



Economic Development & Tourism Subcommittee

Wednesday, January 15, 2014
8:00 AM – 10:00 AM
12 HOB

Meeting Packet

Will Weatherford
Speaker

Carlos Trujillo
Chair



The Florida House of Representatives

Economic Development and Tourism Subcommittee

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Meeting Agenda

Wednesday, January 15, 2014
Room 12, House Office Building
8:00 a.m. – 10:00 a.m.

- I. Call to Order**

- II. Roll Call**

- III. Welcome and Opening Remarks**

- IV. Consideration of the Following Proposed Committee Bills:**
 - a. PCB EDTS 14-01 – Pub. Rec./Division of Emergency Management**

 - b. PCB EDTS 14-02 – Division of Emergency Management**

 - c. PCB EDTS 14-03 – Economic Development**

- V. Adjournment**

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB EDTS 14-01 Pub. Rec./ Division of Emergency Management
SPONSOR(S): Economic Development & Tourism Subcommittee
TIED BILLS: IDEN./SIM. **BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Economic Development & Tourism Subcommittee		Duncan <i>pdd</i>	West <i>RW</i>

SUMMARY ANALYSIS

Unless specifically exempted, all state agency records in Florida are available for public inspection. Current law provides an exemption for information furnished by a person to an agency for the purpose of being provided with emergency notification but does not provide an exemption for personal identifying information provided by a person or business to an agency for emergency planning. Certain personal identifying information can include sensitive information that when open to public records requests, serves as a disincentive to engage in emergency planning.

The Proposed Committee Bill (PCB) narrowly expands the current public records exemption relating to emergency notification to provide that any personal identifying information provided by a person or business to an agency for the purpose of being provided assistance with emergency planning is exempt from s. 119.071(1), F.S., and s. 24(a), Art. I of the State Constitution.

As provided in current law, the PCB is subject to the Open Government Sunset Review Act in accordance with s. 119.15, F.S., and shall be repealed on October 2, 2016, unless reviewed and saved from repeal through reenactment by the Legislature.

The PCB also provides a statement of public necessity for the exemption. The statement provides that:

- The Division of Emergency Management manages a statewide public awareness program to educate the public to be self-sufficient for up to 72 hours following a natural or manmade disaster.
- The public education campaign encourages individuals, families, and businesses to develop disaster plans in preparation of and in response to natural or manmade disasters.
- Emergency plans may include sensitive information such as alternate locations for families to meet or business relocation in the event of building damage; business contacts, including utility providers, suppliers, and employees; backup suppliers for key materials and services depended upon by the business; important records and documents that the business needs to operate; and emergency community contacts and disaster resources.
- The potential disclosure of sensitive information has served as a disincentive for creating a disaster plan, particularly among businesses that fear that the disclosure of sensitive information may place their businesses at a competitive disadvantage.
- The harm that may result from the release of information used as part of emergency planning for the preparation of and in response to a natural or manmade disaster outweighs any public benefit that may be derived from disclosure of the information.

The bill does not appear to have a fiscal impact on state or local government revenues.

Article I, s. 24(c) of the State Constitution, requires a two-thirds vote of the members present and voting for final passage of a newly created or expanded public record or public meeting exemption. The bill creates a new public record exemption; thus, it requires a two-thirds vote for final passage.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: pcb01.EDTS

DATE: 1/9/2014

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Public Records Law

Article I, s. 24(a) of the State Constitution, sets forth the state's public policy regarding access to government records. The State Constitution guarantees every person a right to inspect or copy any public record of the legislative, executive, and judicial branches of government. The Legislature, however, may provide by general law for the exemption of records from the requirements of Article I, s. 24(a) of the State Constitution. The general law must state with specificity the public necessity justifying the exemption and must be no broader than necessary to accomplish its purpose.¹

Public policy regarding access to government records is addressed further in Florida Statutes. Section 119.07(1), F.S., guarantees every person a right to inspect and copy any state, county, or municipal record. Furthermore, the Open Government Sunset Review Act² provides that a public record or public meeting exemption may be created or maintained only if it serves an identifiable public purpose. In addition, it may be no broader than is necessary to meet one of the following purposes:

- Allows the state or its political subdivisions to effectively and efficiently administer a governmental program, which administration would be significantly impaired without the exemption.
- Protects sensitive personal information that, if released, would be defamatory or would jeopardize an individual's safety; however, only the identity of an individual may be exempted under this provision.
- Protects trade or business secrets.

If, in reenacting an exemption that will repeal, the exemption is expanded, a public necessity statement and a two-thirds vote for passage in each chamber of the legislature is required.³ If the exemption is reenacted with grammatical or stylistic changes that do not expand the exemption, if the exemption is narrowed, or if an exception to the exemption is created⁴ then a public necessity statement and a two-thirds vote for passage are not required.

The Act sets forth a legislative review process for newly created or substantially amended public record or public meeting exemptions. It requires an automatic repeal of the exemption on October 2nd of the fifth year after creation or substantial amendment, unless the Legislature reenacts the exemption.

Public Records Law Exemption Relating to Emergencies

Currently, any information provided by a person to an agency for the purpose of being notified of an emergency by the agency, including the person's name, address, telephone number, e-mail address, or other electronic communication address, is exempt from s. 119.071(1), F.S., and s. 24(a), Art. I of the State Constitution. This exemption applies to information held by an agency before, on, or after the effective date of the exemption.⁵

¹ Article I, s. 24(c) of the State Constitution

² Section 119.15, F.S.

³ Article I, s. 24(c) of the State Constitution

⁴ An example of an exception to a public record exemption would be allowing another agency access to confidential or exempt records.

⁵ Section 119.071(5)(j)1., F.S.

The exemption is subject to the Open Government Sunset Review Act and will be repealed on October 2, 2016, unless reviewed and saved from repeal through reenactment by the Legislature.⁶

Information Provided to the Division of Emergency Management

As part of its emergency planning responsibilities, the Division of Emergency Management manages a statewide public awareness program to educate the public to be self-sufficient for up to 72 hours following a natural or manmade disaster. The public education campaign encourages individuals, families, and businesses to develop disaster plans in preparation of and in response to natural or manmade disasters. Emergency plans may include sensitive information such as alternate locations for families to meet or business relocation in the event of building damage; business contacts, including utility providers, suppliers, and employees; backup suppliers for key materials and services depended upon by the business; important records and documents that the business needs to operate; and emergency community contacts and disaster resources.

The potential disclosure of sensitive information has served as a disincentive for creating a disaster plan, particularly among businesses that fear that the disclosure of sensitive information may place their businesses at a competitive disadvantage.

Effect of Proposed Changes

The Proposed Committee Bill expands the current public records exemption relating to emergency notification to provide that any personal identifying information provided by a person or business to an agency for the purpose of being provided assistance with emergency planning by the agency is exempt from s. 119.071(1), F.S., and s. 24(a), Art. I of the State Constitution.

Article I, s. 24(c) of the Florida Constitution requires a law creating a new public records exemption to contain a public necessity statement justifying the exemption; therefore, this PCB contains a public necessity statement.

B. SECTION DIRECTORY:

Section 1: Amends s.119.71(5)(j), F.S., relating to other personal information, to provide that any personal identifying information provided by a person or business to an agency for the purpose of being provided assistance with emergency planning by the agency is exempt from s. 119.071(1), F.S., and s. 24(a), Art. I of the State Constitution.

Section 2: Provides a public necessity statement.

Section 3: Provides an effective date of July1, 2014.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

⁶ Section 119.071(5)(j)2., F.S.

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to require counties or municipalities to spend funds or take 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:

Article I, s. 24(c) of the State Constitution requires a two-thirds vote of the members present and voting for final passage of a newly created or expanded public record or public meeting exemption. The bill creates a new public record exemption; thus, it requires a two-thirds vote for passage.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

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A bill to be entitled
An act relating to public records; amending s.
119.071, F.S.; exempting from public records
requirements information furnished to an agency by a
person or business for the purpose of obtaining
assistance with emergency planning or emergency
notification; providing a statement of public
necessity; providing an effective date.

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

Section 1. Paragraph (j) of subsection (5) of section
119.071, Florida Statutes, is amended to read:

119.071 General exemptions from inspection or copying of
public records.—

(5) OTHER PERSONAL INFORMATION.—

(j)1. Any personal identifying information furnished by a
person or business to an agency for the purpose of being
provided assistance with emergency planning or ~~with~~ emergency
notification by the agency, ~~including the person's name,~~
~~address, telephone number, e-mail address, or other electronic~~
~~communication address,~~ is exempt from s. 119.07(1) and s. 24(a),
Art. I of the State Constitution. This exemption applies to
information held by an agency before, on, or after the effective
date of this exemption.

2. This paragraph is subject to the Open Government Sunset

27 Review Act in accordance with s. 119.15, and shall stand
 28 repealed on October 2, 2016, unless reviewed and saved from
 29 repeal through reenactment by the Legislature.

30 Section 2. The Legislature finds that it is a public
 31 necessity that information relating to emergency planning be
 32 made exempt from s. 119.07(1), Florida Statutes, and s. 24(a),
 33 Article I of the State Constitution. The Division of Emergency
 34 Management manages a statewide public awareness program to
 35 educate the public to be self-sufficient for up to 72 hours
 36 following a natural or manmade disaster. The public education
 37 campaign encourages individuals, families, and businesses to
 38 develop disaster plans in preparation of and in response to such
 39 natural or manmade disasters. Emergency plans may include
 40 sensitive information such as alternate locations for families
 41 to meet or business relocation in the event of building damage;
 42 business contacts, including utility providers, suppliers, and
 43 employees; backup suppliers for key materials and services
 44 depended upon by the business; important records and documents
 45 that the business needs to operate; and emergency community
 46 contacts and disaster resources. The potential disclosure of
 47 sensitive information has served as a disincentive for creating
 48 a disaster plan, particularly among businesses who fear that the
 49 disclosure of sensitive information may place their businesses
 50 at a competitive disadvantage. The Legislature therefore finds
 51 that the harm that may result from the release of information
 52 used as part of emergency planning for the preparation of and in

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53 | response to a natural or manmade disaster outweighs any public
54 | benefit that may be derived from disclosure of the information.

55 | Section 3. This act shall take effect July 1, 2014.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB EDTS 14-02 Division of Emergency Management
SPONSOR(S): Economic Development & Tourism Subcommittee
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Economic Development & Tourism Subcommittee		Duncan <i>pdd</i>	West <i>pw</i>

SUMMARY ANALYSIS

The Proposed Committee Bill (PCB) addresses two issues related to the duties and responsibilities of Florida's Division of Emergency Management (DEM): the special needs registry, which is a tool used to coordinate emergency management resources in order to plan for and respond to the needs of Florida's most vulnerable citizens; and state employees traveling under the Emergency Management Assistance Compact.

Special Needs Registry

Current law requires each local emergency management agency to maintain a registry of persons with special needs located in the jurisdiction of the local agency. The registry, updated annually, must identify those persons in need of assistance and plan for allocating resources to meet the identified needs. However, the law does not identify the information that must be provided, the method or the format by which such information must be collected.

The PCB requires DEM, rather than each local emergency management agency, to maintain a registry of persons with special needs within the state, thus creating a statewide special needs registry. Local emergency management agencies must be granted access to the registry for their respective jurisdictions.

Emergency Management Assistance Compact

In 1996, the Legislature authorized Florida's participation in the Emergency Management Assistance Compact (EMAC), which is governed by part III, chapter 252, F.S., and is an agreement entered into by 50 states, the Commonwealth of Puerto Rico, the District of Columbia, and all United States territorial possessions. The purpose of EMAC is to provide mutual assistance between states entering into the compact in managing an emergency or disaster declared by the governor of the affected state(s).

DEM has received numerous requests through EMAC to assist various states responding to manmade or natural disasters. There are times when DEM employees work in a state in which the travel and meal costs are greater than the rate authorized for reimbursement according to Florida law. Currently, the law does not permit state employees traveling under the EMAC to receive travel reimbursement based on the amount agreed upon by the requesting state and DEM.

The PCB provides that the travel expense reimbursement provisions under s. 112.061, F.S., do not apply to a state employee traveling under EMAC when such expenses are reimbursed based on the amount agreed upon in an interstate mutual aid request for assistance.

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

The PCB does not have a fiscal impact on state or local government revenues.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Florida Division of Emergency Management

Florida's Division of Emergency Management (DEM) is administratively housed within the Executive Office of the Governor.¹ DEM is responsible for all professional, technical, and administrative support functions necessary to carry out its responsibilities. The Director of DEM is appointed by, and serves at the pleasure of, the Governor and is the head of DEM for all purposes. DEM is tasked with administering programs to rapidly apply all available aid to communities stricken by an emergency and serves as a liaison with federal agencies and other public and private agencies.²

The State Emergency Management Act (Act)³ establishes the powers of DEM. It tasks DEM with maintaining a comprehensive statewide program of emergency management efforts that includes coordinating efforts with the Federal Government, local governments, other state agencies, school boards, and private agencies that have a role in emergency management.⁴ The statewide program of emergency management includes, but is not limited to:

- Preparation of a comprehensive statewide emergency management plan.
- Adopting standards and requirements for county emergency management plans.
- Assisting political subdivisions in preparing and maintaining emergency management plans.
- Ascertaining the requirements for equipment and supplies for use in an emergency.
- Instituting statewide public awareness programs.
- Coordinating federal, state, and local emergency management activities in advance of an emergency.
- Using and employing the property, services, and resources within the state in accordance with the Act.⁵

Special Needs Registry

Present Situation

Each local emergency management agency⁶ is required to maintain a registry of persons with special needs located in the jurisdiction of the local agency. The registry, updated annually, must identify those persons in need of assistance and plan for allocating resources to meet the identified needs. However, the law does not identify the information that must be provided or the method by or the format by which such information must be collected. Thus, the method of collecting and maintaining such data varies among local emergency planning agencies.

¹ Section 14.2016, F.S. DEM is a separate budget entity, as provided in the General Appropriations Act and is required to prepare and submit a budget amendment in accordance with Ch. 216, F.S. *Id.*

² *Id.*

³ Section 252, F.S.

⁴ Section 252.35(1), F.S.

⁵ Section 252.35, F.S.

⁶ "Local emergency management agency" means an organization created in accordance with ss. 252.31-252.90, F.S., (the State Emergency Management Act and the Florida Emergency Planning and Community Right-to-Know Act) to discharge the emergency management responsibilities and functions of a political subdivision. Section 252.34(5), F.S.

According to DEM, currently 39,990 persons with special needs are registered with local emergency management agencies. According to the 2012 American Community Survey, which is part of the U.S. Census, 2,460,338 Floridians self-identified as having a disability.⁷

Home health agencies, hospices, nurse registries, home medical equipment providers, the Department of Children and Family Services, Department of Health, the Agency for Health Care Administration, Department of Education, the Agency for Persons with Disabilities, and the Department of Elderly Affairs are directed to provide registration information to all of their special needs clients and to all persons with special needs who receive services.⁸

The registration program must give persons with special needs the option of preauthorizing emergency response personnel to enter into their homes during search and rescue operations if necessary to assure their safety and welfare following disasters.⁹

DEM is the lead agency responsible for community education and outreach to the public, including special needs clients, regarding registration and special needs shelters and general information regarding shelter stays.¹⁰

Annually, on or before May 31, each electric utility in the state must notify residential customers in its service area of the availability of the registration program available through the local emergency management agency by:

- An initial notification upon the activation of new residential service with the electric utility, followed by one annual notification between January 1 and May 31; or
- Two separate annual notifications between January 1 and May 31.

All records, data, information, correspondence, and communications relating to the registration of persons with special needs are confidential and exempt from the provisions of s. 119.07(1), F.S., except that such information must be available to other emergency response agencies, as determined by the local emergency management director. Local law enforcement agencies must be given complete shelter roster information upon request.¹¹

All appropriate agencies and community-based service providers, including home health care providers, hospices, nurse registries, and home medical equipment providers, are required to assist emergency management agencies by collecting registration information for persons with special needs as part of program intake processes, establishing programs to increase the awareness of the registration process, and educating clients about the procedures that may be necessary for their safety during disasters. Clients of state or federally-funded service programs with physical, mental, cognitive impairment, or sensory disabilities and who are in need of assistance with evacuating or sheltering must register as persons with special needs.¹²

Effect of Proposed Changes

The PCB requires DEM, rather than local emergency management agencies, to maintain a registry of persons with special needs within the state creating a statewide special needs registry. Each local emergency management agency in the state must be granted access to the registry for its respective jurisdiction.

⁷ Email to House Economic Development & Tourism staff from Florida Division of Emergency Management staff. (Jan. 7, 2014).

⁸ Section 252.355(1), F.S.

⁹ *Id.*

¹⁰ Section 252.355(2), F.S.

¹¹ Section 252.355(5), F.S.

¹² Section 252.355(6), F.S.

Recently, DEM's Director established the Electronic Special Needs Registry Working Group. The group is tasked with evaluating current systems, determining the information that would be beneficial for collection on the state and local levels. According to DEM, a statewide electronic special needs registry would establish a standardized system for gathering and sharing information, allow for a statewide comprehensive marketing campaign in an effort to increase the number of registrants, and improve the ability of the state and local emergency management agencies to prepare for and respond to the needs of this population.

Emergency Management Assistance Compact (EMAC)

Present Situation

In 1996, a joint resolution of the U.S. Congress granted consent of the Emergency Management Assistance Compact (EMAC).¹³ That same year, Legislature authorized Florida's participation in the EMAC,¹⁴ which is governed by part III, chapter 252, F.S., and is an agreement entered into by 50 states, the Commonwealth of Puerto Rico, the District of Columbia, and all United States territorial possessions. The purpose of EMAC is to provide mutual assistance between states entering into the compact in managing an emergency or disaster declared by the governor of the affected state(s). The emergency may arise from a natural or manmade disaster, technological hazard, civil emergency aspects of resource shortages, community disorders, insurgency, or enemy attack.

The EMAC Process

1. Governor declares a state of emergency due to a natural or man-made disaster/emergency.
2. Affected state assesses resource needs and identifies shortfalls for which assistance will be requested.
3. State requests resources from EMAC member states through the state emergency management agencies.
4. State emergency management personnel and local resource providers work together to identify available resources and estimated mission costs.
5. The requesting and assisting states execute the EMAC Request for Assistance Form, which is called the REQ-A.¹⁵
6. Personnel deploying under EMAC are given a Mission Order Authorization Form which outlines the mission, helpful information, and guidance.
7. Resources are sent to the requesting state from the assisting state.
8. When the mission is completed, resources return to the home state.
9. Deployed personnel provide receipts/records and work with the home state to develop and review reimbursement package(s).
10. Reimbursement package is sent to the requesting state.
11. The requesting state reimburses the assisting state.

A properly executed REQ-A authorizes the EMAC mission and constitutes a contract between two states. Upon accepting resources offered by another EMAC member state, the requesting state is financially obligated to reimburse the assisting states for expenses incurred in performance of the

¹³ Public Law 104-321 – Oct. 19, 1996.

¹⁴ Chapter 96-244, L.O.F.

¹⁵ The REQ-A is the official form used by states to request, offer, and accept assistance through EMAC. It is also the basis for reimbursement. The Emergency Management Assistance Compact, EMAC Overview 9-2011.pptx, Library Documents Docs ID #2646, Slide 35, available at http://www.nemaweb.org/index.php?option=com_pollybrowser&Itemid=201

EMAC mission. Self-dispatched resources that deploy without state authorization are not recognized under the EMAC and are not eligible for reimbursement.¹⁶

Reimbursement under EMAC is not dependent upon the receipt of Disaster Relief Funds that are available through the Federal Emergency Management Agency (FEMA) after the president declares a major disaster or emergency. The requesting state may seek funds from FEMA or any other sources but its obligation under EMAC to pay for services rendered are not contingent upon the receipt of federal funds.¹⁷

FDEM Deployment under EMAC

DEM has received numerous requests through EMAC to assist various states responding to manmade or natural disasters. There are times when DEM employees work in a state in which the travel and meal costs are greater than the rate authorized by Florida law. Currently, the law does not permit state employees traveling on an EMAC mission to receive travel reimbursement based on the amount agreed upon by the requesting state and DEM. Below is a list of missions in which DEM staff was deployed to provide assistance under EMAC from 2010-2013.¹⁸

MISSION	NUMBER DEPLOYED	LOCATION	EVENT
2013			
Hazard mitigation grant experts	2	Colorado	Flood
Public information specialist to assist with operations JFO	2	Alaska	Flood
State Volunteer Agency Liaison	1	Alaska	Flood
2012			
Law enforcement strike Teams	28	New Jersey	Sandy
Region IV Support Team to assist in staffing EOC.	10	New York	Sandy
Donations Management Coordinator	1	New Jersey	Sandy
Personnel able to support NYC EOC	14	New York	Sandy
Donations Coordinators	1	New York	Sandy
Governor's Office of Volunteerism	1	New Jersey	Sandy
Finance personnel to assist NYS EOC	1	New York	Sandy
Field operations (door to door)	2	New York	Sandy
Request for assistance with mass care/feeding	2	Maryland	Sandy
2011			
Need for mitigation officer	2	Vermont	Irene
Request ESF 6 support	1	New Jersey	Irene
Donations Manager	1	New York	Tropical Storm Lee
Request EOC support team	17	New York	Irene
Mitigation personnel	3	Tennessee	Flood
Cadaver Dog Team	7	Alabama	Tornados
Communication teams	2	Alabama	Tornados

¹⁶ National Emergency Management Association, Section III. Reimbursement, NEMA Library Documents Doc ID#2492, available at http://www.nemaweb.org/index.php?option=com_pollydoc&format=raw&view=doc&id=2492.

¹⁷ *Id.*

¹⁸ Florida Division of Emergency Management, Email to House Economic Development & Tourism Subcommittee staff, Dec. 10, 2013. Email on file.

Volunteer donations coordinator	1	Missouri	Tornados
Volunteer donations coordinator	1	Alabama	Tornados
PIO Request	2	Alabama	Tornados
Individual Assistance Personnel	5	Mississippi	Severe weather
2010			
Air Craft Crew Chiefs for oil spill	15	Louisiana	Deep Water Horizon
National Guard	20	Louisiana	Deep Water Horizon

Party State Responsibilities

Each party state is directed to compose procedural plans and programs for interstate cooperation in the performance of the required responsibilities.¹⁹ The authorized representative of a party state may request verbally or in writing the assistance of another party state by contacting the authorized representative of that state. Verbal requests must be followed by a written request within 90 days of the verbal request. The provisions of the agreement only apply to requests for assistance made by and to authorized representatives. Requests must provide the following information:²⁰

- A description of the emergency service function for which the support is needed, such as fire services, law enforcement, emergency medical transportation, communications, public works and engineering, building code inspection, planning and information assistance, mass care, resource support, health and medical services, and search and rescue.
- The amount and type of personnel, equipment, materials, and supplies needed, and a reasonable estimate of the length of time the resources will be needed.
- The specific place and time for staging of the assisting party's response and a point of contact at that location.

This provision requires frequent consultation between state officials who have assigned emergency management responsibilities and other appropriate representatives of the party states with affected jurisdictions and the U.S. Government, with free exchange of information, plans, and resource records relating to emergency capabilities.²¹

Reimbursement

A party state that provides aid to another state through an EMAC mission must be reimbursed by the party state receiving the aid for any loss or damage or expense incurred in the operation of any equipment and the provision of any service in answering a request for aid and for the cost incurred in connection with such requests. However, any aiding party state may assume in whole or in part such loss, damage, expense, or other cost, or may loan such equipment or donate such services to the receiving party state without charge or cost; and any two or more party states may enter into supplementary agreements establishing a different allocation of costs among those states.²²

State Travel Law

It is the Legislature's intent to standardize travel reimbursement rates, procedures, and limitations, with certain justifiable exceptions and exemptions, applicable to all public officers, employees, and authorized persons whose travel is authorized and paid for by a public agency.²³ All travel must be

¹⁹ Section 252.924(1), F.S.

²⁰ Section 252.924(2), F.S.

²¹ Section 252.924(3), F.S.

²² Section 252.929, F.S.

²³ Section 112.061(1), F.S.

authorized by the head of the agency, or his or her designated representative, from whose funds the travel is paid.²⁴ State law establishes three categories of travel.²⁵

- Class A Travel – Continuous travel of 24 hours or more away from official headquarters.²⁶
- Class B Travel – Continuous travel of less than 24 hours which involves overnight absence from official headquarters
- Class C Travel – Travel for short or day trips where the traveler is not away from his or her official headquarters overnight.

Class A and Class B travel must include any assignment on official business outside of regular office hours and away from regular places of employment when it is considered reasonable and necessary to stay overnight and for which travel expenses are approved.²⁷

The state is required to allow for subsistence for public employees engaged in Class A or Class B Travel and provided two travel reimbursement options:²⁸

- \$80 per diem; or
- If actual expenses exceed \$80, the state will pay a maximum of \$36 (\$6 for breakfast, \$11 for lunch, and \$19 for dinner) in addition to the actual expenses for lodging at a single-occupancy rate supported by paid bills.

Effect of Proposed Changes

The PCB provides that the travel expense reimbursement provisions under s. 112.061, F.S., do not apply to a state employee traveling on an EMAC mission when such expenses are reimbursed based on the amount agreed upon in an interstate mutual aid request for assistance.

B. SECTION DIRECTORY:

Section 1: Amends s. 252.355, F.S., relating to the registry of persons with special needs, establishing a statewide registry managed by DEM rather than each local emergency management agency. Each local emergency management agency must have access to the registry for its jurisdiction.

Section 2: Amends s. 252.356, F.S., relating to emergency and disaster planning provisions to assist persons with disabilities or limitations, to provide that such persons must register with DEM rather than local emergency management agencies.

Section 3: Amends s. 252.921, relating to the short title of the Emergency Management Assistance Compact, to identify the statutory sections that govern the EMAC.

Section 4: Creates s. s. 252.9335, F.S., relating to expense reimbursement under the EMAC, to provide that expense reimbursement provisions under s. 112.061, F.S., do not apply to an employee traveling under the EMAC when such expenses are reimbursed based on the amount agreed upon in an interstate mutual aid request for assistance.

²⁴ Section 112.061(3), F.S. The funds appropriated to each state agency for travel by state employees must be limited to travel activities that are critical to each state agency's mission. Funds may not be used to pay for travel by state employees to foreign countries, other states, conferences, staff-training activities, or other administrative functions unless the agency head has approved in writing that such activities are critical to the agency's mission. This section does not apply to travel for law enforcement purposes, military purposes, emergency management activities, or public health activities. Section 46, Ch. 2013-41, L.O.F.

²⁵ Section 112.061(k)-(m), F.S.

²⁶ See s. 112.061(4), F.S.

²⁷ Section 112.061(5)(a), F.S.

²⁸ Section 112.061(6), F.S.

Section 5: Amends s. 400.506(11), F.S., relating to the licensure of nurse registries; requirements; and penalties, to provide that nurse registries must assist persons who would need sheltering during evacuations in registering with DEM, rather than local emergency management agencies.

Section 6: 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:

Statewide Special Needs Registry

The costs associated with establishing a statewide special needs registry and developing a statewide marketing campaign will be covered by the Emergency Management Performance Grant.

EMAC Per Diem and Meal Reimbursement

States requesting the state's assistance in the form of staff and/or other resources in response to a manmade or natural disaster are obligated to reimburse the assisting state whether or not the requesting state receives federal funds.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

See

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:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

PCB EDTS 14-02

ORIGINAL

YEAR

1 A bill to be entitled
 2 An act relating to the Division of Emergency
 3 Management; amending s. 252.355, F.S.; requiring the
 4 division to maintain a registry of persons with
 5 special needs located in the state and provide access
 6 to the registry for local agencies; removing the
 7 requirement that each local emergency management
 8 agency maintain such registry; amending s. 252.921,
 9 F.S.; revising a short title provision; creating s.
 10 252.9335, F.S.; exempting state employees from
 11 specified travel expense provisions when traveling
 12 under the Emergency Management Assistance Compact
 13 pursuant to a request for assistance from another
 14 state under certain circumstances; amending ss.
 15 252.356 and 400.506, F.S.; conforming provisions to
 16 changes made by the act; providing an effective date.

17
 18 Be It Enacted by the Legislature of the State of Florida:

19
 20 Section 1. Subsection (1) and paragraph (a) of subsection
 21 (4) of section 252.355, Florida Statutes, are amended to read:
 22 252.355 Registry of persons with special needs; notice.—
 23 (1) In order to meet the special needs of persons who
 24 would need assistance during evacuations and sheltering because
 25 of physical, mental, cognitive impairment, or sensory
 26 disabilities, the division ~~each local emergency management~~

PCB EDTS 14-02

ORIGINAL

YEAR

27 ~~agency in the state~~ shall maintain a registry of persons with
 28 special needs located within the state ~~jurisdiction of the local~~
 29 ~~agency~~. Each local emergency management agency in the state
 30 shall be granted access to the registry for its jurisdiction.

31 The registration shall identify those persons in need of
 32 assistance and plan for resource allocation to meet those
 33 identified needs. To assist the division ~~local emergency~~
 34 ~~management agency~~ in identifying such persons, home health
 35 agencies, hospices, nurse registries, home medical equipment
 36 providers, the Department of Children and Family Services,
 37 Department of Health, Agency for Health Care Administration,
 38 Department of Education, Agency for Persons with Disabilities,
 39 and Department of Elderly Affairs shall provide registration
 40 information to all of their special needs clients and to all
 41 persons with special needs who receive services. The registry
 42 shall be updated annually. The registration program shall give
 43 persons with special needs the option of preauthorizing
 44 emergency response personnel to enter their homes during search
 45 and rescue operations if necessary to assure their safety and
 46 welfare following disasters.

47 (4) (a) On or before May 31 of each year, each electric
 48 utility in the state shall annually notify residential customers
 49 in its service area of the availability of the registration
 50 program available through the division ~~their local emergency~~
 51 ~~management agency~~ by:

52 1. An initial notification upon the activation of new

PCB EDTS 14-02

ORIGINAL

YEAR

53 residential service with the electric utility, followed by one
54 annual notification between January 1 and May 31; or

55 2. Two separate annual notifications between January 1 and
56 May 31.

57 Section 2. Subsection (3) of section 252.356, Florida
58 Statutes, is amended to read:

59 252.356 Emergency and disaster planning provisions to
60 assist persons with disabilities or limitations.—State agencies
61 that contract with providers for the care of persons with
62 disabilities or limitations that make such persons dependent
63 upon the care of others shall include emergency and disaster
64 planning provisions in such contracts at the time the contracts
65 are initiated or upon renewal. These provisions shall include,
66 but shall not be limited to:

67 (3) A procedure to help persons who would need assistance
68 and sheltering during evacuations because of physical, mental,
69 or sensory disabilities register with the division local
70 ~~emergency management agency~~ as provided in s. 252.355.

71 Section 3. Section 252.921, Florida Statutes, is amended
72 to read:

73 252.921 Short title.—Sections 252.921-252.933 ~~This part~~
74 may be cited as the "Emergency Management Assistance Compact."

75 Section 4. Section 252.9335, Florida Statutes, is created
76 to read:

77 252.9335 Expense reimbursement under compact.—Travel
78 expense reimbursement provisions of s. 112.061 do not apply to

PCB EDTS 14-02

ORIGINAL

YEAR

79 an employee of the state traveling under the Emergency
 80 Management Assistance Compact when such expenses are reimbursed
 81 based on the amount agreed upon in an interstate mutual aid
 82 request for assistance.

83 Section 5. Subsection (11) of section 400.506, Florida
 84 Statutes, is amended to read:

85 400.506 Licensure of nurse registries; requirements;
 86 penalties.—

87 (11) Nurse registries shall assist persons who would need
 88 assistance and sheltering during evacuations because of
 89 physical, mental, or sensory disabilities in registering with
 90 the division ~~appropriate local emergency management agency~~
 91 pursuant to s. 252.355.

92 Section 6. This act shall take effect July 1, 2014.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

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

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Economic Development & Tourism Subcommittee		Duncan <i>pdd</i>	West <i>xw</i>

SUMMARY ANALYSIS

The Proposed Committee Bill (PCB) 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.

Concurrency and Proportionate Share

The PCB exempts certain new development from having to comply with impact fee, 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 PCB 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 PCB 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 PCB changes current law to require 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 PCB 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 PCB makes this option permanent.

Rural Areas of Critical Economic Concern

The PCB renames "rural areas of critical economic concern" to a "rural area of opportunity."

The PCB has not been scored by the Revenue Estimating Conference. However, staff estimates that the provisions relating to concurrency and proportionate share may have a negative indeterminate impact on local government revenues. The other provisions in the PCB do not appear to have a fiscal impact on state or local government revenues..

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

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: pcb03.EDTS

DATE: 1/9/2014

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.

¹ Section 163.3180(1), F.S. (2012)

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. (2012).

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 Florida House and 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 insure 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 PCB creates a three-year window exempting certain new 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.

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

Transportation Concurrency

The PCB prohibits a local government from applying transportation concurrency within its jurisdiction or requiring a proportionate-share contribution or construction for new 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 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 PCB 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 PCB 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.

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 PCB 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 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.

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.

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 the final approval for any loan under the provision of law relating to the Rural Community Development Revolving Loan Program.

Economic Gardening Business Loan Pilot Program

The Economic Gardening Business Loan Pilot Program¹³ 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:¹⁴

- 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.¹⁵
- 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 4 years.¹⁶

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

- Be a Florida corporation not for profit incorporated under chapter 617, F.S., which has its principal place of business in the state.
- Have 5 years of verifiable experience of lending to businesses in this state.

¹³ Section 288.1081, F.S.

¹⁴ See ss. 288.1081(3)(a), F.S., and 288.1082(4)(a), F.S.

¹⁵ See s. 288.106(4)(b), F.S.

¹⁶ Section 288.1081(44), F.S.

- 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 4 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.

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.

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 under in the General Revenue Fund.

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.

Black Business Loan Program

Under the Black Business Loan Program,¹⁷ DEO is directed to annually certify eligible recipients and subsequently disburse funds appropriated by the Legislature, through such eligible recipients, to black business enterprises that cannot obtain capital through conventional lending institutions but that could otherwise compete successfully in the private sector.¹⁸

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.¹⁹

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.²⁰

¹⁷ Section 288.7102, F.S.

¹⁸ Section 288.7102(1), F.S.

¹⁹ Section 288.7102(2), F.S.

²⁰ Section 288.7102(3), F.S.

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.²¹

New recipients must demonstrate that:²²

- 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 the 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.²³

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.²⁴

Effect of Proposed Changes

The PCB 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 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 PCB 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.

²¹ Section 288.7102(4), F.S.

²² Section 288.7102(4)(c), F.S.

²³ Section 288.7102(4)(d), F.S.

²⁴ Section 288.7102(5), 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 PCB prohibits loans from being awarded to a person or entity if there is a conflict of interest exists 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 firm²⁵ 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-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 200,000.²⁶

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

²⁵ See Ch. 473, F.S.

²⁶ 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).

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.²⁷

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.²⁸

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.²⁹

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.³⁰

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.
- Submit comments on the proposed application.
- Submit comments on the performance of the applicant.³¹

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.³²

State of Florida Administered Community Development Block Grant Programs

²⁷ *Id.*

²⁸ *Id.*

²⁹ 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.

³⁰ See 24 C.F.R. 570.431, Subpart F, Citizen Participation.

³¹ *Id.*

³² *Id.*

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.³³

“Persons of low or moderate income” means any person who meets the definition established by HUD.³⁴ 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.³⁵

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.³⁶

Powers

Current law grants DEO the power to carry out the provisions of the Florida Small Cities CDBG Program, including the power to:³⁷

- 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.
- Adopt and enforce rules³⁸ 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.

³³ Section 290.0411, F.S.

³⁴ Section 290.042(6), F.S.

³⁵ 42 U.S.C 5302 a.20.

³⁶ *Id.*

³⁷ Section 290.048, F.S.

³⁸ Chapter 73C-23, F.A.C.

- 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 governments³⁹ (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.⁴⁰ 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.⁴¹

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.⁴²

Grant Categories

DEO provides specific requirements for the competitive grant categories.⁴³ Below are the grant categories and examples of activities DEO has authorized for funding during Federal Fiscal Year 2012.⁴⁴

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.

³⁹ 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>.

⁴⁰ Section 290.044(2) and (3), F.S.

⁴¹ 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>

⁴² Section 290.044(5), F.S.

⁴³ Rule 73C-23.0045, F.A.C.

⁴⁴ 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>.

- 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.⁴⁵

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.⁴⁶

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 the this category may involve a 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.⁴⁷

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.

⁴⁵ *Id.* at 13.

⁴⁶ *Id.* at 13-14.

⁴⁷ *Id.* at 9.

- 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.⁴⁸

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 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.⁴⁹

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.

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.⁵⁰

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.⁵¹ According to DEO, this advisory committee has not been active since 2004.⁵²

FFY 2012 Funding Distribution⁵³

⁴⁸ See *supra* note 29 at 2-82.

⁴⁹ Section 290.044(4), F.S.

⁵⁰ Section 290.046(5) and (6), F.S.

⁵¹ Section 290.048(7), F.S.

⁵² House Economic Development & Tourism Subcommittee staff conversation with staff of the Florida Small Cities Community Development Block Grant Program, January 24, 2013.

⁵³ *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

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 PCB 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 make a Florida community eligible to participate in the program and includes economic development programs as an activity for such communities to undertake. The PCB 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 PCB requires DEO to distribute Small Cities CDBG Program grants and loan guarantees through a competitive application selection process established by rule. The PCB 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.

Current law directs DEO to define broad community development objectives. The PCB 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 PCB 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 PCB 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 PCB maintains the requirement for DEO to

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.

rank each application. However, to allow flexibility and provide clarity for the application and scoring processes, the PCB removes the weight percentages assigned to community need, program impact, equal opportunity employment, and housing. The PCB 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 PCB 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 PCB 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 PCB 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 PCB 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 PCB maintains the allowable administrative cost percentages established for each category. However, the PCB 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 PCB 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 PCB removes the authority for the 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.⁵⁴ 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.⁵⁵ Space Florida⁵⁶ 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.
- 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.⁵⁷

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.⁵⁸ 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.⁵⁹ Securing funding for aerospace related infrastructure is one of the many duties and responsibilities of the board of directors.⁶⁰

Effect of Proposed Changes

The PCB changes current law to require 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.⁶¹

⁵⁴ Section 331.3011(1), F.S.

⁵⁵ Section 331.3011(2), F.S.

⁵⁶ Space Florida was created by ch. 2006-60, L.O.F., and codified in ch. 331, F.S.

⁵⁷ Id.

⁵⁸ Id.

⁵⁹ Section 331.3081, F.S.

⁶⁰ Section 331.310(1)(d), F.S.

⁶¹ Section 331.3051(5), F.S.

Additionally, the bill repeals the requirement that Space Florida develop a proposal for a Center of Excellence for Aerospace.⁶² 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).⁶³ 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.⁶⁴ DEO is the agency responsible for administering the RA program.⁶⁵

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.⁶⁶ 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.⁶⁷

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.⁶⁸ 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.

⁶² Section 331.3051(8)(b), F.S.

⁶³ Federal Unemployment Tax Act is codified at 26 U.S.C. 3301-3311.

⁶⁴ Title III, Title IX, and Title XII of the Social Security Act.

⁶⁵ Sections 20.60(5)(c)(3) and 443.171, F.S.

⁶⁶ Section 443.111(5), F.S.

⁶⁷ Section 443.111(3), F.S. A benefit week begins on Sunday and ends on Saturday.

⁶⁸ Section 443.091(1), F.S.,

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.⁶⁹

An employer's initial state tax rate is 2.7 percent.⁷⁰ 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.⁷¹ The adjustment in the tax rate is determined by calculating a statutory formula that incorporates an employer's experience rating⁷², 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.⁷³ 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 2014.⁷⁴

Effect of Proposed Changes

The PCB 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 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:⁷⁵

- The Department of Transportation.
- The Department of Environmental Protection.
- The Department of Agriculture and Consumer Services.

⁶⁹ Section 443.1217(2), F.S.

⁷⁰ Section 443.131(2)(a), F.S.

⁷¹ Section 443.131(3)(e)2.a., F.S.

⁷² Section 443.131(3)(b), F.S.

⁷³ Section 443.141(1)(d), F.S.

⁷⁴ Section 443.141(1)(f), F.S.

⁷⁵ Section 288.0656(6)(a), F.S.

- 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.⁷⁶

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.⁷⁷ 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 PCB renames in statute an area designated as a “rural area of critical economic concern” to a “rural area of opportunity.”

B. SECTION DIRECTORY:

Concurrency and Proportionate Share

Section 1: Creates subsection (7) in s. 163.3180, F.S., relating to concurrency, to provide that a local government may not apply transportation concurrency or require proportionate-share contribution or

⁷⁶ Section 288.0656(2)(d), F.S.

⁷⁷ Section 288.0656(7)(1), F.S.

construction for new development before July 1, 2017 unless authorized by a majority vote of the local government's governing authority; provides exceptions for existing developments; requires certification for occupancy by July 1, 2018, to maintain exemption; provides certain requirements for new development to qualify; provides exceptions; provides that the subsection expires on July 1, 2018.

Section 2: Creates subsection (6) in s. 163.31801, F.S., relating to impact fees, to prohibit local governments from imposing impact fees on new development until July 1, 2017 unless authorized by a majority vote of the local government's governing authority; provides exceptions for existing developments; requires certification for occupancy by July 1, 2018, to maintain exemption; provides that the subsection expires on July 1, 2018.

DEO Loan Programs

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, to establish standard 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

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, to include economic need as one of the factors that make a Florida community eligible to participate in the program and includes economic development programs as an activity for such communities to undertake.

Section 6: The PCB does not amend s. 290.042(1), F.S., and this section was included due to scrivener's error.

Section 7: Amends s. 290.044(2), (3), and (4), F.S., relating to the Florida Small Cities Community Development Block Grant Act (CDBG) Program Fund, to authorize DEO to adopt rules establishing guidelines for the distribution of the Small Cities CDBG Program funds; provide that community development objectives must meet at least one of the national objectives outlined in the Housing and Community Development Act of 1974; and remove project planning and design as a grant program category.

Section 8: Amends s. 290.046, F.S., relating to the Small Cities CDBG Program application procedures and requirement, to revise the application process; clarify the program's citizen participation requirements; and remove obsolete language.

Section 9: Amends s. 290.047, F.S., relating to the establishment of grant ceilings and maximum administrative cost percentages, to provide the maximum amount of funds that may be spent on administrative costs for the economic development program category; and provide the maximum amount rather than percentage of funds that may be spent on architectural and engineering costs by an eligible local government.

Section 10: Amends s. 290.0475, F.S., relating to the rejection of grant applications, to delete obsolete language; clarify the circumstances under which an application is determined to be ineligible; and make technical changes.

Section 11: Amends s. 290.048, F.S., relating to the general powers of DEO under the Florida Small Cities CDBG Act, to remove obsolete language relating to the applicant's written description of proposed service areas.

Space Florida

Section 12: Amends s. 331.3051(5) and (8)(b), F.S., relating to the duties of Space Florida, to direct Space Florida to consult with VISIT Florida regarding the development of a space tourism marketing plan, and to repeal language relating to the development of a proposal for a Center of Excellence for Aerospace.

Reemployment Assistance

Section 13: Amends s. 443.141(1)(f), F.S., relating to collection of reemployment assistance contributions and reimbursements, to allow contributions to be made quarterly in equal installments.

Rural Areas of Critical Economic Concern

Sections 14 - 34: Amends s. 288.0656, F.S., and others, relating to definitions for the Rural Economic Development Initiative, to rename a “rural area of critical economic concern” as a “rural area of opportunity.”

Section 35: 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:

Concurrency and Proportionate Share

The PCB may impact the ability of some local governments to collect impact fees and proportionate share contributions from developers if authorized by a majority vote of the local government’s governing board.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Concurrency and Proportionate Share

May lower or eliminate certain fees imposed on some types of development for three year period.

Rural Areas of Critical Economic Concern

The PCB may have a slight positive effect on economic development in rural areas.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to require counties or municipalities to spend funds or take 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 PCB 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

1 A bill to be entitled
 2 An act relating to economic development; amending s.
 3 163.3180, F.S.; prohibiting a local government from
 4 applying transportation concurrency or requiring
 5 proportionate-share contribution or construction for a
 6 new business development for a specified period;
 7 providing exceptions; amending s. 163.31801, F.S.;
 8 prohibiting a county, municipality, or special
 9 district from imposing certain new or existing impact
 10 fees on a new business development for a specified
 11 period; providing exceptions; amending s. 288.005,
 12 F.S.; defining the term "loan program"; creating s.
 13 288.006, F.S.; providing requirements for loan
 14 programs relating to accountability and proper
 15 stewardship of funds; amending ss. 290.0411 and
 16 290.042, F.S.; revising legislative intent and the
 17 definition of the term "administrative closeout" for
 18 purposes of the Florida Small Cities Community
 19 Development Block Grant Program; amending s. 290.044,
 20 F.S.; requiring the Department of Economic Opportunity
 21 to adopt rules establishing a competitive selection
 22 process for loan guarantees and grants awarded under
 23 the block grant program; revising the criteria for the
 24 award of grants; amending s. 290.046, F.S.; revising
 25 limits on the number of grants that an applicant may
 26 apply for and receive; requiring the department to

27 | conduct a site visit before awarding a grant;
 28 | requiring the department to rank applications
 29 | according to criteria established by rule and
 30 | distribute funds according to the rankings; revising
 31 | scoring factors to consider in ranking applications;
 32 | revising requirements for public hearings; providing
 33 | that the creation of a citizen advisory task force is
 34 | discretionary; deleting a provision requiring a local
 35 | government to obtain department consent for an
 36 | alternative citizen participation plan; amending s.
 37 | 290.047, F.S.; revising the maximum percentages and
 38 | amounts of block grant funds that may be spent on
 39 | certain costs and expenses; amending s. 290.0475,
 40 | F.S.; conforming provisions to changes made by the
 41 | act; amending s. 290.048, F.S.; deleting a provision
 42 | authorizing the department to adopt and enforce strict
 43 | requirements concerning an applicant's written
 44 | description of a service area; amending s. 331.3051,
 45 | F.S.; requiring Space Florida to consult with the
 46 | Florida Tourism Industry Marketing Corporation in
 47 | developing a space tourism marketing plan; authorizing
 48 | Space Florida to enter into an agreement with the
 49 | corporation for a specified purpose; revising the
 50 | research and development duties of Space Florida;
 51 | amending s. 443.141, F.S.; providing an employer
 52 | payment schedule for specified years' contributions to

53 the Unemployment Compensation Trust Fund; providing
 54 for applicability; amending ss. 125.271, 163.3177,
 55 163.3187, 163.3246, 211.3103, 212.098, 218.67,
 56 288.018, 288.065, 288.0655, 288.0656, 288.1088,
 57 288.1089, 290.0055, 339.2819, 339.63, 373.4595,
 58 380.06, 380.0651, 985.686, and 1011.76, F.S.; renaming
 59 "rural areas of critical economic concern" as "rural
 60 areas of opportunity"; providing an effective date.
 61

62 Be It Enacted by the Legislature of the State of Florida:
 63

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

66 163.3180 Concurrency.—

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

74 1. Proportionate-share contribution or construction
 75 assessed on an existing business development before July 1,
 76 2014.

77 2. A new business development that consists of more than
 78 6,000 square feet and that is classified as other than
 79 residential.

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

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

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

102 (e) This subsection expires July 1, 2018.

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

105 163.31801 Impact fees; short title; intent; definitions;
 106 ordinances levying impact fees.-

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

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

119 2. A new business development that consists of more than
 120 6,000 square feet.

121 (b) The governing authority of any county, municipality,
 122 or special district imposing an impact fee in existence on July
 123 1, 2013, must reauthorize the imposition of the fee pursuant to
 124 this subsection.

125 (c) In order to maintain the exemption from impact fees
 126 and fees associated with the mitigation of transportation
 127 impacts pursuant to paragraph (a), a new business development
 128 must receive a certificate of occupancy on or before July 1,

129 2018. If the certificate of occupancy is not received by July 1,
 130 2018, the county, municipality, or special district may impose
 131 the appropriate impact fees and fees associated with the
 132 mitigation of transportation impacts on the business development
 133 that would otherwise be applied, notwithstanding this
 134 subsection. Any outstanding obligation related to impact fees
 135 and fees associated with the mitigation of transportation
 136 impacts on the business development runs with the land and is
 137 enforceable against any person claiming a fee interest in the
 138 land subject to that obligation.

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

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

149 (f) This subsection expires July 1, 2018.

150 Section 3. Subsection (5) is added to section 288.005,
 151 Florida Statutes, to read:

152 288.005 Definitions.—As used in this chapter, the term:

153 (5) "Loan program" means a program established by the
 154 Legislature and administered by the department to provide

155 appropriated funds to an eligible entity to further a specific
 156 state purpose for a limited period with a promise that such
 157 appropriated funds will be repaid to the state. This definition
 158 includes any program called a "loan fund" or "loan pilot
 159 program" as administered by the department in this chapter.
 160 Funds may be awarded directly by the department to an eligible
 161 recipient or awarded by the department to a loan administrator.

162 (6) "Loan Administrator" means a statutorily eligible
 163 recipient of state funds that is authorized by the department to
 164 make loans under a loan program.

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

167 288.006 General operation of loan programs.-

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

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

178 (3) Upon termination of a loan program by the Legislature
 179 or termination of a contract between the department and a
 180 eligible recipient or loan administrator, any remaining

181 appropriated funds shall revert to the fund from which the
 182 appropriation was made. The department shall become the
 183 successor entity for any outstanding loans and shall pay the
 184 former loan administrator for any allowable administrative
 185 expenses due to the loan administrator as provided under this
 186 chapter. The former loan administrator or successor entity to
 187 which this subsection applies shall execute all appropriate
 188 instruments to reconcile any remaining accounts associated with
 189 a terminated loan program or contract.

190 (4) Loan administrators must avoid any potential conflict
 191 of interest regarding the use of appropriated funds for a loan
 192 program. Loan administrators and their board members, employees,
 193 and agents may not have a financial interest in the eligible
 194 entity awarded a loan under a loan program. No loans shall be
 195 made to any person or entity when a conflict of interest exists
 196 between the parties involved without full disclosure of the
 197 conflict of interest to the department by the loan administrator
 198 and the approval of the department.

199 (5) In determining eligibility for entities applying to be
 200 awarded funds directly by the department or for entities
 201 applying to be selected as a loan administrator for a loan
 202 program, the department shall evaluate each applicant's business
 203 practices, financial stability, and past performance of the
 204 applicant in other state programs as additional eligibility
 205 criteria to the loan program requirements. Eligibility may be
 206 conditioned or denied to an entity applying to be a loan

207 recipient or loan administrator of a loan program that the
 208 department determines to be noncompliant with any statute, rule,
 209 or program requirement.

210 (6) An eligible recipient or loan administrator shall not
 211 employ the same certified public accounting firm duly licensed
 212 under chapter 473 to conduct a financial audit required by this
 213 chapter for more than 3 consecutive years.

214 (7) Revolving loans or new negotiable instruments
 215 involving appropriated state funds that have been repaid to the
 216 loan administrator can be made when the loan program's statutory
 217 structure permits, however all revolving loans or new negotiable
 218 instruments made by a loan administrator remain subject to
 219 subsection (2) and compensation to a loan administrator cannot
 220 exceed any limitation provided by this chapter.

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

223 290.0411 Legislative intent and purpose of ss. 290.0401-
 224 290.048.—It is the intent of the Legislature to provide the
 225 necessary means to develop, preserve, redevelop, and revitalize
 226 Florida communities exhibiting signs of decline, ~~or~~ distress, or
 227 economic need by enabling local governments to undertake the
 228 necessary community and economic development programs. The
 229 overall objective is to create viable communities by eliminating
 230 slum and blight, fortifying communities in urgent need,
 231 providing decent housing and suitable living environments, and
 232 expanding economic opportunities, principally for persons of low

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233 or moderate income. The purpose of ss. 290.0401-290.048 is to
 234 assist local governments in carrying out effective community and
 235 economic development and project planning and design activities
 236 to arrest and reverse community decline and restore community
 237 vitality. Community and economic development and project
 238 planning activities to maintain viable communities, revitalize
 239 existing communities, expand economic development and employment
 240 opportunities, and improve housing conditions and expand housing
 241 opportunities, providing direct benefit to persons of low or
 242 moderate income, are the primary purposes of ss. 290.0401-
 243 290.048. The Legislature, therefore, declares that the
 244 development, redevelopment, preservation, and revitalization of
 245 communities in this state and all the purposes of ss. 290.0401-
 246 290.048 are public purposes for which public money may be
 247 borrowed, expended, loaned, pledged to guarantee loans, and
 248 granted.

249 Section 6. Subsection (1) of section 290.042, Florida
 250 Statutes, is amended to read:

251 290.042 Definitions relating to Florida Small Cities
 252 Community Development Block Grant Program Act.—As used in ss.
 253 290.0401-290.048, the term:

254 (1) "Administrative closeout" means the notification of a
 255 grantee by the department that all applicable administrative
 256 actions and all required work of the grant have been completed
 257 with the exception of the final audit.

258 Section 7. Section 290.044, Florida Statutes, is amended

259 to read:

260 290.044 Florida Small Cities Community Development Block
 261 Grant Program Fund; administration; distribution.—

262 (1) The Florida Small Cities Community Development Block
 263 Grant Program Fund is created. All revenue designated for
 264 deposit in such fund shall be deposited by the appropriate
 265 agency. The department shall administer this fund as a grant and
 266 loan guarantee program for carrying out the purposes of ss.
 267 290.0401-290.048.

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

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

- 274 (a) Housing rehabilitation.
- 275 (b) Economic development.
- 276 (c) Neighborhood revitalization.
- 277 (d) Commercial revitalization.

278 (4)~~(3)~~ The department shall define ~~the~~ broad community
 279 development objectives ~~objective~~ to be achieved by the
 280 activities in each of the ~~following~~ grant program categories
 281 with the use of funds from the Florida Small Cities Community
 282 Development Block Program Fund. Such objectives shall be
 283 designed to meet at least one of the national objectives
 284 provided in the Housing and Community Development Act of 1974.

285 ~~and require applicants for grants to compete against each other~~
 286 ~~in these grant program categories:~~

- 287 ~~(a) Housing.~~
- 288 ~~(b) Economic development.~~
- 289 ~~(c) Neighborhood revitalization.~~
- 290 ~~(d) Commercial revitalization.~~
- 291 ~~(e) Project planning and design.~~

292 (5)~~(4)~~ The department may set aside an amount of up to 5
 293 percent of the funds annually for use in any eligible local
 294 government jurisdiction for which an emergency or natural
 295 disaster has been declared by executive order. Such funds may
 296 only be provided to a local government to fund eligible
 297 emergency-related activities for which no other source of
 298 federal, state, or local disaster funds is available. The
 299 department may provide for such set-aside by rule. In the last
 300 quarter of the state fiscal year, any funds not allocated under
 301 the emergency-related set-aside shall be distributed to unfunded
 302 applications from the most recent funding cycle.

303 (6)~~(5)~~ The department shall establish a system of
 304 monitoring grants, including site visits, to ensure the proper
 305 expenditure of funds and compliance with the conditions of the
 306 recipient's contract. The department shall establish criteria
 307 for implementation of internal control, to include, but not be
 308 limited to, the following measures:

- 309 (a) Ensuring that subrecipient audits performed by a
 310 certified public accountant are received and responded to in a

311 timely manner.

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

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

318 Section 8. Section 290.046, Florida Statutes, is amended
319 to read:

320 290.046 Applications for grants; procedures;
321 requirements.—

322 (1) In applying for a grant under a specific program
323 category, an applicant shall propose eligible activities that
324 directly address the objectives ~~objective~~ of that program
325 category.

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

335 (b) 1. ~~An~~ ~~Except as provided in paragraph (c),~~ each
336 eligible local government may apply up to three times in any one

337 annual funding cycle for an economic development a grant ~~under~~
 338 ~~the economic development program category~~ but shall receive no
 339 more than one such grant per annual funding cycle. A local
 340 government may have more than one open economic development
 341 grant. ~~Applications for grants under the economic development~~
 342 ~~program category may be submitted at any time during the annual~~
 343 ~~funding cycle, and such grants shall be awarded no less~~
 344 ~~frequently than three times per funding cycle.~~

345 2. The department shall establish minimum criteria
 346 pertaining to the number of jobs created for persons of low or
 347 moderate income, the degree of private-sector ~~private sector~~
 348 financial commitment, and the economic feasibility of the
 349 proposed project and shall establish any other criteria the
 350 department deems appropriate. Assistance to a private, for-
 351 profit business may not be provided from a grant award unless
 352 sufficient evidence exists to demonstrate that without such
 353 public assistance the creation or retention of such jobs would
 354 not occur.

355 (c)1. A local government ~~governments~~ with an open housing
 356 rehabilitation, neighborhood revitalization, or commercial
 357 revitalization contract shall not be eligible to apply for
 358 another housing rehabilitation, neighborhood revitalization, or
 359 commercial revitalization grant until administrative closeout of
 360 its ~~their~~ existing contract. The department shall notify a local
 361 government of administrative closeout or of any outstanding
 362 closeout issues within 45 days after ~~of~~ receipt of a closeout

363 package from the local government. A local government
 364 ~~governments~~ with an open housing rehabilitation, neighborhood
 365 revitalization, or commercial revitalization community
 366 development block grant contract whose activities are on
 367 schedule in accordance with the expenditure rates and
 368 accomplishments described in the contract may apply for an
 369 economic development grant.

370 2. A local government ~~governments~~ with an open economic
 371 development community development block grant contract whose
 372 activities are on schedule in accordance with the expenditure
 373 rates and accomplishments described in the contract may apply
 374 for a housing rehabilitation, ~~or~~ neighborhood revitalization, or
 375 ~~and a~~ commercial revitalization community development block
 376 grant. A local government ~~governments~~ with an open economic
 377 development contract whose activities are on schedule in
 378 accordance with the expenditure rates and accomplishments
 379 described in the contract may receive no more than one
 380 additional economic development grant in each fiscal year.

381 (~~d~~) ~~Beginning October 1, 1988,~~ The department may not
 382 ~~shall~~ award a ~~no~~ grant until it ~~the~~ department has conducted
 383 ~~determined, based upon~~ a site visit to verify the information
 384 contained in the local government's application, ~~that the~~
 385 ~~proposed area matches and adheres to the written description~~
 386 ~~contained within the applicant's request. If, based upon review~~
 387 ~~of the application or a site visit, the department determines~~
 388 ~~that any information provided in the application which affects~~

389 ~~eligibility or scoring has been misrepresented, the applicant's~~
 390 ~~request shall be rejected by the department pursuant to s.~~
 391 ~~290.0475(7). Mathematical errors in applications which may be~~
 392 ~~discovered and corrected by readily computing available numbers~~
 393 ~~or formulas provided in the application shall not be a basis for~~
 394 ~~such rejection.~~

395 (3) (a) The department shall rank each application received
 396 during the application cycle according to criteria established
 397 by rule. The ranking system shall include a procedure to
 398 eliminate or reduce any population-related bias that places
 399 exceptionally small communities at a disadvantage in the
 400 competition for funds. Each application shall be ranked
 401 ~~competitively based on community need and program impact.~~
 402 ~~Community need shall be weighted 25 percent. Program impact~~
 403 ~~shall be weighted 65 percent. Outstanding performance in equal~~
 404 ~~opportunity employment and housing shall be weighted 10 percent.~~

405 (b) Funds shall be distributed according to the rankings
 406 established in each application cycle. If economic development
 407 funds remain available after the application cycle closes, the
 408 remaining funds shall be awarded to eligible projects on a
 409 first-come, first-served basis until such funds are fully
 410 obligated. The criteria used to measure community need shall
 411 ~~include, at a minimum, indicators of the extent of poverty in~~
 412 ~~the community and the condition of physical structures. Each~~
 413 ~~application, regardless of the program category for which it is~~
 414 ~~being submitted, shall be scored competitively on the same~~

415 ~~community need criteria. In recognition of the benefits~~
 416 ~~resulting from the receipt of grant funds, the department shall~~
 417 ~~provide for the reduction of community need scores for specified~~
 418 ~~increments of grant funds provided to a local government since~~
 419 ~~the state began using the most recent census data. In the year~~
 420 ~~in which new census data are first used, no such reduction shall~~
 421 ~~occur.~~

422 (c) The application's program impact score, equal
 423 employment opportunity and fair housing score, and communitywide
 424 needs score may take into consideration scoring factors
 425 including, but not limited to, unemployment, poverty levels,
 426 low-income and moderate-income populations, benefits to low-
 427 income and moderate-income residents, use of minority-owned and
 428 woman-owned business enterprises in previous grants, health and
 429 safety issues, and the condition of physical structures. The
 430 ~~criteria used to measure the impact of an applicant's proposed~~
 431 ~~activities shall include, at a minimum, indicators of the direct~~
 432 ~~benefit received by persons of low income and persons of~~
 433 ~~moderate income, the extent to which the problem identified is~~
 434 ~~addressed by the proposed activities, and the extent to which~~
 435 ~~resources other than the funds being applied for under this~~
 436 ~~program are being used to carry out the proposed activities.~~

437 (d) ~~Applications shall be scored competitively on program~~
 438 ~~impact criteria that are uniquely tailored to the community~~
 439 ~~development objective established in each program category. The~~
 440 ~~criteria used to measure the direct benefit to persons of low~~

441 ~~income and persons of moderate income shall represent no less~~
 442 ~~than 42 percent of the points assigned to the program impact~~
 443 ~~factor. For the housing and neighborhood revitalization~~
 444 ~~categories, the department shall also include the following~~
 445 ~~criteria in the scoring of applications:~~

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

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

450 ~~(4) An applicant for a neighborhood revitalization or~~
 451 ~~commercial revitalization grant shall demonstrate that its~~
 452 ~~activities are to be carried out in distinct service areas which~~
 453 ~~are characterized by the existence of slums or blighted~~
 454 ~~conditions, or by the concentration of persons of low or~~
 455 ~~moderate income.~~

456 (4)(5) In order to provide citizens with information
 457 concerning an applicant's proposed project, the applicant shall
 458 make available to the public information concerning the amounts
 459 of funds available for various activities and the range of
 460 activities that may be undertaken. In addition, the applicant
 461 shall hold a minimum of two public hearings in the local
 462 jurisdiction within which the project is to be implemented to
 463 obtain the views of citizens before submitting the final
 464 application to the department. The applicant shall conduct the
 465 initial hearing to solicit public input concerning community
 466 needs, inform the public about funding opportunities available

467 to address community needs, and discuss activities that may be
 468 undertaken. Before a second public hearing is held, the
 469 applicant must publish a summary of the proposed application
 470 that provides citizens with an opportunity to examine its
 471 contents and submit their comments. The applicant shall conduct
 472 a second hearing to obtain comments from citizens concerning the
 473 proposed application and to modify the proposed application if
 474 appropriate ~~program before an application is submitted to the~~
 475 ~~department, the applicant shall:~~

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

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

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

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

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

491 (5)(6) The local government may ~~shall~~ establish a citizen
 492 advisory task force composed of citizens in the jurisdiction in

493 which the proposed project is to be implemented to provide input
 494 relative to all phases of the project process. ~~The local~~
 495 ~~government must obtain consent from the department for any other~~
 496 ~~type of citizen participation plan upon a showing that such plan~~
 497 ~~is better suited to secure citizen participation for that~~
 498 ~~locality.~~

499 (6)~~(7)~~ The department shall, before ~~prior to~~ approving an
 500 application for a grant, determine that the applicant has the
 501 administrative capacity to carry out the proposed activities and
 502 has performed satisfactorily in carrying out past activities
 503 funded by community development block grants. The evaluation of
 504 past performance shall take into account procedural aspects of
 505 previous grants as well as substantive results. If the
 506 department determines that any applicant has failed to
 507 accomplish substantially the results it proposed in its last
 508 previously funded application, it may prohibit the applicant
 509 from receiving a grant or may penalize the applicant in the
 510 rating of the current application. An ~~No~~ application for grant
 511 funds may not be denied solely upon the basis of the past
 512 performance of the eligible applicant.

513 Section 9. Subsections (3) and (6) of section 290.047,
 514 Florida Statutes, are amended to read:

515 290.047 Establishment of grant ceilings and maximum
 516 administrative cost percentages; elimination of population bias;
 517 loans in default.—

518 (3) The maximum percentage of block grant funds that can

519 be spent on administrative costs by an eligible local government
 520 shall be 15 percent for the housing rehabilitation program
 521 category, 8 percent for both the neighborhood and the commercial
 522 revitalization program categories, and 8 percent for the
 523 economic development program category. The maximum amount of
 524 block grant funds that may be spent on administrative costs by
 525 an eligible local government for the economic development
 526 program category is \$120,000. The purpose of the ceiling is to
 527 maximize the amount of block grant funds actually going toward
 528 the redevelopment of the area. The department will continue to
 529 encourage eligible local governments to consider ways to limit
 530 the amount of block grant funds used for administrative costs,
 531 consistent with the need for prudent management and
 532 accountability in the use of public funds. However, this
 533 subsection does ~~shall not be construed, however, to~~ prohibit
 534 eligible local governments from contributing their own funds or
 535 making in-kind contributions to cover administrative costs which
 536 exceed the prescribed ceilings, provided that all such
 537 contributions come from local government resources other than
 538 Community Development Block Grant funds.

539 (6) The maximum amount ~~percentage~~ of block grant funds
 540 that may be spent on engineering and architectural costs by an
 541 eligible local government shall be determined in accordance with
 542 a method ~~schedule~~ adopted by the department by rule. Any such
 543 method ~~schedule~~ so adopted shall be consistent with the schedule
 544 used by the United States Farmer's Home Administration as

545 applied to projects in Florida or another comparable schedule as
 546 amended.

547 Section 10. Section 290.0475, Florida Statutes, is amended
 548 to read:

549 290.0475 Rejection of grant applications; penalties for
 550 failure to meet application conditions.—Applications are
 551 ineligible ~~received~~ for funding if ~~under all program categories~~
 552 ~~shall be rejected without scoring only in the event that~~ any of
 553 the following circumstances arise:

554 (1) The application is not received by the department by
 555 the application deadline;—

556 (2) The proposed project does not meet one of the three
 557 national objectives as contained in federal and state
 558 legislation;—

559 (3) The proposed project is not an eligible activity as
 560 contained in the federal legislation;—

561 (4) The application is not consistent with the local
 562 government's comprehensive plan adopted pursuant to s.
 563 163.3184;—

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

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

571 or-

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

577 Section 11. Subsection (5) of section 290.048, Florida
 578 Statutes, is amended to read:

579 290.048 General powers of department under ss. 290.0401-
 580 290.048.—The department has all the powers necessary or
 581 appropriate to carry out the purposes and provisions of the
 582 program, including the power to:

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

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

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

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

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

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

595 Section 12. Subsection (5) and paragraph (b) of subsection
 596 (8) of section 331.3051, Florida Statutes, are amended to read:

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597 331.3051 Duties of Space Florida.—Space Florida shall:
 598 (5) Consult with the Florida Tourism Industry Marketing
 599 Corporation ~~Enterprise Florida, Inc.~~, in developing a space
 600 tourism marketing plan. Space Florida and the Florida Tourism
 601 Industry Marketing Corporation ~~Enterprise Florida, Inc.~~, may
 602 enter into a mutually beneficial agreement that provides funding
 603 to the corporation ~~Enterprise Florida, Inc.~~, for its services to
 604 implement this subsection.

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

607 (b) Working in collaboration with one or more public or
 608 private universities and other public or private entities to
 609 ~~develop a proposal for a Center of Excellence for Aerospace that~~
 610 ~~will foster and~~ promote the research necessary to develop
 611 commercially promising, advanced, and innovative science and
 612 technology and ~~will~~ transfer those discoveries to the commercial
 613 sector.

614 Section 13. Paragraph (f) of subsection (1) of section
 615 443.141, Florida Statutes, is amended to read:

616 443.141 Collection of contributions and reimbursements.—

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

619 (f) Payments for 2012, 2013, ~~and~~ 2014, and subsequent
 620 contributions.—For an annual administrative fee not to exceed
 621 \$5, a contributing employer may pay its quarterly contributions
 622 due for wages paid in the first three quarters of 2012, 2013,

623 ~~and~~ 2014, and any subsequent year in equal installments if those
 624 contributions are paid as follows:

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

630 2. In addition to the payments specified in subparagraph
 631 1., for contributions due for wages paid in the second quarter
 632 of each year, one-third of the contributions due must be paid on
 633 or before July 31, one-third must be paid on or before October
 634 31, and one-third must be paid on or before December 31.

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

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

645 5. Interest does not accrue on any contribution that
 646 becomes due for wages paid in the first three quarters of each
 647 year if the employer pays the contribution in accordance with
 648 subparagraphs 1.-4. Interest and fees continue to accrue on

649 prior delinquent contributions and commence accruing on all
 650 contributions due for wages paid in the first three quarters of
 651 each year which are not paid in accordance with subparagraphs
 652 1.-3. Penalties may be assessed in accordance with this chapter.
 653 The contributions due for wages paid in the fourth quarter of
 654 2012, 2013, ~~and 2014~~, and subsequent years are not affected by
 655 this paragraph and are due and payable in accordance with this
 656 chapter.

657 Section 14. Paragraph (a) of subsection (1) of section
 658 125.271, Florida Statutes, is amended to read:

659 125.271 Emergency medical services; county emergency
 660 medical service assessments.—

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

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

665
 666 Once a county has qualified under this subsection, it always
 667 retains the qualification.

668 Section 15. Paragraphs (a), (b), and (e) of subsection (7)
 669 of section 163.3177, Florida Statutes, are amended to read:

670 163.3177 Required and optional elements of comprehensive
 671 plan; studies and surveys.—

672 (7)(a) The Legislature finds that:

673 1. There are a number of rural agricultural industrial
 674 centers in the state that process, produce, or aid in the

675 production or distribution of a variety of agriculturally based
 676 products, including, but not limited to, fruits, vegetables,
 677 timber, and other crops, and juices, paper, and building
 678 materials. Rural agricultural industrial centers have a
 679 significant amount of existing associated infrastructure that is
 680 used for processing, producing, or distributing agricultural
 681 products.

682 2. Such rural agricultural industrial centers are often
 683 located within or near communities in which the economy is
 684 largely dependent upon agriculture and agriculturally based
 685 products. The centers significantly enhance the economy of such
 686 communities. However, these agriculturally based communities are
 687 often socioeconomically challenged and designated as rural areas
 688 of opportunity ~~critical economic concern~~. If such rural
 689 agricultural industrial centers are lost and not replaced with
 690 other job-creating enterprises, the agriculturally based
 691 communities will lose a substantial amount of their economies.

692 3. The state has a compelling interest in preserving the
 693 viability of agriculture and protecting rural agricultural
 694 communities and the state from the economic upheaval that would
 695 result from short-term or long-term adverse changes in the
 696 agricultural economy. To protect these communities and promote
 697 viable agriculture for the long term, it is essential to
 698 encourage and permit diversification of existing rural
 699 agricultural industrial centers by providing for jobs that are
 700 not solely dependent upon, but are compatible with and

701 complement, existing agricultural industrial operations and to
 702 encourage the creation and expansion of industries that use
 703 agricultural products in innovative ways. However, the expansion
 704 and diversification of these existing centers must be
 705 accomplished in a manner that does not promote urban sprawl into
 706 surrounding agricultural and rural areas.

707 (b) As used in this subsection, the term "rural
 708 agricultural industrial center" means a developed parcel of land
 709 in an unincorporated area on which there exists an operating
 710 agricultural industrial facility or facilities that employ at
 711 least 200 full-time employees in the aggregate and process and
 712 prepare for transport a farm product, as defined in s. 163.3162,
 713 or any biomass material that could be used, directly or
 714 indirectly, for the production of fuel, renewable energy,
 715 bioenergy, or alternative fuel as defined by law. The center may
 716 also include land contiguous to the facility site which is not
 717 used for the cultivation of crops, but on which other existing
 718 activities essential to the operation of such facility or
 719 facilities are located or conducted. The parcel of land must be
 720 located within, or within 10 miles of, a rural area of
 721 opportunity ~~critical economic concern~~.

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

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727 Section 16. Subsection (3) of section 163.3187, Florida
 728 Statutes, is amended to read:

729 163.3187 Process for adoption of small-scale comprehensive
 730 plan amendment.—

731 (3) If the small scale development amendment involves a
 732 site within a rural area of opportunity ~~critical economic~~
 733 ~~concern~~ as defined under s. 288.0656(2)(d) for the duration of
 734 such designation, the 10-acre limit listed in subsection (1)
 735 shall be increased by 100 percent to 20 acres. The local
 736 government approving the small scale plan amendment shall
 737 certify to the Office of Tourism, Trade, and Economic
 738 Development that the plan amendment furthers the economic
 739 objectives set forth in the executive order issued under s.
 740 288.0656(7), and the property subject to the plan amendment
 741 shall undergo public review to ensure that all concurrency
 742 requirements and federal, state, and local environmental permit
 743 requirements are met.

744 Section 17. Subsection (10) of section 163.3246, Florida
 745 Statutes, is amended to read:

746 163.3246 Local government comprehensive planning
 747 certification program.—

748 (10) Notwithstanding subsections (2), (4), (5), (6), and
 749 (7), any municipality designated as a rural area of opportunity
 750 ~~critical economic concern~~ pursuant to s. 288.0656 which is
 751 located within a county eligible to levy the Small County Surtax
 752 under s. 212.055(3) shall be considered certified during the

753 effectiveness of the designation of rural area of opportunity
 754 ~~critical economic concern~~. The state land planning agency shall
 755 provide a written notice of certification to the local
 756 government of the certified area, which shall be considered
 757 final agency action subject to challenge under s. 120.569. The
 758 notice of certification shall include the following components:

- 759 (a) The boundary of the certification area.
- 760 (b) A requirement that the local government submit either
 761 an annual or biennial monitoring report to the state land
 762 planning agency according to the schedule provided in the
 763 written notice. The monitoring report shall, at a minimum,
 764 include the number of amendments to the comprehensive plan
 765 adopted by the local government, the number of plan amendments
 766 challenged by an affected person, and the disposition of those
 767 challenges.

768 Section 18. Paragraph (a) of subsection (6) of section
 769 211.3103, Florida Statutes, is amended to read:

770 211.3103 Levy of tax on severance of phosphate rock; rate,
 771 basis, and distribution of tax.-

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

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

779 2. To the credit of the General Revenue Fund of the state,
780 35.7 percent.

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

789 4. For payment to counties that have been designated as a
790 rural area of opportunity ~~critical economic concern~~ pursuant to
791 s. 288.0656 in proportion to the number of tons of phosphate
792 rock produced from a phosphate rock matrix located within such
793 political boundary, 10.0 percent. The department shall
794 distribute this portion of the proceeds annually based on
795 production information reported by the producers on the annual
796 returns for the taxable year. Payments under this subparagraph
797 shall be made to the counties unless the Legislature by special
798 act creates a local authority to promote and direct the economic
799 development of the county. If such authority exists, payments
800 shall be made to that authority.

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

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

805 percent.

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

807 Section 19. Paragraph (c) of subsection (1) of section

808 212.098, Florida Statutes, is amended to read:

809 212.098 Rural Job Tax Credit Program.—

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

811 (c) "Qualified area" means any area that is contained

812 within a rural area of opportunity ~~critical economic concern~~

813 designated under s. 288.0656, a county that has a population of

814 fewer than 75,000 persons, or a county that has a population of

815 125,000 or less and is contiguous to a county that has a

816 population of less than 75,000, selected in the following

817 manner: every third year, the Department of Economic Opportunity

818 shall rank and tier the state's counties according to the

819 following four factors:

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

821 period.

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

823 period.

824 3. Highest percentage of residents whose incomes are below

825 the poverty level, based upon the most recent data available.

826 4. Average weekly manufacturing wage, based upon the most

827 recent data available.

828 Section 20. Subsection (1) of section 218.67, Florida

829 Statutes, is amended to read:

830 218.67 Distribution for fiscally constrained counties.—

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831 (1) Each county that is entirely within a rural area of
 832 opportunity ~~critical economic concern~~ as designated by the
 833 Governor pursuant to s. 288.0656 or each county for which the
 834 value of a mill will raise no more than \$5 million in revenue,
 835 based on the taxable value certified pursuant to s.
 836 1011.62(4)(a)1.a., from the previous July 1, shall be considered
 837 a fiscally constrained county.

838 Section 21. Subsection (1) of section 288.018, Florida
 839 Statutes, is amended to read:

840 288.018 Regional Rural Development Grants Program.—

841 (1) The department shall establish a matching grant
 842 program to provide funding to regionally based economic
 843 development organizations representing rural counties and
 844 communities for the purpose of building the professional
 845 capacity of their organizations. Such matching grants may also
 846 be used by an economic development organization to provide
 847 technical assistance to businesses within the rural counties and
 848 communities that it serves. The department is authorized to
 849 approve, on an annual basis, grants to such regionally based
 850 economic development organizations. The maximum amount an
 851 organization may receive in any year will be \$35,000, or
 852 \$100,000 in a rural area of opportunity ~~critical economic~~
 853 ~~concern~~ recommended by the Rural Economic Development Initiative
 854 and designated by the Governor, and must be matched each year by
 855 an equivalent amount of nonstate resources.

856 Section 22. Paragraphs (a) and (c) of subsection (2) of

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857 section 288.065, Florida Statutes, are amended to read:

858 288.065 Rural Community Development Revolving Loan Fund.—

859 (2) (a) The program shall provide for long-term loans, loan
 860 guarantees, and loan loss reserves to units of local
 861 governments, or economic development organizations substantially
 862 underwritten by a unit of local government, within counties with
 863 populations of 75,000 or fewer, or within any county with a
 864 population of 125,000 or fewer which is contiguous to a county
 865 with a population of 75,000 or fewer, based on the most recent
 866 official population estimate as determined under s. 186.901,
 867 including those residing in incorporated areas and those
 868 residing in unincorporated areas of the county, or to units of
 869 local government, or economic development organizations
 870 substantially underwritten by a unit of local government, within
 871 a rural area of opportunity ~~critical-economic concern~~.

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

881 Section 23. Paragraphs (b), (c), and (e) of subsection (2)
 882 of section 288.0655, Florida Statutes, are amended to read:

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883 288.0655 Rural Infrastructure Fund.—
 884 (2)
 885 (b) To facilitate access of rural communities and rural
 886 areas of opportunity ~~critical economic concern~~ as defined by the
 887 Rural Economic Development Initiative to infrastructure funding
 888 programs of the Federal Government, such as those offered by the
 889 United States Department of Agriculture and the United States
 890 Department of Commerce, and state programs, including those
 891 offered by Rural Economic Development Initiative agencies, and
 892 to facilitate local government or private infrastructure funding
 893 efforts, the department may award grants for up to 30 percent of
 894 the total infrastructure project cost. If an application for
 895 funding is for a catalyst site, as defined in s. 288.0656, the
 896 department may award grants for up to 40 percent of the total
 897 infrastructure project cost. Eligible projects must be related
 898 to specific job-creation or job-retention opportunities.
 899 Eligible projects may also include improving any inadequate
 900 infrastructure that has resulted in regulatory action that
 901 prohibits economic or community growth or reducing the costs to
 902 community users of proposed infrastructure improvements that
 903 exceed such costs in comparable communities. Eligible uses of
 904 funds shall include improvements to public infrastructure for
 905 industrial or commercial sites and upgrades to or development of
 906 public tourism infrastructure. Authorized infrastructure may
 907 include the following public or public-private partnership
 908 facilities: storm water systems; telecommunications facilities;

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909 broadband facilities; roads or other remedies to transportation
 910 impediments; nature-based tourism facilities; or other physical
 911 requirements necessary to facilitate tourism, trade, and
 912 economic development activities in the community. Authorized
 913 infrastructure may also include publicly or privately owned
 914 self-powered nature-based tourism facilities, publicly owned
 915 telecommunications facilities, and broadband facilities, and
 916 additions to the distribution facilities of the existing natural
 917 gas utility as defined in s. 366.04(3)(c), the existing electric
 918 utility as defined in s. 366.02, or the existing water or
 919 wastewater utility as defined in s. 367.021(12), or any other
 920 existing water or wastewater facility, which owns a gas or
 921 electric distribution system or a water or wastewater system in
 922 this state where:

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

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

929 (c) To facilitate timely response and induce the location
 930 or expansion of specific job creating opportunities, the
 931 department may award grants for infrastructure feasibility
 932 studies, design and engineering activities, or other
 933 infrastructure planning and preparation activities. Authorized
 934 grants shall be up to \$50,000 for an employment project with a

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935 business committed to create at least 100 jobs; up to \$150,000
 936 for an employment project with a business committed to create at
 937 least 300 jobs; and up to \$300,000 for a project in a rural area
 938 of opportunity ~~critical economic concern~~. Grants awarded under
 939 this paragraph may be used in conjunction with grants awarded
 940 under paragraph (b), provided that the total amount of both
 941 grants does not exceed 30 percent of the total project cost. In
 942 evaluating applications under this paragraph, the department
 943 shall consider the extent to which the application seeks to
 944 minimize administrative and consultant expenses.

945 (e) To enable local governments to access the resources
 946 available pursuant to s. 403.973(18), the department may award
 947 grants for surveys, feasibility studies, and other activities
 948 related to the identification and preclearance review of land
 949 which is suitable for preclearance review. Authorized grants
 950 under this paragraph shall not exceed \$75,000 each, except in
 951 the case of a project in a rural area of opportunity ~~critical~~
 952 ~~economic concern~~, in which case the grant shall not exceed
 953 \$300,000. Any funds awarded under this paragraph must be matched
 954 at a level of 50 percent with local funds, except that any funds
 955 awarded for a project in a rural area of opportunity ~~critical~~
 956 ~~economic concern~~ must be matched at a level of 33 percent with
 957 local funds. If an application for funding is for a catalyst
 958 site, as defined in s. 288.0656, the requirement for local match
 959 may be waived pursuant to the process in s. 288.06561. In
 960 evaluating applications under this paragraph, the department

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961 shall consider the extent to which the application seeks to
 962 minimize administrative and consultant expenses.

963 Section 24. Paragraphs (a), (b), and (d) of subsection (2)
 964 and subsection (7) of section 288.0656, Florida Statutes, are
 965 amended to read:

966 288.0656 Rural Economic Development Initiative.—

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

968 (a) "Catalyst project" means a business locating or
 969 expanding in a rural area of opportunity ~~critical economic~~
 970 ~~concern~~ to serve as an economic generator of regional
 971 significance for the growth of a regional target industry
 972 cluster. The project must provide capital investment on a scale
 973 significant enough to affect the entire region and result in the
 974 development of high-wage and high-skill jobs.

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

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

987 (7) (a) REDI may recommend to the Governor up to three
 988 rural areas of opportunity ~~critical economic concern~~. The
 989 Governor may by executive order designate up to three rural
 990 areas of opportunity ~~critical economic concern~~ which will
 991 establish these areas as priority assignments for REDI as well
 992 as to allow the Governor, acting through REDI, to waive
 993 criteria, requirements, or similar provisions of any economic
 994 development incentive. Such incentives shall include, but not be
 995 limited to, ~~the~~ the Qualified Target Industry Tax Refund Program
 996 under s. 288.106, the Quick Response Training Program under s.
 997 288.047, the Quick Response Training Program for participants in
 998 the welfare transition program under s. 288.047(8),
 999 transportation projects under s. 339.2821, the brownfield
 1000 redevelopment bonus refund under s. 288.107, and the rural job
 1001 tax credit program under ss. 212.098 and 220.1895.

1002 (b) Designation as a rural area of opportunity ~~critical~~
 1003 ~~economic concern~~ under this subsection shall be contingent upon
 1004 the execution of a memorandum of agreement among the department;
 1005 the governing body of the county; and the governing bodies of
 1006 any municipalities to be included within a rural area of
 1007 opportunity ~~critical economic concern~~. Such agreement shall
 1008 specify the terms and conditions of the designation, including,
 1009 but not limited to, the duties and responsibilities of the
 1010 county and any participating municipalities to take actions
 1011 designed to facilitate the retention and expansion of existing
 1012 businesses in the area, as well as the recruitment of new

1013 businesses to the area.

1014 (c) Each rural area of opportunity ~~critical economic~~
 1015 ~~concern~~ may designate catalyst projects, provided that each
 1016 catalyst project is specifically recommended by REDI, identified
 1017 as a catalyst project by Enterprise Florida, Inc., and confirmed
 1018 as a catalyst project by the department. All state agencies and
 1019 departments shall use all available tools and resources to the
 1020 extent permissible by law to promote the creation and
 1021 development of each catalyst project and the development of
 1022 catalyst sites.

1023 Section 25. Paragraph (a) of subsection (3) of section
 1024 288.1088, Florida Statutes, is amended to read:

1025 288.1088 Quick Action Closing Fund.—

1026 (3)(a) The department and Enterprise Florida, Inc., shall
 1027 jointly review applications pursuant to s. 288.061 and determine
 1028 the eligibility of each project consistent with the criteria in
 1029 subsection (2). Waiver of these criteria may be considered under
 1030 the following criteria:

- 1031 1. Based on extraordinary circumstances;
- 1032 2. In order to mitigate the impact of the conclusion of
 1033 the space shuttle program; or
- 1034 3. In rural areas of opportunity ~~critical economic concern~~
 1035 if the project would significantly benefit the local or regional
 1036 economy.

1037 Section 26. Paragraphs (b), (c), and (d) of subsection (4)
 1038 of section 288.1089, Florida Statutes, are amended to read:

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- 1039 288.1089 Innovation Incentive Program.—
- 1040 (4) To qualify for review by the department, the applicant
- 1041 must, at a minimum, establish the following to the satisfaction
- 1042 of the department:
- 1043 (b) A research and development project must:
- 1044 1. Serve as a catalyst for an emerging or evolving
- 1045 technology cluster.
- 1046 2. Demonstrate a plan for significant higher education
- 1047 collaboration.
- 1048 3. Provide the state, at a minimum, a cumulative break-
- 1049 even economic benefit within a 20-year period.
- 1050 4. Be provided with a one-to-one match from the local
- 1051 community. The match requirement may be reduced or waived in
- 1052 rural areas of opportunity ~~critical economic concern~~ or reduced
- 1053 in rural areas, brownfield areas, and enterprise zones.
- 1054 (c) An innovation business project in this state, other
- 1055 than a research and development project, must:
- 1056 1.a. Result in the creation of at least 1,000 direct, new
- 1057 jobs at the business; or
- 1058 b. Result in the creation of at least 500 direct, new jobs
- 1059 if the project is located in a rural area, a brownfield area, or
- 1060 an enterprise zone.
- 1061 2. Have an activity or product that is within an industry
- 1062 that is designated as a target industry business under s.
- 1063 288.106 or a designated sector under s. 288.108.
- 1064 3.a. Have a cumulative investment of at least \$500 million

1065 within a 5-year period; or
 1066 b. Have a cumulative investment that exceeds \$250 million
 1067 within a 10-year period if the project is located in a rural
 1068 area, brownfield area, or an enterprise zone.
 1069 4. Be provided with a one-to-one match from the local
 1070 community. The match requirement may be reduced or waived in
 1071 rural areas of opportunity ~~critical economic concern~~ or reduced
 1072 in rural areas, brownfield areas, and enterprise zones.
 1073 (d) For an alternative and renewable energy project in
 1074 this state, the project must:
 1075 1. Demonstrate a plan for significant collaboration with
 1076 an institution of higher education;
 1077 2. Provide the state, at a minimum, a cumulative break-
 1078 even economic benefit within a 20-year period;
 1079 3. Include matching funds provided by the applicant or
 1080 other available sources. The match requirement may be reduced or
 1081 waived in rural areas of opportunity ~~critical economic concern~~
 1082 or reduced in rural areas, brownfield areas, and enterprise
 1083 zones;
 1084 4. Be located in this state; and
 1085 5. Provide at least 35 direct, new jobs that pay an
 1086 estimated annual average wage that equals at least 130 percent
 1087 of the average private sector wage.
 1088 Section 27. Paragraph (d) of subsection (6) of section
 1089 290.0055, Florida Statutes, is amended to read:
 1090 290.0055 Local nominating procedure.—

1091 (6)

1092 (d)1. The governing body of a jurisdiction which has

1093 nominated an application for an enterprise zone that is at least

1094 15 square miles and less than 20 square miles and includes a

1095 portion of the state designated as a rural area of opportunity

1096 ~~critical economic concern~~ under s. 288.0656(7) may apply to the

1097 department to expand the boundary of the existing enterprise

1098 zone by not more than 3 square miles.

1099 2. The governing body of a jurisdiction which has

1100 nominated an application for an enterprise zone that is at least

1101 20 square miles and includes a portion of the state designated

1102 as a rural area of opportunity ~~critical economic concern~~ under

1103 s. 288.0656(7) may apply to the department to expand the

1104 boundary of the existing enterprise zone by not more than 5

1105 square miles.

1106 3. An application to expand the boundary of an enterprise

1107 zone under this paragraph must be submitted by December 31,

1108 2013.

1109 4. Notwithstanding the area limitations specified in

1110 subsection (4), the department may approve the request for a

1111 boundary amendment if the area continues to satisfy the

1112 remaining requirements of this section.

1113 5. The department shall establish the initial effective

1114 date of an enterprise zone designated under this paragraph.

1115 Section 28. Paragraph (c) of subsection (4) of section

1116 339.2819, Florida Statutes, is amended to read:

1117 339.2819 Transportation Regional Incentive Program.—

1118 (4)

1119 (c) The department shall give priority to projects that:

1120 1. Provide connectivity to the Strategic Intermodal System
1121 developed under s. 339.64.

1122 2. Support economic development and the movement of goods
1123 in rural areas of opportunity ~~critical economic concern~~
1124 designated under s. 288.0656(7).

1125 3. Are subject to a local ordinance that establishes
1126 corridor management techniques, including access management
1127 strategies, right-of-way acquisition and protection measures,
1128 appropriate land use strategies, zoning, and setback
1129 requirements for adjacent land uses.

1130 4. Improve connectivity between military installations and
1131 the Strategic Highway Network or the Strategic Rail Corridor
1132 Network.

1133
1134 The department shall also consider the extent to which local
1135 matching funds are available to be committed to the project.

1136 Section 29. Paragraph (b) of subsection (5) of section
1137 339.63, Florida Statutes, is amended to read:

1138 339.63 System facilities designated; additions and
1139 deletions.—

1140 (5)

1141 (b) A facility designated part of the Strategic Intermodal
1142 System pursuant to paragraph (a) that is within the jurisdiction

1143 of a local government that maintains a transportation
 1144 concurrency system shall receive a waiver of transportation
 1145 concurrency requirements applicable to Strategic Intermodal
 1146 System facilities in order to accommodate any development at the
 1147 facility which occurs pursuant to a building permit issued on or
 1148 before December 31, 2017, but only if such facility is located:

1149 1. Within an area designated pursuant to s. 288.0656(7) as
 1150 a rural area of opportunity ~~critical economic concern~~;

1151 2. Within a rural enterprise zone as defined in s.
 1152 290.004(5); or

1153 3. Within 15 miles of the boundary of a rural area of
 1154 opportunity ~~critical economic concern~~ or a rural enterprise
 1155 zone.

1156 Section 30. Paragraph (c) of subsection (3) of section
 1157 373.4595, Florida Statutes, is amended to read:

1158 373.4595 Northern Everglades and Estuaries Protection
 1159 Program.—

1160 (3) LAKE OKEECHOBEE WATERSHED PROTECTION PROGRAM.—A
 1161 protection program for Lake Okeechobee that achieves phosphorus
 1162 load reductions for Lake Okeechobee shall be immediately
 1163 implemented as specified in this subsection. The program shall
 1164 address the reduction of phosphorus loading to the lake from
 1165 both internal and external sources. Phosphorus load reductions
 1166 shall be achieved through a phased program of implementation.
 1167 Initial implementation actions shall be technology-based, based
 1168 upon a consideration of both the availability of appropriate

1169 technology and the cost of such technology, and shall include
 1170 phosphorus reduction measures at both the source and the
 1171 regional level. The initial phase of phosphorus load reductions
 1172 shall be based upon the district's Technical Publication 81-2
 1173 and the district's WOD program, with subsequent phases of
 1174 phosphorus load reductions based upon the total maximum daily
 1175 loads established in accordance with s. 403.067. In the
 1176 development and administration of the Lake Okeechobee Watershed
 1177 Protection Program, the coordinating agencies shall maximize
 1178 opportunities provided by federal cost-sharing programs and
 1179 opportunities for partnerships with the private sector.

1180 (c) Lake Okeechobee Watershed Phosphorus Control Program.—

1181 The Lake Okeechobee Watershed Phosphorus Control Program is
 1182 designed to be a multifaceted approach to reducing phosphorus
 1183 loads by improving the management of phosphorus sources within
 1184 the Lake Okeechobee watershed through implementation of
 1185 regulations and best management practices, development and
 1186 implementation of improved best management practices,
 1187 improvement and restoration of the hydrologic function of
 1188 natural and managed systems, and utilization of alternative
 1189 technologies for nutrient reduction. The coordinating agencies
 1190 shall facilitate the application of federal programs that offer
 1191 opportunities for water quality treatment, including
 1192 preservation, restoration, or creation of wetlands on
 1193 agricultural lands.

- 1194 1. Agricultural nonpoint source best management practices,

1195 developed in accordance with s. 403.067 and designed to achieve
 1196 the objectives of the Lake Okeechobee Watershed Protection
 1197 Program, shall be implemented on an expedited basis. The
 1198 coordinating agencies shall develop an interagency agreement
 1199 pursuant to ss. 373.046 and 373.406(5) that assures the
 1200 development of best management practices that complement
 1201 existing regulatory programs and specifies how those best
 1202 management practices are implemented and verified. The
 1203 interagency agreement shall address measures to be taken by the
 1204 coordinating agencies during any best management practice
 1205 reevaluation performed pursuant to sub-subparagraph d. The
 1206 department shall use best professional judgment in making the
 1207 initial determination of best management practice effectiveness.

1208 a. As provided in s. 403.067(7)(c), the Department of
 1209 Agriculture and Consumer Services, in consultation with the
 1210 department, the district, and affected parties, shall initiate
 1211 rule development for interim measures, best management
 1212 practices, conservation plans, nutrient management plans, or
 1213 other measures necessary for Lake Okeechobee watershed total
 1214 maximum daily load reduction. The rule shall include thresholds
 1215 for requiring conservation and nutrient management plans and
 1216 criteria for the contents of such plans. Development of
 1217 agricultural nonpoint source best management practices shall
 1218 initially focus on those priority basins listed in subparagraph
 1219 (b)1. The Department of Agriculture and Consumer Services, in
 1220 consultation with the department, the district, and affected

1221 parties, shall conduct an ongoing program for improvement of
 1222 existing and development of new interim measures or best
 1223 management practices for the purpose of adoption of such
 1224 practices by rule. The Department of Agriculture and Consumer
 1225 Services shall work with the University of Florida's Institute
 1226 of Food and Agriculture Sciences to review and, where
 1227 appropriate, develop revised nutrient application rates for all
 1228 agricultural soil amendments in the watershed.

1229 b. Where agricultural nonpoint source best management
 1230 practices or interim measures have been adopted by rule of the
 1231 Department of Agriculture and Consumer Services, the owner or
 1232 operator of an agricultural nonpoint source addressed by such
 1233 rule shall either implement interim measures or best management
 1234 practices or demonstrate compliance with the district's WOD
 1235 program by conducting monitoring prescribed by the department or
 1236 the district. Owners or operators of agricultural nonpoint
 1237 sources who implement interim measures or best management
 1238 practices adopted by rule of the Department of Agriculture and
 1239 Consumer Services shall be subject to the provisions of s.
 1240 403.067(7). The Department of Agriculture and Consumer Services,
 1241 in cooperation with the department and the district, shall
 1242 provide technical and financial assistance for implementation of
 1243 agricultural best management practices, subject to the
 1244 availability of funds.

1245 c. The district or department shall conduct monitoring at
 1246 representative sites to verify the effectiveness of agricultural

1247 nonpoint source best management practices.

1248 d. Where water quality problems are detected for
 1249 agricultural nonpoint sources despite the appropriate
 1250 implementation of adopted best management practices, the
 1251 Department of Agriculture and Consumer Services, in consultation
 1252 with the other coordinating agencies and affected parties, shall
 1253 institute a reevaluation of the best management practices and
 1254 make appropriate changes to the rule adopting best management
 1255 practices.

1256 2. Nonagricultural nonpoint source best management
 1257 practices, developed in accordance with s. 403.067 and designed
 1258 to achieve the objectives of the Lake Okeechobee Watershed
 1259 Protection Program, shall be implemented on an expedited basis.
 1260 The department and the district shall develop an interagency
 1261 agreement pursuant to ss. 373.046 and 373.406(5) that assures
 1262 the development of best management practices that complement
 1263 existing regulatory programs and specifies how those best
 1264 management practices are implemented and verified. The
 1265 interagency agreement shall address measures to be taken by the
 1266 department and the district during any best management practice
 1267 reevaluation performed pursuant to sub-subparagraph d.

1268 a. The department and the district are directed to work
 1269 with the University of Florida's Institute of Food and
 1270 Agricultural Sciences to develop appropriate nutrient
 1271 application rates for all nonagricultural soil amendments in the
 1272 watershed. As provided in s. 403.067(7)(c), the department, in

1273 consultation with the district and affected parties, shall
 1274 develop interim measures, best management practices, or other
 1275 measures necessary for Lake Okeechobee watershed total maximum
 1276 daily load reduction. Development of nonagricultural nonpoint
 1277 source best management practices shall initially focus on those
 1278 priority basins listed in subparagraph (b)1. The department, the
 1279 district, and affected parties shall conduct an ongoing program
 1280 for improvement of existing and development of new interim
 1281 measures or best management practices. The district shall adopt
 1282 technology-based standards under the district's WOD program for
 1283 nonagricultural nonpoint sources of phosphorus. Nothing in this
 1284 sub-subparagraph shall affect the authority of the department or
 1285 the district to adopt basin-specific criteria under this part to
 1286 prevent harm to the water resources of the district.

1287 b. Where nonagricultural nonpoint source best management
 1288 practices or interim measures have been developed by the
 1289 department and adopted by the district, the owner or operator of
 1290 a nonagricultural nonpoint source shall implement interim
 1291 measures or best management practices and be subject to the
 1292 provisions of s. 403.067(7). The department and district shall
 1293 provide technical and financial assistance for implementation of
 1294 nonagricultural nonpoint source best management practices,
 1295 subject to the availability of funds.

1296 c. The district or the department shall conduct monitoring
 1297 at representative sites to verify the effectiveness of
 1298 nonagricultural nonpoint source best management practices.

1299 d. Where water quality problems are detected for
 1300 nonagricultural nonpoint sources despite the appropriate
 1301 implementation of adopted best management practices, the
 1302 department and the district shall institute a reevaluation of
 1303 the best management practices.

1304 3. The provisions of subparagraphs 1. and 2. shall not
 1305 preclude the department or the district from requiring
 1306 compliance with water quality standards or with current best
 1307 management practices requirements set forth in any applicable
 1308 regulatory program authorized by law for the purpose of
 1309 protecting water quality. Additionally, subparagraphs 1. and 2.
 1310 are applicable only to the extent that they do not conflict with
 1311 any rules promulgated by the department that are necessary to
 1312 maintain a federally delegated or approved program.

1313 4. Projects that reduce the phosphorus load originating
 1314 from domestic wastewater systems within the Lake Okeechobee
 1315 watershed shall be given funding priority in the department's
 1316 revolving loan program under s. 403.1835. The department shall
 1317 coordinate and provide assistance to those local governments
 1318 seeking financial assistance for such priority projects.

1319 5. Projects that make use of private lands, or lands held
 1320 in trust for Indian tribes, to reduce nutrient loadings or
 1321 concentrations within a basin by one or more of the following
 1322 methods: restoring the natural hydrology of the basin, restoring
 1323 wildlife habitat or impacted wetlands, reducing peak flows after
 1324 storm events, increasing aquifer recharge, or protecting range

1325 and timberland from conversion to development, are eligible for
 1326 grants available under this section from the coordinating
 1327 agencies. For projects of otherwise equal priority, special
 1328 funding priority will be given to those projects that make best
 1329 use of the methods outlined above that involve public-private
 1330 partnerships or that obtain federal match money. Preference
 1331 ranking above the special funding priority will be given to
 1332 projects located in a rural area of opportunity ~~critical~~
 1333 ~~economic concern~~ designated by the Governor. Grant applications
 1334 may be submitted by any person or tribal entity, and eligible
 1335 projects may include, but are not limited to, the purchase of
 1336 conservation and flowage easements, hydrologic restoration of
 1337 wetlands, creating treatment wetlands, development of a
 1338 management plan for natural resources, and financial support to
 1339 implement a management plan.

1340 6.a. The department shall require all entities disposing
 1341 of domestic wastewater residuals within the Lake Okeechobee
 1342 watershed and the remaining areas of Okeechobee, Glades, and
 1343 Hendry Counties to develop and submit to the department an
 1344 agricultural use plan that limits applications based upon
 1345 phosphorus loading. By July 1, 2005, phosphorus concentrations
 1346 originating from these application sites shall not exceed the
 1347 limits established in the district's WOD program. After December
 1348 31, 2007, the department may not authorize the disposal of
 1349 domestic wastewater residuals within the Lake Okeechobee
 1350 watershed unless the applicant can affirmatively demonstrate

1351 that the phosphorus in the residuals will not add to phosphorus
 1352 loadings in Lake Okeechobee or its tributaries. This
 1353 demonstration shall be based on achieving a net balance between
 1354 phosphorus imports relative to exports on the permitted
 1355 application site. Exports shall include only phosphorus removed
 1356 from the Lake Okeechobee watershed through products generated on
 1357 the permitted application site. This prohibition does not apply
 1358 to Class AA residuals that are marketed and distributed as
 1359 fertilizer products in accordance with department rule.

1360 b. Private and government-owned utilities within Monroe,
 1361 Miami-Dade, Broward, Palm Beach, Martin, St. Lucie, Indian
 1362 River, Okeechobee, Highlands, Hendry, and Glades Counties that
 1363 dispose of wastewater residual sludge from utility operations
 1364 and septic removal by land spreading in the Lake Okeechobee
 1365 watershed may use a line item on local sewer rates to cover
 1366 wastewater residual treatment and disposal if such disposal and
 1367 treatment is done by approved alternative treatment methodology
 1368 at a facility located within the areas designated by the
 1369 Governor as rural areas of opportunity ~~critical economic concern~~
 1370 pursuant to s. 288.0656. This additional line item is an
 1371 environmental protection disposal fee above the present sewer
 1372 rate and shall not be considered a part of the present sewer
 1373 rate to customers, notwithstanding provisions to the contrary in
 1374 chapter 367. The fee shall be established by the county
 1375 commission or its designated assignee in the county in which the
 1376 alternative method treatment facility is located. The fee shall

1377 be calculated to be no higher than that necessary to recover the
 1378 facility's prudent cost of providing the service. Upon request
 1379 by an affected county commission, the Florida Public Service
 1380 Commission will provide assistance in establishing the fee.
 1381 Further, for utilities and utility authorities that use the
 1382 additional line item environmental protection disposal fee, such
 1383 fee shall not be considered a rate increase under the rules of
 1384 the Public Service Commission and shall be exempt from such
 1385 rules. Utilities using the provisions of this section may
 1386 immediately include in their sewer invoicing the new
 1387 environmental protection disposal fee. Proceeds from this
 1388 environmental protection disposal fee shall be used for
 1389 treatment and disposal of wastewater residuals, including any
 1390 treatment technology that helps reduce the volume of residuals
 1391 that require final disposal, but such proceeds shall not be used
 1392 for transportation or shipment costs for disposal or any costs
 1393 relating to the land application of residuals in the Lake
 1394 Okeechobee watershed.

1395 c. No less frequently than once every 3 years, the Florida
 1396 Public Service Commission or the county commission through the
 1397 services of an independent auditor shall perform a financial
 1398 audit of all facilities receiving compensation from an
 1399 environmental protection disposal fee. The Florida Public
 1400 Service Commission or the county commission through the services
 1401 of an independent auditor shall also perform an audit of the
 1402 methodology used in establishing the environmental protection

1403 disposal fee. The Florida Public Service Commission or the
 1404 county commission shall, within 120 days after completion of an
 1405 audit, file the audit report with the President of the Senate
 1406 and the Speaker of the House of Representatives and shall
 1407 provide copies to the county commissions of the counties set
 1408 forth in sub-subparagraph b. The books and records of any
 1409 facilities receiving compensation from an environmental
 1410 protection disposal fee shall be open to the Florida Public
 1411 Service Commission and the Auditor General for review upon
 1412 request.

1413 7. The Department of Health shall require all entities
 1414 disposing of septage within the Lake Okeechobee watershed to
 1415 develop and submit to that agency an agricultural use plan that
 1416 limits applications based upon phosphorus loading. By July 1,
 1417 2005, phosphorus concentrations originating from these
 1418 application sites shall not exceed the limits established in the
 1419 district's WOD program.

1420 8. The Department of Agriculture and Consumer Services
 1421 shall initiate rulemaking requiring entities within the Lake
 1422 Okeechobee watershed which land-apply animal manure to develop
 1423 resource management system level conservation plans, according
 1424 to United States Department of Agriculture criteria, which limit
 1425 such application. Such rules may include criteria and thresholds
 1426 for the requirement to develop a conservation or nutrient
 1427 management plan, requirements for plan approval, and
 1428 recordkeeping requirements.

1429 9. The district, the department, or the Department of
 1430 Agriculture and Consumer Services, as appropriate, shall
 1431 implement those alternative nutrient reduction technologies
 1432 determined to be feasible pursuant to subparagraph (d)6.

1433 Section 31. Paragraph (e) of subsection (2) and paragraph
 1434 (b) of subsection (26) of section 380.06, Florida Statutes, are
 1435 amended to read:

1436 380.06 Developments of regional impact.-

1437 (2) STATEWIDE GUIDELINES AND STANDARDS.-

1438 (e) With respect to residential, hotel, motel, office, and
 1439 retail developments, the applicable guidelines and standards
 1440 shall be increased by 50 percent in urban central business
 1441 districts and regional activity centers of jurisdictions whose
 1442 local comprehensive plans are in compliance with part II of
 1443 chapter 163. With respect to multiuse developments, the
 1444 applicable individual use guidelines and standards for
 1445 residential, hotel, motel, office, and retail developments and
 1446 multiuse guidelines and standards shall be increased by 100
 1447 percent in urban central business districts and regional
 1448 activity centers of jurisdictions whose local comprehensive
 1449 plans are in compliance with part II of chapter 163, if one land
 1450 use of the multiuse development is residential and amounts to
 1451 not less than 35 percent of the jurisdiction's applicable
 1452 residential threshold. With respect to resort or convention
 1453 hotel developments, the applicable guidelines and standards
 1454 shall be increased by 150 percent in urban central business

1455 districts and regional activity centers of jurisdictions whose
 1456 local comprehensive plans are in compliance with part II of
 1457 chapter 163 and where the increase is specifically for a
 1458 proposed resort or convention hotel located in a county with a
 1459 population greater than 500,000 and the local government
 1460 specifically designates that the proposed resort or convention
 1461 hotel development will serve an existing convention center of
 1462 more than 250,000 gross square feet built before ~~prior to~~ July
 1463 1, 1992. The applicable guidelines and standards shall be
 1464 increased by 150 percent for development in any area designated
 1465 by the Governor as a rural area of opportunity ~~critical economic~~
 1466 ~~concern~~ pursuant to s. 288.0656 during the effectiveness of the
 1467 designation.

1468 (26) ABANDONMENT OF DEVELOPMENTS OF REGIONAL IMPACT.—

1469 (b) Upon receipt of written confirmation from the state
 1470 land planning agency that any required mitigation applicable to
 1471 completed development has occurred, an industrial development of
 1472 regional impact located within the coastal high-hazard area of a
 1473 rural area of opportunity ~~county of economic concern~~ which was
 1474 approved before ~~prior to~~ the adoption of the local government's
 1475 comprehensive plan required under s. 163.3167 and which plan's
 1476 future land use map and zoning designates the land use for the
 1477 development of regional impact as commercial may be unilaterally
 1478 abandoned without the need to proceed through the process
 1479 described in paragraph (a) if the developer or owner provides a
 1480 notice of abandonment to the local government and records such

1481 notice with the applicable clerk of court. Abandonment shall be
 1482 deemed to have occurred upon the recording of the notice. All
 1483 development following abandonment shall be fully consistent with
 1484 the current comprehensive plan and applicable zoning.

1485 Section 32. Paragraph (g) of subsection (3) of section
 1486 380.0651, Florida Statutes, is amended to read:

1487 380.0651 Statewide guidelines and standards.—

1488 (3) The following statewide guidelines and standards shall
 1489 be applied in the manner described in s. 380.06(2) to determine
 1490 whether the following developments shall be required to undergo
 1491 development-of-regional-impact review:

1492 (g) Residential development.—No rule may be adopted
 1493 concerning residential developments which treats a residential
 1494 development in one county as being located in a less populated
 1495 adjacent county unless more than 25 percent of the development
 1496 is located within 2 ~~or less~~ miles or less of the less populated
 1497 adjacent county. The residential thresholds of adjacent counties
 1498 with less population and a lower threshold shall not be
 1499 controlling on any development wholly located within areas
 1500 designated as rural areas of opportunity ~~critical economic~~
 1501 ~~concern~~.

1502 Section 33. Paragraph (b) of subsection (2) of section
 1503 985.686, Florida Statutes, is amended to read:

1504 985.686 Shared county and state responsibility for
 1505 juvenile detention.—

1506 (2) As used in this section, the term:

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1507 (b) "Fiscally constrained county" means a county within a
 1508 rural area of opportunity ~~critical economic concern~~ as
 1509 designated by the Governor pursuant to s. 288.0656 or each
 1510 county for which the value of a mill will raise no more than \$5
 1511 million in revenue, based on the certified school taxable value
 1512 certified pursuant to s. 1011.62(4)(a)1.a., from the previous
 1513 July 1.

1514 Section 34. Subsection (2) of section 1011.76, Florida
 1515 Statutes, is amended to read:

1516 1011.76 Small School District Stabilization Program.—

1517 (2) In order to participate in this program, a school
 1518 district must be located in a rural area of opportunity ~~critical~~
 1519 ~~economic concern~~ designated by the Executive Office of the
 1520 Governor, and the district school board must submit a resolution
 1521 to the Department of Economic Opportunity requesting
 1522 participation in the program. A rural area of opportunity
 1523 ~~critical economic concern~~ must be a rural community, or a region
 1524 composed of such, that has been adversely affected by an
 1525 extraordinary economic event or a natural disaster or that
 1526 presents a unique economic development concern or opportunity of
 1527 regional impact. The resolution must be accompanied by ~~with~~
 1528 documentation of the economic conditions in the community and~~,~~
 1529 provide information indicating the negative impact of these
 1530 conditions on the school district's financial stability, and the
 1531 school district must participate in a best financial management
 1532 practices review to determine potential efficiencies that could

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1533 be implemented to reduce program costs in the district.

1534 Section 35. This act shall take effect July 1, 2014.

