

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/CS/SB 1566

SPONSOR: Fiscal Policy Committee, Commerce and Economic Opportunities Committee, and Senator Kirkpatrick

SUBJECT: Economic Development

DATE: April 22, 1999 REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Joseph</u>	<u>Maclure</u>	<u>CM</u>	<u>Favorable/CS</u>
2.	<u>Hayes/Maclure</u>	<u>Hadi</u>	<u>FP</u>	<u>Favorable/CS</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

## I. Summary:

Committee Substitute for Committee Substitute for Senate Bill 1566 (“committee substitute”) substantially reorganizes Enterprise Florida, Inc., (EFI). Specifically, through its major provisions, the committee substitute:

- Expands the employee lease program for Enterprise Florida, Inc. (EFI), to include certain employees from the Department of Labor and Employment Security and the Department of Children and Family Services. Reduces and revises the membership of the board of directors of EFI.
- Clarifies EFI’s mission with respect to rural and distressed urban communities. Specifies that EFI shall incorporate the needs of small and minority businesses into its core mission of recruitment, retention, and expansion.
- Rewrites the provisions related to private-sector contributions to EFI to emphasize return-on-investment for EFI activities. Specifies that the state’s operating investment in EFI may not exceed 50 percent of EFI’s actual operating budget, and requires that at least \$2 million of the private contributions to the organization must be in the form of cash. Requires EFI to hire a private accounting firm to develop the methodology for a customer satisfaction survey.
- Specifies that EFI’s president serves at the pleasure of the board of directors, and specifies that the board must set compensation of president. Specifies that no EFI employee may be paid more than the governor, unless the excess pay is based on a performance-based contract with incentive payments.
- Clarifies that EFI programs should relate to business formation, expansion, recruitment, and retention, international development and export assistance, and workforce development. Eliminates requirement that EFI deposit certain funds in African American and Hispanic American qualified public depositories.
- Confirms the contents of EFI’s annual report to clarify EFI’s mission with respect to rural and urban areas.

- Clarifies the role of EFI's International Trade and Economic Development Board. Specifies that the board's role shall include advising and assisting the state, as well as local and regional economic development organizations.
- Clarifies the powers and authority of EFI's International Trade and Economic Development Board. Specifies authority to advise and assist the state, as well as local and regional economic development organizations, on international trade, reverse investment, economic development recruitment, retention, expansion, and business creation.
- Conforms changes to statutes to reflect the dissolution of EFI's Technology Development Board and Capital Development Board. The changes include replacing references to these boards with references to Enterprise Florida, Inc. Transfers responsibility for the programs of these boards to Enterprise Florida, Inc.
- Repeals statutory authority for EFI's Nominating Council. Repeals statutory authority for EFI's Technology Development Board and EFI Capital Development Board.
- Provides for Enterprise Florida, Inc., to assume any contracts of EFI's capital and technology development boards. Provides for transfer of property of these boards to EFI.
- Directs the Division of Statutory Revision to redesignate certain parts of the Florida Statutes as "Technology Development" and "Capital Development."

Also contained in this committee substitute are changes to a number of economic development related statutes. This committee substitute:

- Revises the powers and duties of the Office of Tourism, Trade, and Economic Development (OTTED). Authorizes OTTED to use the interest earnings from specified program funds to contract out for the administration of programs. Eliminates required report on status of OTTED contracts with public-private partnerships.
- Transfers authority to contract for an international volunteer corps from OTTED to the Department of State.
- Revises the Qualified Target Industry (QTI) Tax Refund Program, including among other changes, establishing a \$35 million cap on the state share of refunds for a fiscal year.
- Creates a sister city grants program within the Department of State.
- Expands the definition of the term "transferee" for purposes of allocating unused premium tax credits under the Certified Capital Company Act (CAPCOs). The revised definition enables such credits to be utilized by a subsidiary of the certified investor or by an entity 10 percent or more of whose outstanding voting shares are owned by the certified investor. Specifies that the amount of tax credits vested under the Act shall not be considered in rate-making proceedings involving a certified investor.
- Specifies that all ports not controlled by local governments that have spoil disposal responsibilities must identify disposal sites in their comprehensive master plans, and must be integrated with local comprehensive plans through existing processes.
- Provides exception to prohibition against amending comprehensive plans more than twice per year. The exception is for port transportation facilities and projects that are eligible for funding under the Florida Seaport Transportation and Economic Development Program.
- Provides that certain ports and inland navigation districts shall not be required to pay fees for activities involving the use of state lands.
- Substantially revises existing statute governing the International Trade Data Resource and Research Center [a.k.a.: Florida Trade Data Center (FTDC)]. Establishes the FTDC as a private, nonprofit corporation and not a unit or entity of state government. Requires FTDC

to make information available to OTTED, EFI, and state agencies pursuant to a policy by the board and provides authorization for certain activities by the center.

- Allows trade market and shipping information products as types of information products that may receive funding under the Florida Seaport Transportation and Economic Development (FSTED) program. Specifies that port projects can include transportation facilities and other projects. Provides that funds may be used to finance trade corridor or system-wide freight mobility plans. Removes language limiting the amount of funds a single port may receive in one calendar year and during any five calendar year period.
- Revises sections relating to the Florida Seaport Transportation and Economic Development (FSTED) Council. Provides criteria for measuring the economic benefit of a port project to include the maintenance of cargo flow, passenger movement, international commerce, port revenues, and the number of jobs at a port. Directs the Council to create a project modification review committee.
- Creates an Office of Seaport and Intermodal Development within the Department of Transportation, and an Office of Seaport and Freight Mobility Planning within the Department of Community Affairs.
- Creates the Northwest Florida Seaport Transportation and Economic Development Council, composed, in part, of the ports of Panama City, Pensacola, and Port St. Joe.
- Provides for \$10 million in motor vehicle registration moneys to be deposited annually in the State Transportation Trust Fund to support ports projects and seaport intermodal access projects.
- Requires FSTED, rather than OTTED, to develop and implement the Seaport Training and Employment Program.
- Requires FSTED and the Office of the State Public Transportation Administrator in DOT to develop freight mobility and trade corridor plans to assist in making freight mobility investments which contribute to the economic growth of the state. Prescribes that the Department of Community Affairs shall be responsible for all necessary reviews and approvals with respect to intermodal transportation facilities.
- Revises the definition of the term “port facilities” to include certain facilities used for warehouse, storage, and distribution of cargo transported through an airport or port facility.
- Provides specified port projects with an exemption from the Developments of Regional Impact (DRI) review.
- Provides that the Department of Environmental Protection (DEP) is exclusively responsible for permitting and enforcement of dredging, dredged material management and other related activities, port transportation facilities and intermodal transportation facilities for deep-water ports.
- Creates an “Americas Campaign.” Requires the Governor, by executive order, to designate three countries as development targets for the campaign. Appropriates unused portions of the Rental Car Surcharge to be deposited in the Florida International Trade and Promotion Trust Fund for use and distribution by the Americas Campaign planning council. Requires that implementation of the Americas Campaign is contingent upon a specific appropriation for FY 1999-2000.
- Provides for fees collected from notary public applications to be deposited in the Grants and Donations Trust Fund. Requires that the implementation of the transfer of fees is contingent upon a specific appropriation for FY 1999-2000.
- Revises provisions governing certification of the authority of a notary public or a civil-law notary.

- Requires that the Secretary of State coordinate with Enterprise Florida, Inc., when carrying out international activities.
- Requires that foreign judgments be filed with the Secretary of State's office in addition to other entities.
- Requires the Secretary of State to establish and maintain a list of counties that do not recognize Florida money judgments.
- Creates the Florida International Archive and Repository within the Department of State.
- Reenacts the current international office statute to prevent its repeal, amends the foreign office statute to provide for an annual reporting of activities and accomplishments by Florida's foreign trade offices, and mandates a legislative review of the foreign offices.
- Requires Enterprise Florida, Inc., to develop a master plan for coordinating international trade resources.
- Requires EFI and OTTED to collaborate to prepare a plan for promoting direct investment in Florida by foreign businesses.
- Requires Enterprise Florida, Inc., to prepare a strategic plan designed to allow Florida to capitalize on economic opportunities that will be associated with a free Cuba.
- Abrogates the scheduled 1999 expiration of the Qualified Defense Contractors Tax Refund Program and corrects agency references relating to administration of the program.
- Provides for certain retail establishments and call centers to be eligible for the urban high-crime area and rural job tax credit programs.

This committee substitute creates ss. 118.12, 257.34, 311.101, 311.102, 311.14, and 311.20; amends ss. 14.2015, 15.18, 55.604, 55.605, 117.01, 117.103, 118.10, 163.3178, 163.3187, 212.097, 212.098, 220.191, 253.77, 288.012, 288.0251, 288.095, 288.1045, 288.106, 288.8155, 288.816, 288.901, 288.9015, 288.90151, 288.903, 288.904, 288.905, 288.906, 288.9412, 288.9414, 288.9511, 288.9515, 288.95155, 288.9519, 288.9520, 288.9603, 288.9604, 288.9614, 288.9618, 288.99, 311.07, 311.09, 311.11, 315.02, 320.20, 380.06, and 380.24; and repeals ss. 288.902, 288.9512, 288.9513, 288.9514, 288.9516, 288.9611, 288.9612, 288.9613, and 288.9615, Florida Statutes.

## **II. Present Situation:**

### **Economic/Trade Development Overview & Structure**

In 1992, the Legislature created Enterprise Florida, Inc., (EFI) to assist in the coordination of the state's economic development efforts and to develop a strategic plan for economic development for Florida. In 1993, the Legislature created two additional Enterprise Florida Partnerships -- the Enterprise Florida Innovation Partnership and the Enterprise Florida Capital Partnership. The partnerships were established to foster the growth of high technology and value-added industries, assist in the commercialization of technological products, and foster access to capital for Florida firms. In 1994, the Legislature created the Enterprise Florida Jobs and Education Partnership to coordinate state training programs to promote the availability of a skilled work force. The Legislature created all of these entities as separate corporations with EFI serving as the "umbrella" organization.

Chapter 96-320, Laws of Florida, provided for the dissolution of the Florida Department of Commerce and the Florida International Affairs Commission effective December 31, 1996, and

the assumption of comparable economic development and trade development activities by Enterprise Florida, Inc. (EFI). Section 288.9015, F.S., designates EFI as the principal economic development organization for the state, responsible for leading business development by establishing a unified approach to Florida's international trade and reverse investment efforts; marketing the state as a pro-business location for potential new investment; and assisting in the creation, retention, and expansion of existing businesses. Section 288.9015, F.S., also assigns EFI responsibility for promoting the development of small businesses, minority business, and rural communities and for establishing a comprehensive plan for workforce development. Chapter 96-320, L.O.F., created the Office of Tourism, Trade, and Economic Development (OTTED) to serve, among other duties, as administrator of the state's contract with EFI.

In addition to expanding Enterprise Florida's responsibilities, the 1996 economic development legislation also significantly revised the structure of EFI. The public-private partnership today is led by a board of directors and president (s. 288.903, F.S.) and includes within its not-for-profit corporate structure four program units: international trade and economic development (s. 288.9412, F.S.), technology development (288.9512, F.S.), capital development (s. 288.9611, F.S.), and workforce development (s. 288.9620, F.S.).

Under s. 288.905, F.S., EFI is required, in conjunction with OTTED, to submit to the Legislature by January 1, 1997, a strategic plan for economic development for the state. In February 1997, EFI submitted *A Strategic Plan for Florida's Economic Future*, which addresses the period January 1, 1997, through June 30, 2002. EFI is also required to report annually to the Legislature and Governor on its activities and accomplishments (s. 288.906, F.S.).

### **Enterprise Florida Matching Private Funds**

In providing for the dissolution of the Department of Commerce and the assumption of comparable economic development, international trade, and tourism responsibilities by public-private partnerships, the Legislature in 1996 imposed upon both Enterprise Florida, Inc. (EFI), and the Florida Commission on Tourism responsibilities for generating private support for their activities.

Section 114, ch. 96-320, L.O.F., provided that an increasing percentage of the general revenue funds that EFI received each fiscal year would be placed in reserve until EFI demonstrated that private matching funds equal to the amount put in reserve had been contributed during the same fiscal year. Specifically, for fiscal year 2000-2001, the amount placed in reserve would be 50 percent of the general revenue funds appropriated to OTTED for its contract with EFI. The 1996 legislation provided broad latitude on what types of contributions could be considered private matching funds for the purposes of EFI's match requirements. During the 1997 session, however, the Legislature revised EFI's matching private fund requirements by creating two distinct categories of such funds. The first category includes payments of cash made in response to a solicitation by EFI and used exclusively by EFI in its operations or programs. Excluded from that category are payments of cash made in connection with state or local incentive programs or received by EFI pursuant to a grant or contract. The second category of matching private funds includes a conveyance of property or distribution of property or anything of value, including in-kind contributions and payments of cash not counted under the first category. Employee wages paid during training were eliminated as a form of matching funds. In addition to creating two

categories of private matching funds, the Legislature specified that at least 55 percent of the matching private funds that EFI is required to raise in each fiscal year must be cash contributions under the first category. (See s. 288.90151, F.S.)

EFI and OTTED raised concerns -- prior to and since adoption of the 1997 amendments -- about EFI's ability to satisfy the revised private matching fund requirements. Some of the concerns voiced by EFI are that, particularly as its required percentage of private matching funds increases from its current level of 20 percent of general revenue funds appropriated to the fiscal year 2000-2001 level of 50 percent, EFI will have to compete with local economic development organizations for private contributions, may have to charge for services currently provided free of charge, and will have to redirect staff energies into fund-raising activities. In addition, EFI fears that, as a larger portion of its general revenue appropriation is placed in reserve each year, it will experience increased pressure to raise and collect all of the required matching private-sector contributions in the first half of the year in order to have the reserved funds released, or the organization will experience funding shortfalls in the remainder of the year.

### **OTTED -- Administration of Programs**

OTTED is authorized by s. 14.2015, F.S., to administer various programs, grants, and activities. In addition to the duties and responsibilities provided under that statute, OTTED has been assigned, through other statutory provisions, responsibility for administration of various other programs and activities. Some of the principal economic development programs administered by OTTED include: Qualified Target Industry (QTI) tax refund program, qualified defense contractors, high impact performance incentives, base realignment and closure grants, defense planning grants, defense implementation grants, military installation reuse planning/marketing grants, defense related business adjustment grants, urban high crime tax credit, rural area tax credit, WAGES pilot matching grants, silicon technology sales tax exemption, brownfield redevelopment, brownfield area guaranteed loan fund, and expedited permitting.

### **Incentives and Programs**

As part of its economic development efforts, Florida has in place a variety of programs that are designed to encourage the location of new businesses and support the expansion and retention of existing businesses in the state. Examples of such initiatives include:

- Quick-Response Training Program (s. 288.047, F.S.), under which specially tailored job training is provided on behalf of a new, expanding, or existing Florida business. The training is delivered through, and funds are allocated to, Florida's community colleges, school districts, area vocational-technical centers, state universities, and, under certain conditions, private post-secondary institutions. The instruction, which cannot exceed 18 months, must promote economic development by providing specialized entry-level skills to new workers or supplemental skills to current employees whose job descriptions are changing. Program funds may not be expended to subsidize the ongoing staff development program of any business or industry or to provide training related to retail businesses. The program is administered by EFI.

- Contracts for transportation projects (“Road Fund”) (s. 288.063, F.S.), under which funds are provided to local governments for the elimination of transportation problems that adversely impact a specific company’s location or expansion decision. Elimination of the transportation problem must serve as an inducement for the company’s decision to locate, remain, or expand in the community. Up to \$2 million may be provided to a local government to implement the improvements, depending upon the number of jobs that will be created or retained by the project. Grants are awarded by OTTED based on recommendations from EFI.
- Qualified Target Industry Tax Refund Program (s. 288.106, F.S.), under which new or expanding businesses in certain key industrial sectors or corporate headquarters may be eligible to be approved for tax refunds of up to \$5,000 per job created or up to \$7,500 per job created if the project is located in an enterprise zone. To be eligible, a new business must create at least 10 full-time jobs, and an expansion of an existing business must result in a 10 percent increase in employment. Approved applicants may receive refunds based on the payment of sales and use taxes, corporate income taxes, intangible personal property taxes, emergency excise taxes, excise taxes on documents, ad valorem taxes paid, and insurance premium taxes. Tax refunds are approved by OTTED, with initial application evaluation being conducted by EFI.
- Qualified Defense Contractor Program (s. 288.1045, F.S.), under which tax refunds of up to \$5,000 may be provided per job created or saved in Florida through the conversion of defense jobs to civilian production, the acquisition of a new defense contract, or the consolidation of a defense contract. There are no minimum job-creation levels for the program, except that a contract consolidation must result in at least a 25 percent increase in Florida employment or a minimum of 80 jobs. Approved applicants may receive refunds based on the payment of sales and use taxes, corporate income taxes, intangible personal property taxes, emergency excise taxes, excise taxes on documents, and ad valorem taxes paid. Statutory references regarding administration of the program cite the Department of Commerce.

### **Certified Capital Company Act (CAPCOs)**

The Certified Capital Company Act, s. 288.99, F.S., was adopted in 1998 to establish a mechanism to provide financing, via certified capital companies, for qualified small businesses. Insurance companies are provided a premium tax credit to invest in certified capital companies which, in turn, will make investments in qualified small businesses.

Under the 1998 legislation, a corporation, partnership, or limited liability company could file for certification as a certified capital company (CAPCO) on or before December 1, 1998. CAPCOs certified by the Department of Banking and Finance may receive contributions of capital from insurers (and other investors), and the insurers receive a credit against state premium taxes for each dollar contributed to a certified capital company, at the rate of 10 percent a year for 10 years, beginning with premium tax filings for the year 2000. The total amount of tax credits may not exceed \$15 million annually, subject to an aggregate cap of \$150 million. To be certified, a CAPCO must have net capital of at least \$500,000 and at least two of its principals must demonstrate 5 years experience in making venture capital investments.

To remain certified, CAPCOs are required to meet investment benchmarks. At least 50 percent of CAPCO funds must be invested in “qualified businesses” by December 31, 2003, defined as small businesses (determined by rules of the U.S. Small Business Administration) headquartered in Florida and with their principal business operations in Florida. A qualified business must certify that it is unable to obtain conventional financing and that it has fewer than 200 employees, at least 75 percent of whom are employed in Florida. At least 50 percent of the CAPCO’s investments in qualified businesses must be in “early stage technology businesses” involved in activities related to developing initial product or service offerings. A qualified business does not include a business predominantly engaged in retail sales, real estate development, insurance, banking, lending, oil and gas exploration, or engaged in professional services provided by accountants, lawyers, or physicians.

Before a CAPCO may make any distribution to its equity holders, other than a “qualified distribution,” the CAPCO must have invested 100 percent of its certified capital in qualified capital investments. A “qualified distribution” of up to 2.5 percent of the CAPCO’s capital may be made to equity holders for the costs and expenses of forming, managing, and operating the company, plus reasonable and necessary fees for professional services, such as legal and accounting services. Payments of principal and interest to debt holders may be made without restriction.

A CAPCO is required to pay to the Department of Revenue 10 percent of the portion of distributions to all certified investors (insurers) and equity holders that exceeds the sum of the CAPCO’s original certified capital (which includes both equity and debt investments) and any additional capital contributions to the CAPCO.

The Office of Tourism, Trade, and Economic Development is responsible for allocating premium tax credits to insurers who apply and submit specified documentation. A CAPCO must annually file a report with the office and the Department of Banking and Finance detailing the investments the CAPCO has received from insurers and the investments it has made in qualified businesses, including the number of jobs created or retained and the average wages of such jobs. The Department of Banking and Finance must conduct an annual review of each CAPCO to determine if it is abiding by the requirements of certification and the Department of Revenue may audit and examine the records of CAPCOs and insurer investors.

Currently s. 288.99(11), F.S., allows a certified investor’s unused premium tax credit to transfer to any other corporate owner of the insurance company regardless of the owner being a new owner, parent company, or subsidiary owner. Current law does not allow a subsidiary of the certified investor to receive a transfer of the premium tax credit for its own use.

### **Port Development/Funding**

There are 14 deep-water ports located in Florida: Port Canaveral, Port Everglades, Port of Fernandina, Port of Fort Pierce, Port of Jacksonville, Port of Key West, Port Manatee, Port of Miami, Port of Palm Beach, Port of Panama City, Port of Pensacola, Port St. Joe, Port of St. Petersburg, and Port of Tampa. According to the Florida Seaport Transportation and Economic Development Council, these ports account for nearly 250,000 seaport-related jobs and \$600 million in governmental revenues statewide.

Section 163.3178, F.S., provides that certain ports and port transportation facilities and other types of port projects are not subject to developments of regional impact (DRI) review where they are consistent with comprehensive master plans. This section requires ports controlled by local governments to identify spoil disposal sites in their local comprehensive plans. Section 163.3187, F.S., limits the number of amendments to the local comprehensive plan for port projects to two per year.

Section 380.06, F.S., provides guidelines and standards for developing areas that, because of their character, magnitude, location, and potential to effect the health, safety, or welfare of citizens are considered to have a “regional impact.” Such developments must be approved and monitored, and they are referred to as “developments of regional impact.” Exemptions from the guidelines and standards provided for “developments of regional impact” are found in s. 380.06(24), F.S.

Section 311.07, F.S., creates the Florida Seaport Transportation and Economic Development Program within the Department of Transportation to finance port transportation or port facilities projects that will improve the movement and intermodal transportation of cargo or passengers in commerce and trade and that will support the interests, purposes, and requirements of ports located in the state. This statute specifies that the program shall receive at least \$8 million a year from the State Transportation Trust Fund.

Section 311.09, F.S., creates the Florida Seaport Transportation and Economic Development Council within the Department of Transportation.

Section 311.11, F.S., creates the Seaport Employment Training Grant Program within the Office of Tourism, Trade, and Economic Development in cooperation with the Florida Seaport Transportation and Economic Development Council, for the purpose of stimulating and supporting seaport training and employment programs.

Section 315.02, F.S., provide definitions governing port facilities financing under the “1959 Port Facilities Financing Law.”

Section 320.20(3), F.S., relating to the disposition of license tax moneys, provides for \$15 million to be deposited annually in the State Transportation Trust Fund solely for the purpose of funding the Florida Seaport Transportation and Economic Development Program. Similarly, subsection (4) provides, beginning July 1, 2001, for \$10 million to be deposited annually in the trust fund to support this program and intermodal access projects of statewide significance.

Section 380.24, F.S., allows local government participation in the coastal management program to develop a coastal zone protection plan in areas where marine species of vegetation constitute the dominant plant community. The statute specifies that permitting and enforcement activities for certain deepwater ports shall be done through the Department of Environmental Protection.

### **Florida Trade Data Center**

The Legislature created the Florida Trade Data Center in 1992 as a comprehensive trade data resource and research center. The purpose of the Center is to create a trade information system that provides timely import and export information, trade opportunities, intermodal transportation

information that measures cargo flow by transportation mode, commodity trends, trade activity between Florida and specific countries, and other relevant information.

### **International Activities - Department of State**

Section 15.18, F.S., provides that the Divisions of Cultural Affairs, Historical Resources, and Library and Information Services of the Department of State promote programs having substantial cultural, artistic, and indirect economic significance that emphasize American creativity. The Secretary of State, as the head administrator of these divisions, is known as “Florida’s Chief Cultural Officer.” The Secretary of State is encouraged to initiate and develop relationships between the state and foreign governmental officials in order to promote Florida as the center of American creativity. The Secretary of State shall coordinate international activities as they relate to international and cultural relations with the Florida International Affairs Commission. To accomplish these purposes, the secretary has the power and authority to do the following:

- Disseminate any information pertaining to the State of Florida which promotes the state’s cultural assets;
- Plan and carry out activities designed to cause improved cultural and governmental programs and exchanges with foreign countries;
- Plan and implement cultural and social activities for visiting foreign heads of state, diplomats, dignitaries, and exchange groups;
- Encourage and cooperate with other public and private organizations or groups in their efforts to promote the cultural advantages of Florida;
- Serve as the liaison with all foreign consular and ambassadorial corps, as well as international organizations, that are consistent with the purposes of expanding international and cultural relations;
- Provide, arrange, and make expenditures for the achievement of any or all of the purposes specified in this section; and
- Promulgate rules for entering into contracts which are primarily for promotional services and events, which may include commodities involving a service.

### **Foreign Money Judgments**

Section 55.604, F.S., provides for the recognition and enforcement of foreign judgments in that they are conclusive between parties to the extent that the judgments grant or deny recovery of a sum of money. The foreign judgment shall be filed with the clerk of the court and recorded in the public records in the county or counties where enforcement is sought. When recording the foreign judgment and the affidavit, the clerk shall mail notice of the recording to the judgment debtor. The judgment debtor has 30 days after service of the notice to file a notice of objection with the clerk of the court specifying the grounds for nonrecognition or non-enforceability. When entering the order recognizing the foreign judgment, or when recording the clerk’s certificate, the foreign judgment shall be enforced in the same manner as the judgment of a court of this state. Once the order recognizing the foreign judgment has been entered by a court of this state, the order and a copy of the judgment may be recorded in any other county of this state without further notice or proceedings, and shall be enforceable in the same manner as the judgment of a court of this state.

Section 55.605, F.S., provides for grounds for nonrecognition of foreign judgments in that a judgment is not conclusive if:

- The judgment was rendered under a system which does not provide impartial tribunals or procedures compatible with the requirements of due process of law;
- The foreign court did not have personal jurisdiction over the defendant; and
- The foreign court did not have jurisdiction over the subject matter.

In addition, a foreign judgment need not be recognized if:

- The defendant in the proceedings in the foreign court did not receive notice of the proceedings in sufficient time to enable him or her to defend;
- The judgment was obtained by fraud;
- The cause of action or claim for relief on which the judgment is based is repugnant to the public policy of this state;
- The judgment conflicts with another final and conclusive order;
- The proceeding in the foreign court was contrary to an agreement between the parties under which the dispute in question was to be settled otherwise than by proceedings in that court;
- In the case of jurisdiction based only on personal service, the foreign court was a seriously inconvenient forum for the trial of the action; and
- The foreign jurisdiction where judgment was rendered would not give recognition to a similar judgment rendered in this state.

### **Florida State Archive and Repository**

Section 257.35, F.S., provides for the creation, within the Division of Library and Information Services of the Department of State, of the Florida State Archive and Repository for the preservation of those public records as defined in s. 119.011(1), F.S., including manuscripts, and other archival material that have historical or other value that warrants their continued preservation and have been accepted by the division for deposit in its custody.

Any agency is authorized and empowered to turn over to the division any record no longer in current official use. The division is empowered to direct and effect the transfer to the archives of any records that are determined by the division to have historical or other value to warrant their continued preservation or protection.

The division is required to make certified copies upon the application of any person and may charge a fee for this service based upon the cost of the service. The division may also establish and maintain a schedule of fees for services which shall include, but not be limited to, restoration of archival materials, special research services, and publications.

### **Notaries Public and Civil Law Notaries**

Chapter 117, F.S., governs notaries public. Section 117.01, F.S., provides for the appointment of such notaries based upon the submission of an application and accompanying fees. Section 117.103, F.S., establishes a process for certification of a notary's authority by the Secretary of State. Section 118.10, F.S., governs international notaries (civil law notaries).

## Foreign Offices

Florida currently maintains 24 foreign offices, 22 of which are on foreign soil. Enterprise Florida, Inc. (EFI), operates 12 of the offices located abroad and one in Coral Gables. The Florida Department of Citrus has five offices, and the Florida Tourism Industry Marketing Corporation (FTIMC) maintains five offices abroad and an office in Coral Gables. That Florida has 24 foreign offices does not mean that there are 24 different locations. The FTIMC offices in London, Toronto, Frankfurt, and Tokyo are co-located with EFI foreign offices. The Coral Gables offices of EFI and FTIMC, which are not co-located, are classified as “foreign offices” because they perform international trade and tourism functions. The following is a synopsis of the foreign offices operated by EFI:

### Enterprise Florida’s Foreign Offices

<u>Country</u>	<u>City</u>
Japan	Tokyo
United Kingdom	London
Brazil	Sao Paulo
Canada	Toronto
Korea	Seoul
Germany	Frankfurt
Taiwan	Taipei
Mexico	Mexico City
Spain	Madrid
Colombia	Bogota
Israel	Ramat Gan
Venezuela	Caracas

The Office, of Tourism, Trade, and Economic Development (OTTED) was commissioned to evaluate the location of Florida’s foreign offices and make recommendations for future offices. According to OTTED’s research, a comparison of Florida’s current foreign office placement with existing volumes of trade, tourism and investment suggests that the state’s present array of locations is reasonable. The analysis also suggests, however, that some of these offices need to be strengthened, and that the state should give serious consideration to establishing a presence in a number of additional markets.

The OTTED report also noted that “the absence of reliable, output-oriented information” relative to the operations of Florida’s foreign offices made it impossible for OTTED to judge the efficacy of any single office or of foreign offices in general. Therefore, OTTED’s recommendations did not include a recommendation of office placement based on past office performance.

### Trade Linkages and Cross-Border Transactions

Information is one of the key components for successful international business transactions. Companies depend on the availability of timely and reliable information about conditions and trends in foreign markets, overseas opportunities and competitors, and a variety of other factors

ranging from foreign product standards and labeling requirements to information about exchange rates and payment options. In international business, where geographical and cultural barriers increase the level of uncertainty that companies normally face, reliable information becomes even more important as a way to reduce uncertainty and support effective decision-making.

A number of organizations are involved with providing information and assistance to current or potential exporters in Florida. These organizations include Enterprise Florida, Inc., the U.S. Department of Commerce, U.S. overseas embassies and consulates, foreign-based American chambers of commerce, Florida's foreign offices, the Florida Trade Data Center, the World Trade Centers, regional and local economic development organizations, and specialized consulting firms.

Section 288.773, F.S., creates the Florida Export Finance Corporation as a nonprofit corporation to expand employment and income opportunities for residents of this state through increased exports of goods and services. The corporation provides businesses domiciled in this state information and technical assistance on export opportunities, exporting techniques, and financial assistance through guarantees and direct loan originations for sale in support of export transactions. The corporation has the authority to carry out the following:

- Coordinate the efforts of the corporation with programs and goals of the United States Export-Import Bank, the International Trade Administration of the United States Department of Commerce, the Foreign Credit Insurance Association, Enterprise Florida, Inc., and its boards, and other private and public programs and organizations, domestic and foreign, designed to provide export assistance and export-related financing;
- To establish a network of contacts among those domestic and foreign public and private organizations which provide information, technical assistance, and financial support of exporting;
- To assemble, publish, and disseminate information on export opportunities, techniques of exporting, sources of public and private export assistance, and sources of export-related financing;
- To organize, host, and participate in seminars and other forums designed to disseminate information and technical assistance on exporting and export-related financing; and
- To insure, coinsure, lend, and guarantee loans, and to originate for sale direct export-related loans, extended to small and medium-sized businesses in this state pursuant to criteria, bylaws, rules, and policies adopted by the board.

### **Foreign Direct Investment**

Attraction of foreign direct investment is one of the key areas of competition in the international economy. Foreign direct investment is defined as a long-term investment in the state by an overseas company, with that company holding a significant degree of management influence. The ability to attract foreign direct investment is an important determinant and measure of Florida's international competitiveness because foreign direct investment brings new capital, new technology, new jobs, and new wealth to the state. It also increases the flow of goods and services while strengthening Florida's position as a crossroads economy in terms of trade.

### **Cuba**

The fall of communism in the Soviet Union and eastern Europe, and recent establishment of democracies in Latin America have led to considerable public speculation about the possibility of political change in Cuba. Political change in Cuba and the opening of the Cuban market would have a direct impact on Florida's international trade. The change in Cuba would offer both opportunities and challenges in the short, medium, and long term. Florida could enter into an era of unprecedented prosperity as a center for Latin American trade. A peaceful, political change in Cuba would bring an immediate surge in the purchase of consumer goods and services by Florida's Cuban Americans wishing to aid their friends and relatives in Cuba and would signal the opening of the Cuban market to Florida firms.

Due in part to geographic proximity (only 90 miles of ocean separate Havana from Key West), Florida has an extensive history of cultural and economic ties to the island of Cuba. These historic links ensure that Florida will assist in the redevelopment of a free Cuba. There are also competitive forces outside Florida who will aggressively pursue new economic and business developments in a democratic Cuba. For planning purposes, the Florida Trade Data Center recently published a comprehensive analysis of the economic impact and opportunities for the state of Florida upon resumption of trade between the United States and Cuba.

### **Urban High-Crime Area and Rural Job Tax Credit Program**

Sections 212.097 and 212.098, F.S., relate to the Urban High-Crime Area Job Tax Credit Program and the Rural Job Tax Credit Program, which offer tax credits to provide meaningful employment opportunities and encourage economic expansion of new and existing businesses in urban high crime and rural areas of the state. A new business located in an eligible urban high crime area or rural area may apply for credits anytime within its first year of operation, and may wait several months into its operation before applying for the credits. Currently, grocery stores, clothing stores, home furniture stores, call centers (and similar customer service operations), are not eligible for either the urban high-crime area or the rural job tax credit program.

### **III. Effect of Proposed Changes:**

**Section 1** amends s. 14.2015, F.S., revising the powers and duties of the Office of Tourism, Trade, and Economic Development (OTTED). Authorizes OTTED to use the interest earnings from specified program funds to contract out for the administration of programs. Eliminates required report on status of OTTED contracts with public-private partnerships. Deletes obsolete language relating to award of general economic development grants. Reduces number of economic summits to "at least one" per year from "at least three" per year.

**Section 2** amends s. 288.0251, F.S., transferring authority to contract with international volunteer corps (Florida Association of Voluntary Agencies for Caribbean Action) to the Department of State from OTTED.

**Section 3** amends s. 288.095, and **Section 4** amends s. 288.106, F.S., relating to the Qualified Target Industry (QTI) Tax Refund Program to:

- Provide a program cap for the state share of tax refunds in any fiscal year at \$35 million. Since local share is 20 percent (or up to \$7 million in this case), the total program cap is \$42

million in this bill. The language for this cap replaces original program language that limited approval of tax refunds (state and local share) to appropriated amounts.

- Clarify the meaning of “expansion of an existing business,” by changing the definition from one that describes expanding the existing site, to a definition open to any site in Florida but owned by the existing Florida business.
- Expand the meaning of “local financial support exemption option” to include a county with a population of 100,000 or fewer which is contiguous to a county with a population of 75,000 or fewer. This adds counties with larger populations to the 20 percent local match exemption.
- Add a definition of “authorized local economic development agency” to aid in keeping negotiations confidential and to allow a local economic development agency to pledge local financial match in advance of a local governing board’s resolution.
- Lower the basic per-job refund from up to \$5,000, to \$3,000, and provides for a \$6,000 per-job refund if the project is located in a rural county or an enterprise zone. Under current law, projects in an enterprise zone are eligible for a per-job refund of \$7,500. The bill also provides an additional \$1,000 per-job or \$2,000 per-job if the jobs pay 150 percent or 200 percent of the average private-sector wage in the area (defined as the lower of metropolitan, county, or state).
- Break up the eligible tax refund list into two groups, such that one group of taxes remains refundable beginning with the first taxable year and the other begins immediately. This allows the company to begin using certain tax refunds immediately after the agreement is reached.
- Delete some application information requirements related to how much future taxes the company expects to pay.
- Exempt the minimum 10 job requirement if the expanding business exists in a rural area or an enterprise zone. The local governing body and Enterprise Florida, Inc., must make the request for the exemption.

**Section 5** amends s. 288.816, F.S., creating a sister city grants program within the Department of State to provide financial assistance to cities and counties that develop international affiliations with foreign governments important to the diplomatic, cultural, historic, and economic development of the state. Under the program, a city or county that has registered a sister city affiliation with the department may apply for a grant of funds to support programs associated with the affiliation. The committee substitute directs the department to adopt rules governing the criteria to be used in evaluating grant applications, including whether the sister city is in a nation that has been identified by Enterprise Florida, Inc., or the Office of Tourism, Trade, and Economic Development as being important to the trade interests of the state.

**Section 6** amends s. 288.901, F.S., expanding the employee lease program for Enterprise Florida, Inc. (EFI), to include certain employees from the Department of Labor and Employment Security and the Department of Children and Family Services. Reduces and revises the membership of the

board of directors of EFI, including removing certain public officials, but adding the Comptroller and an agency head appointed by the Governor. Revises mix of private-sector members, increasing members from Workforce Development Board and International Trade and Economic Development Board.

**Section 7** amends s. 288.9015, F.S., clarifying EFI's mission with respect to rural and distressed urban communities. Provides that EFI shall aggressively market such areas as locations for new investment, assist these areas in expansion and retention of existing businesses, and assist these areas in the development of new economic opportunities for job creation. Specifies that EFI shall benchmark Florida's competitive position vis-a-vis other states. Specifies that EFI shall incorporate the needs of small and minority businesses into its core mission of recruitment, retention, and expansion.

**Section 8** amends s. 288.90151, F.S., regarding EFI's private sector matching funds. Substantially rewrites the provisions related to private-sector contributions to EFI to emphasize return-on-investment for EFI activities. Specifies that public investment in EFI is the amount in the OTTED contract with EFI, minus grants/incentives and minus subcontracts. Specifies that private-sector support for EFI includes: 1) cash and in-kind contributions that mirror state operating investment, 2) revenues generated by EFI products and services, and 3) support that augments EFI's operating expenses, such as an individual's time and expertise, co-sponsorships, and co-payments. Specifies that the state operating investment in EFI may not exceed 50 percent of EFI's actual operating budget, and requires that portions of the state appropriation in excess of 50 percent must be returned. Specifies that at least \$2 million of the private-sector support for EFI must be in the form of cash. Requires EFI to report, as part of its annual report, on the return on investment. Requires EFI to hire a private accounting firm to develop the methodology for a customer satisfaction survey.

**Section 9** amends s. 288.903, F.S., clarifying the role of leadership in EFI. Specifies that the EFI's president serves at the pleasure of the board of directors, and specifies that the board must set compensation of president. Includes chairman of EFI (governor) on the executive committee. Specifies that no EFI employee may be paid more than the governor, unless the excess pay is based on a performance-based contract with incentive payments.

**Section 10** amends s. 288.904, F.S., clarifying the powers of EFI's Board of Directors. Provides that when EFI contracts with another entity for services (e.g., contracts based on funds that pass through EFI), those contracts must require performance reporting, accounting of funds, avoidance of duplication, and coordination with other components of state and local economic development systems. Authorizes EFI to create advisory committees or similar organizations.

**Section 11** amends s. 288.905 F.S., regarding duties of EFI Board of Directors. Clarifies that programs of EFI should relate to business formation, expansion, recruitment, and retention, international development and export assistance, and workforce development. Deletes from statute specific requirements for the strategic plan of EFI. Requires involvement of local/regional economic development organizations, and rural, urban, minority, and small business development agencies in EFI policies, strategies, and programs. Changes date for next OPPAGA review of EFI to 2002 from 2003. Specifies that local economic development organizations shall be the state's primary agents for direct delivery of economic development and international development

services. Eliminates requirement that EFI deposit certain funds in African American and Hispanic American qualified public depositories.

**Section 12** amends s. 288.906, F.S., to conform the contents of EFI's annual report to the revisions made to EFI's mission with respect to rural and urban areas.

**Section 13** amends s. 288.9412, F.S., relating to EFI's International Trade and Economic Development Board. Specifies that the board's role shall be to advise and assist the state, as well as local and regional economic development organizations. Revises membership of board of directors to include chairperson of the Black Business Investment Board. Reduces number of members appointed by governor. Specifies representation by those with capital and technology expertise, specifies three representatives of economic development organizations, and specifies representation of a small business person active in international business.

**Section 14** amends s. 288.9414, F.S., relating to the powers and authority of EFI's International Trade and Economic Development Board. Specifies authority to advise and assist local and regional economic development organizations on international trade, reverse investment, economic development recruitment, retention, expansion, and business creation. Requires the board to annually convene a meeting of international trade development and economic development stakeholders, as a precursor to the economic summit.

**Sections 15** through **23** amend ss. 288.9511, 288.9515, 288.95155, 288.9519, 288.9520, 288.9603, 288.9604, 288.9614, and 288.9618, F.S., relating to EFI's Technology Development Board and Capital Development Board. Makes conforming changes to statutes to reflect the dissolution of EFI's Technology Development Board and Capital Development Board. (See section 22 of the committee substitute.) The changes include replacing references to these boards with references to Enterprise Florida, Inc. Transfers responsibility for the programs of these boards to Enterprise Florida, Inc.

**Section 24** repeals ss. 288.902, 288.9512, 288.9513, 288.9514, 288.9516, 288.9611, 288.9612, 288.9613, and 288.9615, F.S. Repeals statutory authority for EFI's Nominating Council. Repeals statutory authority for EFI's Technology Development Board and EFI Capital Development Board.

**Section 25** provides for Enterprise Florida, Inc., to assume any contracts of EFI's capital and technology development boards. Provides for transfer of property of these boards to EFI. Provides for EFI to assume responsibility for programs of these boards and authorizes EFI to establish appropriate placement of these programs within the organization. Requires EFI to avoid any loss of non-state funds.

**Section 26** directs the Division of Statutory Revision to redesignate parts VIII and IX of chapter 288 of the Florida Statutes as "Technology Development" and "Capital Development."

**Section 27** amends s. 288.99, F.S., relating to the Certified Capital Company Act. Expands the definition of the term "transferee" for purposes of allocating unused premium tax credits under the act. The revised definition enables such credits to be utilized by a subsidiary of the certified investor or by an entity 10 percent or more of whose outstanding voting shares are owned by the

certified investor. Specifies that the amount of tax credits vested under the act shall not be considered in rate-making proceedings involving a certified investor.

**Section 28** amends s. 220.191, F.S., relating to the Capital Investment Tax Credit. Provides that credits under the program may be granted against premium tax liability. Specifies that an insurance company claiming premium tax credits under the program will not be subject to retaliatory tax under s. 624.5091, F.S.

**Section 29** amends s. 163.3178, F.S., relating to coastal management. Specifies that all ports not controlled by local governments that have spoil disposal responsibilities must identify disposal sites in their comprehensive master plans, and must be integrated with local comprehensive plans through existing processes.

**Section 30** amends s. 163.3187, F.S., relating to comprehensive plan amendments. Provides exception to prohibition against amending comprehensive plans more than twice per year. Exception is for port transportation facilities and projects that are eligible for funding under the Florida Seaport Transportation and Economic Development Program.

**Section 31** amends s. 253.77, F.S., relating to sovereign land lease fees. Provides that certain ports and inland navigation districts shall not be required to pay fees for activities involving the use of sovereign lands.

**Section 32** amends s. 288.8155, F.S., relating to the Florida Trade Data Center. Substantially revises existing statute governing the International Trade Data Resource and Research Center [a.k.a.: Florida Trade Data Center (FTDC)]. Establishes the FTDC as a private, nonprofit corporation and not a unit or entity of state government. Requires FTDC to make information available to OTTED, EFI, and state agencies pursuant to a policy by the board and provides authorization for certain activities by the center.

**Section 33** amends s. 311.07, F.S., relating to Florida seaport transportation and economic development funding. Includes trade market and shipping information products as types of information products that may be funded by this section. Specifies that port projects include transportation facilities and other projects. Clarifies that funding under the seaport transportation and economic development program should be expended on projects that accommodate freight movement and storage capacity or cruise capacity. Specifies that program funds may also be used for construction or rehabilitation of port facilities in ports with operating revenues of \$5 million or less, if such projects create economic development opportunities, capital improvement, and positive financial returns to the port. Provides that funds may be used to finance trade corridor or system-wide freight mobility plans.

**Section 34** amends s. 311.09, F.S., relating to the Florida Seaport Transportation and Economic Development (FSTED) Council. Provides criteria for measuring the economic benefit of a port project to include the maintenance of cargo flow, passenger movement, international commerce, port revenues, and the number of jobs at a port. Projects eligible for funding under the program are deemed to be in the public interest. Requires FSTED Council to create a project modification review committee composed of various agencies and a port representative, to review modifications made to any project and determine if it needs to be resubmitted to the FSTED

Council for approval. Authorizes FSTED members representing the Department of Transportation, the Department of Community Affairs, or OTTED to overrule certain council actions.

**Section 35** creates s. 311.101, F.S., which provides for the Office of Seaport and Intermodal Development within the Office of the State Public Transportation Administrator of the Department of Transportation. The stated purpose of the office is to enhance the state's global competitiveness, productivity, and efficiency in international trade and in the movement of people and goods to and from its intermodal facilities. Among other functions, the office shall advise and assist the State Public Transportation Administrator and the Secretary of Transportation in all seaport and intermodal matters.

**Section 36** creates s. 311.102, F.S., which provides for the Office of Seaport and Freight Mobility Planning within the Department of Community Affairs. The stated purpose of the office is to enhance the state's global competitiveness, productivity, and efficiency in international trade and in the movement of people and goods to and from its seaports. Among other functions, the office shall review port comprehensive plans and provide technical assistance to ports and shall review projects to determine consistency with local government comprehensive plans.

**Section 37** creates s. 311.20, F.S., to authorize the Northwest Florida Seaport Transportation and Economic Development Council (NW Seaport Council) as a not-for-profit corporation, with membership comprised of directors from the ports of Port St. Joe, Panama City, and Pensacola, as well as the director of the Office of Tourism, Trade, and Economic Development and a representative from Enterprise Florida, Inc. The NW Seaport Council's purpose is to enhance economic development in Northwest Florida. Among other functions, the NW Seaport Council is to develop a marketing strategy for development at the three ports.

**Section 38** amends s. 320.20, F.S., to provide for \$10 million annually, beginning July 1, 1999, from motor vehicle registration moneys to be deposited in the State Transportation Trust Fund solely for the purpose of funding the Florida Seaport Transportation and Economic Development Program, as provided in ch. 311, F.S., and for funding seaport intermodal access projects of statewide significance.

**Section 39** amends s. 311.11, F.S., to substantially revise the Seaport Transportation and Economic Development Program. Requires the Florida Seaport Transportation and Economic Development Council (FSTED), rather than OTTED, to develop and implement the Seaport Training and Employment Program. Program is to stimulate and support seaport training and employment opportunities and such other training, educational, and informational services that would stimulate jobs in the port, maritime, and transportation industries.

**Section 40** creates s. 311.14, F.S., relating to Seaport Freight Mobility Planning. Requires FSTED and the Office of the State Public Transportation Administrator in the Department of Transportation to develop freight mobility and trade corridor plans to assist in making freight mobility investments which contribute to the economic growth of the state. Prescribes that the Department of Community Affairs shall be responsible for all necessary reviews and approvals under chapters 163 and 380 with respect to intermodal transportation facilities identified pursuant to s. 320.20(4), F.S.

**Section 41** amends s. 315.02, F.S., to revise the definition of the term “port facilities,” to include certain facilities which may be used for warehouse, storage, and distribution of cargo transported or to be transported through an airport or port facility.

**Section 42** amends s. 380.06, F.S., relating to Developments of Regional Impact (DRI) review. Provides specified port projects with an exemption from the DRI review. The exemption applies to expansion of port harbors, spoil disposal sites, navigation channels, turning basins, harbor berths, and other related in-water harbor facilities of specified ports and facilities.

**Section 43** amends s. 380.24, F.S., relating to coastal zone protection plans. Provides that the Department of Environmental Protection (DEP) is “exclusively” responsible for permitting and enforcement of dredging, dredged material management and other related activities, port transportation facilities listed in s. 311.07(3)(b), F.S., and intermodal transportation facilities under s. 320.20(4), F.S., for deep-water ports. Provides an exception to such exclusive responsibility by DEP, in the case of a deep water port that is a department of a county. In that case, permitting and enforcement actions shall be done exclusively through a state-approved local pollution control program. Provides that DEP, or the pollution control board program, permitting and enforcement actions shall govern when local government or other agencies have stricter requirements or have authority to regulate dredging activities or dredged-material management.

**Section 44** creates an “Americas Campaign”. Provides legislative findings on trade potential with Latin America and Caribbean. Requires the Governor, by executive order, to designate three countries as development targets for the campaign. Specifies that Department of State shall have responsibility for intergovernmental engagement related to the campaign, including development of a list of communities in these target countries for potential inclusion in Florida’s sister city program. Specifies that the director of OTTED shall be responsible for improving trade policy and trade relations with target countries. Specifies that the Florida Trade Data Center shall have responsibility for upgrading trade information capacity with these countries. Specifies that Florida Export Finance Corporation shall have lead responsibility for international finance strategy with these countries. Directs the Florida Seaport Transportation and Economic Development Council to devise a strategy to prepare and enhance intermodal infrastructure that links with these countries. Specifies that the International Trade and Economic Development Board of EFI shall have responsibility for providing reverse investment and trade expansion assistance to local businesses through organizations in communities with sister city relationships. Requires the Governor to ensure coordination of the Americas Campaign. Creates Campaign Council. Appropriates unused portions of the Rental Car Surcharge (s. 212.0606, F.S.) to be deposited in the Florida International Trade and Promotion Trust Fund for use and distribution by the council.

**Section 45** amends s. 117.01, F.S., relating to appointments of notaries public, to provide that effective July 1, 2000, fund collected from the \$25 application fee and \$10 commission fee shall be deposited into the Grants and Donations Trust Fund within the Department of State. The committee substitute also provides that the unencumbered balance from these funds at the close of the fiscal year may not exceed \$300,000. Funds in excess of this amount shall be transferred unallocated to the General Revenue Fund.

**Section 46** provides that the implementation of amendments to s. 117.01(2), F.S., is contingent upon a Specific Appropriation for Fiscal Year 1999-2000.

**Section 47** amends s. 117.103, F.S., relating to certification of a notary public's authority, to specify that such certification shall be provided upon written request from a notary public and payment of a \$10 fee. The committee substitute also provides that the copy of the original notary certificate shall be legally sufficient to establish the notary public's authority.

**Section 48** amends s. 118.10, F.S., relating to civil law notaries, to provide that a civil law notary may authenticate or certify any document, transaction, event, condition, or occurrence. The committee substitute also revises the Department of State's rule-making authority with respect to civil law notaries. The measure specifies that the Secretary of State may establish a test relating to the practice of law as a prerequisite to appointment of a civil law notary -- if the test is offered in conjunction with an educational program approved by the Florida Bar for continuing legal education credit.

**Section 49** creates s. 118.12, F.S., to establish a process for receipt from the Secretary of State of a certification of a civil law notary's authority. The committee substitute also authorizes the Secretary of State to provide an apostille conforming to the requirements of the Hague Convention.

**Section 50** amends s. 15.18, F.S., by deleting an obsolete reference to the Florida International Affairs Commission while providing coordination of international and cultural activities with the Department of State, Enterprise Florida, Inc., and any other organization the secretary deems appropriate. The section is further amended to require the Secretary of State to establish and maintain the list prescribed in s. 55.605(2)(g), F.S., relating to recognition of foreign money judgments.

**Section 51** amends s. 55.604, F.S., to include the Department of State with those entities where foreign judgments are required to be filed.

**Section 52** amends s. 55.605(2)(g), F.S., requiring the Secretary of State to establish and maintain a list of foreign jurisdictions where judgments rendered in Florida would not be given similar recognition with judgments rendered in the jurisdiction.

**Section 53** creates s. 257.34, F.S., creating the Florida State International Archive and Repository within the Division of Library and Information Services of the Department of State for the purpose of preserving those public records, manuscripts, international judgments involving disputes between domestic and foreign businesses, and all other public matters the department or the Florida Council of International Relations deems relevant to international issues. The division shall:

- Organize and administer the archive.
- Preserve and administer such records as shall be transferred to its custody; accept, arrange and preserve them, according to approved archival and repository practices; and permit them, at reasonable times and under the supervision of the division, to be inspected, examined, and copied. All records are subject to the public records provisions of s. 119.079(1), F.S.
- Assist the records and information management program in the determination of retention values for records.
- Provide a public research room.

- Conduct, promote, and encourage research in international trade, government, and culture and maintain a program of information, assistance, coordination, and guidance for public officials, educational institutions, libraries, the scholarly community, and the general public engaged in such research.
- Cooperate with and, insofar as practicable, assist agencies, libraries, institutions, and individuals in projects designed to promote international related issues and preserve original materials relating to international issues.
- Assist and cooperate with the records and information management program in the training and information program in s. 257.36(1)(g), F.S.

Any agency is authorized to turn over to the division any record no longer in current official use. The division is empowered to direct the transfer to the archives of any records that are determined by the division to have historical or other value to warrant their continued preservation. Title to any record that is transferred to the archive shall be vested in the division. The division shall make copies upon request to the public and may charge a fee for this service. The division may establish a schedule of fees for services which shall include, but not be limited to, restoration of materials, storage of materials, special research services, and publications. The division shall establish and maintain a mechanism by which the information contained within the archive may be accessed by computer via the World Wide Web. In doing so, the division shall take whatever measures it deems appropriate to ensure the validity, quality, and safety of the information being accessed. The Florida Council of International Development may select materials for inclusion in the archive and shall be consulted by the division in all matters relating to its establishment and maintenance. The division shall promulgate rules as are necessary to implement the provisions of the section.

**Section 54** amends s. 288.012, F.S., to require each foreign office to submit to the Office of Tourism, Trade, and Economic Development, by October 1 of each year, a complete and detailed report on its activities and accomplishments during the preceding fiscal year. The report must contain information on:

- The number of Florida companies assisted;
- The number of inquiries received about investment opportunities in Florida;
- The number of trade leads generated;
- The number of investment projects announced;
- The estimated U.S. dollar value of sales confirmations;
- The number of representation agreements;
- The number of company consultations;
- Barriers or other issues affecting the effective operation of the office;
- Changes planned in the current fiscal year to office operations;
- Marketing activities conducted;
- Strategic alliances formed with organizations in the country in which the office is located;
- Activities conducted with other Florida foreign offices; and
- Any other information the office believes would contribute to an understanding of its activities.

The committee substitute also specifies that this section shall not be repealed and will be reenacted.

**Section 55** mandates a legislative review of the foreign offices by December 31, 2001, to determine the effectiveness of Florida's foreign offices.

**Section 56** provides that Enterprise Florida, Inc., shall develop a master plan for integrating public-sector and private-sector international trade and reverse investment resources to provide businesses with comprehensive assistance and the most current information. The plan must include resources such as trade leads, reverse investment opportunities, trade counseling, and trade financing services. Enterprise Florida, Inc., is directed to consult with the appropriate experts and consumers while researching for this project. The master plan must be submitted to the Legislature and the Governor before January 1, 2000.

**Section 57** requires Enterprise Florida, Inc., in conjunction with the Office of Tourism, Trade, and Economic Development, to prepare a plan for promoting direct investment in Florida by foreign businesses. The plan must assess and inventory Florida's strengths as a location for foreign direct investment and must include a detailed strategy for capitalizing upon those strengths. In developing the plan, Enterprise Florida, Inc., must focus on businesses with site-selection criteria that are consistent with Florida's business climate, businesses likely to facilitate the transshipment of goods through Florida or to export Florida-produced goods from the state, and businesses that complement or correspond to those industries identified as part of the sector-strategy approach to economic development required under s. 288.905, F.S. Additionally, the plan must identify weaknesses in Florida's ability to attract foreign direct investment and must include a detailed strategy for addressing those weaknesses. The plan may include recommendations for legislative action designed to enhance Florida's ability to attract foreign direct investment. Enterprise Florida, Inc., must solicit the participation and input of entities with expertise and experience in foreign direct investment in the development of the plan. The plan, which Enterprise Florida, Inc., may include within the annual update or modification to the strategic plan required under s. 288.905, F. S., must be submitted to the Legislature and the Governor before January 1, 2000.

**Section 58** requires Enterprise Florida, Inc., to prepare a strategic plan designed to allow Florida to capitalize on the economic opportunities associated with a free Cuba. The plan should recognize the historical and cultural ties between this state and Cuba and should focus on building a long-term economic relationship between these communities. The plan may include recommendations for legislative action necessary to implement the strategic plan. The strategic plan must be submitted to the Legislature and the Governor before January 1, 2000.

**Section 59** amends s. 288.1045, F.S., relating to the Qualified Defense Contractor (QDC) Tax Refund Program, to limit the amount of tax refunds that may be approved for a single fiscal year to the amount appropriated by the Legislature for such refunds; to change references to the administration of the QDC program from the Department of Commerce to OTTED; and to extend the QDC program to June 30, 2004.

**Section 60** revises provisions under s. 212.097, F.S., the Urban High-Crime Area Job Tax Credit program, to expand the list of eligible businesses under this program to include certain call centers or customer service operations and certain retail facilities (SIC codes 52 through 57 and SIC 59). These codes relate to the following retail trades: 52 -- building materials, hardware, garden supply, and mobile home dealers; 53 -- general merchandise stores; 54 -- food stores; 55 --

automotive dealers and gasoline service stations; 56 -- apparel and accessory stores; 57 -- home furniture, furnishings, and equipment stores; and 59 -- miscellaneous retail.

**Section 61** revises provisions under s. 212.098, F.S., the Rural Job Tax Credit Program to expand the list of eligible businesses under these programs to include certain call centers or customer service operations. The committee substitute does not alter the existing statutory caps of \$5 million in credits available annually under each of these programs.

**Section 62** specifies that implementation of the Americas Campaign is contingent upon a specific appropriation for Fiscal Year 1999-2000.

**Section 63** provides a July 1, 1999, effective date.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

None.

##### **B. Public Records/Open Meetings Issues:**

None.

##### **C. Trust Funds Restrictions:**

None.

#### **V. Economic Impact and Fiscal Note:**

##### **A. Tax/Fee Issues:**

The committee substitute expands the list of eligible businesses under the urban high-crime area and rural job tax credit programs to include certain call centers, customer service operations, or certain retail businesses. However, the bill does not alter the existing statutory caps of \$5 million in credits available annually under each of these programs.

##### **B. Private Sector Impact:**

Section 4 of this committee substitute, relating to the Qualified Target Industry tax refund program, provides for \$3,000 per job created or higher (up to \$8,000) depending on the location of the business and if it is paying more than a state, county, or local average (whichever is lower). This section changes existing refund rules and allows a business to use certain refunds as soon as it enters into an agreement with the state.

Section 42 provides specified port projects with an exemption from the "Developments of Regional Impact" (DRI) review.

**C. Government Sector Impact:**

This committee substitute increases substantially the potential cost of the Qualified Target Industry (QTI) program. The cost of this program in FY 1998-99 was \$10.8 million state share (General Revenue) and \$2.7 million local share. This committee substitute caps the state share at \$35 million. If the local share is 20%, this represents a local share of \$7 million, for a total cap of \$42 million. However this committee substitute also expands the number of counties that can waive the required match, increasing the likelihood that the \$7 million effective local cap will not be reached.

Section 31 provides that certain ports and inland navigation districts shall not be required to pay fees for activities involving the use of state lands. According to the Department of Environmental Protection, the state currently charges about \$5,000 per acre a year. The exact cost of the exemption is indeterminate.

The committee substitute provides, beginning July 1, 1999, for \$10 million in motor vehicle registration moneys to be deposited in the State Transportation Trust Fund solely for the purposes of funding the Florida Seaport Transportation and Economic Development Program and for funding seaport intermodal access projects of statewide significance.

Section 43 preempts local governments from having stricter dredge and fill restrictions than the restrictions of the state Department of Environmental Protection or certain state-approved local pollution control programs. This section affects local government ability to charge for permitting related to enforcement of local restrictions.

Section 44 appropriates portions of the Rental Car Surcharge (s. 212.0606, F.S.) not dedicated to a trust fund, to be deposited in the Florida International Trade and Promotion Trust Fund for use and distribution by the Americas Campaign Council. Requires that the implementation of the Americas Campaign and the redirection of the Rental Car Surcharge is contingent upon a specific appropriation for Fiscal Year 1999-2000.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.