

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 1960

SPONSOR: Senators Meek and Diaz de la Portilla

SUBJECT: Empowerment Zones

DATE: February 20, 2002 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Cooper	Yeatman	CA	Favorable
2.			CM	
3.			GO	
4.			AGG	
5.			AP	
6.				

I. Summary:

This bill appropriates \$7 million in annual funding for the Florida Empowerment Zone Act for the remaining years of the program beginning with fiscal year 2002-2003 and extending through December 31, 2009.

This bill amends s. 290.0491 of the Florida Statutes.

II. Present Situation:

The Empowerment Zone/Enterprise Community (EZ/EC) program is a federal initiative designed to create jobs and economic growth in distressed urban and rural communities. Empowerment Zones and Enterprise Communities receive federal grant funding to assist in the implementing of strategic plans.

In December 1994, the U.S. Department of Housing and Urban Development (HUD) named nine “empowerment zones” (six urban and three rural) and nearly 100 “enterprise communities.” The selection entitled each of the six urban empowerment zones to approximately \$100 million over 10 years. Although no Florida communities were then selected as empowerment zones, three Florida communities were named enterprise communities: Jackson County (Marianna), Miami-Dade County, and Tampa. Each enterprise community was entitled to receive approximately \$3 million in federal aid over 10 years. Under the second round of the program, two Florida communities were selected under the program, including the Miami/Miami-Dade County Empowerment Zone (urban) and the Empowerment Alliance of Southwest Florida Enterprise Community (rural). HUD announced new funding for Renewal Communities and Round III Empowerment Zones, authorizing nine new Empowerment Zones (7 urban and 2 rural), and 40

new Renewal Communities (28 urban and 12 rural) effective through December 31, 2009. Eight Florida communities applied under this third round of EZ/EC awards, including:

- City of West Palm Beach Empowerment Zone,
- Dunbar Renewal Community,
- Jacksonville Empowerment Zone,
- Palm Beach County Renewal Community,
- Miami-Dade Renewal Community,
- Empowerment Alliance of SW Florida (Rural Empowerment Zone),
- Hamilton County (Rural Empowerment Zone), and
- Gadsden County (Rural Empowerment Zone).

HUD recently announced the Round III designations; unfortunately, they did not include any Florida applicants.

III. Effect of Proposed Changes:

Section 1 amends s. 290.0491(3), F.S., to include the following legislative Findings:

In 1998, the Governor, the President of the Senate, and the Speaker of the House of Representatives provided letters to the Federal Government indicating that the State of Florida was prepared to commit between \$50 million and \$100 million in state funds over the 10 years of the program to any designated empowerment zone in the state. During the 1999 Regular Session, the Legislature passed House Bill 297, which became chapter 99-342, Laws of Florida, and which created the Florida Empowerment Zone Act codified in this section. In conjunction with creating the program and during the same legislative session, the Legislature appropriated \$3,275,000 to the urban-sponsoring empowerment zone designee and \$225,000 to the rural-sponsoring designee or rural enterprise community. However, since creating the program, the Legislature has not appropriated any funds under the program for the urban-sponsoring designee or the rural-sponsoring designee or rural enterprise community. It is, therefore, the intent of the Legislature to provide for the funding of the program for its remaining years, beginning with fiscal year 2002-2003.

Subsection (5) is created to address current and future funding of the Empowerment Zone. The Legislature is directed to appropriate \$7 million in annual funding for the remaining years of the program beginning with fiscal year 2002-2003 and extending through to December 31, 2009. Such funds must be distributed by the Department of Community Affairs (DCA) to any local government within the state that has applied for and been awarded the federal empowerment zone designation pursuant to 26 U.S.C. s. 1391(g). The funds must be used for the benefit of the nominated area and are contingent upon the local government receiving federal matching funds under the Federal Empowerment Zone Program and meeting the local matching requirements imposed by regulations of the federal program.

Section 2 provides that \$7 million is appropriated from the General Revenue Fund to DCA for fiscal year 2002-2003 to carry out the purposes of the Florida Empowerment Zone act.

Section 3 provides that this act will take effect July 1, 2002.

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:

Section 2 of the bill appropriates \$7 million dollars from the General Revenue Fund to DCA for fiscal year 2002-2003. The newly created s. 290.0491(5), F.S., mandates a future Legislature to appropriate at least \$7 million on a recurring annual basis through December 31, 2009.

B. Private Sector Impact:

These state expenditures will benefit companies located in these designated areas.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.