recipient of the Purple Heart medal shall, upon application therefor to the department, with the payment of the required fees, be issued a license plate as provided in s. 320.06, on which license plate are stamped the words "Purple Heart" and the likeness of the Purple Heart medal followed by the serial number. Each application shall be accompanied by proof that the applicant is the unremarried surviving spouse of a recipient of the Purple Heart medal.

(4) ~~(6)~~ The owner or lessee of an automobile or truck for private use, a truck weighing not more than 7,999 pounds, or a

recreational vehicle as specified in s. 320.08(9)(c) or (d) which automobile, truck, or recreational vehicle is not used for hire or commercial use, who is a resident of the state and a current or former member of the United States Armed Forces ~~military~~, and who was deployed and served in Korea during the Korean War as defined in s. 1.01(14), ~~United States military deployment in Korea~~ shall, upon application to the department, accompanied by proof of active membership or former active duty status during the Korean War ~~these operations~~, and upon payment of the license tax for the vehicle as provided in s. 320.08, be issued a license plate as provided by s. 320.06 upon which, in lieu of the registration license number prescribed by s. 320.06, shall be stamped the words "Korean War Veteran," and a likeness of the Korean Service Medal, ~~"Korean Conflict Veteran,"~~ followed by the registration license number of the plate. Proof that the applicant was awarded the Korean Service Medal is sufficient to establish eligibility for the license plate.

(5) The owner or lessee of an automobile or truck for private use, a truck weighing not more than 7,999 pounds, or a recreational vehicle as specified in s. 320.08(9)(c) or (d) which automobile, truck, or recreational vehicle is not used for hire or commercial use, who is a resident of the state and a current or former member of the United States military, and who was deployed and served in Vietnam during United States military deployment in Indochina shall, upon application to the department, accompanied by proof of active membership or former active duty status during these operations, and, upon payment of the license tax for the vehicle as provided in s. 320.08, be

issued a license plate as provided by s. 320.06 upon which, in lieu of the registration license number prescribed by s. 320.06, shall be stamped the words "Vietnam War Veteran," and a likeness of the Vietnam Service Medal, followed by the registration license number of the plate. Proof that the applicant was awarded the Vietnam Service Medal is sufficient to establish eligibility for the license plate.

(6)~~(4)~~ The owner or lessee of an automobile or truck for private use, a truck weighing not more than 7,999 pounds, or a recreational vehicle as specified in s. 320.08(9)(c) or (d) which automobile, truck, or recreational vehicle is not used for hire or commercial use who is a resident of the state and a current or former member of the United States military who was deployed and served in Saudi Arabia, Kuwait, or another area of the Persian Gulf during Operation Desert Shield or Operation Desert Storm ~~or Operation Desert Shield~~; in Afghanistan during Operation Enduring Freedom; or in Iraq during Operation Iraqi Freedom~~; or in Afghanistan during Operation Enduring Freedom~~ shall, upon application to the department, accompanied by proof of active membership or former active duty status during one of these operations, and upon payment of the license tax for the vehicle as provided in s. 320.08, be issued a license plate as provided by s. 320.06 upon which, in lieu of the registration license number prescribed by s. 320.06, shall be stamped the words "Operation Desert Shield," "Operation Desert Storm," "Operation Enduring Freedom," or ~~"Operation Desert Shield,"~~ "Operation Iraqi Freedom," ~~or "Operation Enduring Freedom,"~~ as appropriate, and a likeness of the related campaign medal

followed by the registration license number of the plate. Proof that the applicant was awarded the Southwest Asia Service Medal, Iraq Campaign Medal, Afghanistan Campaign Medal, or Global War on Terrorism Expeditionary Medal is sufficient to establish eligibility for the appropriate license plate.

Section 4. This act shall take effect July 1, 2014.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7023 BILL EDTS 14-03 Economic Development
SPONSOR(S): Economic Development & Tourism Subcommittee; Hutson
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Economic Development & Tourism Subcommittee	10 Y, 1 N	Duncan	West
1) Transportation & Economic Development Appropriations Subcommittee		Proctor	Davis
2) Economic Affairs Committee			

SUMMARY ANALYSIS

The bill relates to general economic development and contains provisions that modify transportation concurrency for certain business development, several programs administered by the Department of Economic Opportunity (DEO), makes changes to Space Florida's duties and responsibilities, and adjusts reemployment assistance tax payment installment plans.

Impact Fees, Concurrency and Proportionate Share
The bill exempts certain new development from having to comply with concurrency or proportionate share requirements for transportation impacts for three years. The exemption lasts from July 1, 2014, through June 30, 2017. The exemption window will not apply to a new development if it is revoked by a majority vote of the local government's governing authority, alters a local government's financing contracts or bonds, or the developer elects to not have the exemption applied.

Revolving Loan Programs
The bill defines the term "loan programs" and "loan administrator" and establishes requirements for the operation of all loan programs administered by DEO for the purpose of increasing accountability and performance of recipients of loan programs under chapter 288, F.S.

Small Cities Community Development Block Grant Program
The bill directs DEO to distribute Small Cities CDBG Program grants and loan guarantees through a competitive selection process established by rule and revises provisions in the program to provide greater flexibility in addressing the diverse community and economic development needs of Florida's rural communities.

Space Florida
The bill requires Space Florida to consult with VISIT Florida in developing a space tourism marketing plan. Presently, Space Florida is directed to consult with Enterprise Florida, Inc. for this purpose. The bill also repeals the requirement that Space Florida develop a proposal for a Center of Excellence for Aerospace.

Reemployment Assistance Installment Plans
Since 2010, and set to expire in 2014, state law has allowed employers to elect to make quarterly contributions to the UC Trust Fund, as opposed to a single annual contribution. An annual administrative fee of $5 is assessed on each employer who chooses this option, but otherwise, there is no penalty. The bill makes this option permanent.

Rural Areas of Critical Economic Concern
The bill renames "rural areas of critical economic concern" as "rural areas of opportunity."

The bill has provisions relating to impact fees, concurrency and proportionate share that may have a negative indeterminate impact on local government revenues. The other provisions of the bill do not have a fiscal impact on state or local governments. See FISCAL COMMENTS.

The bill provides an effective date of July 1, 2014.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Concurrency and Proportionate Share

Present Situation

Transportation Concurrency

Concurrency requires public facilities and services to be available concurrent with the impacts of new development. Concurrency in Florida is required for sanitary sewer, solid waste, drainage, and potable water.[1] Concurrency was formerly required for transportation, schools, and parks and recreation, but in 2011 the Legislature made concurrency for these facilities optional with the passage of the Community Planning Act.[2] Many local governments continue to exercise the option to impose concurrency on transportation and school facilities.

Concurrency is tied to provisions requiring local governments to adopt level-of-service (LOS) standards, address existing deficiencies, and provide infrastructure to accommodate new growth reflected in the comprehensive plan.[3] Local governments are charged with setting LOS standards within their jurisdiction, and if the LOS standards are not met, development permits may not be issued without an applicable exception.

Proportionate-share is a tool local governments may use to require developers to help mitigate the impacts of their development. Proportionate-share requires developers to contribute to or build facilities necessary to offset a new development's impacts.[4] The state provides specific formulas local governments must use when calculating proportionate share and specify criteria for when developers have satisfied proportionate-share requirements. Local governments may require proportionate-share contributions from developers for both transportation and school impacts.[5]

Chapter 2011-139, Laws of Florida, the Community Planning Act (Act), enacted fundamental changes to growth management, including the statutory requirements for transportation concurrency and the calculation of proportionate share contributions. Most notably, the Act made transportation concurrency optional. If local governments elect to retain transportation concurrency, then their comprehensive plans must comply with the requirements included in s. 163.3180(5), F.S.

According to data provided by the Florida Department of Transportation and the Department of Economic Opportunity, as of December 2013, 23 local governments in Florida have rescinded transportation concurrency.[6] In several instances, these local governments replaced transportation concurrency with alternative transportation mitigation strategies such as mobility fees.

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[1] Section 163.3180(1), F.S.

[2] Section 15, ch. 2011-139, L.O.F., "The Community Planning Act."

[3] *Id.*

[4] Florida Dept. of Community Affairs, Transportation Concurrency: Best Practices Guide pp. 64-66 (2007), retrieved from www.cutr.usf.edu/pdf/DCA_TCBP%20Guide.pdf (Dec. 10, 2013).

[5] Sections 163.3180(5), F.S., and 163.3180(6), F.S.

[6] Email to House Economic Development & Tourism Subcommittee Staff from the Department of Transportation via the Department of Economic Opportunity, Local Governments Rescinding Transportation Concurrency: Counties: Citrus, Nassau, Pasco, Sumter, and Taylor; Municipalities: Bradenton, Bushnell, Cinco Bayou, Crestview, Eustis, Gainesville, Jacksonville Beach, Kissimmee, Longboat Key, Longwood, Maitland, Miami Springs, Ocala, Palmetto, Plant City, St. Augustine, Tavares, and Wildwood. Note: Jacksonville-Duval County and Alachua County notified DEO in their respective adoption ordinances that each has rescinded transportation concurrency and have adopted mobility plans. (Jan. 7, 2014).

Impact Fees

Impact fees are enacted by local home rule ordinance. These fees require total or partial payment to counties, municipalities, special districts, and school districts for the cost of additional infrastructure necessary as a result of new development. Impact fees are tailored to meet the infrastructure needs of new growth at the local level. As a result, impact fee calculations vary from jurisdiction to jurisdiction and from fee to fee. Impact fees also vary extensively depending on local costs, capacity needs, resources, and the local government's determination to charge the full cost of the fee's earmarked purposes.

The Legislature has found that impact fees are an important source of revenue for local governments to use in funding the infrastructure necessitated by growth. Due to the growth of impact fee collections and local governments' reliance on impact fees, the Legislature imposes minimum standards local governments must comply with when adopting impact fees.[7]

At minimum, an impact fee adopted by ordinance of a county or municipality or by resolution of a special district must:

- Require that the calculation of the impact fee be based on the most recent and localized data.
- Provide for accounting and reporting of impact fee collections and expenditures. If a local governmental entity imposes an impact fee to address its infrastructure needs, the entity shall account for the revenues and expenditures of such impact fee in a separate accounting fund.
- Limit administrative charges for the collection of impact fees to actual costs.
- Require that notice be provided no less than 90 days before the effective date of an ordinance or resolution imposing a new or increased impact fee. A county or municipality is not required to wait 90 days to decrease, suspend, or eliminate an impact fee.[8]

In 2009, the Legislature codified the burden of proof for impact fee ordinance challenges.[9] Subsequently, several cities and counties and the Florida Association of Counties sued the Speaker of the Florida House of Representatives and the President of the Florida Senate claiming the bill was unconstitutional. One of the arguments raised by the plaintiffs was that the bill was an unconstitutional mandate.[10] As a result of the litigation, the Legislature revisited the issue in 2011, passing SB 410 with a vote of over two-thirds of both chambers to ensure the constitutionality of the bill.[11]

According to the 2012 National Impact Fee Survey,[12] 58 Florida jurisdictions have impact fees in place. The same source indicates that 41 of Florida's 67 counties had enacted impact fees which cover a variety of facilities (roads, water, wastewater, school, etc.). It should be noted that at least 17 counties had voluntarily suspended the collection of impact fees at the time of the survey. Of the counties presently suspending impact fees eight are rural or designated Rural Areas of Critical Economic Concern.

Effect of Proposed Changes

The bill creates a three-year window exempting certain new business development from satisfying transportation concurrency requirements and contributing to its corresponding proportionate share. The

[7] Section 163.31801, F.S., the "Florida Impact Fee Act," s. 9, ch. 2006-218, L.O.F.
[8] Section 163.31801(3), F.S.
[9] Chapter 2009-49, L.O.F.
[10] *Alachua County v. Cretul*, Case No. 10-CA-0478 (Fla. 2d Jud. Cir. 2010).
[11] Chapter 2011-149, L.O.F.
[12] Duncan Associates, ImpactFees.com. *The 2012 National Impact Fee Survey, available at:* www.impactfees.com/publications%20pdf/2012_survey.pdf.

bill also exempts certain transportation impact fees from being imposed on new business development. The exemptions expire July 1, 2018.

Transportation Concurrency

The bill prohibits a local government from applying transportation concurrency within its jurisdiction or requiring a proportionate-share contribution or construction for new business development before July 1, 2017, unless authorized by majority vote of the local government's governing authority. This provision does not apply to proportionate-share contribution or construction assessed on an existing business development before July 1, 2014; or a new business development that consists of more than 6,000 square feet and is classified as nonresidential.

To maintain the exemption from transportation concurrency and proportionate-share contribution or construction, a new business development must receive a certificate of occupancy on or before July 1, 2018. If the certificate of occupancy is not received by July 1, 2018, the local government is authorized to apply transportation concurrency and require the appropriate proportionate-share contribution or construction for the business development that would otherwise be applied.

The bill further states that the exemption does not apply if it results in a reduction of previously pledged revenue of a local government for currently outstanding bonds or notes or to a local government with a mobility fee-based funding system in place by January 1, 2014.

Impact Fees

The bill prohibits a local government from imposing any new or existing impact fee or any new or existing fee associated with the mitigation of transportation impacts on new business development. This provision does not apply to any impact fee or fee associated with the mitigation of transportation impacts assessed on an existing business before July 1, 2014; or a new business development that consists of more than 6,000 square feet and is classified as nonresidential.

To maintain the exemption from impact fees and fees associated with the mitigation of transportation impacts, a new business development must receive a certificate of occupancy on or before July 1, 2018. If the certificate of occupancy is not received by July 1, 2018, the local government is authorized to impose the appropriate impact fees and fees associated with the mitigation of transportation impacts on the business development that otherwise would have been applied.

The bill further states that the exemption does not apply if it results in a reduction of previously pledged revenue of a local government for currently outstanding bonds or notes or to a local government with a mobility fee-based funding system in place by January 1, 2014.

Loan Programs Administered by the Department of Economic Opportunity

Present Situation

The Florida Department of Economic Opportunity administers the following loan programs under chapter 288, F.S.:

- Rural Community Development Revolving Loan Program.
- Economic Gardening Business Loan Pilot Program.
- Black Business Loan Program.

Each program has specific program requirements; however, there are no standard requirements to ensure accountability and proper management of such programs.

Rural Community Development Revolving Loan Program

The Rural Community Development Revolving Loan Program[13] provides long-term loans, loan guarantees, and loan loss reserves to units of local governments, or economic development organizations substantially underwritten by a unit of local government. Eligible counties include those with populations of 75,000 or fewer, or a county with a population of 125,000 or fewer which is contiguous to a county with a population of 75,000 or fewer, including those residing in incorporated areas and those residing in unincorporated areas of the county, or to units of local government, or economic development organizations substantially underwritten by a unit of local government, within a rural area of critical economic concern.[14]

Requests for loans must be made by application to DEO and are made pursuant to agreements specifying the terms and conditions agreed to between the applicant and DEO. All repayments of principal and interest must be returned to the loan fund and made available for loans to other applicants. However, in a rural area of critical economic concern designated by the Governor, and upon approval by DEO, repayments of principal and interest may be retained by the applicant if such repayments are dedicated and matched to fund regionally based economic development organizations representing the rural area of critical economic concern.[15]

DEO is directed to manage the fund, establishing loan practices that must include, but are not limited to, procedures for establishing loan interest rates, uses of funding, application procedures, and application review procedures. DEO is granted the authority for final approval for any loan under the provision of law relating to the Rural Community Development Revolving Loan Program.[16]

Economic Gardening Business Loan Pilot Program

The Economic Gardening Business Loan Pilot Program[17] provides low-interest, short-term loans to eligible businesses to assist them with their infrastructure, networking, and mentoring needs. For eligibility in the loan program, businesses must meet the following criteria:[18]

- It must be a for-profit, privately held, investment-grade business that employs between 10 and 50 persons.
- The business has been in existence in Florida for a period of at least two years.
- The business generates between $1 million and $25 million in annual revenue.
- The business is eligible for the Qualified Targeted Industry (QTI) tax refund program pursuant to s. 288.106, F.S. A key requirement of the QTI program is that businesses must pay an annual average wage of at least 115 percent of the average private sector wage in the area where the business is located or the statewide private sector average wage.[19]
- During three of the last five years, the company has experienced steady growth in its gross revenues and employment.

The maximum amount of the loan received under the pilot program is $250,000. The proceeds of the loan may be used for working capital purchases, employee training, or salaries for newly created jobs in the state and the period of the loan is four years.[20]

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[13] Section 288.065, F.S.
[14] Section 288.065(2)(a), F.S.
[15] Section 288.065(2)(b) and (c), F.S.
[16] Section 288.065(3), F.S.
[17] Section 288.1081, F.S.
[18] *See* ss. 288.1081(3)(a), F.S., and 288.1082(4)(a), F.S.
[19] *See* s. 288.106(4)(b), F.S.
[20] Section 288.1081(4), F.S.

DEO is authorized to designate one or more qualified entities to serve as loan administrators for the program. A loan administrator must:[21]

- Be a Florida corporation not for profit incorporated under chapter 617, F.S., which has its principal place of business in the state.
- Have five years of verifiable experience of lending to businesses in this state.
- Submit an application to DEO. The application must include the loan administrator's business plan for its proposed lending activities under the pilot program, including, but not limited to, a description of its outreach efforts, underwriting, credit policies and procedures, credit decision processes, monitoring policies and procedures, and collection practices; the membership of its board of directors; and samples of its currently used loan documentation. The application must also include a detailed description and supporting documentation of the nature of the loan administrator's partnerships with local or regional economic and business development organizations.

DEO, upon selecting a loan administrator, must enter into a grant agreement with the administrator to issue the available loans to eligible applicants. The grant agreement must specify the aggregate amount of the loans authorized for award by the loan administrator. The term of the grant agreement must be at least four years, except that DEO may terminate the agreement earlier if the loan administrator fails to meet minimum performance standards set by DEO. The grant agreement may be amended by mutual consent of both parties.[22]

Loan administrators are entitled to receive a loan origination fee, payable at closing, of 1 percent of each loan issued by the loan administrator and a servicing fee of 0.625 percent per annum of the loan's outstanding principal balance, payable monthly. During the first 12 months of the loan, the servicing fee must be paid from the disbursement from the Economic Development Trust Fund, and thereafter the loan administrator must collect the servicing fee from the payments made by the borrower, charging the fee against repayments of principal.[23]

Loan administrators, after collecting the servicing fee, must remit the borrower's collected interest, principal payments, and charges for late payments to the department on a quarterly basis. If the borrower defaults on the loan, the loan administrator must initiate collection efforts to seek repayment of the loan. The loan administrator, upon collecting payments for a defaulted loan, must remit the payments to DEO but, to the extent authorized in the grant agreement, may deduct the costs of the administrator's collection efforts. DEO must deposit all funds received into the General Revenue Fund.[24]

Loan administrators are required to submit quarterly reports to DEO, which include the information required in the grant agreement. A quarterly report must include, at a minimum, the number of full-time equivalent jobs created as a result of the loans, the amount of wages paid to employees in the newly created jobs, and the locations and types of economic activity undertaken by the borrowers.[25]

Black Business Loan Program

Under the Black Business Loan Program,[26] DEO is directed to annually certify eligible recipients and subsequently disburse funds appropriated by the Legislature, through such eligible recipients, to black

[21] Section 288.1081(5), F.S.
[22] Section 288.1081(5)(b), F.S.
[23] Section 288.1081(5)(d), F.S.
[24] Section 288.1081(5)(e), F.S.
[25] Section 288.1081(5)(f), F.S.
[26] Section 288.7102, F.S.

business enterprises that cannot obtain capital through conventional lending institutions but that could otherwise compete successfully in the private sector.[27]

DEO must establish an application and annual certification process for entities seeking funds to participate in providing loans, loan guarantees, or investments in black business enterprises pursuant to the Florida Black Business Investment Act.[28]

If the Black Business Loan Program is appropriated any funding in a fiscal year, DEO must distribute an equal amount of the appropriation, calculated as the total annual appropriation divided by the total number of program recipients certified, on or before July 31 of that fiscal year.[29]

Eligible recipients must be a corporation registered in the state. Existing recipients must annually submit to DEO a financial audit performed by an independent certified public accountant for the most recently completed fiscal year. The audit must not reveal any material weaknesses or instances of material noncompliance.[30]

New recipients must demonstrate that:[31]

- Their board of directors includes citizens of the state experienced in the development of black business enterprises.
- The recipient has a business plan that allows the recipient to operate in a manner consistent with state law and DEO's rules.
- The recipient has the technical skills to analyze and evaluate applications by black business enterprises for loans, loan guarantees, or investments.
- The recipient has established viable partnerships with public and private funding sources, economic development agencies, and workforce development and job referral networks.
- The recipient can provide a private match equal to 20 percent of the amount of funds provided by the department.

Both existing and new recipients must agree to maintain the recipient's books and records relating to funds received by DEO according to generally accepted accounting principles and in accordance with the requirements of s. 215.97(7), F.S., and to make those books and records available to DEO for inspection upon reasonable notice.[32]

Each eligible recipient must meet the requirements of the provisions of law relating to this loan program, the terms of the contract between the recipient and DEO, and any other applicable state or federal laws. An entity may not receive funds unless the entity meets annual certification requirements.[33]

Effect of Proposed Changes

The bill adds the terms "loan program" and "loan administrator" to the list of definitions under ch. 288, F.S., relating to commercial development and capital improvements. "Loan program" means a program established by the Legislature and administered by DEO to provide appropriated funds to an eligible entity to further a specific state purpose for a limited period with a promise that such appropriated funds will be repaid to the state. Funds may be awarded directly by DEO to an eligible recipient or awarded

[27] Section 288.7102(1), F.S.
[28] Section 288.7102(2), F.S.
[29] Section 288.7102(3), F.S.
[30] Section 288.7102(4), F.S.
[31] Section 288.7102(4)(c), F.S.
[32] Section 288.7102(4)(d), F.S.
[33] Section 288.7102(5), F.S.

by DEO to a loan administrator. The term also includes loan funds and loan pilot programs administered by DEO under ch. 288, F.S. "Loan administrator" means a statutorily eligible recipient of state funds authorized by DEO to make loans under a loan program.

The bill states that it is the intent of the Legislature to promote goals of accountability and proper stewardship by recipients of loan program funds and establishes the requirements for the operation of all loan programs under ch. 288, F.S., that are administered by DEO.

The state funds appropriated for any loan programs may only be used by an eligible recipient or loan administrator and such funds may only be used to carry out the specific state purpose of the loan program, subject to any compensation due to a recipient or administrator as provided under ch. 288, F.S.

Upon the termination of a loan program by the Legislature or the termination of a contract between DEO and an eligible recipient or loan administrator, any remaining appropriated funds must revert to the fund from which the appropriation was made. DEO must become the successor entity for any outstanding loans and is directed to pay the former loan administrator for any allowable administrative expenses due the administrator as provided under ch. 288, F.S. The former loan administrator or successor entity is required to execute all appropriate instruments to reconcile any remaining accounts involved with a terminated loan program or contract.

Loan administrators must avoid any potential conflict of interest regarding the use of appropriated funds for a loan program. Loan administrators and their board members, employees, and agents may not have a financial interest in the eligible entity awarded a loan under a loan program. The bill prohibits loans from being awarded to a person or entity if there is a conflict of interest between the parties involved without full disclosure of the conflict of interest to DEO by the loan administrator and the subsequent approval of DEO.

When determining the eligibility for entities applying to be awarded funds directly by DEO or applying to be selected as a loan administrator for a loan program, DEO must evaluate the applicant's business practices, financial stability, and the past performance of the applicant in any other state programs. Such eligibility criteria are in addition to the specific loan program requirements. The applicant's eligibility for program participation may be conditioned or denied if DEO determines that the applicant is not in compliance with any statute, rule, or program requirement.

An eligible recipient or loan administrator is prohibited from employing the same certified public accounting firm[34] to conduct a financial audit of its accounting records required under ch. 288, F.S., for more than three consecutive years.

Revolving loans or new negotiable instruments using appropriated state funds that have been repaid to the loan administrator may be entered into when a loan program's statutory structure permits. However, all revolving loans or new negotiable instruments made by a loan administrator remain subject to the loan program requirements and compensation to a recipient or administrator is prohibited from exceeding the provisions that are permitted under ch. 288, F.S.

Small Cities Community Development Block Grant Program

Present Situation

U.S. Department of Housing and Urban Development – State Administered Community Development Block Grant (CDBG) Program

Congress amended the Housing and Community Development Act of 1974 in 1981 to give each state the opportunity to administer Community Development Block Grant (CDBG) funds for non-

[34] *See* ch. 473, F.S.

entitlement areas. Non-entitlement areas include local governments, which do not receive CDBG funds directly from the U.S. Department of Housing and Urban Development (HUD) as part of the entitlement program (Entitlement Cities and Urban Counties). Non-entitlement areas are cities with populations of less than 50,000 (except cities that are designated principal cities of Metropolitan Statistical Areas), and counties with populations of less than 200,000.[35]

The objective of the CDBG program is to develop viable communities by providing adequate housing and a suitable living environment by expanding economic opportunities, principally for persons of low and moderate income (LMI). The state must ensure that at least 70 percent of its CDBG grant funds are used for activities that benefit LMI persons over a one, two, or three-year time period selected by the state. This general objective is achieved by granting "maximum feasible priority" to activities which benefit LMI families or aid in the prevention or elimination of blighted areas. Under unique circumstances, states may also use their funds to meet urgent community development needs. A need is considered urgent if it poses a serious and immediate threat to the health or welfare of the community and has arisen in the past 18 months.[36]

HUD distributes funds to each state through a statutory formula based on population, poverty, incidence of overcrowded housing, and age of housing. Neither HUD nor states distribute funds directly to citizens or private organizations; all funds (other than administrations and the technical assistance set-aside) are distributed by states to local governments.[37]

Flexibility

According to HUD, state officials may, within reasonable limits, employ their own guidelines for interpreting the Housing and Community Development Act (HCDA). States may even apply more restrictive eligibility requirements than the HCDA, provided that state's restrictions are not inconsistent with or contradictory to the HCDA. For example, the HCDA prohibits a state from declaring certain statutorily eligible activities as ineligible for funding in that state's program, but allows a state to establish relative funding priorities among types of eligible activities.[38]

Citizen Participation

HUD requires a minimum of two public hearings, for the purpose of obtaining citizens' views and formulating or responding to proposals and questions. Each public hearing must be conducted at a different stage of the CDBG program. Together, the hearings must address community development and housing needs, development of proposed activities and a review of program performance. There must be reasonable notice of the hearings and they must be held at times and accessible locations convenient to potential or actual beneficiaries, with reasonable accommodations including material in accessible formats for persons with disabilities. Citizen participation is encouraged, particularly by low and moderate-income persons who reside in areas in which CDBG funds are proposed to be used.[39]

The applicant shall publish a proposed application consisting of the proposed community development activities and community development objectives in order to afford affected citizens an opportunity to:

- Examine the application's contents to determine the degree to which they may be affected.

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[35] U.S. Department of Housing and Urban Development, State Administered CDBG, State Administration, http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs/stateadmin, (last visited Nov. 12, 2013).

[36] *Id.*

[37] *Id.*

[38] U.S. Department of Housing and Community Development, State Community Development Block Grant Program, Categories of Eligible Activities, at 2-1, *available at* http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_16361.pdf.

[39] *See* 24 C.F.R. 570.431, Subpart F, Citizen Participation.

- Submit comments on the proposed application.
- Submit comments on the performance of the applicant.[40]

In the preparation of the final application, the applicant must consider comments and views received related to the proposed application and may, if appropriate, modify the final application to include recommendations. The final application must be made available to the public and include the community development objectives, projected use of funds, and the community development activities.[41]

State of Florida Administered Community Development Block Grant Programs

DEO administers three Community Development Block Grant Programs:

- Florida Small Cities Community Development Block Grant Program.
- Disaster Recovery Initiative.
- Neighborhood Stabilization Program.

Florida Small Cities Community Development Block Grant (CDBG) Program

Intent and Purpose

Chapter 290, F.S., provides that the intent of the Florida Small Cities Community Development Block Grant Program Act (Act) is to provide the necessary means to develop, preserve, redevelop, and revitalize Florida communities exhibiting signs of decline or distress by enabling local governments to undertake necessary community development programs. Mirroring the federal law, the overall objective of the program is to create viable communities by eliminating slum and blight, fortifying communities in urgent need, providing adequate housing and suitable living environments, and expanding economic opportunities, principally for persons of low or moderate income.[42]

"Persons of low or moderate income" means any person who meets the definition established by HUD.[43] HUD defines "persons of low income" as families and individuals whose incomes do not exceed 50 percent of the median income of a service area, as determined by HUD. "Persons of moderate income" are defined as families and individuals whose incomes exceed 50 percent, but do not exceed 80 percent of a service area, as determined by HUD.[44]

The purpose of the Act is to assist local governments in carrying out effective community development and project planning and design activities to reverse community decline.[45]

Powers

Current law grants DEO the power to carry out the provisions of the Florida Small Cities CDBG Program, including the power to:[46]

- Make contracts and agreements with the federal government; other state agencies; any other public agency; or public person, association, corporation, local government, or entity in exercising its powers and performing its duties under the Act.
- Seek and accept funding from any public or private source.

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[40] *Id.*
[41] *Id.*
[42] Section 290.0411, F.S.
[43] Section 290.042(6), F.S.
[44] 42 U.S.C 5302 a.20.
[45] *Id.*
[46] Section 290.048, F.S.

- Adopt and enforce rules[47] consistent with the Act for the administration of the Small Cities CDBG Program fund.
- Assist in training employees of local governing authorities to help increase their capacity to administer programs pursuant to the Act and provide technical assistance and advice to local governing authorities involved with these programs.
- Adopt and enforce strict requirements concerning an applicant's written description of a service area.
- Pledge CDBG revenues from the federal government in order to guarantee notes or other obligations of a public entity approved to receive funding through the Section 108 Loan Program.
- Establish an advisory committee of no more than 13 members to solicit participation in designing, administering, and evaluating the program and linking the Small Cities CDBG Program with other housing and community development resources.

Administration

The Florida Small Cities CDBG Program provides grants and loans on a competitive basis to eligible municipalities and county governments[48] (non-entitlement) to serve low and moderate-income families. DEO is directed to define the broad community development objective to be achieved by the activities in the five categories of funding (excluding state administration): housing, neighborhood revitalization, commercial revitalization, economic development, and project planning and design.[49] Planning and design grants provide for engineering and architectural plans and designs for CDBG infrastructure or public facility projects. Priorities are defined annually and funds are allocated according to the state's Annual Action Plan.[50]

As part of its administrative responsibilities, DEO is required to establish a system of monitoring grants, including site visits, to ensure the proper expenditure of funds and compliance with the conditions of the recipient's contract.[51]

Grant Categories

DEO provides specific requirements for the competitive grant categories.[52] Below are the grant categories and examples of activities DEO has authorized for funding during Federal Fiscal Year 2012:[53]

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[47] Chapter 73C-23, F.A.C.

[48] Eligible local governments are non-entitlement cities with fewer than 50,000 residents; counties with fewer than 200,000 residents; and cities that opt out of the entitlement program. http://www.floridajobs.org/community-planning-and-development/assistance-for-governments-and-organizations/florida-small-cities-community-development-block-grant-program (last visited Nov. 16, 2013). *See* FFY 2012 List of Small Cities CDBG Program Eligible Communities *available at* http://www.floridajobs.org/fhcd/cdbg/Files/Misc/EligibleCommunities.pdf.

[49] Section 290.044(2) and (3), F.S.

[50] The U.S. Department of Housing and Urban Development (HUD) requires each state to annually develop funding priorities and criteria for selecting projects. U.S. Department of Housing and Community Development, State Administered CDBG, http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs/stateadmin (last visited January 25, 2013). The One-Year Action Plan or Annual Action Plan is a document submitted to HUD annually, which describes the method used by the State of Florida to distribute HUD funds. It also contains information on priorities to be addressed and program objectives. The plan covers one state fiscal year and one allocation of federal funding. Florida Department of Economic Opportunity, Division of Community Development, State of Annual Action Plan for Programs Funded by the U.S. Department of Housing and Urban Development, Federal Fiscal Year 2012, at 9, *available at* http://www.floridajobs.org/fhcd/cdbg/Files/ConsolidatedPlan/DRAFT2012AnnualActionPlan.pdf

[51] Section 290.044(5), F.S.

[52] Rule 73C-23.0045, F.A.C.

1. Housing Rehabilitation

Objective: To improve housing conditions and expand housing opportunities for very low, low, and moderate income persons. The following are examples of eligible housing rehabilitation activities:

- Rehabilitation of housing or publicly owned or acquired properties.
- Demolition of dilapidated housing and the relocation of residents to replacement housing.
- Code enforcement.
- Weatherization and energy-efficiency improvements.
- Installation of wells or septic tanks where water or sewer service is unavailable.
- Mitigation of future natural disaster hazards in housing.

Housing rehabilitation is intended to keep affordable housing owned or occupied by LMI persons within the community. Substandard conditions can be addressed using CDBG housing funds. Communities that do not have the capacity to undertake large scale affordable housing projects are able to maintain the stock of affordable housing by using CDBG and state housing funds for rehabilitation and replacement.[54]

2. Neighborhood Revitalization

Objective: To revitalize declining neighborhoods and improve infrastructure. A neighborhood revitalization project may involve a single activity or various activities. The following are examples of eligible neighborhood revitalization activities:

- Improvements to deteriorating infrastructure.
- Construction or rehabilitation of handicapped facilities.
- Constructing roads and drainage facilities.
- Construction or rehabilitation of neighborhood facilities which provide health, social, recreational or other community services for a neighborhood.[55]

3. Commercial Revitalization

Objective: To revitalize commercial areas that are showing signs of decline by addressing problems that cause deterioration. The following are examples of eligible commercial revitalization activities:

- Installation or reconstruction of streets, utilities, parks, playgrounds, public spaces, public parking facilities, pedestrian malls, and other necessary public improvements.
- Selling, leasing or otherwise making available land in commercial areas for public use.
- Correction of architectural barriers to handicap access.
- Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of building facades or other exterior improvements and repair of code violations.

All activities in the commercial revitalization category must assist the local government in achieving the objectives of its community redevelopment plan. A proposal under this category may involve a

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[53] Florida Department of Economic Opportunity, Division of Community Development, State of Annual Action Plan for Programs Funded by the U.S. Department of Housing and Urban Development, Federal Fiscal Year 2012, at 9, *available at* http://www.floridajobs.org/fhcd/cdbg/Files/ConsolidatedPlan/DRAFT2012AnnualActionPlan.pdf.

[54] *Id.* at 13.

[55] *Id.* at 13-14.

single type of activity, such as rehabilitation of commercial facades, or several activities designed to address various aspects of the local government's community redevelopment plan.[56]

Economic Development

The objectives associated with the economic development category are to promote investment of private capital; to retain local economic enterprises; and provide long-term jobs with growth potential, primarily for very low, low, and moderate-income households. The following are examples of eligible economic development activities:

- Acquisition of real property.
- Acquisition, construction or rehabilitation of commercial and industrial buildings and structures, funding for local governments to provide loans for the purchase of capitalized machinery and equipment with a useful life of at least five years.
- Energy conservation improvements designed to encourage the efficient use of energy.
- Public, commercial or industrial real property or infrastructure improvements, including railroad spurs or similar extensions, tied to a specific project in a public or private easement.
- Activities to remove barriers that restrict access for elderly or handicapped to publicly owned or privately owned buildings, facilities, and improvements.
- Activities designed to provide job training and placement.

According to HUD, each state takes a different approach to economic development in its CDBG Program, reflecting the unique needs and established priorities of the state. One state may choose to fund only single-user deals emphasizing manufacturing facilities which promote economic diversification or another state may encourage regional revolving loan funds focusing on revitalizing small town business districts.[57]

Emergency Set-Aside Funding

DEO is authorized to set aside up to five percent of the funds annually for use in any eligible local government for which an emergency or natural disaster has been declared by executive order. Such funds may only be provided to a local government to fund eligible emergency-related activities when no other federal, state, or local funds are available.[58]

Citizen Participation

Local governments applying for Small Cities CDBG Program funding are required to:

- Make available to the public information concerning the amounts of funds available for various activities and the range of activities that may be undertaken.
- Hold at least one public hearing to obtain the views of citizens on community development needs.
- Develop and publish a summary of the proposed application that will provide citizens with an opportunity to examine the application's contents and submit comments.
- Consider any comments and views expressed by citizens on the proposed application and, if appropriate, modify the proposed application.
- Hold at least one public hearing in the jurisdiction in which the project is to be implemented to obtain the views of citizens on the final application prior to its submission to DEO.

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[56] *Id.* at 9.

[57] *See supra* note 35 at 2-82.

[58] Section 290.044(4), F.S.

The local government is required to establish a citizen advisory task force composed of citizens in the jurisdiction in which the proposed project is to be implemented to provide input relative to all phases of the project.[59]

At the state level, DEO is required to establish an advisory committee to participate in designing, administering, and evaluating the program and linking the program with other housing and community development resources.[60] According to DEO, this advisory committee has not been active since 2004.[61]

FFY 2012 Funding Distribution[62]

2012 Allocation	**$22,887,374**
State Administration (unmatched)	$100,000
2% State Administration (matched with GR)	$457,747
2.5% Emergency Set-Aside	$572,184
1% Training/Technical Assistance	$228,874
TOTAL PASS THROUGH	**$21,528,569**
Neighborhood Revitalization	$8,826,713
Housing Rehabilitation	$3,444,571
Economic Development	$8,611,428
Commercial Revitalization	$645,857

Effect of Proposed Changes

Legislative Intent and Purpose

The bill amends the legislative intent and purpose of the Small Cities Community Development Block Grant Program Act (Small Cities CDBG Program) to include economic need as one of the factors that makes a Florida community eligible to participate in the program and includes economic development programs as an activity for such communities to undertake. The bill also clarifies that community and economic development activities will assist communities in reversing community decline and restoring community vitality.

Program Administration and Distribution of Funds

The bill requires DEO to distribute Small Cities CDBG Program grants and loan guarantees through a competitive application selection process established by rule. The bill renames the "housing" category "housing rehabilitation" to clarify that the eligible activities under this category do not include the provision of new housing units and removes project planning and design as an eligible activity. Thus, more of the program funds may be used to fund housing rehabilitation, economic development, neighborhood revitalization, and commercial revitalization projects.

[59] Section 290.046(5) and (6), F.S.

[60] Section 290.048(7), F.S.

[61] House Economic Development & Tourism Subcommittee staff conversation with staff of the Florida Small Cities Community Development Block Grant Program, January 24, 2013.

[62] *Id.* Funds are not available for new Planning and Design Specifications grants in FFY 2012; however, construction funding for previously awarded planning grants will be made available from deobligated funds. (Deobligated funds are funds left over from grants that close out at amounts lower than the original funding.) *See supra* note 19 at 4. For FFY 2013, $22.78 million will be available to eligible applicants in the four program areas. The application cycle begins Jan. 27, 2014 and closes at 5:00 p.m. on March 12, 2014. Florida Administrative Register & Florida Administrative Code, Rule No.: 73C023.0041, Application Process and Administrative Requirements, Notice of Funding Availability, Vol. 39/249, Dec. 27, 2013.

Current law directs DEO to define broad community development objectives. The bill clarifies that the objectives must meet at least one of the national objectives provided in the Housing and Community Development Act of 1974.

Grant Applications, Procedures, and Requirements

The bill provides that with the exception of economic development projects, each local government eligible to apply for a grant may submit one grant application during each application cycle. A local government that is eligible to apply for an economic development grant may apply up to three times each annual funding cycle for an economic development grant, but the local government is prohibited from receiving more than one such grant per annual funding cycle. A local government is permitted to have more than one open economic development grant.

A grant may not be awarded until DEO conducts a site visit to verify the information provided in the local government's application. The bill deletes unnecessary and obsolete language relating to information provided in the application and mathematical errors, which may be discovered. Current law directs DEO to rank each application and assigns weights to specific criteria as follows: community need - 25 percent; program impact - 65 percent; and outstanding performance in equal opportunity employment and housing – 10 percent. The bill maintains the requirement for DEO to rank each application. However, to allow flexibility and provide clarity for the application and scoring processes, the bill removes the weight percentages assigned to community need, program impact, equal opportunity employment, and housing. The bill also provides that the rankings must be made according to the criteria established by rule. The ranking system must incorporate a procedure intended to eliminate or reduce any existing population-related bias that places exceptionally small communities at a disadvantage in the competition for funds.

Project funds must be distributed according to the rankings established in each application cycle. If economic development funds remain available after an application cycle closes, then funds must be awarded to eligible projects on a first-come, first-served basis until funds for this category have been fully obligated.

The application's program impact score; equal employment opportunity and fair housing score; and communitywide needs score may take into consideration scoring factors, including, but not limited to:

- Unemployment.
- Poverty levels.
- Low-and moderate- income populations.
- Benefits to low-and moderate- income residents.
- Use of minority-owned and woman-owned business enterprises in previous grants.
- Health and safety issues.
- The condition of physical structures.

The bill also removes specific criteria and procedures for scoring applications.

Citizen Participation

Current law requires the applicant (local government) to provide an opportunity for the public to provide input before the application is submitted to DEO. However, the law is not clear as to the timing of the required public hearings. The bill revises the citizen participation requirements to clarify such requirements and to specifically require the applicant to hold a minimum of two public hearings in the local jurisdiction within which the project is to be located to obtain the views of citizens before submitting the final application to DEO. The purpose of the initial public hearing is to solicit public input concerning community needs, inform the public about funding opportunities available to meet

community needs, and discuss eligible activities that may be undertaken. The bill also requires a summary of the proposed application to be published prior to the second public hearing. This provides citizens with an opportunity to examine the application's contents and submit comments. The second public hearing is required to obtain citizens' comments regarding the proposed application and to modify the application if appropriate.

Current law requires the applicant to establish a citizen advisory task force to provide input relative to all phases of the project's process. The bill authorizes rather than requires the local government to establish a citizen advisory task force. According to DEO, often it is difficult for local governments to secure citizen participation to meet this requirement.

Grant Ceilings and Administrative Costs

The bill maintains the allowable administrative cost percentages established for each category. However, the bill provides that the maximum amount that may be spent on administrative costs under the economic development program category must not exceed $120,000.

Rather than providing that the maximum percentage of block grant funds that may be spent on engineering costs must be in accordance with a schedule adopted by DEO by rule, the bill provides that the maximum amount of block grant funds that may be spent on engineering and architectural costs must be in accordance with a schedule adopted in rule by DEO.

General Powers

The bill removes the authority for DEO to adopt and enforce strict requirements concerning an applicant's written description of a service area. Information relating to the service area would be provided by rule.

Space Florida

Present Situation

Florida's aerospace industry is integral to the state's long-term success in diversifying and building a knowledge-based economy that is able to support the creation of high-value-added businesses and jobs.[63] As such, the Legislature found that a strong public and private commitment was required to foster the growth and development of a sustainable and world-leading aerospace industry in the state.[64] Space Florida[65] is one manifestation of this commitment, and among many other things, fosters economic development by:

- Enhancing the state's workforce, education and research capabilities, with an emphasis on mathematics, science, engineering and related fields.
- Focusing on the state's economic development efforts in order to capture a larger share of activity in aerospace research, technology, production and commercial operations, while maintaining the state's historical leadership in space launch activities.
- Preserving the unique national role served by the Cape Canaveral Air Force Station and the John F. Kennedy Space Center by reducing costs and improving the regulatory flexibility for commercial sector launches, while pursuing the development of complementary sites for commercial horizontal launches.

[63] Section 331.3011(1), F.S.
[64] Section 331.3011(2), F.S.
[65] Space Florida was created by ch. 2006-60, L.O.F., and codified in ch. 331, F.S.

- Facilitating business financing, and when necessary, entering into memoranda of agreement with municipalities, counties, regional authorities, state and federal agencies and other organizations, as well as other interested persons or groups.[66]

As an independent special district and political subdivision of the state, Space Florida has all the powers, rights, privileges and authority as provided under Florida law.[67] This authority allows Space Florida to act as a special purpose government and financing vehicle to carry out the legislative intent behind its creation. In doing so, Space Florida is governed by an independent board of directors.[68] Securing funding for aerospace related infrastructure is one of the many duties and responsibilities of the board of directors.[69]

Effect of Proposed Changes

The bill requires Space Florida to consult with VISIT Florida in developing a space tourism marketing plan, and allows Space Florida and VISIT Florida to enter into a mutually beneficial agreement to implement such a plan. Presently, Space Florida is directed to consult with Enterprise Florida, Inc. for this purpose.[70]

Additionally, the bill repeals the requirement that Space Florida develop a proposal for a Center of Excellence for Aerospace.[71] Space Florida will still be directed to work with public and private universities and other public or private entities to promote the research necessary to develop commercially promising, advanced, and innovative science and technology for the purpose of transferring any advancements or discoveries to the commercial sector.

Reemployment Assistance Installment Plans

Present Situation

The Federal-State Unemployment Insurance Program provides unemployment benefits to eligible workers who are unemployed through no fault of their own, as determined by state law, and meet the requirements of state law. The program is administered as a partnership of the federal government and the states.

Florida's Reemployment Assistance (RA) Program is funded solely by employers who pay quarterly state reemployment taxes provided for in ch. 443, F.S., and annual payroll taxes under the Federal Unemployment Tax Act (FUTA).[72] State reemployment taxes are deposited into the Unemployment Compensation Trust Fund (UC Trust Fund), which are then used to pay reemployment benefits at no cost to eligible workers. Taxes collected from employers pursuant to FUTA fund the administrative costs of the RA Program. A portion of these funds is also used to finance the federal share of the Extended Benefits program, which is available during periods of high unemployment.

In general, states are permitted to set eligibility conditions for benefit recipients, the amount and duration of benefits, and the state tax structure, so long as state provisions are not in conflict with FUTA or the Social Security Act.[73] DEO is the agency responsible for administering the RA program.[74]

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[66] Id.
[67] Id.
[68] Section 331.3081, F.S.
[69] Section 331.310(1)(d), F.S.
[70] Section 331.3051(5), F.S.
[71] Section 331.3051(8)(b), F.S.
[72] Federal Unemployment Tax Act is codified at 26 U.S.C. 3301-3311.
[73] Title III, Title IX, and Title XII of the Social Security Act.
[74] Sections 20.60(5)(c)(3) and 443.171, F.S.

Benefit Structure

Qualified claimants may receive state reemployment benefits equal to 25 percent of their wages, not to exceed $6,325 in a benefit year.[75] Benefits range from a minimum of $32 to a maximum weekly benefit amount of $275 for up to 23 weeks, depending on the claimant's length of prior employment and wages earned.[76]

The number of benefit weeks and total benefit amount is subject to the "Florida average unemployment rate," which is used to determine the maximum benefit weeks a claimant may receive. If the Florida average unemployment rate is 10.5% or higher, a claimant is eligible for up to a maximum of 23 weeks. If the Florida average unemployment rate is 5% or below, the maximum number of available weeks is 12. Each 0.5% increment in the unemployment rate above 5% adds an additional week of benefits.

To receive unemployment compensation benefits, claimants must meet certain monetary and non-monetary eligibility requirements.[77] Key eligibility requirements include a claimant's earnings during a certain period of time, the manner in which the claimant became unemployed, and the claimant's efforts to find new employment.

Tax Structure

Through the FUTA, the Internal Revenue Service levies an unemployment tax of 6.0% on employers. This tax is applied to a taxable wage base of $8,000 per employee. Federal law provides employers up to a 5.4% credit against that tax.

In addition to FUTA, Florida employers pay a state reemployment tax which funds the UC Trust Fund, an account used to pay weekly benefits. Currently, employers pay quarterly state reemployment taxes on the first $8,000 of each employee's annual wages.[78]

An employer's initial state tax rate is 2.7 percent.[79] After an employer is subject to benefit charges for 8-calendar quarters, the standard tax rate is 5.4 percent, but may be adjusted down to a low of 0.1 percent.[80] The adjustment in the tax rate is determined by calculating a statutory formula that incorporates an employer's experience rating[81], size of the UC Trust Fund, and other socialized costs. The maximum rate for 2014 is .0540 or $432.00 per employee; the minimum rate is .0059 or $47.20 per employee. The maximum rate is unchanged from 2013, but the minimum rate has been reduced by over 40 percent.

Installment Plans

Since 2010, state law has allowed employers to elect to make quarterly contributions to the UC Trust Fund, as opposed to a single annual contribution.[82] An annual administrative fee of $5 is assessed on each employer who chooses this option, but otherwise, there is no penalty. This fee is deposited into the Operating Trust Fund of the Department of Revenue. This option expires after 2014.[83]

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[75] Section 443.111(5), F.S.
[76] Section 443.111(3), F.S. A benefit week begins on Sunday and ends on Saturday.
[77] Section 443.091(1), F.S.,
[78] Section 443.1217(2), F.S.
[79] Section 443.131(2)(a), F.S.
[80] Section 443.131(3)(e)2.a., F.S.
[81] Section 443.131(3)(b), F.S.
[82] Section 443.141(1)(d), F.S.
[83] Section 443.141(1)(f), F.S.

Effect of Proposed Changes

The bill makes Reemployment Assistance installment plans a permanent option. Employers will continue to have the option to make quarterly contributions to the UC Trust Fund for an annual $5 administrative fee as they have since 2010.

Rural Areas of Critical Economic Concern

Present Situation

Florida's Rural Economic Development Initiative (REDI), housed within DEO, is a multi-agency endeavor that coordinates the efforts of regional, state, and federal agencies to the address the issues that affect the fiscal, economic and community viability of the state's economically distressed rural communities. REDI works with local governments, community-based organizations, and private entities that have an interest in the growth and development of these communities to find ways to balance environmental and growth management issues with local needs and economic development. The following agencies and organizations are directed to designate a staff person to serve as REDI representatives:[84]

- The Department of Transportation.
- The Department of Environmental Protection.
- The Department of Agriculture and Consumer Services.
- The Department of State.
- The Department of Health.
- The Department of Children and Family Services.
- The Department of Corrections.
- The Department of Education.
- The Department of Juvenile Justice.
- The Fish and Wildlife Conservation Commission.
- Each water management district.
- Enterprise Florida, Inc.
- Workforce Florida, Inc.
- VISIT Florida.
- The Florida Regional Planning Council Association.
- The Agency for Health Care Administration.
- The Institute of Food and Agricultural Sciences.

A Rural Area of Critical Economic Concern (RACEC) is a rural community, or a region comprised of rural communities, designated by the Governor, that has been adversely affected by an extraordinary economic event, a natural disaster, or severe or chronic distress. The area may also be classified if it presents a unique economic development opportunity of regional impact.[85]

[84] Section 288.0656(6)(a), F.S.
[85] Section 288.0656(2)(d), F.S.

The Governor may designate up to three RACEC areas for five-year periods upon recommendation by REDI. This allows these areas to receive priority assignments for REDI, and allows the Governor, acting through REDI, to waive certain criteria or requirements of any economic development incentives.[86] Currently, there are three designated RACEC areas:

- North West RACEC – Calhoun, Franklin, Gadsden, Gulf, Holmes, Jackson, Liberty, Wakulla and Washington Counties, and the City of Freeport in Walton County.
- South Central RACEC – DeSoto, Glades, Hardee, Hendry, Highlands and Okeechobee Counties, the Cities of Pahokee, Belle Glade and South Bay in Palm Beach County, and a portion of the Immokalee area in Collier County.
- North Central RACEC – Baker, Bradford, Columbia, Dixie, Gilchrist, Hamilton, Jefferson, Lafayette, Levy, Madison, Putnam, Suwannee, Taylor and Union Counties.

Effect of Proposed Changes

The bill replaces the term "rural area of critical economic concern" with "rural area of opportunity" throughout the various sections of the Florida Statutes.

B. SECTION DIRECTORY:

Section 1 Creates subsection (7) in s. 163.3180, F.S., relating to concurrency.

Section 2 Creates subsection (6) in s. 163.31801, F.S., relating to impact fees.

Section 3 Amends s. 288.005, F.S., relating to definitions used in chapter 288, F.S., to define the term "loan programs" and "loan administrator."

Section 4 Creates s. 288.006, F.S., relating to the general operation of loan programs.

Section 5 Amends s. 290.0411, F.S., relating to the legislative intent and purpose of the Florida Small Cities Community Development Block Grant Act.

Section 6 Amends s. 290.044(2), (3), and (4), F.S., relating to the Florida Small Cities Community Development Block Grant Act (CDBG) Program Fund.

Section 7 Amends s. 290.046, F.S., relating to the Small Cities CDBG Program application procedures and requirements.

Section 8 Amends s. 290.047, F.S., relating to the establishment of grant ceilings and maximum administrative cost percentages.

Section 9 Amends s. 290.0475, F.S., relating to the rejection of grant applications.

Section 10 Amends s. 290.048, F.S., relating to the general powers of DEO under the Florida Small Cities CDBG Act.

Section 11 Amends s. 331.3051(5) and (8)(b), F.S., relating to the duties of Space Florida.

Section 12 Amends s. 443.141(1)(f), F.S., relating to collection of reemployment assistance contributions and reimbursements.

Sections 13 - 33 Amends s. 288.0656, F.S., and others, relating to definitions for the Rural Economic Development Initiative.

[86] Section 288.0656(7)(1), F.S.

Section 34 Provides an effective date of July 1, 2014.

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:

See FISCAL COMMENTS.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Impact Fees, Concurrency and Proportionate Share
May lower or eliminate certain fees imposed on some types of new business development for a three year period.

Rural Areas of Critical Economic Concern
The bill may have a slight positive effect on economic development in rural areas.

D. FISCAL COMMENTS:

Impact Fees, Concurrency and Proportionate Share
The bill may impact the ability of some local governments to collect impact fees and proportionate share contributions from certain new business development unless repealed by a majority vote of the local government's governing board.

Small Cities Community Development Block Grant Program
The bill may enable a larger portion of federal funds provided through the Small Cities Community Development Block Grant Program to be used for economic development activities by local governments.

Reemployment Assistance
The bill indefinitely extends the option for an employer to pay a $5 annual administrative fee to make quarterly contributions to the UC Trust Fund, as opposed to a single annual contribution. The option would have expired after 2014. Extending this option appears to have an insignificant impact on both employers and the Department of Revenue.

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 action requiring the expenditures of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill grants DEO the authority to distribute the Small Cities CDBG funds using a competitive selection process established by rule.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

N/A.

A bill to be entitled

An act relating to economic development; amending s. 163.3180, F.S.; prohibiting a local government from applying transportation concurrency or requiring proportionate-share contribution or construction for a new business development for a specified period; providing exceptions; amending s. 163.31801, F.S.; prohibiting a county, municipality, or special district from imposing certain new or existing impact fees on a new business development for a specified period; providing exceptions; amending s. 288.005, F.S.; providing definitions; creating s. 288.006, F.S.; providing requirements for loan programs relating to accountability and proper stewardship of funds; amending s. 290.0411, F.S.; revising legislative intent for purposes of the Florida Small Cities Community Development Block Grant Program; amending s. 290.044, F.S.; requiring the Department of Economic Opportunity to adopt rules establishing a competitive selection process for loan guarantees and grants awarded under the block grant program; revising the criteria for the award of grants; amending s. 290.046, F.S.; revising limits on the number of grants that an applicant may apply for and receive; requiring the department to conduct a site visit before awarding a grant; requiring the department to rank applications

according to criteria established by rule and distribute funds according to the rankings; revising scoring factors to consider in ranking applications; revising requirements for public hearings; providing that the creation of a citizen advisory task force is discretionary; deleting a provision requiring a local government to obtain department consent for an alternative citizen participation plan; amending s. 290.047, F.S.; revising the maximum percentages and amounts of block grant funds that may be spent on certain costs and expenses; amending s. 290.0475, F.S.; conforming provisions to changes made by the act; amending s. 290.048, F.S.; deleting a provision authorizing the department to adopt and enforce strict requirements concerning an applicant's written description of a service area; amending s. 331.3051, F.S.; requiring Space Florida to consult with the Florida Tourism Industry Marketing Corporation in developing a space tourism marketing plan; authorizing Space Florida to enter into an agreement with the corporation for a specified purpose; revising the research and development duties of Space Florida; amending s. 443.141, F.S.; providing an employer payment schedule for specified years' contributions to the Unemployment Compensation Trust Fund; providing for applicability; amending ss. 125.271, 163.3177,

163.3187, 163.3246, 211.3103, 212.098, 218.67, 288.018, 288.065, 288.0655, 288.0656, 288.1088, 288.1089, 290.0055, 339.2819, 339.63, 373.4595, 380.06, 380.0651, 985.686, and 1011.76, F.S.; renaming "rural areas of critical economic concern" as "rural areas of opportunity"; providing an effective date.

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

Section 1. Subsection (7) is added to section 163.3180, Florida Statutes, to read:

163.3180 Concurrency.—

(7)(a) Notwithstanding any provision of law, ordinance, or resolution, before July 1, 2017, a local government may not, unless authorized by majority vote of the local government's governing authority, apply transportation concurrency within its jurisdiction or require a proportionate-share contribution or construction for a new business development. This paragraph does not apply to:

1. Proportionate-share contribution or construction assessed on an existing business development before July 1, 2014.

2. A new business development that consists of more than 6,000 square feet and that is classified as other than residential.

(b) In order to maintain the exemption from transportation concurrency and proportionate-share contribution or construction pursuant to paragraph (a), a new business development must receive a certificate of occupancy on or before July 1, 2018. If the certificate of occupancy is not received by July 1, 2018, the local government may apply transportation concurrency and require the appropriate proportionate-share contribution or construction for the business development that would otherwise be applied, notwithstanding this subsection. Any outstanding obligation related to the proportionate-share contribution or construction runs with the land and is enforceable against any person claiming a fee interest in the land subject to that obligation.

(c) This subsection does not apply if it results in a reduction of previously pledged revenue of a local government for currently outstanding bonds or notes or to a local government with a mobility fee-based funding system in place on or before January 1, 2014.

(d) A developer may, upon written notification to the local government, elect to have the local government apply transportation concurrency and proportionate-share contribution or construction to a business development.

(e) This subsection expires July 1, 2018.

Section 2. Subsection (6) is added to section 163.31801, Florida Statutes, to read:

163.31801 Impact fees; short title; intent; definitions;

ordinances levying impact fees.—

(6)(a) Notwithstanding any provision of law, ordinance, or resolution, before July 1, 2017, a county, municipality, or special district, unless authorized by majority vote of the county's, municipality's, or special district's governing authority, may not impose any new or existing impact fee or any new or existing fee associated with the mitigation of transportation impacts on a new business development. This paragraph does not apply to:

1. Any impact fee or fee associated with the mitigation of transportation impacts previously enacted by law, ordinance, or resolution assessed on an existing business development before July 1, 2014.

2. A new business development that consists of more than 6,000 square feet and that is classified as other than residential.

(b) The governing authority of any county, municipality, or special district imposing an impact fee in existence on July 1, 2013, must reauthorize the imposition of the fee pursuant to this subsection.

(c) In order to maintain the exemption from impact fees and fees associated with the mitigation of transportation impacts pursuant to paragraph (a), a new business development must receive a certificate of occupancy on or before July 1, 2018. If the certificate of occupancy is not received by July 1, 2018, the county, municipality, or special district may impose

the appropriate impact fees and fees associated with the mitigation of transportation impacts on the business development that would otherwise be applied, notwithstanding this subsection. Any outstanding obligation related to impact fees and fees associated with the mitigation of transportation impacts on the business development runs with the land and is enforceable against any person claiming a fee interest in the land subject to that obligation.

(d) This subsection does not apply if it results in a reduction of previously pledged revenue of a county, municipality, or special district for currently outstanding bonds or notes or to a county, municipality, or special district with a mobility fee-based funding system in place on or before January 1, 2014.

(e) A developer may, upon notification to the county, municipality, or special district, elect to have impact fees and fees associated with the mitigation of transportation impacts imposed on a business development.

(f) This subsection expires July 1, 2018.

Section 3. Subsections (5) and (6) are added to section 288.005, Florida Statutes, to read:

288.005 Definitions.—As used in this chapter, the term:

(5) "Loan administrator" means a statutorily eligible recipient of state funds that is authorized by the department to make loans under a loan program.

(6) "Loan program" means a program established by the

Legislature and administered by the department to provide appropriated funds to an eligible entity to further a specific state purpose for a limited period with a promise that such appropriated funds will be repaid to the state. Funds may be awarded directly by the department to an eligible recipient or awarded by the department to a loan administrator. The term includes a "loan fund" or "loan pilot program" administered by the department under this chapter.

Section 4. Section 288.006, Florida Statutes, is created to read:

288.006 General operation of loan programs.—

(1) It is the intent of the Legislature that this section promote the goals of accountability and proper stewardship by recipients of loan program funds. This section applies to all loan programs established under this chapter and administered by the department.

(2) State funds appropriated for a loan program may only be used by an eligible recipient or loan administrator, and the use of such funds is restricted to the specific state purpose of the loan program, subject to any compensation due to a recipient or loan administrator as provided under this chapter.

(3) Upon termination of a loan program by the Legislature or termination of a contract between the department and an eligible recipient or loan administrator, any remaining appropriated funds shall revert to the fund from which the appropriation was made. The department shall become the

successor entity for any outstanding loans and shall pay the former loan administrator for any allowable administrative expenses due to the loan administrator as provided under this chapter. The former loan administrator or successor entity to which this subsection applies shall execute all appropriate instruments to reconcile any remaining accounts associated with a terminated loan program or contract.

(4) A loan administrator must avoid any potential conflict of interest regarding the use of appropriated funds for a loan program. A loan administrator or a board member, employee, or agent of a loan administrator may not have a financial interest in an entity that is awarded a loan under a loan program. A loan may not be made to a person or entity if a conflict of interest exists between the parties involved unless the loan administrator provides the department with full disclosure of the conflict of interest and the department approves the loan.

(5) In determining eligibility for an entity applying for the award of funds directly by the department or applying for selection as a loan administrator for a loan program, the department shall evaluate each applicant's business practices, financial stability, and past performance in other state programs. Eligibility of an entity applying to be a loan recipient or loan administrator may be conditionally granted or denied outright if the department determines that the entity is noncompliant with any law, rule, or program requirement.

(6) An eligible recipient or loan administrator may not

employ the same certified public accounting firm licensed under chapter 473 to conduct a financial audit required by this chapter for more than 3 consecutive years.

(7) Revolving loans or new negotiable instruments involving appropriated state funds that have been repaid to the loan administrator may be made if the loan program's statutory structure permits. However, all revolving loans or new negotiable instruments made by a loan administrator remain subject to subsection (2), and compensation to a loan administrator may not exceed any limitation provided by this chapter.

Section 5. Section 290.0411, Florida Statutes, is amended to read:

290.0411 Legislative intent and purpose of ss. 290.0401-290.048.—It is the intent of the Legislature to provide the necessary means to develop, preserve, redevelop, and revitalize Florida communities exhibiting signs of decline, ~~or~~ distress, or economic need by enabling local governments to undertake the necessary community and economic development programs. The overall objective is to create viable communities by eliminating slum and blight, fortifying communities in urgent need, providing decent housing and suitable living environments, and expanding economic opportunities, principally for persons of low or moderate income. The purpose of ss. 290.0401-290.048 is to assist local governments in carrying out effective community and economic development and project planning and design activities

to arrest and reverse community decline and restore community vitality. Community and economic development and project planning activities to maintain viable communities, revitalize existing communities, expand economic development and employment opportunities, and improve housing conditions and expand housing opportunities, providing direct benefit to persons of low or moderate income, are the primary purposes of ss. 290.0401-290.048. The Legislature, therefore, declares that the development, redevelopment, preservation, and revitalization of communities in this state and all the purposes of ss. 290.0401-290.048 are public purposes for which public money may be borrowed, expended, loaned, pledged to guarantee loans, and granted.

Section 6. Section 290.044, Florida Statutes, is amended to read:

290.044 Florida Small Cities Community Development Block Grant Program Fund; administration; distribution.—

(1) The Florida Small Cities Community Development Block Grant Program Fund is created. All revenue designated for deposit in such fund shall be deposited by the appropriate agency. The department shall administer this fund as a grant and loan guarantee program for carrying out the purposes of ss. 290.0401-290.048.

(2) The department shall distribute such funds as loan guarantees and grants to eligible local governments on the basis of a competitive selection process established by rule.

(3) The department shall require applicants for grants to compete against each other in the following grant program categories:

(a) Housing rehabilitation.

(b) Economic development.

(c) Neighborhood revitalization.

(d) Commercial revitalization.

(4) ~~(3)~~ The department shall define ~~the~~ broad community development objectives ~~objective~~ to be achieved by the activities in each of the ~~following~~ grant program categories with the use of funds from the Florida Small Cities Community Development Block Program Fund. Such objectives shall be designed to meet at least one of the national objectives provided in the Housing and Community Development Act of 1974~~, and require applicants for grants to compete against each other in these grant program categories:~~

~~(a) Housing.~~

~~(b) Economic development.~~

~~(c) Neighborhood revitalization.~~

~~(d) Commercial revitalization.~~

~~(e) Project planning and design~~.

(5) ~~(4)~~ The department may set aside an amount of up to 5 percent of the funds annually for use in any eligible local government jurisdiction for which an emergency or natural disaster has been declared by executive order. Such funds may only be provided to a local government to fund eligible

emergency-related activities for which no other source of federal, state, or local disaster funds is available. The department may provide for such set-aside by rule. In the last quarter of the state fiscal year, any funds not allocated under the emergency-related set-aside shall be distributed to unfunded applications from the most recent funding cycle.

(6) ~~(5)~~ The department shall establish a system of monitoring grants, including site visits, to ensure the proper expenditure of funds and compliance with the conditions of the recipient's contract. The department shall establish criteria for implementation of internal control, to include, but not be limited to, the following measures:

(a) Ensuring that subrecipient audits performed by a certified public accountant are received and responded to in a timely manner.

(b) Establishing a uniform system of monitoring that documents appropriate followup as needed.

(c) Providing specific justification for contract amendments that takes into account any change in contracted activities and the resultant cost adjustments which shall be reflected in the amount of the grant.

Section 7. Section 290.046, Florida Statutes, is amended to read:

290.046 Applications for grants; procedures; requirements.—

(1) In applying for a grant under a specific program

category, an applicant shall propose eligible activities that directly address the objectives ~~objective~~ of that program category.

(2)(a) Not including applications for economic development grants ~~Except as provided in paragraph (c)~~, each eligible local government may submit one ~~an~~ application for a grant ~~under either the housing program category or the neighborhood revitalization program category~~ during each application ~~annual funding~~ cycle. ~~An applicant may not receive more than one grant in any state fiscal year from any of the following categories: housing, neighborhood revitalization, or commercial revitalization.~~

(b)1. An ~~Except as provided in paragraph (c), each~~ eligible local government may apply up to three times in any one annual funding cycle for an economic development ~~a~~ grant ~~under the economic development program category~~ but shall receive no more than one such grant per annual funding cycle. A local government may have more than one open economic development grant. ~~Applications for grants under the economic development program category may be submitted at any time during the annual funding cycle, and such grants shall be awarded no less frequently than three times per funding cycle.~~

2. The department shall establish minimum criteria pertaining to the number of jobs created for persons of low or moderate income, the degree of private-sector ~~private sector~~ financial commitment, and the economic feasibility of the

proposed project and shall establish any other criteria the department deems appropriate. Assistance to a private, for-profit business may not be provided from a grant award unless sufficient evidence exists to demonstrate that without such public assistance the creation or retention of such jobs would not occur.

(c)1. A local government ~~governments~~ with an open housing rehabilitation, neighborhood revitalization, or commercial revitalization contract shall not be eligible to apply for another housing rehabilitation, neighborhood revitalization, or commercial revitalization grant until administrative closeout of its ~~their~~ existing contract. The department shall notify a local government of administrative closeout or of any outstanding closeout issues within 45 days after ~~of~~ receipt of a closeout package from the local government. A local government ~~governments~~ with an open housing rehabilitation, neighborhood revitalization, or commercial revitalization community development block grant contract whose activities are on schedule in accordance with the expenditure rates and accomplishments described in the contract may apply for an economic development grant.

2. A local government ~~governments~~ with an open economic development community development block grant contract whose activities are on schedule in accordance with the expenditure rates and accomplishments described in the contract may apply for a housing rehabilitation, ~~or~~ neighborhood revitalization, or

~~and a~~ commercial revitalization community development block grant. A local government ~~governments~~ with an open economic development contract whose activities are on schedule in accordance with the expenditure rates and accomplishments described in the contract may receive no more than one additional economic development grant in each fiscal year.

(d) ~~Beginning October 1, 1988,~~ The department may not ~~shall~~ award a ~~no~~ grant until it ~~the department~~ has conducted ~~determined, based upon~~ a site visit to verify the information contained in the local government's application~~, that the proposed area matches and adheres to the written description contained within the applicant's request. If, based upon review of the application or a site visit, the department determines that any information provided in the application which affects eligibility or scoring has been misrepresented, the applicant's request shall be rejected by the department pursuant to s. 290.0475(7). Mathematical errors in applications which may be discovered and corrected by readily computing available numbers or formulas provided in the application shall not be a basis for such rejection~~.

(3)(a) The department shall rank each application received during the application cycle according to criteria established by rule. The ranking system shall include a procedure to eliminate or reduce any population-related bias that places exceptionally small communities at a disadvantage in the competition for funds. ~~Each application shall be ranked~~

~~competitively based on community need and program impact. Community need shall be weighted 25 percent. Program impact shall be weighted 65 percent. Outstanding performance in equal opportunity employment and housing shall be weighted 10 percent.~~

(b) Funds shall be distributed according to the rankings established in each application cycle. If economic development funds remain available after the application cycle closes, the remaining funds shall be awarded to eligible projects on a first-come, first-served basis until such funds are fully obligated. ~~The criteria used to measure community need shall include, at a minimum, indicators of the extent of poverty in the community and the condition of physical structures. Each application, regardless of the program category for which it is being submitted, shall be scored competitively on the same community need criteria. In recognition of the benefits resulting from the receipt of grant funds, the department shall provide for the reduction of community need scores for specified increments of grant funds provided to a local government since the state began using the most recent census data. In the year in which new census data are first used, no such reduction shall occur.~~

(c) The application's program impact score, equal employment opportunity and fair housing score, and communitywide needs score may take into consideration scoring factors including, but not limited to, unemployment, poverty levels, low-income and moderate-income populations, benefits to low-

income and moderate-income residents, use of minority-owned and woman-owned business enterprises in previous grants, health and safety issues, and the condition of physical structures. ~~The criteria used to measure the impact of an applicant's proposed activities shall include, at a minimum, indicators of the direct benefit received by persons of low income and persons of moderate income, the extent to which the problem identified is addressed by the proposed activities, and the extent to which resources other than the funds being applied for under this program are being used to carry out the proposed activities.~~

~~(d) Applications shall be scored competitively on program impact criteria that are uniquely tailored to the community development objective established in each program category. The criteria used to measure the direct benefit to persons of low income and persons of moderate income shall represent no less than 42 percent of the points assigned to the program impact factor. For the housing and neighborhood revitalization categories, the department shall also include the following criteria in the scoring of applications:~~

~~1. The proportion of very low income and low income households served.~~

~~2. The degree to which improvements are related to the health and safety of the households served.~~

~~(4) An applicant for a neighborhood revitalization or commercial revitalization grant shall demonstrate that its activities are to be carried out in distinct service areas which~~

~~are characterized by the existence of slums or blighted conditions, or by the concentration of persons of low or moderate income.~~

(4)~~(5)~~ In order to provide citizens with information concerning an applicant's proposed project, the applicant shall make available to the public information concerning the amounts of funds available for various activities and the range of activities that may be undertaken. In addition, the applicant shall hold a minimum of two public hearings in the local jurisdiction within which the project is to be implemented to obtain the views of citizens before submitting the final application to the department. The applicant shall conduct the initial hearing to solicit public input concerning community needs, inform the public about funding opportunities available to address community needs, and discuss activities that may be undertaken. Before a second public hearing is held, the applicant must publish a summary of the proposed application that provides citizens with an opportunity to examine its contents and submit their comments. The applicant shall conduct a second hearing to obtain comments from citizens concerning the proposed application and to modify the proposed application if appropriate ~~program before an application is submitted to the department, the applicant shall:~~

~~(a) Make available to the public information concerning the amounts of funds available for various activities and the range of activities that may be undertaken.~~

~~(b) Hold at least one public hearing to obtain the views of citizens on community development needs.~~

~~(c) Develop and publish a summary of the proposed application that will provide citizens with an opportunity to examine its contents and submit their comments.~~

~~(d) Consider any comments and views expressed by citizens on the proposed application and, if appropriate, modify the proposed application.~~

~~(e) Hold at least one public hearing in the jurisdiction within which the project is to be implemented to obtain the views of citizens on the final application prior to its submission to the department~~.

(5)~~(6)~~ The local government may ~~shall~~ establish a citizen advisory task force composed of citizens in the jurisdiction in which the proposed project is to be implemented to provide input relative to all phases of the project process. ~~The local government must obtain consent from the department for any other type of citizen participation plan upon a showing that such plan is better suited to secure citizen participation for that locality.~~

(6)~~(7)~~ The department shall, before ~~prior to~~ approving an application for a grant, determine that the applicant has the administrative capacity to carry out the proposed activities and has performed satisfactorily in carrying out past activities funded by community development block grants. The evaluation of past performance shall take into account procedural aspects of

previous grants as well as substantive results. If the department determines that any applicant has failed to accomplish substantially the results it proposed in its last previously funded application, it may prohibit the applicant from receiving a grant or may penalize the applicant in the rating of the current application. An ~~No~~ application for grant funds may not be denied solely upon the basis of the past performance of the eligible applicant.

Section 8. Subsections (3) and (6) of section 290.047, Florida Statutes, are amended to read:

290.047 Establishment of grant ceilings and maximum administrative cost percentages; elimination of population bias; loans in default.—

(3) The maximum percentage of block grant funds that can be spent on administrative costs by an eligible local government shall be 15 percent for the housing rehabilitation program category, 8 percent for both the neighborhood and the commercial revitalization program categories, and 8 percent for the economic development program category. The maximum amount of block grant funds that may be spent on administrative costs by an eligible local government for the economic development program category is $120,000. The purpose of the ceiling is to maximize the amount of block grant funds actually going toward the redevelopment of the area. The department will continue to encourage eligible local governments to consider ways to limit the amount of block grant funds used for administrative costs,

consistent with the need for prudent management and accountability in the use of public funds. However, this subsection does ~~shall~~ not ~~be construed, however, to~~ prohibit eligible local governments from contributing their own funds or making in-kind contributions to cover administrative costs which exceed the prescribed ceilings, provided that all such contributions come from local government resources other than Community Development Block Grant funds.

(6) The maximum amount ~~percentage~~ of block grant funds that may be spent on engineering and architectural costs by an eligible local government shall be determined in accordance with a method ~~schedule~~ adopted by the department by rule. Any such method ~~schedule~~ so adopted shall be consistent with the schedule used by the United States Farmer's Home Administration as applied to projects in Florida or another comparable schedule as amended.

Section 9. Section 290.0475, Florida Statutes, is amended to read:

290.0475 Rejection of grant applications; penalties for failure to meet application conditions.—Applications are ineligible ~~received~~ for funding if ~~under all program categories shall be rejected without scoring only in the event that~~ any of the following circumstances arise:

(1) The application is not received by the department by the application deadline;~~.~~

(2) The proposed project does not meet one of the three

national objectives as contained in federal and state legislation;~~.~~

(3) The proposed project is not an eligible activity as contained in the federal legislation;~~.~~

(4) The application is not consistent with the local government's comprehensive plan adopted pursuant to s. 163.3184;~~.~~

(5) The applicant has an open community development block grant, except as provided in s. 290.046(2)(b) and (c) and department rules; ~~290.046(2)(c).~~

(6) The local government is not in compliance with the citizen participation requirements prescribed in ss. 104(a)(1) and (2) and 106(d)(5)(c) of Title I of the Housing and Community Development Act of 1984, s. 290.046(4), and department rules; or~~.~~

(7) Any information provided in the application that affects eligibility or scoring is found to have been misrepresented, and the information is not a mathematical error which may be discovered and corrected by readily computing available numbers or formulas provided in the application.

Section 10. Subsection (5) of section 290.048, Florida Statutes, is amended to read:

290.048 General powers of department under ss. 290.0401-290.048.—The department has all the powers necessary or appropriate to carry out the purposes and provisions of the program, including the power to:

~~(5) Adopt and enforce strict requirements concerning an applicant's written description of a service area. Each such description shall contain maps which illustrate the location of the proposed service area. All such maps must be clearly legible and must:~~

~~(a) Contain a scale which is clearly marked on the map.~~

~~(b) Show the boundaries of the locality.~~

~~(c) Show the boundaries of the service area where the activities will be concentrated.~~

~~(d) Display the location of all proposed area activities.~~

~~(e) Include the names of streets, route numbers, or easily identifiable landmarks where all service activities are located.~~

Section 11. Subsection (5) and paragraph (b) of subsection (8) of section 331.3051, Florida Statutes, are amended to read:

331.3051 Duties of Space Florida.—Space Florida shall:

(5) Consult with the Florida Tourism Industry Marketing Corporation ~~Enterprise Florida, Inc.,~~ in developing a space tourism marketing plan. Space Florida and the Florida Tourism Industry Marketing Corporation ~~Enterprise Florida, Inc.,~~ may enter into a mutually beneficial agreement that provides funding to the corporation ~~Enterprise Florida, Inc.,~~ for its services to implement this subsection.

(8) Carry out its responsibility for research and development by:

(b) Working in collaboration with one or more public or private universities and other public or private entities to

~~develop a proposal for a Center of Excellence for Aerospace that will foster and~~ promote the research necessary to develop commercially promising, advanced, and innovative science and technology and ~~will~~ transfer those discoveries to the commercial sector.

Section 12. Paragraph (f) of subsection (1) of section 443.141, Florida Statutes, is amended to read:

443.141 Collection of contributions and reimbursements.—

(1) PAST DUE CONTRIBUTIONS AND REIMBURSEMENTS; DELINQUENT, ERRONEOUS, INCOMPLETE, OR INSUFFICIENT REPORTS.—

(f) Payments for 2012, 2013, ~~and~~ 2014, and subsequent contributions.—For an annual administrative fee not to exceed $5, a contributing employer may pay its quarterly contributions due for wages paid in the first three quarters of 2012, 2013, ~~and~~ 2014, and any subsequent year in equal installments if those contributions are paid as follows:

1. For contributions due for wages paid in the first quarter of each year, one-fourth of the contributions due must be paid on or before April 30, one-fourth must be paid on or before July 31, one-fourth must be paid on or before October 31, and one-fourth must be paid on or before December 31.

2. In addition to the payments specified in subparagraph 1., for contributions due for wages paid in the second quarter of each year, one-third of the contributions due must be paid on or before July 31, one-third must be paid on or before October 31, and one-third must be paid on or before December 31.

3. In addition to the payments specified in subparagraphs 1. and 2., for contributions due for wages paid in the third quarter of each year, one-half of the contributions due must be paid on or before October 31, and one-half must be paid on or before December 31.

4. The annual administrative fee assessed for electing to pay under the installment method shall be collected at the time the employer makes the first installment payment each year. The fee shall be segregated from the payment and deposited into the Operating Trust Fund of the Department of Revenue.

5. Interest does not accrue on any contribution that becomes due for wages paid in the first three quarters of each year if the employer pays the contribution in accordance with subparagraphs 1.-4. Interest and fees continue to accrue on prior delinquent contributions and commence accruing on all contributions due for wages paid in the first three quarters of each year which are not paid in accordance with subparagraphs 1.-3. Penalties may be assessed in accordance with this chapter. The contributions due for wages paid in the fourth quarter of 2012, 2013, ~~and~~ 2014, and subsequent years are not affected by this paragraph and are due and payable in accordance with this chapter.

Section 13. Paragraph (a) of subsection (1) of section 125.271, Florida Statutes, is amended to read:

125.271 Emergency medical services; county emergency medical service assessments.—

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

(a) A county that is within a rural area of opportunity ~~critical economic concern~~ as designated by the Governor pursuant to s. 288.0656;

Once a county has qualified under this subsection, it always retains the qualification.

Section 14. Paragraphs (a), (b), and (e) of subsection (7) of section 163.3177, Florida Statutes, are amended to read:

163.3177 Required and optional elements of comprehensive plan; studies and surveys.—

(7)(a) The Legislature finds that:

1. There are a number of rural agricultural industrial centers in the state that process, produce, or aid in the production or distribution of a variety of agriculturally based products, including, but not limited to, fruits, vegetables, timber, and other crops, and juices, paper, and building materials. Rural agricultural industrial centers have a significant amount of existing associated infrastructure that is used for processing, producing, or distributing agricultural products.

2. Such rural agricultural industrial centers are often located within or near communities in which the economy is largely dependent upon agriculture and agriculturally based products. The centers significantly enhance the economy of such communities. However, these agriculturally based communities are

often socioeconomically challenged and designated as rural areas of opportunity ~~critical economic concern~~. If such rural agricultural industrial centers are lost and not replaced with other job-creating enterprises, the agriculturally based communities will lose a substantial amount of their economies.

3. The state has a compelling interest in preserving the viability of agriculture and protecting rural agricultural communities and the state from the economic upheaval that would result from short-term or long-term adverse changes in the agricultural economy. To protect these communities and promote viable agriculture for the long term, it is essential to encourage and permit diversification of existing rural agricultural industrial centers by providing for jobs that are not solely dependent upon, but are compatible with and complement, existing agricultural industrial operations and to encourage the creation and expansion of industries that use agricultural products in innovative ways. However, the expansion and diversification of these existing centers must be accomplished in a manner that does not promote urban sprawl into surrounding agricultural and rural areas.

(b) As used in this subsection, the term "rural agricultural industrial center" means a developed parcel of land in an unincorporated area on which there exists an operating agricultural industrial facility or facilities that employ at least 200 full-time employees in the aggregate and process and prepare for transport a farm product, as defined in s. 163.3162,

or any biomass material that could be used, directly or indirectly, for the production of fuel, renewable energy, bioenergy, or alternative fuel as defined by law. The center may also include land contiguous to the facility site which is not used for the cultivation of crops, but on which other existing activities essential to the operation of such facility or facilities are located or conducted. The parcel of land must be located within, or within 10 miles of, a rural area of opportunity ~~critical economic concern~~.

(e) ~~Nothing in~~ This subsection does not ~~shall be construed to~~ confer the status of rural area of opportunity ~~critical economic concern~~, or any of the rights or benefits derived from such status, on any land area not otherwise designated as such pursuant to s. 288.0656(7).

Section 15. Subsection (3) of section 163.3187, Florida Statutes, is amended to read:

163.3187 Process for adoption of small-scale comprehensive plan amendment.—

(3) If the small scale development amendment involves a site within a rural area of opportunity ~~critical economic concern~~ as defined under s. 288.0656(2)(d) for the duration of such designation, the 10-acre limit listed in subsection (1) shall be increased by 100 percent to 20 acres. The local government approving the small scale plan amendment shall certify to the Office of Tourism, Trade, and Economic Development that the plan amendment furthers the economic

objectives set forth in the executive order issued under s. 288.0656(7), and the property subject to the plan amendment shall undergo public review to ensure that all concurrency requirements and federal, state, and local environmental permit requirements are met.

Section 16. Subsection (10) of section 163.3246, Florida Statutes, is amended to read:

163.3246 Local government comprehensive planning certification program.—

(10) Notwithstanding subsections (2), (4), (5), (6), and (7), any municipality designated as a rural area of opportunity ~~critical economic concern~~ pursuant to s. 288.0656 which is located within a county eligible to levy the Small County Surtax under s. 212.055(3) shall be considered certified during the effectiveness of the designation of rural area of opportunity ~~critical economic concern~~. The state land planning agency shall provide a written notice of certification to the local government of the certified area, which shall be considered final agency action subject to challenge under s. 120.569. The notice of certification shall include the following components:

(a) The boundary of the certification area.

(b) A requirement that the local government submit either an annual or biennial monitoring report to the state land planning agency according to the schedule provided in the written notice. The monitoring report shall, at a minimum, include the number of amendments to the comprehensive plan

adopted by the local government, the number of plan amendments challenged by an affected person, and the disposition of those challenges.

Section 17. Paragraph (a) of subsection (6) of section 211.3103, Florida Statutes, is amended to read:

211.3103 Levy of tax on severance of phosphate rock; rate, basis, and distribution of tax.—

(6)(a) Beginning July 1 of the 2011-2012 fiscal year, the proceeds of all taxes, interest, and penalties imposed under this section are exempt from the general revenue service charge provided in s. 215.20, and such proceeds shall be paid into the State Treasury as follows:

1. To the credit of the Conservation and Recreation Lands Trust Fund, 25.5 percent.

2. To the credit of the General Revenue Fund of the state, 35.7 percent.

3. For payment to counties in proportion to the number of tons of phosphate rock produced from a phosphate rock matrix located within such political boundary, 12.8 percent. The department shall distribute this portion of the proceeds annually based on production information reported by the producers on the annual returns for the taxable year. Any such proceeds received by a county shall be used only for phosphate-related expenses.

4. For payment to counties that have been designated as a rural area of opportunity ~~critical economic concern~~ pursuant to

s. 288.0656 in proportion to the number of tons of phosphate rock produced from a phosphate rock matrix located within such political boundary, 10.0 percent. The department shall distribute this portion of the proceeds annually based on production information reported by the producers on the annual returns for the taxable year. Payments under this subparagraph shall be made to the counties unless the Legislature by special act creates a local authority to promote and direct the economic development of the county. If such authority exists, payments shall be made to that authority.

5. To the credit of the Nonmandatory Land Reclamation Trust Fund, 6.2 percent.

6. To the credit of the Phosphate Research Trust Fund in the Division of Universities of the Department of Education, 6.2 percent.

7. To the credit of the Minerals Trust Fund, 3.6 percent.

Section 18. Paragraph (c) of subsection (1) of section 212.098, Florida Statutes, is amended to read:

212.098 Rural Job Tax Credit Program.—

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

(c) "Qualified area" means any area that is contained within a rural area of <u>opportunity</u> ~~critical economic concern~~ designated under s. 288.0656, a county that has a population of fewer than 75,000 persons, or a county that has a population of 125,000 or less and is contiguous to a county that has a population of less than 75,000, selected in the following

manner: every third year, the Department of Economic Opportunity shall rank and tier the state's counties according to the following four factors:

1. Highest unemployment rate for the most recent 36-month period.

2. Lowest per capita income for the most recent 36-month period.

3. Highest percentage of residents whose incomes are below the poverty level, based upon the most recent data available.

4. Average weekly manufacturing wage, based upon the most recent data available.

Section 19. Subsection (1) of section 218.67, Florida Statutes, is amended to read:

218.67 Distribution for fiscally constrained counties.—

(1) Each county that is entirely within a rural area of opportunity ~~critical economic concern~~ as designated by the Governor pursuant to s. 288.0656 or each county for which the value of a mill will raise no more than $5 million in revenue, based on the taxable value certified pursuant to s. 1011.62(4)(a)1.a., from the previous July 1, shall be considered a fiscally constrained county.

Section 20. Subsection (1) of section 288.018, Florida Statutes, is amended to read:

288.018 Regional Rural Development Grants Program.—

(1) The department shall establish a matching grant program to provide funding to regionally based economic

development organizations representing rural counties and communities for the purpose of building the professional capacity of their organizations. Such matching grants may also be used by an economic development organization to provide technical assistance to businesses within the rural counties and communities that it serves. The department is authorized to approve, on an annual basis, grants to such regionally based economic development organizations. The maximum amount an organization may receive in any year will be $35,000, or $100,000 in a rural area of opportunity ~~critical economic concern~~ recommended by the Rural Economic Development Initiative and designated by the Governor, and must be matched each year by an equivalent amount of nonstate resources.

Section 21. Paragraphs (a) and (c) of subsection (2) of section 288.065, Florida Statutes, are amended to read:

288.065 Rural Community Development Revolving Loan Fund.—

(2)(a) The program shall provide for long-term loans, loan guarantees, and loan loss reserves to units of local governments, or economic development organizations substantially underwritten by a unit of local government, within counties with populations of 75,000 or fewer, or within any county with a population of 125,000 or fewer which is contiguous to a county with a population of 75,000 or fewer, based on the most recent official population estimate as determined under s. 186.901, including those residing in incorporated areas and those residing in unincorporated areas of the county, or to units of

local government, or economic development organizations substantially underwritten by a unit of local government, within a rural area of opportunity ~~critical economic concern~~.

(c) All repayments of principal and interest shall be returned to the loan fund and made available for loans to other applicants. However, in a rural area of opportunity ~~critical economic concern~~ designated by the Governor, and upon approval by the department, repayments of principal and interest may be retained by the applicant if such repayments are dedicated and matched to fund regionally based economic development organizations representing the rural area of opportunity ~~critical economic concern~~.

Section 22. Paragraphs (b), (c), and (e) of subsection (2) of section 288.0655, Florida Statutes, are amended to read:

288.0655 Rural Infrastructure Fund.—

(2)

(b) To facilitate access of rural communities and rural areas of opportunity ~~critical economic concern~~ as defined by the Rural Economic Development Initiative to infrastructure funding programs of the Federal Government, such as those offered by the United States Department of Agriculture and the United States Department of Commerce, and state programs, including those offered by Rural Economic Development Initiative agencies, and to facilitate local government or private infrastructure funding efforts, the department may award grants for up to 30 percent of the total infrastructure project cost. If an application for

funding is for a catalyst site, as defined in s. 288.0656, the department may award grants for up to 40 percent of the total infrastructure project cost. Eligible projects must be related to specific job-creation or job-retention opportunities. Eligible projects may also include improving any inadequate infrastructure that has resulted in regulatory action that prohibits economic or community growth or reducing the costs to community users of proposed infrastructure improvements that exceed such costs in comparable communities. Eligible uses of funds shall include improvements to public infrastructure for industrial or commercial sites and upgrades to or development of public tourism infrastructure. Authorized infrastructure may include the following public or public-private partnership facilities: storm water systems; telecommunications facilities; broadband facilities; roads or other remedies to transportation impediments; nature-based tourism facilities; or other physical requirements necessary to facilitate tourism, trade, and economic development activities in the community. Authorized infrastructure may also include publicly or privately owned self-powered nature-based tourism facilities, publicly owned telecommunications facilities, and broadband facilities, and additions to the distribution facilities of the existing natural gas utility as defined in s. 366.04(3)(c), the existing electric utility as defined in s. 366.02, or the existing water or wastewater utility as defined in s. 367.021(12), or any other existing water or wastewater facility, which owns a gas or

electric distribution system or a water or wastewater system in this state where:

1. A contribution-in-aid of construction is required to serve public or public-private partnership facilities under the tariffs of any natural gas, electric, water, or wastewater utility as defined herein; and

2. Such utilities as defined herein are willing and able to provide such service.

(c) To facilitate timely response and induce the location or expansion of specific job creating opportunities, the department may award grants for infrastructure feasibility studies, design and engineering activities, or other infrastructure planning and preparation activities. Authorized grants shall be up to $50,000 for an employment project with a business committed to create at least 100 jobs; up to $150,000 for an employment project with a business committed to create at least 300 jobs; and up to $300,000 for a project in a rural area of opportunity ~~critical economic concern~~. Grants awarded under this paragraph may be used in conjunction with grants awarded under paragraph (b), provided that the total amount of both grants does not exceed 30 percent of the total project cost. In evaluating applications under this paragraph, the department shall consider the extent to which the application seeks to minimize administrative and consultant expenses.

(e) To enable local governments to access the resources available pursuant to s. 403.973(18), the department may award

grants for surveys, feasibility studies, and other activities related to the identification and preclearance review of land which is suitable for preclearance review. Authorized grants under this paragraph shall not exceed $75,000 each, except in the case of a project in a rural area of opportunity ~~critical economic concern~~, in which case the grant shall not exceed $300,000. Any funds awarded under this paragraph must be matched at a level of 50 percent with local funds, except that any funds awarded for a project in a rural area of opportunity ~~critical economic concern~~ must be matched at a level of 33 percent with local funds. If an application for funding is for a catalyst site, as defined in s. 288.0656, the requirement for local match may be waived pursuant to the process in s. 288.06561. In evaluating applications under this paragraph, the department shall consider the extent to which the application seeks to minimize administrative and consultant expenses.

Section 23. Paragraphs (a), (b), and (d) of subsection (2) and subsection (7) of section 288.0656, Florida Statutes, are amended to read:

288.0656 Rural Economic Development Initiative.—

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

(a) "Catalyst project" means a business locating or expanding in a rural area of opportunity ~~critical economic concern~~ to serve as an economic generator of regional significance for the growth of a regional target industry cluster. The project must provide capital investment on a scale

significant enough to affect the entire region and result in the development of high-wage and high-skill jobs.

(b) "Catalyst site" means a parcel or parcels of land within a rural area of opportunity ~~critical economic concern~~ that has been prioritized as a geographic site for economic development through partnerships with state, regional, and local organizations. The site must be reviewed by REDI and approved by the department for the purposes of locating a catalyst project.

(d) "Rural area of opportunity ~~critical economic concern~~" means a rural community, or a region composed of rural communities, designated by the Governor, that has been adversely affected by an extraordinary economic event, severe or chronic distress, or a natural disaster or that presents a unique economic development opportunity of regional impact.

(7)(a) REDI may recommend to the Governor up to three rural areas of opportunity ~~critical economic concern~~. The Governor may by executive order designate up to three rural areas of opportunity ~~critical economic concern~~ which will establish these areas as priority assignments for REDI as well as to allow the Governor, acting through REDI, to waive criteria, requirements, or similar provisions of any economic development incentive. Such incentives shall include, but not be limited to, ~~:~~ the Qualified Target Industry Tax Refund Program under s. 288.106, the Quick Response Training Program under s. 288.047, the Quick Response Training Program for participants in the welfare transition program under s. 288.047(8),

transportation projects under s. 339.2821, the brownfield redevelopment bonus refund under s. 288.107, and the rural job tax credit program under ss. 212.098 and 220.1895.

(b) Designation as a rural area of opportunity ~~critical economic concern~~ under this subsection shall be contingent upon the execution of a memorandum of agreement among the department; the governing body of the county; and the governing bodies of any municipalities to be included within a rural area of opportunity ~~critical economic concern~~. Such agreement shall specify the terms and conditions of the designation, including, but not limited to, the duties and responsibilities of the county and any participating municipalities to take actions designed to facilitate the retention and expansion of existing businesses in the area, as well as the recruitment of new businesses to the area.

(c) Each rural area of opportunity ~~critical economic concern~~ may designate catalyst projects, provided that each catalyst project is specifically recommended by REDI, identified as a catalyst project by Enterprise Florida, Inc., and confirmed as a catalyst project by the department. All state agencies and departments shall use all available tools and resources to the extent permissible by law to promote the creation and development of each catalyst project and the development of catalyst sites.

Section 24. Paragraph (a) of subsection (3) of section 288.1088, Florida Statutes, is amended to read:

288.1088 Quick Action Closing Fund.—

(3)(a) The department and Enterprise Florida, Inc., shall jointly review applications pursuant to s. 288.061 and determine the eligibility of each project consistent with the criteria in subsection (2). Waiver of these criteria may be considered under the following criteria:

1. Based on extraordinary circumstances;

2. In order to mitigate the impact of the conclusion of the space shuttle program; or

3. In rural areas of opportunity ~~critical economic concern~~ if the project would significantly benefit the local or regional economy.

Section 25. Paragraphs (b), (c), and (d) of subsection (4) of section 288.1089, Florida Statutes, are amended to read:

288.1089 Innovation Incentive Program.—

(4) To qualify for review by the department, the applicant must, at a minimum, establish the following to the satisfaction of the department:

(b) A research and development project must:

1. Serve as a catalyst for an emerging or evolving technology cluster.

2. Demonstrate a plan for significant higher education collaboration.

3. Provide the state, at a minimum, a cumulative break-even economic benefit within a 20-year period.

4. Be provided with a one-to-one match from the local

community. The match requirement may be reduced or waived in rural areas of opportunity ~~critical economic concern~~ or reduced in rural areas, brownfield areas, and enterprise zones.

(c) An innovation business project in this state, other than a research and development project, must:

1.a. Result in the creation of at least 1,000 direct, new jobs at the business; or

b. Result in the creation of at least 500 direct, new jobs if the project is located in a rural area, a brownfield area, or an enterprise zone.

2. Have an activity or product that is within an industry that is designated as a target industry business under s. 288.106 or a designated sector under s. 288.108.

3.a. Have a cumulative investment of at least $500 million within a 5-year period; or

b. Have a cumulative investment that exceeds $250 million within a 10-year period if the project is located in a rural area, brownfield area, or an enterprise zone.

4. Be provided with a one-to-one match from the local community. The match requirement may be reduced or waived in rural areas of opportunity ~~critical economic concern~~ or reduced in rural areas, brownfield areas, and enterprise zones.

(d) For an alternative and renewable energy project in this state, the project must:

1. Demonstrate a plan for significant collaboration with an institution of higher education;

2. Provide the state, at a minimum, a cumulative break-even economic benefit within a 20-year period;

3. Include matching funds provided by the applicant or other available sources. The match requirement may be reduced or waived in rural areas of opportunity ~~critical economic concern~~ or reduced in rural areas, brownfield areas, and enterprise zones;

4. Be located in this state; and

5. Provide at least 35 direct, new jobs that pay an estimated annual average wage that equals at least 130 percent of the average private sector wage.

Section 26. Paragraph (d) of subsection (6) of section 290.0055, Florida Statutes, is amended to read:

290.0055 Local nominating procedure.—

(6)

(d)1. The governing body of a jurisdiction which has nominated an application for an enterprise zone that is at least 15 square miles and less than 20 square miles and includes a portion of the state designated as a rural area of opportunity ~~critical economic concern~~ under s. 288.0656(7) may apply to the department to expand the boundary of the existing enterprise zone by not more than 3 square miles.

2. The governing body of a jurisdiction which has nominated an application for an enterprise zone that is at least 20 square miles and includes a portion of the state designated as a rural area of opportunity ~~critical economic concern~~ under

s. 288.0656(7) may apply to the department to expand the boundary of the existing enterprise zone by not more than 5 square miles.

3. An application to expand the boundary of an enterprise zone under this paragraph must be submitted by December 31, 2013.

4. Notwithstanding the area limitations specified in subsection (4), the department may approve the request for a boundary amendment if the area continues to satisfy the remaining requirements of this section.

5. The department shall establish the initial effective date of an enterprise zone designated under this paragraph.

Section 27. Paragraph (c) of subsection (4) of section 339.2819, Florida Statutes, is amended to read:

339.2819 Transportation Regional Incentive Program.—

(4)

(c) The department shall give priority to projects that:

1. Provide connectivity to the Strategic Intermodal System developed under s. 339.64.

2. Support economic development and the movement of goods in rural areas of opportunity ~~critical economic concern~~ designated under s. 288.0656(7).

3. Are subject to a local ordinance that establishes corridor management techniques, including access management strategies, right-of-way acquisition and protection measures, appropriate land use strategies, zoning, and setback

requirements for adjacent land uses.

4. Improve connectivity between military installations and the Strategic Highway Network or the Strategic Rail Corridor Network.

The department shall also consider the extent to which local matching funds are available to be committed to the project.

Section 28. Paragraph (b) of subsection (5) of section 339.63, Florida Statutes, is amended to read:

339.63 System facilities designated; additions and deletions.—

(5)

(b) A facility designated part of the Strategic Intermodal System pursuant to paragraph (a) that is within the jurisdiction of a local government that maintains a transportation concurrency system shall receive a waiver of transportation concurrency requirements applicable to Strategic Intermodal System facilities in order to accommodate any development at the facility which occurs pursuant to a building permit issued on or before December 31, 2017, but only if such facility is located~~:~~

1. Within an area designated pursuant to s. 288.0656(7) as a rural area of opportunity ~~critical economic concern~~;

2. Within a rural enterprise zone as defined in s. 290.004(5); or

3. Within 15 miles of the boundary of a rural area of opportunity ~~critical economic concern~~ or a rural enterprise

zone.

Section 29. Paragraph (c) of subsection (3) of section 373.4595, Florida Statutes, is amended to read:

373.4595 Northern Everglades and Estuaries Protection Program.—

(3) LAKE OKEECHOBEE WATERSHED PROTECTION PROGRAM.—A protection program for Lake Okeechobee that achieves phosphorus load reductions for Lake Okeechobee shall be immediately implemented as specified in this subsection. The program shall address the reduction of phosphorus loading to the lake from both internal and external sources. Phosphorus load reductions shall be achieved through a phased program of implementation. Initial implementation actions shall be technology-based, based upon a consideration of both the availability of appropriate technology and the cost of such technology, and shall include phosphorus reduction measures at both the source and the regional level. The initial phase of phosphorus load reductions shall be based upon the district's Technical Publication 81-2 and the district's WOD program, with subsequent phases of phosphorus load reductions based upon the total maximum daily loads established in accordance with s. 403.067. In the development and administration of the Lake Okeechobee Watershed Protection Program, the coordinating agencies shall maximize opportunities provided by federal cost-sharing programs and opportunities for partnerships with the private sector.

(c) Lake Okeechobee Watershed Phosphorus Control Program.—

The Lake Okeechobee Watershed Phosphorus Control Program is designed to be a multifaceted approach to reducing phosphorus loads by improving the management of phosphorus sources within the Lake Okeechobee watershed through implementation of regulations and best management practices, development and implementation of improved best management practices, improvement and restoration of the hydrologic function of natural and managed systems, and utilization of alternative technologies for nutrient reduction. The coordinating agencies shall facilitate the application of federal programs that offer opportunities for water quality treatment, including preservation, restoration, or creation of wetlands on agricultural lands.

1. Agricultural nonpoint source best management practices, developed in accordance with s. 403.067 and designed to achieve the objectives of the Lake Okeechobee Watershed Protection Program, shall be implemented on an expedited basis. The coordinating agencies shall develop an interagency agreement pursuant to ss. 373.046 and 373.406(5) that assures the development of best management practices that complement existing regulatory programs and specifies how those best management practices are implemented and verified. The interagency agreement shall address measures to be taken by the coordinating agencies during any best management practice reevaluation performed pursuant to sub-subparagraph d. The department shall use best professional judgment in making the

initial determination of best management practice effectiveness.

a. As provided in s. 403.067(7)(c), the Department of Agriculture and Consumer Services, in consultation with the department, the district, and affected parties, shall initiate rule development for interim measures, best management practices, conservation plans, nutrient management plans, or other measures necessary for Lake Okeechobee watershed total maximum daily load reduction. The rule shall include thresholds for requiring conservation and nutrient management plans and criteria for the contents of such plans. Development of agricultural nonpoint source best management practices shall initially focus on those priority basins listed in subparagraph (b)1. The Department of Agriculture and Consumer Services, in consultation with the department, the district, and affected parties, shall conduct an ongoing program for improvement of existing and development of new interim measures or best management practices for the purpose of adoption of such practices by rule. The Department of Agriculture and Consumer Services shall work with the University of Florida's Institute of Food and Agriculture Sciences to review and, where appropriate, develop revised nutrient application rates for all agricultural soil amendments in the watershed.

b. Where agricultural nonpoint source best management practices or interim measures have been adopted by rule of the Department of Agriculture and Consumer Services, the owner or operator of an agricultural nonpoint source addressed by such

rule shall either implement interim measures or best management practices or demonstrate compliance with the district's WOD program by conducting monitoring prescribed by the department or the district. Owners or operators of agricultural nonpoint sources who implement interim measures or best management practices adopted by rule of the Department of Agriculture and Consumer Services shall be subject to the provisions of s. 403.067(7). The Department of Agriculture and Consumer Services, in cooperation with the department and the district, shall provide technical and financial assistance for implementation of agricultural best management practices, subject to the availability of funds.

c. The district or department shall conduct monitoring at representative sites to verify the effectiveness of agricultural nonpoint source best management practices.

d. Where water quality problems are detected for agricultural nonpoint sources despite the appropriate implementation of adopted best management practices, the Department of Agriculture and Consumer Services, in consultation with the other coordinating agencies and affected parties, shall institute a reevaluation of the best management practices and make appropriate changes to the rule adopting best management practices.

2. Nonagricultural nonpoint source best management practices, developed in accordance with s. 403.067 and designed to achieve the objectives of the Lake Okeechobee Watershed

Protection Program, shall be implemented on an expedited basis. The department and the district shall develop an interagency agreement pursuant to ss. 373.046 and 373.406(5) that assures the development of best management practices that complement existing regulatory programs and specifies how those best management practices are implemented and verified. The interagency agreement shall address measures to be taken by the department and the district during any best management practice reevaluation performed pursuant to sub-subparagraph d.

a. The department and the district are directed to work with the University of Florida's Institute of Food and Agricultural Sciences to develop appropriate nutrient application rates for all nonagricultural soil amendments in the watershed. As provided in s. 403.067(7)(c), the department, in consultation with the district and affected parties, shall develop interim measures, best management practices, or other measures necessary for Lake Okeechobee watershed total maximum daily load reduction. Development of nonagricultural nonpoint source best management practices shall initially focus on those priority basins listed in subparagraph (b)1. The department, the district, and affected parties shall conduct an ongoing program for improvement of existing and development of new interim measures or best management practices. The district shall adopt technology-based standards under the district's WOD program for nonagricultural nonpoint sources of phosphorus. Nothing in this sub-subparagraph shall affect the authority of the department or

the district to adopt basin-specific criteria under this part to prevent harm to the water resources of the district.

b. Where nonagricultural nonpoint source best management practices or interim measures have been developed by the department and adopted by the district, the owner or operator of a nonagricultural nonpoint source shall implement interim measures or best management practices and be subject to the provisions of s. 403.067(7). The department and district shall provide technical and financial assistance for implementation of nonagricultural nonpoint source best management practices, subject to the availability of funds.

c. The district or the department shall conduct monitoring at representative sites to verify the effectiveness of nonagricultural nonpoint source best management practices.

d. Where water quality problems are detected for nonagricultural nonpoint sources despite the appropriate implementation of adopted best management practices, the department and the district shall institute a reevaluation of the best management practices.

3. The provisions of subparagraphs 1. and 2. shall not preclude the department or the district from requiring compliance with water quality standards or with current best management practices requirements set forth in any applicable regulatory program authorized by law for the purpose of protecting water quality. Additionally, subparagraphs 1. and 2. are applicable only to the extent that they do not conflict with

any rules promulgated by the department that are necessary to maintain a federally delegated or approved program.

4. Projects that reduce the phosphorus load originating from domestic wastewater systems within the Lake Okeechobee watershed shall be given funding priority in the department's revolving loan program under s. 403.1835. The department shall coordinate and provide assistance to those local governments seeking financial assistance for such priority projects.

5. Projects that make use of private lands, or lands held in trust for Indian tribes, to reduce nutrient loadings or concentrations within a basin by one or more of the following methods: restoring the natural hydrology of the basin, restoring wildlife habitat or impacted wetlands, reducing peak flows after storm events, increasing aquifer recharge, or protecting range and timberland from conversion to development, are eligible for grants available under this section from the coordinating agencies. For projects of otherwise equal priority, special funding priority will be given to those projects that make best use of the methods outlined above that involve public-private partnerships or that obtain federal match money. Preference ranking above the special funding priority will be given to projects located in a rural area of opportunity ~~critical economic concern~~ designated by the Governor. Grant applications may be submitted by any person or tribal entity, and eligible projects may include, but are not limited to, the purchase of conservation and flowage easements, hydrologic restoration of

wetlands, creating treatment wetlands, development of a management plan for natural resources, and financial support to implement a management plan.

6.a. The department shall require all entities disposing of domestic wastewater residuals within the Lake Okeechobee watershed and the remaining areas of Okeechobee, Glades, and Hendry Counties to develop and submit to the department an agricultural use plan that limits applications based upon phosphorus loading. By July 1, 2005, phosphorus concentrations originating from these application sites shall not exceed the limits established in the district's WOD program. After December 31, 2007, the department may not authorize the disposal of domestic wastewater residuals within the Lake Okeechobee watershed unless the applicant can affirmatively demonstrate that the phosphorus in the residuals will not add to phosphorus loadings in Lake Okeechobee or its tributaries. This demonstration shall be based on achieving a net balance between phosphorus imports relative to exports on the permitted application site. Exports shall include only phosphorus removed from the Lake Okeechobee watershed through products generated on the permitted application site. This prohibition does not apply to Class AA residuals that are marketed and distributed as fertilizer products in accordance with department rule.

b. Private and government-owned utilities within Monroe, Miami-Dade, Broward, Palm Beach, Martin, St. Lucie, Indian River, Okeechobee, Highlands, Hendry, and Glades Counties that

dispose of wastewater residual sludge from utility operations and septic removal by land spreading in the Lake Okeechobee watershed may use a line item on local sewer rates to cover wastewater residual treatment and disposal if such disposal and treatment is done by approved alternative treatment methodology at a facility located within the areas designated by the Governor as rural areas of opportunity ~~critical economic concern~~ pursuant to s. 288.0656. This additional line item is an environmental protection disposal fee above the present sewer rate and shall not be considered a part of the present sewer rate to customers, notwithstanding provisions to the contrary in chapter 367. The fee shall be established by the county commission or its designated assignee in the county in which the alternative method treatment facility is located. The fee shall be calculated to be no higher than that necessary to recover the facility's prudent cost of providing the service. Upon request by an affected county commission, the Florida Public Service Commission will provide assistance in establishing the fee. Further, for utilities and utility authorities that use the additional line item environmental protection disposal fee, such fee shall not be considered a rate increase under the rules of the Public Service Commission and shall be exempt from such rules. Utilities using the provisions of this section may immediately include in their sewer invoicing the new environmental protection disposal fee. Proceeds from this environmental protection disposal fee shall be used for

treatment and disposal of wastewater residuals, including any treatment technology that helps reduce the volume of residuals that require final disposal, but such proceeds shall not be used for transportation or shipment costs for disposal or any costs relating to the land application of residuals in the Lake Okeechobee watershed.

c. No less frequently than once every 3 years, the Florida Public Service Commission or the county commission through the services of an independent auditor shall perform a financial audit of all facilities receiving compensation from an environmental protection disposal fee. The Florida Public Service Commission or the county commission through the services of an independent auditor shall also perform an audit of the methodology used in establishing the environmental protection disposal fee. The Florida Public Service Commission or the county commission shall, within 120 days after completion of an audit, file the audit report with the President of the Senate and the Speaker of the House of Representatives and shall provide copies to the county commissions of the counties set forth in sub-subparagraph b. The books and records of any facilities receiving compensation from an environmental protection disposal fee shall be open to the Florida Public Service Commission and the Auditor General for review upon request.

7. The Department of Health shall require all entities disposing of septage within the Lake Okeechobee watershed to

develop and submit to that agency an agricultural use plan that limits applications based upon phosphorus loading. By July 1, 2005, phosphorus concentrations originating from these application sites shall not exceed the limits established in the district's WOD program.

8. The Department of Agriculture and Consumer Services shall initiate rulemaking requiring entities within the Lake Okeechobee watershed which land-apply animal manure to develop resource management system level conservation plans, according to United States Department of Agriculture criteria, which limit such application. Such rules may include criteria and thresholds for the requirement to develop a conservation or nutrient management plan, requirements for plan approval, and recordkeeping requirements.

9. The district, the department, or the Department of Agriculture and Consumer Services, as appropriate, shall implement those alternative nutrient reduction technologies determined to be feasible pursuant to subparagraph (d)6.

Section 30. Paragraph (e) of subsection (2) and paragraph (b) of subsection (26) of section 380.06, Florida Statutes, are amended to read:

380.06 Developments of regional impact.—

(2) STATEWIDE GUIDELINES AND STANDARDS.—

(e) With respect to residential, hotel, motel, office, and retail developments, the applicable guidelines and standards shall be increased by 50 percent in urban central business

districts and regional activity centers of jurisdictions whose local comprehensive plans are in compliance with part II of chapter 163. With respect to multiuse developments, the applicable individual use guidelines and standards for residential, hotel, motel, office, and retail developments and multiuse guidelines and standards shall be increased by 100 percent in urban central business districts and regional activity centers of jurisdictions whose local comprehensive plans are in compliance with part II of chapter 163, if one land use of the multiuse development is residential and amounts to not less than 35 percent of the jurisdiction's applicable residential threshold. With respect to resort or convention hotel developments, the applicable guidelines and standards shall be increased by 150 percent in urban central business districts and regional activity centers of jurisdictions whose local comprehensive plans are in compliance with part II of chapter 163 and where the increase is specifically for a proposed resort or convention hotel located in a county with a population greater than 500,000 and the local government specifically designates that the proposed resort or convention hotel development will serve an existing convention center of more than 250,000 gross square feet built before ~~prior to~~ July 1, 1992. The applicable guidelines and standards shall be increased by 150 percent for development in any area designated by the Governor as a rural area of opportunity ~~critical economic concern~~ pursuant to s. 288.0656 during the effectiveness of the

designation.

(26) ABANDONMENT OF DEVELOPMENTS OF REGIONAL IMPACT.—

(b) Upon receipt of written confirmation from the state land planning agency that any required mitigation applicable to completed development has occurred, an industrial development of regional impact located within the coastal high-hazard area of a rural area of opportunity ~~county of economic concern~~ which was approved before ~~prior to~~ the adoption of the local government's comprehensive plan required under s. 163.3167 and which plan's future land use map and zoning designates the land use for the development of regional impact as commercial may be unilaterally abandoned without the need to proceed through the process described in paragraph (a) if the developer or owner provides a notice of abandonment to the local government and records such notice with the applicable clerk of court. Abandonment shall be deemed to have occurred upon the recording of the notice. All development following abandonment shall be fully consistent with the current comprehensive plan and applicable zoning.

Section 31. Paragraph (g) of subsection (3) of section 380.0651, Florida Statutes, is amended to read:

380.0651 Statewide guidelines and standards.—

(3) The following statewide guidelines and standards shall be applied in the manner described in s. 380.06(2) to determine whether the following developments shall be required to undergo development-of-regional-impact review:

(g) Residential development.—No rule may be adopted

concerning residential developments which treats a residential development in one county as being located in a less populated adjacent county unless more than 25 percent of the development is located within 2 ~~or less~~ miles or less of the less populated adjacent county. The residential thresholds of adjacent counties with less population and a lower threshold shall not be controlling on any development wholly located within areas designated as rural areas of opportunity ~~critical economic concern~~.

Section 32. Paragraph (b) of subsection (2) of section 985.686, Florida Statutes, is amended to read:

985.686 Shared county and state responsibility for juvenile detention.—

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

(b) "Fiscally constrained county" means a county within a rural area of opportunity ~~critical economic concern~~ as designated by the Governor pursuant to s. 288.0656 or each county for which the value of a mill will raise no more than $5 million in revenue, based on the certified school taxable value certified pursuant to s. 1011.62(4)(a)1.a., from the previous July 1.

Section 33. Subsection (2) of section 1011.76, Florida Statutes, is amended to read:

1011.76 Small School District Stabilization Program.—

(2) In order to participate in this program, a school district must be located in a rural area of opportunity ~~critical~~

~~economic concern~~ designated by the Executive Office of the Governor, and the district school board must submit a resolution to the Department of Economic Opportunity requesting participation in the program. A rural area of opportunity ~~critical economic concern~~ must be a rural community, or a region composed of such, that has been adversely affected by an extraordinary economic event or a natural disaster or that presents a unique economic development concern or opportunity of regional impact. The resolution must be accompanied by ~~with~~ documentation of the economic conditions in the community and~~,~~ provide information indicating the negative impact of these conditions on the school district's financial stability, and the school district must participate in a best financial management practices review to determine potential efficiencies that could be implemented to reduce program costs in the district.

Section 34. This act shall take effect July 1, 2014.