ECONOMIC DEVELOPMENT & TOURISM SUBCOMMITTEE

MEETING PACKET

Tuesday, March 10, 2015
9:00 AM – 11:00 AM
12 HOB

Steve Crisafulli
Speaker

Frank Artiles
Chair

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Economic Development & Tourism Subcommittee

Start Date and Time: Tuesday, March 10, 2015 09:00 am

End Date and Time: Tuesday, March 10, 2015 11:00 am

Location: 12 HOB

Duration: 2.00 hrs

Consideration of the following bill(s):

HB 523 Notaries Public by Kerner
HB 529 Defense Contracting by Smith
HB 535 Public Records/Homelessness Surveys and Databases by Latvala
HB 237 Qualified Television Revolving Loan Fund by Latvala
HB 171 Pub. Rec./Emergency Information Gathering Systems by Edwards
CS/HB 531 Limited Liability Companies by Civil Justice Subcommittee, McGhee, Spano

Pursuant to rule 7.12, the filing deadline for amendments to bills on the agenda by a member who is not a member of the committee or subcommittee considering the bill is 6:00 p.m., Monday, March 9, 2015.

By request of the Chair, all Subcommittee members are asked to have amendments to bills on the agenda submitted to staff by 6:00 p.m., Monday, March 9, 2015.

NOTICE FINALIZED on 03/06/2015 15:59 by Lawhon.Amanda

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 523 Notaries Public
SPONSOR(S): Kerner
TIED BILLS: **IDEN./SIM. BILLS:** SB 526

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Economic Development & Tourism Subcommittee		Collins DC	Duncan pda
2) Criminal Justice Subcommittee			
3) Business & Professions Subcommittee			
4) Economic Affairs Committee			

SUMMARY ANALYSIS

Current law provides that law enforcement officers, correctional officers, correctional probation officers, traffic accident investigation officers and traffic infraction enforcement officers are authorized to perform the notarial act of administering oaths when performing official duties.

The bill provides that, when performing official duties, law enforcement officers, correctional officers, correctional probation officers, traffic accident investigation officers, or traffic infraction enforcement officers may verify documents pursuant to s. 92.525, F.S.

The bill amends s. 117.05, F.S., providing that when notarizing an electronic signature as part of the administration of an oath, the signer need not appear before a law enforcement officer, correctional officer, correctional probation officer, traffic accident investigation officer, or traffic infraction enforcement officer.

The bill amends s. 117.10, F.S., defining the term "reliable electronic means" to mean the signing and transmission of a document through means compliant with criminal justice information system security measures.

The bill has an insignificant fiscal impact on state revenues. The bill has no impact on local government revenues or expenditures.

The bill provides an effective date of July 1, 2015.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Notaries Public in Florida

A notary public (notary or notaries) is a public officer appointed and commissioned by the Governor whose function is to administer oaths; to take acknowledgements of deeds and other instruments; to attest to or certify photocopies of certain documents; and to perform other duties specified by law.[1]

Chapter 117, F.S., provides requirements and guidelines for notaries and authorizes the Governor to appoint as many notaries as necessary. A notary must be at least 18 years of age, maintain legal residence in the state throughout the commission, and possess the ability to read, write, and understand English.[2] The application for appointment must include a $25 fee, a $10 commission fee required by s. 113.01, F.S., and a $4 surcharge, appropriated to the Executive Office of the Governor to be used for notary education and assistance.[3]

Once appointed, a notary serves a four-year term.[4] During the term of office, a notary must post and maintain a $7,500 bond payable to any individual harmed as a result of a notary's breach of duty. The bond must be approved and filed with the Department of State (DOS) and executed by a surety company that is authorized to transact business within the state. If a surety company pays an individual harmed by the notary for breach of duty, the company must notify the Governor of the payment and the underlying circumstances.[5] No person may be automatically reappointed as a notary. The application process must be completed regardless of whether an applicant has previously served as a notary.[6]

A notary is authorized by law to perform six functions:[7]

- administer oaths or affirmations;[8]
- take acknowledgements of deeds and other instruments of writing for record;[9]
- attest to photocopies of certain documents;[10]
- solemnize marriage;[11]
- verify vehicle identification numbers;[12] and
- certify the contents of a safe-deposit box.[13]

Electronic Notarization

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[1] *Governor's Reference Manual for Notaries;* State of Florida, November 1, 2001 ed., p. 6, *available at* http://www.flgov.com/notary_ref_manual/ (last viewed March 5, 2015).
[2] Section 117.01(1), F.S.
[3] Section 117.01(2), F.S.
[4] Section 117.01(1), F.S.
[5] Section 117.01(7), F.S.
[6] Section 117.01(6), F.S.
[7] *See supra* note 1 at 12.
[8] Section 117.03, F.S.
[9] Section 117.04, F.S.
[10] Section 117.05(12)(a), F.S.
[11] Section 117.045, F.S.
[12] Section 319.23(3)(a)2., F.S.
[13] Section 655.94(1), F.S.

Any document requiring notarization may be notarized electronically.[14] In performing a notarial act electronically, a notary public must use an electronic signature that is:[15]

- unique to the notary public;
- capable of independent verification;
- retained under the notary public's sole control; and
- attached to or logically associated with the electronic document in a manner that any subsequent alteration to the electronic document displays evidence of alteration.

When a signature is required to be accompanied by a notary public seal, the following information must be included in an electronic signature:[16]

- the full name of the notary public exactly as provided on the notary public's application for commission;
- the words "Notary Public State of Florida";
- the date of expiration of the commission of the notary public; and
- the notary public's commission number.

Verification of Documents

Currently, when it is authorized or required by law, by rule, or an administrative agency, or by order of court that a document be verified by a person, the verification may be accomplished:[17]

- under oath or affirmation taken or administered before an officer authorized pursuant to s. 92.50, F.S.,[18] to administer oaths; or
- by signing a written declaration.[19]

While notaries are authorized to verify documents, law enforcement officers are not authorized to do so.

Law Enforcement and Correctional Officers

Currently, s. 117.10, F.S., provides that law enforcement officers, correctional officers, and correctional probation officers;[20] and traffic accident investigation officers and traffic infraction enforcement officers,[21] are authorized to administer oaths when engaged in the performance of official duties. Additionally, the law provides that ss. 117.01, 117.04, 117.045, 117.05, and 117.103, F.S., do not apply to the provisions of s.117.10, F.S., thereby exempting the previously listed officers from a number of the duties and responsibilities of notaries public.

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[14] Section 117.021(1), F.S.
[15] Section 117.021(2)(a)-(d), F.S.
[16] Section 117.021(3)(a)-(d), F.S.
[17] Section 92.525(1), F.S.
[18] Oaths, affidavits, and acknowledgments required or authorized under the laws of this state (except oaths to jurors and witnesses in court and such other oaths, affidavits and acknowledgments as are required by law to be taken or administered by or before particular officers) may be taken or administered by or before any judge, clerk, or deputy clerk of any court of record within this state, including federal courts, or before any United States commissioner or any notary public within this state. The jurat, or certificate of proof or acknowledgment, shall be authenticated by the signature and official seal of such officer or person taking or administering the same; however, when taken or administered before any judge, clerk, or deputy clerk of a court of record, the seal of such court may be affixed as the seal of such officer or person. Section 92.50(1), F.S.
[19] "Written declaration" means the following statement: "Under penalties of perjury, I declare that I have read the foregoing [document] and that the facts stated in it are true," followed by the signature of the person making the declaration, except when a verification on information or belief is permitted by law, in which case the words "to the best of my knowledge and belief" may be added. Section 92.525(2), F.S.
[20] *See* s. 943.10 (1)-(3), F.S.
[21] *See* s. 316.640, F.S.

Electronic Warrants

In 2013,[22] the Legislature authorized judges to electronically sign a search or arrest warrant upon examination of an application or complaint and proof that it:

- bears the affiant's signature or electronic signature;
- is supported by an oath or affirmation administered by the judge or other person authorized by law to administer oaths; and
- if submitted electronically, is submitted by reliable electronic means.

The law also provided that a warrant is deemed issued when it is signed or electronically signed[23] by a judge.

Effect of Proposed Changes

The bill amends s. 92.525, F.S., to provide that, when performing official duties, law enforcement officers, correctional officers, correctional probation officers, traffic accident investigation officers, or traffic infraction enforcement officers may verify documents when authorized or required by law, by rule of an administrative agency, or by rule or order of court.

The bill amends s. 117.05, F.S., to provide that when notarizing an electronic signature as part of the administration of an oath, the signer need not appear before a law enforcement officer, correctional officer, correctional probation officer, traffic accident investigation officer, or traffic infraction enforcement officer.

The bill amends s. 117.10, F.S., defining the term "reliable electronic means" to mean the signing and transmission of a document through means compliant with criminal justice information system[24] security measures.

B. SECTION DIRECTORY:

Section 1: Amends s. 92.525, F.S., authorizing certain officers to verify documents.

Section 2: Amends s. 117.05, F.S., providing an exception to the requirement that a signer personally appear before a notary public at the time of notarization.

Section 3: Amends s. 117.10, F.S., authorizing specified officers to administer oaths by reliable electronic means when engaged in the performance of official duties.

Section 4: Provides an effective date of July 1, 2015.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

[22] Chapter 2013-247, L.O.F.

[23] "Electronically signed" is defined by s. 933.40, F.S., as any letters, characters, symbols, or process manifested by electronic or similar means and attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

[24] The Federal Bureau of Investigation's Criminal Justice Information Services division was established in 1992 to serve as the focal point and central depository for criminal justice information services in the FBI. Programs under the division's purview include the National Crime Information Center, Uniform Crime Reporting, and Fingerprint Identification.

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

2. Expenditures:

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

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

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

2. Expenditures:

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

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

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

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

A bill to be entitled

An act relating to notaries public; amending s. 92.525, F.S.; revising the methods available for verifying documents; amending s. 117.05, F.S.; providing an exception to the requirement that a signer personally appear before a notary public at the time of notarization; amending s. 117.10, F.S.; defining the term "reliable electronic means"; authorizing specified officers to administer oaths by reliable electronic means when engaged in the performance of official duties; providing an effective date.

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

Section 1. Subsection (1) of section 92.525, Florida Statutes, is amended to read:

92.525 Verification of documents; perjury by false written declaration, penalty.—

(1) If ~~When it is~~ authorized or required by law, by rule of an administrative agency, or by rule or order of court that a document be verified by a person, the verification may be accomplished in the following manner:

(a) Under oath or affirmation taken or administered before an officer authorized under s. 92.50 or s. 117.10 to administer oaths; or

(b) By the signing of the written declaration prescribed in subsection (2).

Section 2. Paragraph (c) of subsection (4) of section 117.05, Florida Statutes, is amended to read:

117.05 Use of notary commission; unlawful use; notary fee; seal; duties; employer liability; name change; advertising; photocopies; penalties.—

(4) When notarizing a signature, a notary public shall complete a jurat or notarial certificate in substantially the same form as those found in subsection (13). The jurat or certificate of acknowledgment shall contain the following elements:

(c) That the signer personally appeared before the notary public at the time of the notarization. This paragraph does not apply to the administration of an oath by a law enforcement officer, correctional officer, correctional probation officer, traffic accident investigation officer, or traffic infraction enforcement officer through reliable electronic means as authorized by s. 117.10.

Section 3. Section 117.10, Florida Statutes, is amended to read:

117.10 Law enforcement and correctional officers; administration of oaths.—

(1) For purposes of this section, the term "reliable electronic means" means the signing and transmission of a document through means compliant with criminal justice

information system security measures. Such signing and transmission must be made by an affiant to an officer authorized to administer oaths under subsection (2) under circumstances that indicate that the document was submitted by the affiant.

(2) Law enforcement officers, correctional officers, and correctional probation officers, as defined in s. 943.10, and traffic accident investigation officers and traffic infraction enforcement officers, as described in s. 316.640, are authorized to administer oaths by reliable electronic means or in the physical presence of an affiant when engaged in the performance of official duties. Sections 117.01, 117.04, 117.045, 117.05, and 117.103 do not apply to ~~the provisions of~~ this section. An officer may not notarize his or her own signature.

(3) An oath administered pursuant to this section is an acceptable method of verification as provided under s. 92.525.

Section 4. This act shall take effect July 1, 2015.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 529 Defense Contracting
SPONSOR(S): Smith
TIED BILLS: **IDEN./SIM. BILLS:** SB 980

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Economic Development & Tourism Subcommittee		Collins DC	Duncan
2) Finance & Tax Committee			
3) Economic Affairs Committee			

SUMMARY ANALYSIS

The bill creates a new economic development tax incentive program to reward businesses receiving national security-related federal contracts for hiring more Florida-based subcontractors. Qualifying businesses may reduce the computation of adjusted federal income used to determine state corporate income tax liability by an amount equal to four percent of each subcontract awarded to a qualifying Florida-based subcontractor. To receive the incentive, a business must submit specified documentation regarding qualified subcontract awards to the Department of Economic Opportunity (DEO), which is responsible for certifying applicants.

The bill places caps on the amount of qualified subcontract awards DEO may certify for a single company in a single tax year and on the total amount of qualified subcontract awards DEO may certify in a single tax year program-wide.

DEO and the Department of Revenue (DOR) are granted rule-making authority to implement the bill.

The Revenue Estimating Impact Conference met on February 18, 2015, and estimated that the bill would have a negative impact on general revenues of $5.5 million per fiscal year on a recurring basis and no impact on local government revenues or expenditures.

The bill has an effective date of July 1, 2015.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Florida's Defense Industry

Florida is home to three of ten unified combatant commands and hosts two of only four Navy deep water ports in the country with adjacent airfields, the military's only space launch facility on the east coast, the Marine Corps' only maritime prepositioning facility, and one of only three Navy Fleet Readiness Centers. The state also hosts several critical research, development, testing and evaluation centers. In addition, the Joint Gulf Range Complex connects test and training ranges that extend from Key West to northwest Florida and across the eastern Gulf of Mexico, and encompasses 180,000 square miles of Department of Defense-controlled airspace.[1]

The defense industry accounted for 9.4 percent of state gross domestic product in 2011. Defense-related spending, direct and indirect, added up to $73.4 billion in 2011, $12.4 billion of which was allocated for procurements.[2] In 2011, Florida businesses generated $13.6 billion in U.S. Department of Defense (DOD) contract awards, ranking the state 5th in the nation. The state is home to many of the nation's leading defense contractors and a large pool of highly skilled workers and veterans.[3]

Federal Contracting Overview

The typical federal procurement process involves an agency identifying the goods and services it needs, determining the most appropriate method for purchasing those items, and carrying out an acquisition process. Under most procurement processes, an agency posts a solicitation on the Federal Business Opportunities (FedBizOpps) website. Interested businesses prepare their offers in response to the solicitation, and agency personnel evaluate the offers. To be eligible to compete for government contracts, a business must first obtain a Data Universal Numbering System (DUNS) number and register with the System for Award Management (SAM). Many agencies provide assistance and services to potential and existing federal contractors.

Businesses may serve as subcontractors for other businesses awarded federal contracts, known as "prime contractors." Most federal agencies release information on their websites listing prime contractors that have been awarded federal contracts, which serves as a valuable resource for potential subcontractors. Other agencies, including the General Services Administration, Department of Homeland Security, and Small Business Administration provide more specific information regarding subcontracting opportunities with prime contractors on their websites.[4]

Federal Contracts Awarded in Florida

According to the federal government, 168,312 contracts have been awarded to prime contractors by DOD and the National Aeronautics and Space Administration (NASA) from federal fiscal year 2012 through the current federal fiscal year for projects located in Florida. Combined, these contracts have a total value of more than $35.5 billion.

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[1] Enterprise Florida, *Florida Defense Factbook*, January 2013; can be found at: http://www.enterpriseflorida.com/wp-content/uploads/Factbook-20133.pdf; (last accessed on Mar. 5, 2015)

[2] Enterprise Florida, *Florida Defense Industry Economic Impact Analysis;* January 2013; can be found at: http://www.enterpriseflorida.com/wp-content/uploads/Haas-Study-20131.pdf; (last accessed on Mar. 5, 2013)

[3] Enterprise Florida, *Defense and Homeland Security*, http://www.enterpriseflorida.com/industries/defense-homeland-security/ (last accessed on Mar. 3, 2015).

[4] L. Elaine Halchin, Congressional Research Service; *Overview of the Federal Procurement Process and Resources;* September 11, 2012.

There have been 7,062 subcontracts awarded through those 168,312 prime contracts, valued at more than $8.3 billion. Of those, 6,013 subcontracts, valued at over $7 billion, have been awarded to businesses located in Florida, which accounts for 85.1% percent of all subcontracts awarded by prime contractors who have received federal contracts for work to be done in Florida by DOD and NASA.[5]

Florida Corporate Income Tax

Florida levies corporate income tax on corporations of 5.5% for income earned in Florida.[6] The calculation of Florida corporate income tax starts with a corporation's federal taxable income.[7] After certain addbacks and subtractions to federal taxable income required by chapter 220, F.S., the amount of adjusted federal income attributable to Florida is determined by the application of an apportionment formula.[8] The Florida corporate income tax uses a three-factor apportionment formula consisting of property, payroll, and sales (which is double-weighted) to measure the portion of a multistate corporation's business activities attributable to Florida.[9] Income that is apportioned to Florida using this formula is then subject to the Florida income tax. The first $50,000 of net income is exempt.[10]

Effect of Proposed Changes

The bill creates s. 288.1046, F.S., the Defense Works in Florida Incentive, which encourages defense contractors receiving federal contracts to select Florida-based subcontractors. This incentive provides certified businesses a reduction in their corporate income tax. The bill defines the following terms:

- Florida Prime Contractor – A business entity operating in the state that is awarded a prime contract.
- Florida Small Business Subcontractor – A business entity that maintains its primary place of business in the state; has 250 or fewer employees; is awarded a subcontract from a Florida prime contractor; and has no subsidiary or affiliate business relationship to the prime contractor making the award.
- Prime Contract – A contract that is awarded directly from the federal government.
- Qualified Defense Work – A prime contract awarded for manufacturing, engineering, construction, distribution, research, development, or other activities related to equipment, supplies, technology, or other goods or services that support national security or space-related activities.
- Qualified Subcontract Award – Qualified defense work subcontracted from a Florida prime contractor to a Florida small business subcontractor, which is executed in the state and valued at more than $250,000. The term does not include subcontracts executed before July 1, 2015.

The bill allows Florida prime contractors awarded a prime contract for qualified defense work to reduce its computed adjusted federal income under s. 220.13, F.S., by an amount equal to four percent of any qualified subcontract award it grants a Florida small business subcontractor divided by the apportionment factor described in s. 220.15, F.S.

To qualify for the incentive, a Florida prime contractor must apply to DEO and be certified that it is subject to chapter 220, has been awarded qualified defense work, and has awarded a qualified subcontract award of at least $250,000. A Florida prime contractor may claim the incentive only for taxable years beginning on or after January 1, 2016.

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[5] United States Office of Management and Budget, *USASpending.gov*; http://usaspending.gov/ (last accessed on Mar. 5, 2015).
[6] Section 220.11, F.S.
[7] Section 220.12, F.S.
[8] *See* s. 220.15, F.S.
[9] Section 220.15, F.S.
[10] Section 220.14, F.S.

Within 10 days of certifying an application, DEO is required to supply the Florida prime contractor with a letter of certification for each certified application, as well as a copy of such letter to DOR. Following certification, a Florida prime contractor may claim the incentive by applying separately to DEO for each qualified subcontract award it has made to a Florida small business subcontractor. Each application should contain documentation including copies of contracts, tax records, or employment records. For a multiyear qualified subcontract award, DEO must certify the full amount of the award in the year it was awarded; however, the Florida prime contractor may only claim the incentive in the taxable year in which payment was made to the Florida small business subcontractor.

DEO is permitted to certify up to $250 million in aggregate qualified subcontract awards for a single Florida prime contractor per tax year, and no more than $2.5 billion in aggregate qualified subcontract awards for all applicants.

The bill also amends s. 220.13, F.S., to allow the incentive to be included among the list of adjusted federal income subtractions allowed under current law.

DEO is authorized to establish application, approval, and accountability processes. Additionally, DEO may consult Enterprise Florida, Inc., and the Florida Defense Support Task Force to administer this incentive program.

B. SECTION DIRECTORY:

Section 1: Creates s. 288.1046, F.S., establishing the Defense Works in Florida Incentive.

Section 2: Amends s. 220.13, F.S., relating to adjusted federal income.

Section 3: Provides an effective date of July 1, 2015.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

See FISCAL COMMENTS.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill may have a positive impact on certain defense contractors who apply for and receive the incentive.

D. FISCAL COMMENTS:

The Revenue Estimating Conference met on February 18, 2015, and determined that, based on 2012 tax return information there is enough activity to have an impact of at least $2.2 million annually. The bill provides for a cap of $5.5 million annually which, based on the cap for total qualified subcontract awards, is the maximum amount that may be awarded through the program.[11]

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

   The bill does not require a municipality or county to expend funds or to take any action requiring the expenditure of funds. The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate. The bill does not require a reduction of the percentage of state tax shared with municipalities or counties.

2. Other:

   None.

B. RULE-MAKING AUTHORITY:

DEO and DOR may adopt rules to administer this program.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

[11] Florida Legislature, Office of Economic & Demographic Research, Revenue Estimating Conference, Impact Conference, *2/20/15 Revenue Impact Results*, http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2015/_pdf/impact0220.pdf.

A bill to be entitled

An act relating to defense contracting; creating s. 288.1046, F.S.; establishing the Defense Works in Florida Incentive; providing definitions; authorizing a Florida prime contractor to apply to the Department of Economic Opportunity to certify that it may reduce its computation of adjusted federal income by a specified amount; providing application requirements and procedures; providing caps for the aggregate amount of qualified subcontract awards that may be certified per calendar year; authorizing the Department of Economic Opportunity and the Department of Revenue to adopt rules; amending s. 220.13, F.S.; revising the definition of the term "adjusted federal income" to provide for a reduction in taxable income equal to a specified amount of qualified subcontract awards certified by the Department of Economic Opportunity; providing an effective date.

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

Section 1. Section 288.1046, Florida Statutes, is created to read:

288.1046 Defense Works in Florida Incentive.—

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

(a) "Florida prime contractor" means a business entity

operating in the state that is awarded a prime contract.

(b) "Florida small business subcontractor" means a business entity that:

1. Maintains its primary place of business in the state;

2. Has 250 or fewer employees at the time a qualified subcontract award is made;

3. Is awarded a subcontract from a Florida prime contractor; and

4. Has no subsidiary or affiliate business relationship to the prime contractor making the award.

(c) "Prime contract" means a contract that is awarded directly from the Federal Government.

(d) "Qualified defense work" means a prime contract awarded for manufacturing, engineering, construction, distribution, research, development, or other activities related to equipment, supplies, technology, or other goods or services that directly or indirectly support the United States Armed Forces or that can be reasonably determined to support national security, including space-related activities.

(e) "Qualified subcontract award" means qualified defense work, in part or in whole, subcontracted from a Florida prime contractor to a Florida small business subcontractor, which is executed in the state and valued at more than $250,000. The term does not include subcontracts executed before July 1, 2015.

(2) A Florida prime contractor may apply to the department to certify that it may reduce its computation of adjusted

federal income under s. 220.13 by 4 percent of the qualified subcontract award if such prime contractor:

(a) Is subject to chapter 220;

(b) Is awarded qualified defense work; and

(c) Makes a qualified subcontract award.

(3) A Florida prime contractor may reduce its adjusted federal income under subsection (2) only for taxable years beginning on or after January 1, 2016, and must apply separately to the department for each qualified subcontract award and provide the department required documentation including, but not limited to, the award application and copies of contracts, tax records, or employment records.

(4) The department may establish application, approval, appeal, and accountability processes as necessary. The department may consult with Enterprise Florida, Inc., and the Florida Defense Support Task Force as necessary to administer this section.

(a) Within 10 days after certifying a qualified subcontract award, the department shall provide:

1. A letter certifying the award to the applicant; and

2. A copy of the letter certifying the award to the Department of Revenue.

(b) The department may certify, for each Florida prime contractor applicant per calendar year, up to $250 million in aggregate qualified subcontract awards.

(c) The department may certify in total, per calendar

year, up to $2.5 billion in aggregate qualified subcontract awards.

(d) For a multiyear qualified subcontract award, the department shall certify the full amount of the award under paragraphs (b) and (c) in the calendar year in which it was awarded.

(e) The Florida prime contractor may reduce its adjusted federal income under subsection (2) in the taxable years in which payments are made to the Florida small business subcontractor.

(5) The department and the Department of Revenue may adopt rules to administer this section.

Section 2. Paragraph (b) of subsection (1) of section 220.13, Florida Statutes, is amended to read:

220.13 "Adjusted federal income" defined.—

(1) The term "adjusted federal income" means an amount equal to the taxpayer's taxable income as defined in subsection (2), or such taxable income of more than one taxpayer as provided in s. 220.131, for the taxable year, adjusted as follows:

(b) Subtractions.—

1. There shall be subtracted from such taxable income:

a. The net operating loss deduction allowable for federal income tax purposes under s. 172 of the Internal Revenue Code for the taxable year, except that any net operating loss that is transferred pursuant to s. 220.194(6) may not be deducted by the

seller,

b. The net capital loss allowable for federal income tax purposes under s. 1212 of the Internal Revenue Code for the taxable year,

c. The excess charitable contribution deduction allowable for federal income tax purposes under s. 170(d)(2) of the Internal Revenue Code for the taxable year, and

d. The excess contributions deductions allowable for federal income tax purposes under s. 404 of the Internal Revenue Code for the taxable year.

However, a net operating loss and a capital loss shall never be carried back as a deduction to a prior taxable year, but all deductions attributable to such losses shall be deemed net operating loss carryovers and capital loss carryovers, respectively, and treated in the same manner, to the same extent, and for the same time periods as are prescribed for such carryovers in ss. 172 and 1212, respectively, of the Internal Revenue Code.

2. There shall be subtracted from such taxable income any amount to the extent included therein the following:

a. Dividends treated as received from sources without the United States, as determined under s. 862 of the Internal Revenue Code.

b. All amounts included in taxable income under s. 78 or s. 951 of the Internal Revenue Code.

However, as to any amount subtracted under this subparagraph, there shall be added to such taxable income all expenses deducted on the taxpayer's return for the taxable year which are attributable, directly or indirectly, to such subtracted amount. Further, no amount shall be subtracted with respect to dividends paid or deemed paid by a Domestic International Sales Corporation.

3. In computing "adjusted federal income" for taxable years beginning after December 31, 1976, there shall be allowed as a deduction the amount of wages and salaries paid or incurred within this state for the taxable year for which no deduction is allowed pursuant to s. 280C(a) of the Internal Revenue Code (relating to credit for employment of certain new employees).

4. There shall be subtracted from such taxable income any amount of nonbusiness income included therein.

5. There shall be subtracted any amount of taxes of foreign countries allowable as credits for taxable years beginning on or after September 1, 1985, under s. 901 of the Internal Revenue Code to any corporation which derived less than 20 percent of its gross income or loss for its taxable year ended in 1984 from sources within the United States, as described in s. 861(a)(2)(A) of the Internal Revenue Code, not including credits allowed under ss. 902 and 960 of the Internal Revenue Code, withholding taxes on dividends within the meaning of sub-subparagraph 2.a., and withholding taxes on royalties,

interest, technical service fees, and capital gains.

6. There shall be subtracted from such taxable income 4 percent of the amount of the qualified subcontract award certified by the Department of Economic Opportunity and paid to the subcontractor pursuant to s. 288.1046, divided by the apportionment factor as described in s. 220.15.

7.~~6.~~ Notwithstanding any other provision of this code, except with respect to amounts subtracted pursuant to subparagraphs 1. and 3., any increment of any apportionment factor which is directly related to an increment of gross receipts or income which is deducted, subtracted, or otherwise excluded in determining adjusted federal income shall be excluded from both the numerator and denominator of such apportionment factor. Further, all valuations made for apportionment factor purposes shall be made on a basis consistent with the taxpayer's method of accounting for federal income tax purposes.

Section 3. This act shall take effect July 1, 2015.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 535 Public Records/Homelessness Surveys and Databases
SPONSOR(S): Latvala
TIED BILLS: **IDEN./SIM. BILLS:** SB 552

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Economic Development & Tourism Subcommittee		Collins	Duncan
2) Government Operations Subcommittee			
3) Economic Affairs Committee			

SUMMARY ANALYSIS

The bill creates a public records exemption for "individual identifying information" contained within a Point-In-Time Count or in a Homeless Management Information System (HMIS) that could directly or indirectly identify a specific person, be manipulated to identify a specific person, or be linked with other available information to identify a specific person. The bill does not preclude the release of information in the aggregate contained within a Point-In-Time Count or Homeless Management System that does not disclose individual identifying information of a person.

The bill provides for repeal of the exemption on October 2, 2020, unless reviewed and saved from repeal by the Legislature. In addition, the bill provides a statement of public necessity as required by the State Constitution.

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

The bill provides an effective date upon becoming law.

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 public record exemption; thus, it requires a two-thirds vote for final passage.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Public Records

Article I, s. 24(a) of the State Constitution sets forth the state's public policy regarding access to government records. This section guarantees every person a right to inspect or copy any public record of the legislative, executive, and judicial branches of government.

Public policy regarding access to government records is addressed in Florida Statutes. Section 119.07(1), F.S., guarantees every person a right to inspect and copy any state, county, or municipal record.

Public Record Exemptions

The Legislature may provide by general law for the exemption of records and meetings 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 (public necessity statement) and must be no broader than necessary to accomplish its purpose.[1]

The Open Government Sunset Review Act[2] 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; or
- protects trade or business secrets.

Homelessness Point-In-Time Surveys

A Point-in-Time Count provides a count of sheltered and unsheltered homeless persons. Counts are further broken down into subpopulation categories of persons who are chronically homeless, persons with severe mental illness, chronic substance abusers, veterans, persons with HIV/AIDS, and victims of domestic violence.[3] Data collected through these counts is managed through a HMIS, a software application designed to record and store client-level information on the characteristics and service needs of homeless persons. An HMIS is typically a web-based software application that homeless assistance providers use to coordinate care, manage their operations, and better serve their clients.[4] The U.S. Department of Housing and Urban Development's (HUD) Homelessness Data Exchange allows local homeless Continuums of Care (CoC) to submit data directly from their local HMIS to the HUD.[5]

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[1] Art. I, s. 24(c), Fla. Const.
[2] Section 119.15, F.S.
[3] U.S. Department of Housing and Urban Development, *Homelessness Data Exchange;* (can be found at: http://www.hudhdx.info/) last accessed on March 3, 2015.
[4] U.S. Department of Housing and Urban Development; *Homeless Assistance*; (can be found at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/homeless) last accessed on March 3, 2015.
[5]; U.S. Department of Housing and Urban Development; *Homelessness Data Exchange;* (can be found at: http://www.hudhdx.info/) last accessed on March 3, 2015.

Homeless Continuums of Care in Florida

CoC Overview

A local CoC is a framework for a comprehensive and seamless array of emergency, transitional, and permanent housing, and services to address the various needs of the homeless and those at risk of homelessness.[6] The purpose of a CoC is to help communities or regions envision, plan, and implement comprehensive and long-term solutions in a community or region.[7]

The Department of Children and Families (DCF) interacts with the state's 28 CoCs through the Office of Homelessness (Office), which serves as the state's central point of contact on homelessness. The Office is responsible for coordinating resources and programs across all levels of government, and with private providers that serve the homeless. It also manages targeted state grants to support the implementation of local homeless service CoC plans.[8] The Office has recognized and designated local entities to serve as lead agencies for local planning efforts to create homeless assistance CoC systems. The Office has made these designations in consultation with the local homeless coalitions and the Florida offices of HUD.

The CoC model creates a framework for a comprehensive array of emergency, transitional, and permanent housing, and supportive services to address the varying needs of persons who are homeless or at risk of becoming homeless. These are community-based plans and are reflective of unique conditions in each local area. The purpose of the local CoC is to help communities envision, plan, and implement coordinated, long-term solutions to address homelessness.[9]

The CoC planning effort is an ongoing process that addresses all subpopulations of the homeless. Participation of all interested individuals and organizations is encouraged, including those who are or have been homeless. Faith-based organizations are encouraged to participate, along with state and regional offices that administer mainstream program resources such as Medicaid, food stamps, employment assistance, welfare assistance, and mental health services.[10]

The development of a local CoC plan is a prerequisite to applying for federal housing grants through HUD. The plan also makes the community eligible to compete for the state's Challenge Grant and Homeless Housing Assistance Grant.[11]

A model CoC should include the following:[12]

- outreach, intake, and assessment to link housing and services to the needs of those who are homeless;
- services and resources to prevent housed persons from becoming homeless or returning to homelessness;
- emergency sheltering as a safe alternative to living on the streets;
- transitional housing to move persons toward permanent housing solutions;
- permanent housing to end episodes of homelessness; and
- supportive services designed to assist the person with necessary skills to secure and retain permanent housing.

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[6] Section 420.624(1), F.S.
[7] Section 420.624(2), F.S.
[8] Florida Department of Children and Families; *Homelessness;* available at: http://www.myflfamilies.com/service-programs/homelessness (last viewed on Mar. 3, 2015).
[9] Florida Department of Children and Families; *Lead Agencies;* available at: http://www.myflfamilies.com/service-programs/homelessness/lead-agencies (last viewed on Mar. 3, 2015).
[10] *Id.*
[11] *Id.*
[12] *Id.*

CoCs and the Point-In-Time Count

HUD requires that the CoCs conduct an annual count of the homeless persons who are sheltered in emergency shelters, transitional housing, and safe havens on a single night during the last ten days of January. Further, HUD requires that the CoCs must conduct a count of the unsheltered homeless population every other year on odd numbered years. For 2014, the state's 28 CoCs carried out both the sheltered and unsheltered counts. The goal is to produce an unduplicated, statistically reliable count and estimate of the homeless in the community.[13]

The intent is to identify those men, women, and children who meet HUD's definition of a homeless person. This is limited to:[14]

- those living in a publicly or privately operated shelter providing temporary living arrangements;
- those persons whose primary nighttime residence is a public or private place not intended to be used as an accommodation for human beings, such as a car, park, abandoned building, or camping ground;
- a person who is exiting from an institution, where he or she lived for 90 days or less, and who was otherwise homeless immediately prior to entering that institution;
- a person who is fleeing from a domestic violence situation; or
- a person who will lose their primary nighttime residence within 14 days, no subsequent dwelling has been found, and the individual lacks the resources to obtain permanent housing.

The count is undertaken on a single day and night. The federally approved methods include a report of all homeless persons counted, or a statistically valid sampling to arrive at the unduplicated estimate of the homeless. The unsheltered count methods typically are street counts, street counts with interviews, or screening, and interviewing persons at supportive service agencies such as soup kitchens where the homeless seek help.[15]

For the 28 CoC planning areas reporting in 2014, the total number of sheltered and unsheltered homeless persons was 41,335. The 2013 number of homeless persons was 45,364 for these 28 planning areas.[16]

Effect of Proposed Changes

The bill creates a public records exemption for individual identifying information of persons contained in a Point-In-Time Count and Survey or data within a HMIS collected pursuant to 42 U.S.C. chapter 119, subchapter IV, and related regulations provided in 24 C.F.R. part 91.

The bill defines "individual identifying information" as information that identifies a specific person either directly or indirectly, can be manipulated to identify a specific person, or can be linked with other available information to identify a specific person.

The bill provides for repeal of the exemption on October 2, 2020, unless reviewed and saved from repeal by the Legislature.

The bill provides a statement of public necessity as required by the State Constitution.[17]

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[13] Florida Council on Homelessness; *2014 Report*; available at: http://www.dcf.state.fl.us/programs/homelessness/docs/2013CouncilReport.pdf ; pg. 12 (last viewed on Mar. 3, 2015).
[14] *Id.*
[15] *Id.*
[16] *Id.*
[17] Art I, s. 24(c), Fla. Const.

B. SECTION DIRECTORY:

Section 1: Creates s. 420.6231, F.S., creating an exemption from public record requirements for individual identifying information gathered pursuant to certain federally-authorized homelessness data collection programs.

Section 2: Provides a statement of public necessity.

Section 3: Provides an effective date upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

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

2. Other:

Vote Requirement

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 public record or public meeting exemption. The bill creates a public record exemption; thus, it requires a two-thirds vote for final passage.

Public Necessity Statement

Article I, s. 24(c) of the State Constitution requires a public necessity statement for a newly created or expanded public record or public meeting exemption. The bill creates a public record exemption; thus, it includes a public necessity statement.

Breadth of Exemption

Article I, s. 24(c) of the State Constitution requires a newly created public record or public meeting exemption to be no broader than necessary to accomplish the stated purpose of the law.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

A bill to be entitled

An act relating to public records; creating s. 420.6231, F.S.; creating a public records exemption for individual identifying information of a person contained in a Point-In-Time Count and Survey or data in a Homeless Management Information System; defining the term "individual identifying information"; providing for retroactive application of the exemption; specifying that the exemption does not preclude the release of aggregate information; providing for future review and repeal under the Open Government Sunset Review Act; providing a statement of public necessity; providing an effective date.

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

Section 1. Section 420.6231, Florida Statutes, is created to read:

420.6231 Individual identifying information in specified homelessness surveys and databases; public records exemption.—

(1) As used in this section, the term "individual identifying information" means information that directly or indirectly identifies a specific person, can be manipulated to identify a specific person, or can be linked with other available information to identify a specific person.

(2) Individual identifying information of a person

contained in a Point-In-Time Count and Survey or data in a Homeless Management Information System collected pursuant to 42 U.S.C. chapter 119, subchapter IV, and related regulations provided in 24 C.F.R. part 91, is exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution. This exemption applies to such information held before, on, or after the effective date of this section.

(3) This section does not preclude the release, in the aggregate, of information from a Point-In-Time Count and Survey or data in a Homeless Management Information System which does not disclose individual identifying information of a person.

(4) This section is subject to the Open Government Sunset Review Act in accordance with s. 119.15 and shall stand repealed on October 2, 2020, unless reviewed and saved from repeal through reenactment by the Legislature.

Section 2. The Legislature finds that it is a public necessity that individual identifying information of a person contained in a Point-In-Time Count and Survey or data in a Homeless Management Information System collected pursuant to 42 U.S.C. chapter 119, subchapter IV, and related regulations provided in 24 C.F.R. part 91, be made exempt from public records requirements. Pursuant to 42 U.S.C. s. 11363, the Secretary of Housing and Urban Development is required to instruct service providers not to disclose individual identifying information about any client for purposes of the Homeless Management Information System, which includes Point-In-

Time Count and Survey information. The public release of such sensitive information could lead to discrimination against or ridicule of such individuals and could make them reluctant to seek assistance for themselves or their family members. The public release of such information may put affected individuals at greater risk of injury as a significant proportion of such individuals are survivors of domestic violence or suffer from mental illness or substance abuse. Additionally, public access to such information may put affected individuals at a heightened risk for fraud and identity theft. The harm from disclosing such information outweighs any public benefit that can be derived from widespread and unfettered access to such information. This exemption is narrowly drawn so that aggregate information may be disclosed, but does not disclose the individual identifying information of a person from the Point-In-Time Count and Survey and data in a Homeless Management Information System collected pursuant to 42 U.S.C. chapter 119, subchapter IV, and related regulations provided in 24 C.F.R. part 91.

Section 3. This act shall take effect upon becoming a law.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 237 Qualified Television Revolving Loan Fund
SPONSOR(S): Latvala and others
TIED BILLS: **IDEN./SIM. BILLS:** SB 196

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Economic Development & Tourism Subcommittee		Lukis AL	Duncan
2) Transportation & Economic Development Appropriations Subcommittee			
3) Economic Affairs Committee			

SUMMARY ANALYSIS

Florida law does not provide for any loan programs that pertain to the film, entertainment, or television production industries. However, the Department of Economic Opportunity's ("department") Office of Film and Entertainment recently published its five-year strategic plan, which includes as a specific strategy to "[e]stablish, grow and sustain an entertainment infrastructure bank to provide low- and no- interest loans for infrastructure development for the film, multi-media and entertainment industry."

The bill creates a qualified television revolving loan fund ("QTV Fund" or "Fund") - an "evergreen" fund privately managed under state oversight, which offers loans for qualified television content production throughout the state.

As production companies repay the principal and interest to the QTV Fund, state funds, less any QTV Fund expenses, are returned to the account to be lent to subsequent borrowers. Loans will not exceed 36 months in duration, and the fund administrator must invest and reinvest funds in a manner so as to not subject the funds to state or federal taxes.

The department must contract with a "fund administrator" within 90 days after funds are appropriated to the QTV Fund and must award such contract in accordance with the competitive bidding requirements in s. 287.057, F.S.

The department must give preference to applicants that are headquartered in the state, and, at a minimum, the fund administrator's qualifications must include the following:

- a demonstrated track record of managing private sector equity or debt funds in the entertainment industry; and
- the ability the demonstrate through a partnership agreement that a qualified lending partner is in place, which is capable of providing leverage of a minimum of 2.5 times the capital amount of the QTV Fund, for financing the production cost of qualified television content in the form of senior debt.

The fund administrator will be reimbursed for the costs that the fund administrator incurs in establishing and operating the fund, which must be paid from the state funds in the QTV Fund. The fund administrator is entitled to a reasonable profit, but such distribution may not be made from the principal funds from the original appropriation.

The bill provides for the QTV Fund to expire on December 31, 2025. Any remaining funds in the QTV Fund at such time will revert to the General Revenue Fund.

See FISCAL COMMENTS.

The bill provides for an effective date of upon becoming law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Background

Florida has a long history in hosting film and television productions—from film productions like *Where the Boys Are, Tarzan, Days of Thunder, The Truman Show, Scarface, Caddyshack, Indiana Jones and the Temple of Doom, Armageddon, The Birdcage,* and *2 Fast 2 Furious*, to television productions like *Miami Vice, Flipper, CSI: Miami, Dexter, Miami Ink, Burn Notice, 8th and Ocean, Kourtney & Kim Take Miami, The Real Housewives of Miami,* and *The Glades.*[1] Florida has also hosted the production of various television episodes, commericals, telenovelas, and award shows.

In addition, Florida is host to many Univision and Telemundo studios and production facilities.[2] Univision is the largest Spanish-speaking television network in the world, and Telemundo is one of the nation's fastest growing Spanish-language broadcast networks. Telemundo also produces original theatrical motion pictures, news and sports broadcasts.[3]

Further, Florida is home to numerous digital media developers and publishers, including Electronic Arts (EA) Tiburon, a major studio for the world's largest video game developer, as well as 360ed, n-SPACE, and Firebrand Games.[4] Many digital media developers and publishers occupy Florida's "high-tech corridor," which comprises of 23 counties and is connected by research universities, economic development organizations, educational institutions, workforce boards, industry groups, and innovative gaming companies.[5] Notably, the corridor is home to the University of Central Florida's graduate video game design school.[6]

Presently, Florida ranks third in the nation for its number of film and television productions.[7] Additionally, in 2013, the Department of Economic Opportunity's ("department" or "DEO") Bureau of Labor Market Statistics collected the following employment information about Florida's film and entertainment industry:[8]

- In 2013, there were 4,446 established businesses in Florida's film and entertainment industry employing 22,545 individuals.
- The average wage of such employees was $70,996, which exceeds the state's annual average wage for all industries of $43,651 by 62.6 percent.
- The largest sector of the film and entertainment industry was television broadcasting with 8,212 Floridians employed.
- The sector of the film and entertainment industry with the highest annual average wage ($98,764) was motion picture and video distribution.

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[1] Motion Picture Association of America, *Economic and Social Impacts of the Florida Film and Entertainment Industry Financial Incentive Program* at 11. March 2013. On file with staff.
[2] *Id.*
[3] *Id.*
[4] *Id.* (For more information on Florida's high-tech corridor, visit: www.floridahightech.com.
[5] *Id.*
[6] *Id.*
[7] Office of Economic and Demographic Research, *Return on Investment for the Entertainment Industry Incentive Programs*, at 4. (January 2015). On file with staff.
[8] Florida Office of Film and Entertainment, Fiscal Year 2013-2014 Annual Report, at 3. (November 1, 2014). On file with staff.

Florida's Office of Film and Entertainment

The Florida Office of Film and Entertainment ("OFE"), which is administratively housed in DEO, is the state's official mechanism for the development and expansion of the motion picture, television, and entertainment industries.[9] OFE staff members facilitate access to filming locations, serve as liaisons between the industry and government entities, administer incentive programs, and market the state as a world-class production center.[10]

OFE has an operating budget of $400,000 and employs five full-time staff members (including one Los Angeles-based liaison).[11]

Florida's Entertainment Industry Financial Incentive Program[12]

Florida's Entertainment Industry Financial Incentive Program ("FTC program" or "program"), which is administered by OFE, provides tax credits for qualified expenditures related to filming and production activities in Florida. The Florida Legislature created the program to encourage the use of Florida "as a site for filming, for the digital production of films, and to develop and sustain the workforce and infrastructure for film, digital media, and entertainment production."[13]

The program began as a cash refund incentive subject to an annual appropriation,[14] but in 2010 the Legislature replaced the refund incentive with a transferable tax credit program, available as an offset against any liability for the sales and use tax and corporate income tax.[15] These tax credits provide a reduction in taxes due, after verification that statutory or contractual terms have been met.

However, if the activity of the recipients of the credits results in no tax obligation, such recipients are unable to benefit from the credits. To overcome this limitation, incentive recipients have the option to monetize the credits by selling them to an entity that has a tax obligation, either directly or through an intermediary (tax broker), and typically at a discount.[16] The statutes also authorize the transfer of the credit back to the state for 90 percent of the credit's face value (though this option is currently unavailable as no state funds have been appropriated for this purpose).[17]

Annual credit caps were initially set for five years, from FY 2010-11 through 2014-15, for a total of $242 million. In 2011, the Legislature increased the total to $254 million.[18] In 2012, the Legislature extended the program through FY 2015-16 and authorized an additional $42 million in credits, for a total of $296 million for the six-year period.[19] OFE reports that all of the credits have been certified (or allocated to certified productions), and as of September 30, 2014, $119 million of the $296 million have been awarded.[20]

Qualified expenditures include production expenditures incurred by a qualified production in Florida for the following:

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[9] *Id.*
[10] *Id.*
[11] Department of Economic Opportunity Office of Film and Entertainment, *Five-Year Strategic Plan for Economic Development, 2013-2018*, at 10. On file with staff.
[12] Information about the incentive program is also available on OFE's website, available at: http://filminflorida.com/ifi/incentives.asp (last visited March 5, 2015).
[13] Section 288.1254, F.S.
[14] Section 2, Ch. 2003-81, L.O.F.
[15] Section 28, Ch. 2010-147, L.O.F.
[16] Section 288.1254(5), F.S.
[17] Section 288.1254(6)(a), F.S.
[18] Section 26, Ch. 2011-76, L.O.F.
[19] Section 15, Ch. 2012-32, L.O.F.
[20] Office of Economic and Demographic Research, *Return on Investment for the Entertainment Industry Incentive Programs*, at 5. (January 2015). On file with staff.

- goods purchased or leased from, or services provided by, a vendor or supplier in Florida that is registered with the Department of State ("DOS") or the Department of Revenue ("DOR") and is doing business in Florida (not including re-billed goods or services provided by an instate company from out-of-state vendors or suppliers);
- sound stages, back lots, production editing, digital effects, sound recordings, sets, and set construction;
- entertainment-related rental equipment, including cameras and grip or electrical equipment;
- newly purchased computer software and hardware, up to $300,000;
- meals, travel, and accommodations; and
- salary, wages, or other compensation paid to Florida residents, up to a maximum of $400,000 per resident.[21]

Types of productions eligible for tax credits include the following:

- motion pictures;
- commercials;
- music videos;
- industrial or educational films;
- infomercials;
- documentary films;
- television series; and
- digital media projects (interactive games, digital animation and visual effects).[22]

Initially, three percent of the authorized tax credits are reserved for music videos, and three percent are reserved for independent and emerging media.[23] Also, awards are limited to productions within 180 days of project start dates, and awards may not be granted after the production has begun, and are capped at $8 million per project.[24] Lastly, the program is scheduled to sunset on June 30, 2016.[25]

Florida law does not provide for any *loan* programs that pertain to the film and entertainment industry or television production. However, the Department of Economic Opportunity's ("department" or "DEO") Office of Film and Entertainment recently published its five-year strategic plan, which includes as a specific strategy to "[e]stablish, grow and sustain an entertainment infrastructure bank to provide low- and no- interest loans for infrastructure development for the film, multi-media and entertainment industry."[26]

Effect of Proposed Changes

QTV Fund Creation

The bill creates the qualified television revolving loan fund ("QTV Fund" or "Fund") - an "evergreen" fund privately managed under state oversight, which offers loans for qualified television content production throughout the state.

[21] Section 288.1254(1)(i), F.S.
[22] Section 288.1254(1), F.S.
[23] Section 288.1254(4)(b), F.S.
[24] *Id.*
[25] Section 288.1254(11), F.S.
[26] Department of Economic Opportunity Office of Film and Entertainment, *Five-Year Strategic Plan for Economic Development, 2013-2018*, at 13. On file with staff.

As production companies repay the principal and interest to the QTV Fund, state funds, less any QTV Fund expenses, are returned to the account to be lent to subsequent borrowers. Loans will not exceed 36 months in duration, and the fund administrator must invest and reinvest funds in a manner so as to not subject the funds to state or federal taxes.

The bill states the purpose of the Fund is to create a public-private partnership to incentivize the growth of television productions in Florida and to develop and sustain the workforce and infrastructure for such television production. The following sub-headings and explanations summarize the bill's primary components.

Definitions

The bill creates the following definitions for terminology used throughout the bill:

- "Fund administrator" means a private sector organization under contract with DEO to manage and administer the qualified television revolving loan fund.

- "Major broadcaster" means broadcasting organizations that include, but are not limited to, television broadcasting networks, cable television, direct broadcast satellite, telecommunications companies, and Internet streaming or other digital media platforms.

- "Private investment capital" means capital from private, nongovernmental funding sources, which will be co-invested with the QTV Fund in segregated accounts.

- "Qualified lending partner" means a financial institution, as defined in s. 655.005, F.S., selected by a fund administrator that has demonstrated capability in providing financing to television production and specialized expertise in intellectual property, tax credit programs, customary broadcast license agreements, advertising inventories, and ancillary revenue sources, and a combined portfolio in film, television, and entertainment media of at least $500 million.

- "Qualified television content" means series, mini-series, or made-for-TV content produced by a qualified production company that has in place a distribution contract with a major broadcaster, under a customary broadcaster license agreement, and meets other criteria described below. The term does not include a production that contains content that is obscene, as defined in s. 847.001, F.S.

Fund Administrator - General Provisions

DEO must contract with a fund administrator within 90 days after funds are appropriated to the QTV Fund and must award such contract in accordance with the competitive bidding requirements in s. 287.057, F.S.

The department must give preference to applicants that are headquartered in the state, and, at a minimum, the fund administrator's qualifications must include the following:

- a demonstrated track record of managing private sector equity or debt funds in the entertainment and media industry; and

- the ability to demonstrate through a partnership agreement that a qualified lending partner is in place, which is capable of providing leverage of a minimum of 2.5 times the capital amount of the QTV Fund, for financing the production cost of qualified television content in the form of senior debt.

In addition, the bill provides that the fund administrator must be reimbursed for the costs that the fund administrator incurs in establishing and operating the Fund, which must be paid from the state funds in the QTV Fund. The fund administrator is entitled to a reasonable profit, but such distribution may not be made from the principal funds from the original appropriation.

The contract between the fund administrator and DEO must set forth the circumstances under which the contract may be terminated.

Fund Administrator - Powers and Duties

The bill provides for the following powers and duties for the fund administrator:

- Subject to certain limitations, the fund administrator may enter into agreements with qualified lending partners for concurrent lending through the QTV Fund.
- The fund administrator must prudently manage the funds in the QTV Fund as a revolving loan fund.
- The fund administrator must contract with one or more qualified lending partners.
- The fund administrator must provide improvement of the credit profile of a structured financial transaction for qualified production companies that produce qualified television content.
- In addition to the leverage provided by the qualified lending partner, the fund administer may raise private investment capital to be held in separate accounts.
- The fund administer must agree to verify that the recipient's books and records relating to funds received from the department are detailed, maintained according to generally accepted accounting principles, and will be available for the department's review upon reasonable notice.
- The fund administrator must maintain its registered office in the state throughout the duration of its contract with the department.
- By February 28 of each year, the fund administrator must submit to the department financial statements for the preceding tax year, which among other requirements, demonstrate proper segregation of state funds from private funds.
- By February 28 after the end of each year in which the fund administrator is under contract with the department, the fund administrator must submit a report to the department including certain information about the progress and status of the QTV Fund program.
- The fund administrator must submit an annual plan of accountability of economic development, including among other information, a report detailing the job creation resulting from the QTV Fund loans.
- The fund administrator must provide a conflict-of-interest statement from its governing board certifying that no person connected to or affiliated with the fund administrator is receiving or will receive any type of compensation or remuneration from a production company that has received or will receive funds from the loan program or from a qualified lending partner (though the department is free to waive this requirement for good cause).

Loan Structure

The bill provides that the QTV Fund may be used to make loans to production companies to fund production costs or provide improvement of the credit profile of a structured financial transaction for qualified television content. To make a loan, the fund administrator must consider the types of eligible collateral, the credit worthiness of a project, the producer's track record, the possibility that the project will encourage, enhance, or create economic benefits, and the extent to which financial assistance would foster innovative public-private partnerships and attract private debt or equity investment.

Other loan requirements include the following:

- the QTV Fund loan package must be secured by anticipated receivables from domestic and international broadcaster license agreements and other ancillary revenues that are derived from media content rights;
- the QTV Fund can only provide funding in conjunction with senior loans provided by a qualified lending partner;
- the production company's repayment of a loan must be in accordance with the license fee payment schedule agreement and the delivery of qualified television content to the major broadcaster and shall be within 60 days after such delivery;
- loans cannot exceed 36 months (though, the fund administrator may grant an extension for extenuating circumstances upon making written findings to the department specifying the conditions requiring the extension);
- the fund administrator, or board member, employee, or agent thereof, or an immediate family member of a board member, employee, or agent, may not have a financial interest in an entity that is awarded a loan under the loan program and may not benefit directly or indirectly from the making of such loan; and
- except for the funds appropriated to the department for the loan program, the credit of the state may not be pledged.

Qualified Television Content Criteria

The fund administrator must, at a minimum, consider the following criteria for evaluating the qualifying television content:

- The content is intended for broadcast by a major broadcaster.
- The content is produced in the state, or a minimum of 80 percent of the production budget must be spent in the state (though the fund administrator may amend this requirement if the department does not object to the amendment).
- If the content is a series, there is a programming order for at least 13 episodes (again, the fund administrator may amend this requirement if the department does not object to the amendment).
- The producer must have a contract in place with a major broadcaster to acquire content programming under a customary broadcast license agreement, and the contract must cover at least 60 percent of the budget.
- The producer must retain a foreign sales agent and must be able to provide the fund administrator with the foreign sales agent's official estimates of foreign and ancillary sales.
- The project must be bonded and secured by an industry-approved completion guarantor if the production cost per episode exceeds $1 million (though this requirement may be waived if the loan applicant provides the fund administrator with evidence of adequate structure to protect the state's funds).

Audits

The bill provides that the Auditor General may conduct operational audits of the QTV Fund and fund administrator. The fund administrator must provide any required information for such audit.

Office of Economic and Demographic Research (EDR) and Office of Program Policy Analysis and Government Accountability (OPPAGA) Analyses

The bill directs EDR and OPPAGA to analyze the QTV Fund every three years and provide a report on their findings to the Governor, the President of the Senate, the Speaker of the Florida House of Representatives, and the chairs of the legislative appropriations committees.

Expiration

The bill provides for the QTV Fund to expire on December 31, 2025. Any remaining funds in the QTV Fund at such time will revert to the General Revenue Fund.

Effective Date

The bill provides for an effective date of upon becoming a law.

B. SECTION DIRECTORY:

Section 1: Creates s. 288.127, F.S., creating the QTV Fund, including definitions, its purpose, administration, and expiration.

Section 2: Amends s. 288.0001, F.S., requiring EDR and OPPAGA to submit a report every three years on the QTV Fund.

Section 3: Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   See FISCAL COMMENTS.

2. Expenditures:

   See FISCAL COMMENTS.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   None.

2. Expenditures:

   None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill will likely have an indeterminate positive impact on the television industry in Florida as the QTV Fund will provide access to funds for certain television production companies that may otherwise have not been available.

D. FISCAL COMMENTS:

The bill will require a state appropriation, though the bill does not currently specify the amount of the appropriation.

The Revenue Estimating Conference has not scored the bill as of the date of this analysis.

To implement and manage the requirements of the bill, the Department of Revenue determined that it would need an additional FTE and ops for an annual recurring cost of $125,000.[27]

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

   The bill does not require a municipality or county to expend funds or to take any action requiring the expenditure of funds. The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate. The bill does not require a reduction of the percentage of state tax shared with municipalities or counties.

2. Other:

   None.

B. RULE-MAKING AUTHORITY:

The department may adopt rules to administer the bill. Also, the executive director of the department is authorized to adopt emergency rules until October 1, 2016 pursuant to ss. 120.536(1) and 120.54(4) for the purpose of implementing the bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

[27] Department of Revenue, 2015 Agency Legislative Bill Analysis on HB 237 at 7. Report on file with staff.

A bill to be entitled

An act relating to the qualified television revolving loan fund; creating s. 288.127, F.S.; defining terms; providing a purpose; creating the qualified television revolving loan fund; requiring the Department of Economic Opportunity to contract with a fund administrator; providing fund administrator qualifications; providing for the fund administrator's compensation and removal; specifying the fund administrator's powers and duties; providing the structure of the loans; providing qualified television content criteria; authorizing the Auditor General to conduct an operational audit of the fund and the fund administrator; authorizing the department to adopt rules; providing for expiration of the loan program; providing emergency rulemaking authority; providing for expiration of the emergency rulemaking authority; amending s. 288.0001, F.S.; requiring an analysis of the qualified television revolving loan fund in the Economic Development Programs Evaluation; providing an effective date.

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

Section 1. Section 288.127, Florida Statutes, is created to read:

288.127 Qualified television revolving loan fund.—

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

(a) "Fund administrator" means a private sector organization under contract with the department to manage and administer the qualified television revolving loan fund.

(b) "Major broadcaster" means broadcasting organizations that include, but are not limited to, television broadcasting networks, cable television, direct broadcast satellite, telecommunications companies, and Internet streaming or other digital media platforms.

(c) "Private investment capital" means capital from private, nongovernmental funding sources which will be coinvested with the QTV Fund in segregated accounts.

(d) "Qualified lending partner" means a financial institution, as defined in s. 655.005, selected by a fund administrator that has demonstrated capability in providing financing to television production and specialized expertise in intellectual property, tax credit programs, customary broadcast license agreements, advertising inventories, and ancillary revenue sources, and a combined portfolio in film, television, and entertainment media of at least $500 million.

(e) "Qualified television content" means series, mini-series, or made-for-TV content produced by a qualified production company that has in place a distribution contract with a major broadcaster, under a customary broadcaster license agreement, and meets the criteria provided in subsection (7).

The term does not include a production that contains content that is obscene, as defined in s. 847.001.

(f) "QTV Fund" means the qualified television revolving loan fund.

(2) PURPOSE.—The purpose of the QTV Fund is to create a public-private partnership in the form of a revolving loan fund to administer a loan program for television production. The QTV Fund is privately managed under state oversight to incentivize the use of this state as a site for producing qualified television content and to develop and sustain the workforce and infrastructure for television content production.

(3) CREATION.—The qualified television revolving loan fund is created within the department. The QTV Fund shall be a public fund that is privately managed by the fund administrator under contract with the department. The department shall disburse the funds appropriated for this loan program to the fund administrator to invest in the QTV Fund during the existence of the program pursuant to this section and the contract between the fund administrator and the department. State funds in the QTV Fund may be used only to enter into loan agreements and to pay any administrative costs or other authorized fees under this section.

(a) The QTV Fund shall be a revolving loan fund that invests and reinvests the principal and interest of the fund in accordance with s. 617.2104 in a manner so as not to subject the funds to state or federal taxes and to be consistent with the

investment policy statement adopted by the fund administrator. As production companies repay the principal and interest to the QTV Fund, state funds, less any QTV Fund expenses, shall be returned to the account to be lent to subsequent borrowers.

(b) Funds from the QTV Fund shall be disbursed by the fund administrator through a lending vehicle to make loans not to exceed 36 months in duration pursuant to this section.

(4) FUND ADMINISTRATOR.—

(a) The department shall contract with a fund administrator within 90 days after funds are appropriated for the loan program and shall award the contract in accordance with the competitive bidding requirements in s. 287.057.

(b) The department shall select as fund administrator a private sector entity that demonstrates the ability to implement the program under this section and that meets the requirements set forth in this section. Preference shall be given to applicants that are headquartered in this state. Additional consideration may be given to applicants that have experience in the management of economic development or job creation-related funds. The qualifications for the fund administrator must include, but are not limited to:

1. A demonstrated track record of managing private sector equity or debt funds in the entertainment and media industries.

2. The ability to demonstrate through a partnership agreement that a qualified lending partner is in place which has the capability of providing leverage of a minimum of 2.5 times

the capital amount of the QTV Fund, for financing the production cost of qualified television content in the form of senior debt.

(c) For overseeing and administering the QTV Fund, the fund administrator shall be reimbursed for the costs that the fund administrator incurs in establishing and operating the fund related to the state's investment, which shall be paid from state funds in the QTV Fund. Any additional private investment capital in the segregated accounts is responsible for its own management fees. The fund administrator is entitled to a reasonable profit, but such distribution may not be made from the principal funds from the original appropriation.

(d) The fund administrator shall provide services defined under this section for the duration of the QTV Fund term unless removed by the department. The contract between the department and the fund administrator shall set forth the circumstances under which the contract may be terminated.

(5) FUND ADMINISTRATOR POWERS AND DUTIES.—

(a) Authority to contract.—The fund administrator may enter into agreements with qualified lending partners for concurrent lending through the QTV Fund. A loan made by the qualified lending partner must be accounted for separately from the state funds or other private investment capital. Such loan shall be made as senior debt. The fund administrator may raise private investment capital for mezzanine equity and other equity or raise junior capital for concurrent lending through the QTV Fund. However, loans from private investment capital, which is

invested at the same risk profile as the QTV Fund, may not be made at more favorable terms and conditions than the terms and conditions of the state funds in the QTV Fund. The state appropriation must be maintained in a separate account from private investment capital and administered in a separate legal investment entity or entities. Private investment capital and loans shall be segregated from each other, and funds may not be commingled.

(b) General duties.—The fund administrator:

1. Shall prudently manage the funds in the QTV Fund as a revolving loan fund.

2. Shall contract with one or more qualified lending partners.

3. Shall provide improvement of the credit profile of a structured financial transaction for qualified production companies that produce qualified television content meeting the criteria in subsection (7).

4. May raise additional private investment capital to be held in separate accounts, in addition to the leverage provided by the qualified lending partner.

5. Shall administer the QTV Fund in accordance with this part.

6. Shall agree to verify that the recipient's books and records relating to funds received from the department are maintained according to generally accepted accounting principles and in accordance with s. 215.97(7) and to ensure that those

books and records will be available to the department for inspection upon reasonable notice. The books and records must be maintained with detailed records showing the use of proceeds from loans to fund qualified television content.

7. Shall maintain its registered office in this state throughout the duration of the contract.

(c) Financial reporting.—By February 28 of each year, the fund administrator shall submit to the department financial statements for the preceding tax year which are audited by an independent certified public accountant after the end of each year in which the fund administrator is under contract with the department. In addition to providing an independent opinion on the annual financial statements, such audit provides a basis for verifying the segregation of state funds from those of any private investment capital.

(d) Program reporting.—The fund administrator shall submit a report to the department by February 28 after the end of each year in which the fund administrator is under contract with the department. The report must include information on the loans made in the preceding calendar year, including:

1. The name of the qualified television content.

2. The names of the counties in which the production occurred.

3. The number of jobs created and retained as a result of the production.

4. The loan amounts, including the amount of private

investment capital and funds provided by a qualified lending partner.

5. The loan repayment status for each loan.

6. The number and amounts of any loans with payments past due.

7. The number and amounts of any loans in default.

8. A description of the assets securing the loans.

9. Other information and documentation required by the department.

(e) Plan of accountability.—The fund administrator shall submit an annual plan of accountability of economic development, including a report detailing the job creation resulting from the QTV Fund loans made during the current year and cumulatively since the inception of the program. The fund administrator shall also provide any additional information requested by the department pertaining to economic development and job creation in the state.

(f) Conflict-of-interest statement.—The fund administrator shall provide a conflict-of-interest statement from its governing board certifying that no board member, director, employee, or agent, or immediate family member thereof, or other person connected to or affiliated with the fund administrator is receiving or will receive any type of compensation or remuneration from a production company that has received or will receive funds from the loan program or from a qualified lending partner. The department may waive this requirement for good

cause shown.

(6) LOAN STRUCTURE.—

(a) The QTV Fund may be used to make loans to production companies to fund production costs or provide improvement of the credit profile of a structured financial transaction for qualified television content that meets the criteria requirements of subsection (7). To make a loan, the fund administrator shall consider the types of eligible collateral, the credit worthiness of the project, the producer's track record, the possibility that the project will encourage, enhance, or create economic benefits, and the extent to which assistance would foster innovative public-private partnerships and attract private debt or equity investment.

(b) The QTV Fund loan package shall be secured by anticipated receivables from domestic and international broadcaster license agreements and other ancillary revenues that are derived from media content rights. Unsecured loans may not be made.

(c) The loans shall be made on the basis of a second lien or primary security rights on the media assets listed in paragraph (b).

(d) The QTV Fund shall provide funding only in conjunction with senior loans provided by a qualified lending partner. Loans from the fund may be subordinated to senior debt from the qualified lending partner and may not exceed 30 percent of the total production funding cost of any particular project.

(e) The production company's repayment of a loan shall be in accordance with the license fee payment schedule agreement and the delivery of qualified television content to the major broadcaster and shall be within 60 days after such delivery.

(f) Loans made by the QTV Fund may not exceed 36 months in duration, except for extenuating circumstances for which the fund administrator may grant an extension upon making written findings to the department specifying the conditions requiring the extension.

(g) The fund administrator, or a board member, employee, or agent thereof, or an immediate family member of a board member, employee, or agent, may not have a financial interest in an entity that is awarded a loan under the loan program and may not benefit directly or indirectly from the making of such loan. A loan may not be made to a person if it violates this paragraph. As used in this section, the term "immediate family" means a parent, child, or spouse, or other relative by blood, marriage, or adoption, of the fund administrator, or a board member, employee, or agent thereof.

(h) Except for funds appropriated to the department for the loan program, the credit of the state may not be pledged. The state is not liable or obligated in any way for claims against the QTV Fund or against the fund administrator, the qualified lending partner, or the department.

(7) QUALIFIED TELEVISION CONTENT CRITERIA.—The fund administrator must, at a minimum, consider the following

criteria for evaluating the qualifying television content:

(a) The content is intended for broadcast by a major broadcaster on a major network, cable, or streaming channel.

(b) The content is produced in this state, or a minimum of 80 percent of the production budget must be spent in this state. This requirement may be amended by the fund administrator upon notice to the department. Such notice must include a specific justification for the change and must be transmitted to the department in writing. The department has 10 business days to object to the change. If the department does not object within 10 business days, the change is deemed acceptable by the department, and the fund administrator may grant the amendment.

(c) If the content is a series, there is a programming order for at least 13 episodes. This requirement may be amended by the fund administrator upon notice to the department. Such notice must include a specific justification for the change and must be transmitted to the department in writing. The department has 10 business days to object to the change. If the department does not object within 10 business days, the change is deemed acceptable by the department, and the fund administrator may grant the amendment.

(d) The producer must have a contract in place with a major broadcaster to acquire content programming under a customary broadcast license agreement, and the contract must cover at least 60 percent of the budget.

(e) The producer must retain a foreign sales agent and

must be able to provide the fund administrator with the foreign sales agent's official estimates of foreign and ancillary sales.

(f) The project must be bonded and secured by an industry-approved completion guarantor if the production cost per episode exceeds $1 million. This requirement may be waived if the loan applicant provides the fund administrator with evidence of adequate structure to protect the state's funds.

(8) AUDITOR GENERAL AUDIT.—The Auditor General may conduct operational audits, as defined in s. 11.45, of the QTV Fund and fund administrator. The scope of the audit must include, but is not limited to, internal controls evaluations, internal audit functions, reporting and performance requirements for the use of the funds, and compliance with state and federal law. The fund administrator shall provide to the Auditor General any detail or supplemental data required.

(9) RULEMAKING AUTHORITY.—The department may adopt rules to administer this section.

(10) EXPIRATION.—This section expires December 31, 2025, at which point all funds remaining in the QTV Fund revert to the General Revenue Fund.

(11) EMERGENCY RULES.—

(a) The executive director of the department is authorized, and all conditions are deemed met, to adopt emergency rules pursuant to ss. 120.536(1) and 120.54(4) for the purpose of implementing this section.

(b) Notwithstanding any other law, the emergency rules

adopted pursuant to paragraph (a) remain in effect for 6 months after adoption and may be renewed during the pendency of procedures to adopt permanent rules addressing the subject of the emergency rules.

(c) This subsection expires October 1, 2016.

Section 2. Paragraph (b) of subsection (2) of section 288.0001, Florida Statutes, is amended to read:

288.0001 Economic Development Programs Evaluation.—The Office of Economic and Demographic Research and the Office of Program Policy Analysis and Government Accountability (OPPAGA) shall develop and present to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the chairs of the legislative appropriations committees the Economic Development Programs Evaluation.

(2) The Office of Economic and Demographic Research and OPPAGA shall provide a detailed analysis of economic development programs as provided in the following schedule:

(b) By January 1, 2018 ~~2015~~, and every 3 years thereafter, an analysis of the following:

1. The entertainment industry financial incentive program established under s. 288.1254.

2. The entertainment industry sales tax exemption program established under s. 288.1258.

3. The ~~VISIT~~ Florida Tourism Industry Marketing Corporation and its programs established or funded under ss. 288.122, 288.1226, 288.12265, and 288.124.

4. The Florida Sports Foundation and related programs established under ss. 288.1162, 288.11621, 288.1166, 288.1167, 288.1168, 288.1169, and 288.1171.

5. The qualified television revolving loan fund established under s. 288.127.

Section 3. This act shall take effect upon becoming a law.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 171 Pub. Rec./Emergency Information Gathering Systems
SPONSOR(S): Edwards
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Economic Development & Tourism Subcommittee		Lukis AL	Duncan
2) Government Operations Subcommittee			
3) Economic Affairs Committee			

SUMMARY ANALYSIS

Certain state and local governments throughout the country use emergency information gathering systems to collect voluntarily provided information about persons within the government's jurisdiction to assist first responders in helping such persons in time of an emergency.

This bill creates a public record exemption for information furnished by a person to a Florida state, county, or municipal government agency for the purpose of registering emergency information for the agency's emergency information gathering system. The information includes the person's name, address, telephone number, e-mail address or other electronic communication address, and health and other personal information.

The bill also provides that the public record exemption is subject to the Open Government Sunset Review Act and will stand repealed on October 2, 2020, unless reviewed and saved from repeal through reenactment by the Legislature. Additionally, the bill provides a statement of public necessity for the exemption as required by the State Constitution.

The bill has no impact on state or local government revenues.

The bill has an effective date of July 1, 2015.

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.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Public Records

Article I, s. 24(a) of the State Constitution sets forth the state's public policy regarding access to government records. The section guarantees every person a right to inspect or copy any public record of the legislative, executive, and judicial branches of government.

Public policy regarding access to government records is also addressed in Florida Statutes. Section 119.07(1), F.S., guarantees every person a right to inspect and copy any state, county, or municipal record.

Public Record Exemptions

The Legislature may provide by general law for the exemption of records and meetings 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 (public necessity statement) and must be no broader than necessary to accomplish its purpose.[1]

The Open Government Sunset Review Act[2] 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:

- to allow the state or its political subdivisions to effectively and efficiently administer a governmental program, which administration would be significantly impaired without the exemption;
- to protect 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; or
- to protect trade or business secrets.[3]

Emergency Information Gathering Systems

Certain state and local governments throughout the country use emergency information gathering systems to collect information about a person to assist first responders in helping such person in time of an emergency.[4] The information is voluntarily provided and varies in detail. For example, the information may include details about certain allergies, a disability, a previous medical condition, or even the floor plans of one's home. Once a person's information is in the emergency information gathering system, the information is integrated with the government's 9-1-1 system and is automatically displayed to a 9-1-1 operator or administrator during emergency calls.[5]

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[1] Art. I, s. 24(c), Fla. Const.
[2] Section 119.15, F.S.
[3] Section 119.15(6), F.S.
[4] Article regarding Arkansas using an emergency gathering system statewide at: http://safety.smart911.com/arkansas-becomes-first-state-deploy-smart911-enhance-public-safety/ (last visited Feb. 17, 2015).
[5] Information obtained from websites of two companies that contract with state and local governments to implement emergency gathering systems at: http://safety.smart911.com/smart911/; and http://www.savingminutes.com/ (both websites last visited on Feb. 17, 2015).

Various companies exist throughout the United States that enter into public private partnerships with state and local governments to provide the technology and administration necessary to successfully implement emergency information gathering systems.[6]

Effect of Proposed Changes

The bill creates a public record exemption for information furnished by a person to a state, county, or municipal government agency for the purpose of registering emergency information for the agency's emergency information gathering system. The information includes the person's name, address, telephone number, e-mail address or other electronic communication address, and health and other personal information.

The bill provides that the exemption is subject to the Open Government Sunset Review Act and will stand repealed on October 2, 2020, unless reviewed and saved from repeal through reenactment by the Legislature.

The bill provides a statement of public necessity for the exemption as required by the State Constitution.

B. SECTION DIRECTORY:

Section 1: Adds paragraph (k) to subsection (5) of s. 119.071, F.S., creating a public records exemption for certain personal information obtained by an agency's emergency information gathering system.

Section 2: Provides public necessity statements.

Section 3: Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   None.

2. Expenditures:

   None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   None.

2. Expenditures:

   None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

[6] *Id.*

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require a municipality or county to expend funds or take any action requiring the expenditure of funds. The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate. The bill does not require a reduction of the percentage of state tax shared with municipalities or counties.

2. Other:

Vote Requirement

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 public record or public meeting exemption. The bill creates a public record exemption; thus, it requires a two-thirds vote for final passage.

Public Necessity Statement

Article I, s. 24(c) of the State Constitution requires a public necessity statement for a newly created or expanded public record or public meeting exemption. The bill creates a public record exemption; thus, it includes a public necessity statement.

Breadth of Exemption

Article I, s. 24(c) of the State Constitution requires a newly created public record or public meeting exemption to be no broader than necessary to accomplish the stated purpose of the law. The bill creates a public record exemption for information furnished by a person to a state, county, or municipal government agency for the purpose of registering emergency information for the agency's emergency information gathering system. The exemption does not appear to be in conflict with the constitutional requirement that the exemptions be no broader than necessary to accomplish the stated purpose.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

A bill to be entitled

An act relating to public records; amending s. 119.071, F.S., providing a public records exemption for information furnished to a state, county, or municipal government agency for use in an emergency information gathering system; providing for future legislative review and repeal of the exemption; providing a statement of public necessity; providing an effective date.

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

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

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

(5) OTHER PERSONAL INFORMATION.—

(k)1. Information furnished by a person to a state, county, or municipal government agency for the purpose of registering emergency residential or business information for the agency's emergency information gathering system, including, but not limited to, the person's name, address, telephone number, e-mail address, health and other personal information, 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 Review Act in accordance with s. 119.15 and shall stand repealed on October 2, 2020, unless reviewed and saved from repeal through reenactment by the Legislature.

Section 2. The Legislature finds that it is a public necessity that information furnished to a state, county, or municipal government agency for use in emergency information gathering systems be exempt from s. 119.07(1), Florida Statutes, and s. 24(a), Article I of the State Constitution. Emergency information gathering systems act to provide information to first responders in the event of an emergency. The Legislature finds that public access to such information could lead to misuse, fraud, or harm. The Legislature recognizes that protection is needed for individuals who provide personal and medical history information to first responders.

Section 3. This act shall take effect July 1, 2015.

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION	
ADOPTED	__ (Y/N)
ADOPTED AS AMENDED	__ (Y/N)
ADOPTED W/O OBJECTION	__ (Y/N)
FAILED TO ADOPT	__ (Y/N)
WITHDRAWN	__ (Y/N)
OTHER	_____

Committee/Subcommittee hearing bill: Economic Development & Tourism Subcommittee

Representative Eagle offered the following:

Amendment (with title amendment)

Between lines 42 and 43, insert:

Section 3. A city, county, town, or other political subdivision of the state that uses an emergency information gathering system or data collection system is prohibited from requiring disclosure of or requesting or accepting voluntary disclosure of any information concerning firearms or ammunition. The gathering or collection of such data is prohibited and the penalties provided in s. 790.335(4), Florida Statutes, shall apply to a person or entity that participates in the collection of emergency information or data prohibited by this section, including a person, company, or entity responsible for providing

software or any electronic or manual system for the gathering or collection of information or data.

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

Between lines 8 and 9, insert:

restrictions on gathering certain information regarding firearms; providing penalties for violating such restrictions; providing

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 531 Limited Liability Companies
SPONSOR(S): Civil Justice Subcommittee; McGhee and Spano
TIED BILLS: None **IDEN./SIM. BILLS:** SB 554

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Civil Justice Subcommittee	13 Y, 0 N, As CS	Malcolm	Bond
2) Economic Development & Tourism Subcommittee		Lukis AL	Duncan pkdd
3) Judiciary Committee			

SUMMARY ANALYSIS

In 2013, the Legislature enacted the Florida Revised Limited Liability Company Act to replace its predecessor, the Florida Limited Liability Company Act. These acts regulate the formation and operation of limited liability companies (LLCs) in Florida. The Florida LLC Act was repealed effective January 1, 2015.

The bill deletes or replaces obsolete references to the Florida Limited Liability Company Act and makes technical, grammatical, and stylistic changes due to the repeal of the Florida Limited Liability Company Act.

The bill also makes the following changes to the Revised LLC Act:

- provides that a third-party does not have notice of a person's lack of authority to transfer real property on behalf of the LLC unless the limitation of authority is in certain public records of the real property transfer;
- allows for actions that require the vote or consent of members to be taken without a meeting subject to certain conditions;
- requires a member-managed LLC to respond to a member demand for certain information within 10 days;
- repeals a provision that resulted in confusion regarding which document—between an LLC's articles of organization and an LLC's operating agreement—is controlling if there is a conflict of language with respect to the LLC's management structure;
- repeals a provision that prohibits an LLC's operating agreement from varying the power of a person to dissociate from the LLC; and
- repeals the exception to the limitation of remedies in appraisal events if the appraisal event is an interested transaction.

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

The bill provides a retroactive effective date of January 1, 2015 for those provisions related to the repeal of the Florida LLC Act. The remaining provisions of the bill have an effective date of July 1, 2015.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Law

In 2013, the Legislature enacted the Florida Revised Limited Liability Company Act,[1] Ch. 605, F.S., to replace its predecessor act, Ch. 608, F.S., which regulated the formation and operation of limited liability companies (LLCs) in Florida. The Revised LLC Act was based in large part on the Revised Uniform Limited Liability Act of 2006 developed by the National Conference of Commissioners on Uniform State Laws with some deviations to reflect unique circumstances in Florida. Because the Revised LLC Act did not apply to all LLCs in Florida until January 1, 2015, the predecessor act in Ch. 608, F.S., remained in effect until that date.

LLC statutes were created because neither corporations nor partnerships were ideal types of business organizations in some cases. A partnership carries with it full joint and several liability for each of the members, and a corporation is often too complex for a smaller business and must pay state corporation taxes. The LLC has been described as a quasi-partnership that provides limited liability with the management structure of a general partnership and the income tax structure of a partnership.[2]

The bill makes the following substantive changes to Ch. 608, F.S., the Revised LLC Act:

Notice of Authority to Transfer Real Property

Section 605.0103(4), F.S., generally provides that a person who is not a member of an LLC is deemed to have notice of the LLC's grant or limitation of authority to a person to act on behalf of the LLC if such grant or limitation is contained in the LLC's articles of organization.

The bill amends s. 605.0103(4), F.S., to provide that any provisions in the LLC's articles of organization that limit the authority of a person to transfer real property held in the name of the LLC are not effective to put third parties on notice of that limited authority, unless the limitation of authority appears in an affidavit, certificate, or other instrument, recorded in the office for recording transfers of real property.

Voting Rights of Members and Managers

Section 605.04073(4), F.S., provides that any action that requires the vote or consent of the members of the LLC may be taken without a meeting. The bill amends subsection (4) to provide that an action requiring the vote or consent of members and managers may be taken without a meeting if the action was approved by the members with at least the minimum number of votes necessary to take the action at a meeting and a record of the action is made.

Member Demand for Records and Information

Generally, an LLC must make its corporate records and documents available for inspection to its members. Specifically, s. 605.0410(2), F.S., provides that a member-managed LLC must, on demand of a member, provide information concerning the company's activities, affairs, financial condition, and other circumstances that the LLC is not otherwise required to provide.

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[1] Chapter 2013-180, L.O.F.

[2] McGinty, A. Edward, *Olmstead – A Lever from Member's Creditor to Full Multi-member LLC Membership?* Fla. Bar J., Vol. 85, No. 3, p. 42 (March 2011).

The bill amends s. 605.0410(2), F.S., to require a member-managed LLC that has received a demand for information to respond within 10 days of the demand either with the information demanded or with an explanation why the LLC will not provide the information.

Application of Revised LLC Act to LLCs formed under the Prior LLC Act

Section 605.1108, F.S., provided for the one year phase in of the Revised LLC Act and allowed LLCs formed under the previous act before January 1, 2014, to remain under the previous act until January, 1, 2015, at which date all Florida LLCs became subject to the Revised LLC Act exclusively. For member-managed LLCs formed under the prior LLC Act, section 605.1108(3)(b), F.S., provides that the language in the company's articles of organization designating the company's management structure operates as if that language were in the operating agreement.

In some situations, a company's articles of organization may differ from its operating agreement in how the company's management structure is designated. Consequently, there may be confusion as to which language controls the company's management structure. To remedy this problem, the bill deletes s. 605.1108(3)(b), F.S.

Repeal of Ch. 608, F.S., the Florida Limited Liability Act

As noted above, Ch. 608, F.S., the Florida Limited Liability Company Act, was repealed by Ch. 2013-180, L.O.F., effective January 1, 2015, and replaced by Ch. 605, F.S., the Revised LLC Act. Since Ch. 608, F.S., was not repealed by a "current session" of the Legislature, it may be omitted from the 2015 Florida Statutes only through a bill duly enacted by the current Legislature.[3] Accordingly, the bill repeals Ch. 608, F.S., the Florida Limited Liability Company Act.

The bill also deletes obsolete references to Ch. 608, F.S., and replaces them with references to Ch. 605, F.S. Where necessary to retain references to Ch. 608, F.S., the bill adds the word "former" before the reference. The bill also makes technical, grammatical, and stylistic changes due to the repeal of Ch. 608, F.S.

Power to Dissociate as a Member of an LLC

Section 605.0601(1), F.S., provides that a person has the power to dissociate as a member of an LLC at any time. A member who dissociates loses right to participate as a member in the management and conduct of the LLC's activities and affairs.[4] Currently, s. 605.0105, F.S., provides that certain matters, including a member's power to dissociate under s. 605.0601, F.S., cannot be modified in an LLC's operating agreement.

The bill repeals the provision in s. 605.0105, F.S., that prohibits an LLC's operating agreement from varying the power of a person to dissociate from the LLC. Consequently, an LLC's operating agreement may limit or vary a person's power to dissociate as a member of the LLC in ways that differ from the default dissociation provision in s. 605.0601, F.S.

Other Effects of the Bill

The bill amends the definition of "majority-in-interest" to provide that the determination of what constitutes an action taken by a "majority-in-interest" is based on the percentage interest in the LLC's profits owned by all the members of the LLC.

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[3] *See* ss. 11.242(5)(b) and (i), F.S.
[4] Section 605.0603(1)(a), F.S.

The bill provides that in order for the exception to a member or manager's duty of loyalty to apply in cases of conflict of interest transactions, the conflict of interest transaction provisions in s. 605.04092, F.S., must be satisfied.

The bill also repeals the provision in s. 605.1072(2), F.S., that provides an exception to the limitation of remedies in appraisal events if the appraisal event is an interested transaction. This repeal makes the limitation of remedies in appraisal events comparable to the limitations in other business entity statutes.

To correct technical errors associated with the 2013 enactment of the Revised LLC Act and the January 1, 2015 repeal of the prior LLC Act, the bill provides a retroactive effective date of January 1, 2015 for those provisions related to the repeal of the Florida LLC Act. The remaining substantive provisions of the bill have an effective date of July 1, 2015.

B. SECTION DIRECTORY:

Section 1 amends s. 605.0103, F.S., related to knowledge and notice.

Section 2 amends s. 604.04073, F.S., related to voting rights of members and managers.

Section 3 amends s. 605.0410, F.S., related to records to be kept and the rights of members, managers, and persons dissociated to information.

Section 4 amends s. 605.1108, F.S., related to application of Ch. 605, F.S., to limited liability companies formed under the Florida Limited Liability Company Act.

Section 5 repeals Ch. 608, F.S., the former statutes governing limited liability companies.

Section 6 amends s. 15.16, F.S., related to the reproduction of records, admissibility of evidence, electronic receipt and transmission of records, certifications, and acknowledgments.

Section 7 amends s. 48.062, F.S., related to service on a limited liability company.

Section 8 amends s. 213.758, F.S., related to transfer of tax liabilities.

Section 9 amends s. 220.02, F.S., related to legislative intent.

Section 10 amends s. 220.03, F.S., related to definitions.

Section 11 amends s. 220.13, F.S., related to the definition of "adjusted federal income."

Section 12 amends s. 310.181, F.S., related to corporate powers.

Section 13 amends s. 440.02, F.S., related to definitions.

Section 14 amends s. 605.0102, F.S., related to definitions.

Section 15 amends s. 605.0401, F.S., related to becoming a member.

Section 16 amends s. 605.04074, F.S., related to agency rights of members and managers.

Section 17 amends s. 605.0408, F.S., related to reimbursement, indemnification, advancement, and insurance.

Section 18 amends s. 605.04091, F.S., related to standards of conduct for members and managers.

Section 19 amends s. 605.0712, F.S., related to other claims against a dissolved limited liability company.

Section 20 amends s. 605.0805, F.S., related to proceeds and expenses.

Section 21 amends s. 605.1025, F.S., related to articles of merger.

Section 22 amends s. 606.06, F.S., related to uniform business reports.

Section 23 amends s. 607.1108, F.S., related to the merger of a domestic corporation and other business entity.

Section 24 amends s. 607.1109, F.S., related to articles of merger.

Section 25 amends s. 607.11101, F.S., related to the effect of a merger of a domestic corporation and other business entity.

Section 26 amends s. 621.12, F.S., related to identification with individual shareholders or members.

Section 27 amends s. 636.204, F.S., related to license requirements.

Section 28 amends s. 655.0201, F.S., related to service of process, notice, or demand on financial institutions.

Section 29 amends s. 658.2953, F.S., related to interstate branching.

Section 30 amends s. 694.16, F.S., related to conveyances by a merger or conversion of business entities.

Section 31 amends s. 1002.395, F.S., related to the Florida Tax Credit Scholarship Program.

Section 32 provides an effective date of July 1, 2015, except as otherwise expressly provided in the act.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

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

2. Expenditures:

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

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

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

2. Expenditures:

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

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill does not appear to have any direct economic impact on the private sector.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

2. Other:

The bill provides a retroactive effective date of January 1, 2015 for those provisions related to the repeal of the Florida LLC Act. The remaining provisions of the bill have an effective date of July 1, 2015.

Retroactive application of a statute is generally unconstitutional if the statute impairs vested rights, creates new obligations, or imposes new penalties.[5]

To determine whether a statute should be retroactively applied, courts apply two interrelated inquiries. First, courts determine whether there is clear evidence of legislative intent to apply the statute retrospectively. If so, then courts determine whether retroactive application is constitutionally permissible.[6] The first prong of the test appears to clearly be met by those sections of the bill that contain an explicit statement of retroactivity.

The second prong looks to see if a vested right is impaired. To be vested, a right must be more than a mere expectation based on an anticipation of the continuance of an existing law.[7] It must be an immediate, fixed right of present or future enjoyment.[8]

"Remedial statutes or statutes relating to remedies or modes of procedure, which do not create new or take away vested rights, but only operate in furtherance of the remedy or confirmation of rights already existing, do not come within the legal conception of a retrospective law, or the general rule against retrospective operation of statutes."[9]

B. RULE-MAKING AUTHORITY:

The bill does not appear to create a need for rulemaking or rulemaking authority.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On February 17, 2015, the Civil Justice Subcommittee adopted an amended proposed committee substitute and reported the bill favorably as a committee substitute. The committee substitute differs from the bill as filed by:

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[5] *R.A.M. of South Florida, Inc. v. WCI Communities, Inc.*, 869 So.2d 1210, 1216 (Fla. 2nd DCA 2004).
[6] *Metropolitan Dade County v. Chase Federal Housing Corp.*, 737 So.2d 494, 499 (Fla. 1999).
[7] *R.A.M.* at 1218.
[8] *Florida Hosp. Waterman, Inc. v. Buster*, 948 So.2d 478, 490 (Fla. 2008).
[9] *City of Lakeland v. Catinella*, 129 So.2d 133 (Fla. 1961).

- repealing Ch. 608, F.S., the Florida Limited Liability Company Act;
- providing a retroactive effective date of January 1, 2015 for those provisions related to the repeal of Ch. 608, F.S.;
- repealing the provision in s. 605.0105, F.S., that prohibits an LLC's operating agreement from varying the power of a person to dissociate from the LLC;
- repealing the provision in s. 605.1072(2), F.S., that provides an exception to the limitation of remedies in appraisal events if the appraisal event is an interested transaction; and
- making technical and drafting corrections and conforming cross-references.

This analysis is drafted to the committee substitute as passed by the Civil Justice Subcommittee.

A bill to be entitled

An act relating to limited liability companies; amending s. 605.0103, F.S.; specifying that persons who are not members of a limited liability company are not deemed to have notice of a provision of the company's articles of organization which limits a person's authority to transfer real property held in the company's name unless such limitation appears in an affidavit, certificate, or other instrument that is recorded in a specified manner; amending s. 605.04073, F.S.; requiring certain conditions for members of a limited liability company, without a meeting, to take certain actions requiring the vote or consent of the members; amending s. 605.0410, F.S.; requiring a limited liability company to provide a record of certain information within a specified period to a member who makes a demand; amending s. 605.1108, F.S.; deleting a provision requiring that, for a limited liability company formed before a specified date, certain language in the company's articles of organization operates as if it were in the operating agreement; amending ss. 15.16, 213.758, 220.03, 220.13, 440.02, 605.0102, 605.0401, 605.04074, 605.0408, 605.04091, 605.1025, 606.06, 607.1108, 607.11101, 636.204, 655.0201, 658.2953, and 694.16, F.S.; conforming cross-references to the repeal of the

Florida Limited Liability Company Act, revising definitions, and making editorial and conforming changes; providing an effective date.

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

Section 1. Paragraph (b) of subsection (4) of section 605.0103, Florida Statutes, is amended to read:

605.0103 Knowledge; notice.—

(4) A person who is not a member is deemed to:

(b) Have notice of a limited liability company's:

1. Dissolution, 90 days after the articles of dissolution filed under s. 605.0707 become effective;

2. Termination, 90 days after a statement of termination filed under s. 605.0709(7) becomes effective;

3. Participation in a merger, interest exchange, conversion, or domestication, 90 days after the articles of merger, articles of interest exchange, articles of conversion, or articles of domestication under s. 605.1025, s. 605.1035, s. 605.1045, or s. 605.1055, respectively, become effective;

4. Declaration in its articles of organization that it is manager-managed in accordance with s. 605.0201(3)(a); however, if such a declaration has been added or changed by an amendment or amendment and restatement of the articles of organization, notice of the addition or change may not become effective until 90 days after the effective date of such amendment or amendment

and restatement; and

5. Grant of authority to or limitation imposed on the authority of a person holding a position or having a specified status in a company, or grant of authority to or limitation imposed on the authority of a specific person, if the grant of authority or limitation imposed on the authority is described in the articles of organization in accordance with s. 605.0201(3)(d); however, if that description has been added or changed by an amendment or an amendment and restatement of the articles of organization, notice of the addition or change may not become effective until 90 days after the effective date of such amendment or amendment and restatement. A provision of the articles of organization that limits the authority of a person to transfer real property held in the name of the limited liability company is not notice of such limitation to a person who is not a member or manager of the company, unless such limitation appears in an affidavit, certificate, or other instrument that bears the name of the limited liability company and is recorded in the office for recording transfers of such real property.

Section 2. Subsection (4) of section 605.04073, Florida Statutes, is amended to read:

605.04073 Voting rights of members and managers.—

(4) An action requiring the vote or consent of members under this chapter may be taken without a meeting if the action is approved in a record by members with at least the minimum

number of votes that would be necessary to authorize or take the action at a meeting of the members.~~, and~~ A member may appoint a proxy or other agent to vote or consent for the member by signing an appointing record, personally or by the member's agent. On an action taken by fewer than all of the members without a meeting, notice of the action must be given to those members who did not consent in writing to the action or who were not entitled to vote on the action within 10 days after the action was taken.

Section 3. Subsection (2), paragraphs (a) and (c) of subsection (3), and subsection (4) of section 605.0410, Florida Statutes, are amended to read:

605.0410 Records to be kept; rights of member, manager, and person dissociated to information.—

(2) In a member-managed limited liability company, the following rules apply:

(a) Upon reasonable notice, a member may inspect and copy during regular business hours, at a reasonable location specified by the company:

1. The records described in subsection (1); and

2. Each other record maintained by the company regarding the company's activities, affairs, financial condition, and other circumstances, to the extent the information is material to the member's rights and duties under the operating agreement or this chapter.

(b) The company shall furnish to each member:

1. Without demand, any information concerning the company's activities, affairs, financial condition, and other circumstances that the company knows and is material to the proper exercise of the member's rights and duties under the operating agreement or this chapter, except to the extent the company can establish that it reasonably believes the member already knows the information; and

2. On demand, other information concerning the company's activities, affairs, financial condition, and other circumstances, except to the extent the demand or information demanded is unreasonable or otherwise improper under the circumstances.

(c) Within 10 days after receiving a demand pursuant to subparagraph (b)2., the company shall provide to the member who made the demand a record of:

1. The information that the company will provide in response to the demand and when and where the company will provide such information.

2. For any demanded information that the company is not providing, the reasons that the company will not provide the information.

(d) ~~(c)~~ The duty to furnish information under this subsection also applies to each member to the extent the member knows any of the information described in this subsection.

(3) In a manager-managed limited liability company, the following rules apply:

(a) The informational rights stated in subsection (2) and the duty stated in paragraph (2)(d) ~~(2)(c)~~ apply to the managers and not to the members.

(c) Within 10 days after receiving a demand pursuant to subparagraph (b)2.b. ~~(2)(b)2.~~, the company shall, in a record, inform the member who made the demand of:

1. The information that the company will provide in response to the demand and when and where the company will provide the information; and

2. The company's reasons for declining, if the company declines to provide any demanded information.

(4) Subject to subsection (10) ~~(9)~~, on 10 days' demand made in a record received by a limited liability company, a person dissociated as a member may have access to information to which the person was entitled while a member if:

(a) The information pertains to the period during which the person was a member;

(b) The person seeks the information in good faith; and

(c) The person satisfies the requirements imposed on a member by paragraph (3)(b).

Section 4. Subsection (3) of section 605.1108, Florida Statutes, is amended to read:

605.1108 Application to limited liability company formed under the Florida Limited Liability Company Act.—

(3) For the purpose of applying this chapter to a limited liability company formed before January 1, 2014, under the

Florida Limited Liability Company Act, ss. 608.401-608.705,~~:~~

~~(a)~~ the company's articles of organization are deemed to be the company's articles of organization under this chapter~~;~~ ~~and~~

~~(b) For the purpose of applying s. 605.0102(39), the language in the company's articles of organization designating the company's management structure operates as if that language were in the operating agreement~~.

Section 5. Subsection (3) of section 15.16, Florida Statutes, is amended to read:

15.16 Reproduction of records; admissibility in evidence; electronic receipt and transmission of records; certification; acknowledgment.—

(3) The Department of State may cause to be received electronically any records that are required to be filed with it pursuant to chapter 55, chapter 117, chapter 118, chapter 495, chapter 605, chapter 606, chapter 607, ~~chapter 608,~~ chapter 610, chapter 617, chapter 620, chapter 621, chapter 679, chapter 713, or chapter 865, through facsimile or other electronic transfers, for the purpose of filing such records. The originals of all such electronically transmitted records must be executed in the manner provided in paragraph (5)(b). The receipt of such electronic transfer constitutes delivery to the department as required by law. The department may use electronic transmissions for purposes of notice in the administration of chapters 55, 117, 118, 495, 605, 606, 607, ~~608,~~ 610, 617, 620, 621, 679, and

713 and s. 865.09. The Department of State may collect e-mail addresses for purposes of notice and communication in the performance of its duties and may require filers and registrants to furnish such e-mail addresses when presenting documents for filing.

Section 6. Paragraph (c) of subsection (1) of section 213.758, Florida Statutes, is amended to read:

213.758 Transfer of tax liabilities.—

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

(c) "Insider" means:

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

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

Section 7. Paragraph (e) of subsection (1) of section 220.03, Florida Statutes, is amended to read:

220.03 Definitions.—

(1) SPECIFIC TERMS.—When used in this code, and when not otherwise distinctly expressed or manifestly incompatible with the intent thereof, the following terms shall have the following meanings:

(e) "Corporation" includes all domestic corporations; foreign corporations qualified to do business in this state or actually doing business in this state; joint-stock companies; limited liability companies, under chapter 605 ~~608~~; common-law

declarations of trust, under chapter 609; corporations not for profit, under chapter 617; agricultural cooperative marketing associations, under chapter 618; professional service corporations, under chapter 621; foreign unincorporated associations, under chapter 622; private school corporations, under chapter 623; foreign corporations not for profit which are carrying on their activities in this state; and all other organizations, associations, legal entities, and artificial persons which are created by or pursuant to the statutes of this state, the United States, or any other state, territory, possession, or jurisdiction. The term "corporation" does not include proprietorships, even if using a fictitious name; partnerships of any type, as such; limited liability companies that are taxable as partnerships for federal income tax purposes; state or public fairs or expositions, under chapter 616; estates of decedents or incompetents; testamentary trusts; or private trusts.

Section 8. Paragraph (j) of subsection (2) of section 220.13, Florida Statutes, is amended to read:

220.13 "Adjusted federal income" defined.—

(2) For purposes of this section, a taxpayer's taxable income for the taxable year means taxable income as defined in s. 63 of the Internal Revenue Code and properly reportable for federal income tax purposes for the taxable year, but subject to the limitations set forth in paragraph (1)(b) with respect to the deductions provided by ss. 172 (relating to net operating

losses), 170(d)(2) (relating to excess charitable contributions), 404(a)(1)(D) (relating to excess pension trust contributions), 404(a)(3)(A) and (B) (to the extent relating to excess stock bonus and profit-sharing trust contributions), and 1212 (relating to capital losses) of the Internal Revenue Code, except that, subject to the same limitations, the term:

(j) "Taxable income," in the case of a limited liability company, other than a limited liability company classified as a partnership for federal income tax purposes, as defined in and organized pursuant to chapter 605 or chapter 608 or qualified to do business in this state as a foreign limited liability company or other than a similar limited liability company classified as a partnership for federal income tax purposes and created as an artificial entity pursuant to the statutes of the United States or any other state, territory, possession, or jurisdiction, if such limited liability company or similar entity is taxable as a corporation for federal income tax purposes, means taxable income determined as if such limited liability company were required to file or had filed a federal corporate income tax return under the Internal Revenue Code;

Section 9. Subsection (9) of section 440.02, Florida Statutes, is amended to read:

440.02 Definitions.—When used in this chapter, unless the context clearly requires otherwise, the following terms shall have the following meanings:

(9) "Corporate officer" or "officer of a corporation"

means any person who fills an office provided for in the corporate charter or articles of incorporation filed with the Division of Corporations of the Department of State or as authorized or required under part I of chapter 607. The term "officer of a corporation" includes a member owning at least 10 percent of a limited liability company created and approved under chapter 605 or chapter 608.

Section 10. Subsection (37) of section 605.0102, Florida Statutes, is amended to read:

605.0102 Definitions.—As used in this chapter, the term:

(37) "Majority-in-interest" means those members who hold more than 50 percent of the then-current percentage or other interest in the profits of the limited liability company owned by all of its members ~~and who have the right to vote~~; however, as used in ss. 605.1001-605.1072, the term means:

(a) In the case of a limited liability company with only one class or series of members, the holders of more than 50 percent of the then-current percentage or other interest in the profits of the company owned by all of its members who have the right to approve the ~~a~~ merger, interest exchange, or conversion, as applicable, under the organic law or the organic rules of the company; and

(b) In the case of a limited liability company having more than one class or series of members, the holders in each class or series of more than 50 percent of the then-current percentage or other interest in the profits of the company owned by all of

the members of that class or series who have the right to approve the ~~a~~ merger, interest exchange, or conversion, as applicable, under the organic law or the organic rules of the company, unless the company's organic rules provide for the approval of the transaction in a different manner.

Section 11. Subsection (3) of section 605.0401, Florida Statutes, is amended to read:

605.0401 Becoming a member.—

(3) After formation of a limited liability company, a person becomes a member:

(a) As provided in the operating agreement;

(b) As the result of a merger, interest exchange, conversion, or domestication under ss. 605.1001-605.1072, as applicable;

(c) With the consent of all the members; or

(d) As provided in s. 605.0701(3).

Section 12. Paragraph (a) of subsection (1) of section 605.04074, Florida Statutes, is amended to read:

605.04074 Agency rights of members and managers.—

(1) In a member-managed limited liability company, the following rules apply:

(a) Except as provided in subsection (3), each member is an agent of the limited liability company for the purpose of its activities and affairs, and ~~.~~ an act of a member, including signing an agreement or instrument of transfer in the name of the company for apparently carrying on in the ordinary course of

the company's activities and affairs or activities and affairs of the kind carried on by the company, binds the company unless the member had no authority to act for the company in the particular matter and the person with whom the member was dealing knew or had notice that the member lacked authority.

Section 13. Paragraph (b) of subsection (4) of section 605.0408, Florida Statutes, is amended to read:

605.0408 Reimbursement, indemnification, advancement, and insurance.—

(4) A limited liability company may purchase and maintain insurance on behalf of a member or manager of the company against liability asserted against or incurred by the member or manager in that capacity or arising from that status even if:

(b) Under s. 605.0105(3)(q) ~~605.0105(3)(p)~~, the operating agreement could not provide for indemnification for the conduct giving rise to the liability.

Section 14. Paragraph (b) of subsection (2) of section 605.04091, Florida Statutes, is amended to read:

605.04091 Standards of conduct for members and managers.—

(2) The duty of loyalty is limited to:

(b) Refraining from dealing with the company in the conduct or winding up of the company's activities and affairs as, or on behalf of, a person having an interest adverse to the company, except to the extent that a transaction satisfies the requirements of ~~this~~ section 605.04092; and

Section 15. Paragraph (f) of subsection (2) of section

605.1025, Florida Statutes, is amended to read:

605.1025 Articles of merger.—

(2) The articles of merger must contain the following:

(f) If the surviving entity is created by the merger and is a domestic limited liability partnership ~~or domestic limited liability limited partnership~~, its statement of qualification, as an attachment.

Section 16. Subsection (2) of section 606.06, Florida Statutes, is amended to read:

606.06 Uniform business report.—The department may use the uniform business report:

(2) As a substitute for any annual report or renewal filing required by chapters 495, 605, 607, ~~608,~~ 609, 617, 620, 621, and 865.

Section 17. Paragraph (b) of subsection (2) of section 607.1108, Florida Statutes, is amended to read:

607.1108 Merger of domestic corporation and other business entity.—

(2) Pursuant to a plan of merger complying and approved in accordance with this section, one or more domestic corporations may merge with or into one or more other business entities formed, organized, or incorporated under the laws of this state or any other state, the United States, foreign country, or other foreign jurisdiction, if:

(b) Each domestic partnership that is a party to the merger complies with the applicable provisions of chapter 605

~~620~~.

Section 18. Subsection (7) of section 607.11101, Florida Statutes, is amended to read:

607.11101 Effect of merger of domestic corporation and other business entity.—When a merger becomes effective:

(7) The shares, partnership interests, interests, obligations, or other securities, and the rights to acquire shares, partnership interests, interests, obligations, or other securities, of each domestic corporation and other business entity that is a party to the merger shall be converted into shares, partnership interests, interests, obligations, or other securities, or rights to such securities, of the surviving entity or any other domestic corporation or other business entity or, in whole or in part, into cash or other property as provided in the plan of merger, and the former holders of shares, partnership interests, interests, obligations, or other securities, or rights to such securities, shall be entitled only to the rights provided in the plan of merger and to their appraisal rights, if any, under s. 605.1006, ss. 605.1061-605.1072, ss. 607.1301-607.1333, ~~ss. 608.4351-608.43595~~, ss. 620.2114-620.2124, or other applicable law.

Section 19. Subsection (1) of section 636.204, Florida Statutes, is amended to read:

636.204 License required.—

(1) Before doing business in this state as a discount medical plan organization, an entity must be a corporation, a

limited liability company, or a limited partnership, incorporated, organized, formed, or registered under the laws of this state or authorized to transact business in this state in accordance with chapter 605, part I of chapter 607, ~~chapter 608,~~ chapter 617, chapter 620, or chapter 865, and must be licensed by the office as a discount medical plan organization or be licensed by the office pursuant to chapter 624, part I of this chapter, or chapter 641.

Section 20. Subsection (1) of section 655.0201, Florida Statutes, is amended to read:

655.0201 Service of process, notice, or demand on financial institutions.—

(1) Process against any financial institution authorized by federal or state law to transact business in this state may be served in accordance with chapter 48, chapter 49, chapter 605, or part I of chapter 607, ~~or chapter 608,~~ as appropriate.

Section 21. Paragraph (c) of subsection (11) of section 658.2953, Florida Statutes, is amended to read:

658.2953 Interstate branching.—

(11) DE NOVO INTERSTATE BRANCHING BY STATE BANKS.—

(c) An out-of-state bank may establish and maintain a de novo branch or acquire a branch in this state upon compliance with part I of chapter 607 or chapter 605 ~~608~~ relating to doing business in this state as a foreign business entity, including maintaining a registered agent for service of process and other legal notice pursuant to s. 655.0201.

Section 22. Section 694.16, Florida Statutes, is amended to read:

694.16 Conveyances by merger or conversion of business entities.—As to any merger or conversion of business entities prior to June 15, 2000, the title to all real estate, or any interest therein, owned by a business entity that was a party to a merger or a conversion is vested in the surviving entity without reversion or impairment, notwithstanding the requirement of a deed which was previously required by s. 607.11101, former s. 608.4383, former s. 620.204, former s. 620.8904, or former s. 620.8906.

Section 23. This act shall take effect July 1, 2015.

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	____	(Y/N)
ADOPTED AS AMENDED	____	(Y/N)
ADOPTED W/O OBJECTION	____	(Y/N)
FAILED TO ADOPT	____	(Y/N)
WITHDRAWN	____	(Y/N)
OTHER		

Committee/Subcommittee hearing bill: Economic Development & Tourism Subcommittee

Representative McGhee offered the following:

Amendment (with title amendment)

Between lines 627 and 628, insert:

Section 1. Section 605.0715, Florida Statutes, is amended to read:

605.0715 Reinstatement.—

(1) A limited liability company that is administratively dissolved under s. 605.0714 or former s.608.4481 may apply to the department for reinstatement at any time after the effective date of dissolution. The company must submit ~~a form of application for reinstatement prescribed and furnished by the department and provide all of the information required by the department, together with~~ all fees and penalties then owed by the company at the rates provided by law at the time the company

applies for reinstatement together with an application for reinstatement prescribed and furnished by the department, which is signed by both the registered agent and an authorized representative of the company and states:

(a) The name of the limited liability company.

(b) The street address of its principal office and its mailing address.

(c) The date of its organization.

(d) The company's federal employer identification number or, if none, whether one has been applied for.

(e) The name, title or capacity, and address of at least one person who has the authority to manage the company.

(f) Any additional information that is necessary or appropriate to enable the department to carry out this chapter.

(2) As an alternative to filing an application for reinstatement as described in subsection (1), an administratively dissolved limited liability company may submit all fees and penalties then owed by the company at the rates provided by law at the time the company applies for reinstatement, together with a current annual report, signed by both the registered agent and an authorized representative of the company, which contains the same information described in subsection (1).

(3) ~~(2)~~ If the department determines that an application for reinstatement contains the information required under subsections ~~subsection~~ (1) or (2) and that the information is

correct, upon payment of all required fees and penalties, the department shall reinstate the limited liability company.

(4) ~~(3)~~ When reinstatement under this section becomes effective:

(a) The reinstatement relates back to and takes effect as of the effective date of the administrative dissolution.

(b) The limited liability company may resume its activities and affairs as if the administrative dissolution had not occurred.

(c) The rights of a person arising out of an act or omission in reliance on the dissolution before the person knew or had notice of the reinstatement are not affected.

(5) ~~(4)~~ The name of the dissolved limited liability company is not available for assumption or use by another business entity until 1 year after the effective date of dissolution unless the dissolved limited liability company provides the department with a record executed as required pursuant to s. 605.0203 permitting the immediate assumption or use of the name by another limited liability company.

Section 2. Section 605.0909, Florida Statutes, is amended to read:

605.0909 Reinstatement following revocation of certificate of authority.—

(1) A foreign limited liability company whose certificate of authority has been revoked may apply to the department for reinstatement at any time after the effective date of the

revocation. The foreign limited liability company applying for reinstatement must submit ~~provide information in a form prescribed and furnished by the department and pay~~ all fees and penalties then owed by the foreign limited liability company at rates provided by law at the time the foreign limited liability company applies for reinstatement together with an application for reinstatement prescribed and furnished by the department, which is signed by both the registered agent and an authorized representative of the company and states:

(a) The name under which the foreign limited liability company is registered to transact business in this state.

(b) The street address of its principal office and its mailing address.

(c) The jurisdiction of its formation and the date on which it became qualified to transact business in this state.

(d) The company's federal employer identification number or, if none, whether one has been applied for.

(e) The name, title or capacity, and address of at least one person who has the authority to manage the company.

(f) Any additional information that is necessary or appropriate to enable the department to carry out this chapter.

(2) As an alternative to filing an application for reinstatement as described in subsection (1), a foreign limited liability company whose certificate of authority was administratively revoked may submit all fees and penalties then owed by the company at the rates provided by law at the time the

company applies for reinstatement, together with a current annual report, signed by both the registered agent and an authorized representative of the company, which contains the same information described in subsection (1).

(3) ~~(2)~~ If the department determines that an application for reinstatement contains the information required under subsections ~~subsection~~ (1) or (2) and that the information is correct, upon payment of all required fees and penalties, the department shall reinstate the foreign limited liability company's certificate of authority.

(4) ~~(3)~~ When a reinstatement becomes effective, it relates back to and takes effect as of the effective date of the revocation of authority and the foreign limited liability company may resume its activities in this state as if the revocation of authority had not occurred.

(5) ~~(4)~~ The name of the foreign limited liability company whose certificate of authority has been revoked is not available for assumption or use by another business entity until 1 year after the effective date of revocation of authority unless the limited liability company provides the department with a record executed pursuant to s. 605.0203 which authorizes the immediate assumption or use of its name by another limited liability company.

(6) ~~(5)~~ If the name of the foreign limited liability company applying for reinstatement has been lawfully assumed in this state by another business entity, the department shall

require the foreign limited liability company to comply with s. 605.0906 before accepting its application for reinstatement.

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

Remove line 38 and insert:
cross-references; amending s. 605.0715, F.S.; revising which materials and information a specified limited liability company must submit to the Department of State as part of an application for reinstatement after administrated dissolution; amending s. 605.0909, F.S.; revising which materials and information a specified limited liability company must submit to the Department of State as part of an application for reinstatement following revocation of certificate of authority; providing effective dates.