

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: CS/ SB 1284
 SPONSOR: Appropriations Committee and Senator Webster
 SUBJECT: Economic Development
 DATE: March 25, 2004 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	_____	_____	ATD	Withdrawn
2.	Arthur	Coburn	AP	Fav/CS
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

Proposed Committee Substitute (PCS) for SB 1284 transfers certain international programs from the Department of State to the Office of Tourism, Trade, and Economic Development within the Executive Office of the Governor by type two transfer and makes conforming statutory changes. The programs being transferred include: The Intergovernmental Relations Foundation, as authorized and governed by s. 288.809, F.S; International Relations, as authorized and governed by s. 288.816, F.S; and the Organization of American States, as authorized and governed by s. 15.17, F.S.

In addition, the PCS modifies the current statutory process for the selection of Economic Development Transportation projects and the associated allocation of appropriations, providing for a greater involvement by the Department of Transportation.

The PCS provides an effective date of July 1, 2004.

This committee substitute amends the following sections of the Florida Statutes: 14.2015, 288.063, 288.809, and 288.816. In addition, it repeals s. 15.17, Florida Statutes.

II. Present Situation:

International Programs

Pursuant to s. 288.809, F.S., the Florida Intergovernmental Relations Foundation is a direct-support organization which is a corporation not for profit that is incorporated under the provisions of chapter 617 and approved by the Department of State, and which is organized and

operated exclusively to solicit, receive, hold, invest, and administer property and, subject to the approval of the Department of State, to make expenditures to or for the promotion of intergovernmental relations programs.

Pursuant to s. 15.17, F.S., the Department of State is authorized to provide assistance and facilities to the Organization of American States in establishing and maintaining a regional headquarters in this state.

Pursuant to s. 288.816, F.S., the Secretary of State is responsible for consular operations and the sister city and sister state program and serves as liaison with foreign, federal, and other state international organizations and with county and municipal governments in Florida.

On July 15, 2003, the Department of State and the Governor's Office of Tourism, Trade, and Economic Development (OTTED) entered into a Memorandum of Agreement to "avoid duplication and promote coordinated and consistent implementation of international trade and relations programs on behalf of the State of Florida, [the Department of State] will transfer management for all its international and diplomatic relations responsibilities to OTTED, except as otherwise provided in [the] agreement. This includes transfer of management and authority for all programs, contracts, resources, and personnel dedicated to State's international and diplomatic relations and responsibilities, as provided for in the Florida Statutes."

Agency Reorganizations

Section 20.06, F.S., establishes two "shorthand" methods of facilitating the reorganization of the executive branch. These methods of transferring departments, units of departments and programs are specifically stated not to affect the validity of any judicial or administrative proceeding pending on the day of the transfer. Furthermore, the agency which receives the powers, duties, and functions relating to the pending proceeding must be substituted as the party in interest.

1. Type One Transfer

Section 20.06(1), F.S., defines a type one transfer as the *transferring intact* of an *existing agency or department* so that the agency or department *becomes a unit* of another agency or department. Any agency or department transferred to another agency or department by a type one transfer will exercise its powers, duties, and functions as prescribed by law, subject to review and approval by, and under the direct supervision of, the head of the agency or department to which the transfer is made.

2. Type Two Transfer

Section 20.06(2), F.S., defines a type two transfer as the *merging* into another agency or department of an *existing agency or department or a program, activity, or function* thereof, or if certain identifiable units or subunits, programs, activities, or functions are removed from the existing agency or department, or are abolished, it is the merging into an agency or department of the existing agency or department with the certain identifiable units or subunits, programs, activities, or functions removed there from or abolished. Unless otherwise provided by law, in a type two transfer, the head of the agency or department to which an existing agency, department, activity, or function is transferred is authorized to establish units or subunits to which the agency

or department is assigned, and to assign administrative authority for identifiable programs, activities, or functions to the extent authorized by Chapter 20, Florida Statutes.

Economic Development Transportation Program

Section 288.063, F.S., provides statutory direction for the Economic Development Transportation Fund, also known as the "road fund". This program provides local governments with funding for transportation-related projects required to induce companies to locate, remain or expand within the local government's jurisdiction.

The Office of Tourism, Trade, and Economic Development is authorized to make, and based on a recommendation from Enterprise Florida, Inc., to approve, expenditures and enter into contracts for direct costs of transportation projects with the appropriate governmental body.

The Office of Tourism, Trade, and Economic Development may adopt criteria by which transportation projects are to be specified and identified. In approving transportation projects for funding, the Office of Tourism, Trade, and Economic Development shall consider factors including, but not limited to, the cost per job created or retained considering the amount of transportation funds requested; the average hourly rate of wages for jobs created; the reliance on the program as an inducement for the project's location decision; the amount of capital investment to be made by the business; the demonstrated local commitment; the location of the project in an enterprise zone designated pursuant to s. 290.0055, F.S.; the location of the project in a spaceport territory as defined in s. 331.304, F.S.; the unemployment rate of the surrounding area; the poverty rate of the community; and the adoption of an economic element as part of its local comprehensive plan in accordance with s. 163.3177(7)(j), F.S. The Office of Tourism, Trade, and Economic Development may contact any agency it deems appropriate for additional input regarding the approval of projects. Appropriated funds are currently allocated primarily on a first-come, first-served basis, without regard for geographical area of the projects selected.

The Department of Transportation may be the contracting agency when the project is on the State Highway System. In addition, upon request by the appropriate governmental body, the department may advise and assist it or plan and construct other such transportation projects for it.

Prior to FY 2003-04, funds appropriated for the Economic Development Transportation Program were not subject to reversion. The Implementing Bill for the FY 2003-04 General Appropriations Act states that these funds are subject to the reversion requirements of s. 216.301, F.S. This provision expires July 1, 2004.

Section 288.063, F.S., included authorization which expired July 1, 2003, for the Legislature to designate and fund in the General Appropriations Act projects deemed necessary to facilitate the economic development and growth of the state. Such transportation projects were to create new employment opportunities, expand transportation infrastructure, improve mobility, or increase transportation innovation. The Office of Tourism, Trade, and Economic Development was required to enter into contracts with, and make expenditures to, the appropriate entities for the costs of transportation projects designated in the General Appropriations Act.

III. Effect of Proposed Changes:

Section 1. Transfers certain international programs from the Department of State to the Office of Tourism, Trade, and Economic Development within the Executive Office of the Governor by type two transfer and makes conforming statutory changes. The programs being transferred include: The Intergovernmental Relations Foundation, as authorized and governed by s. 288.809, F.S.; International Relations, as authorized and governed by s. 288.816, F.S.; and the Organization of American States, as authorized and governed by s. 15.17, F.S.

Section 2. Repeals s. 15.17, F.S., which authorized the Department of State to provide assistance and facilities to the Organization of American States in establishing and maintaining a regional headquarters in this state.

Section 3. Establishes s. 14.2015, F.S., to authorize the Office of Tourism, Trade, and Economic Development to provide assistance and facilities to the Organization of American States in establishing and maintaining a regional headquarters in this state.

Section 4. Amends s. 288.063, F.S., to modify the current statutory process for the selection of Economic Development Transportation projects and the associated allocation of appropriations. The Department of Transportation, in addition to Enterprise Florida, Inc., is required to make project recommendations to the Office of Tourism, Trade, and Economic Development. The Department of Transportation is also required to review proposed projects to ensure proper coordination with transportation projects included in the adopted work program, and is required to be the contracting agency when the project is on the State Highway System.

The section requires that a portion of the funds appropriated pursuant to this section shall initially be allocated to each of the Department of Transportation districts to ensure equitable geographical distribution. Funds remaining uncommitted by the third quarter of the fiscal year may be reallocated between districts based on pending project requests.

Authorization is reinstated for the Legislature to designate and fund in the General Appropriations Act projects deemed necessary to facilitate the economic development and growth of the state.

Section 5. Corrects references in s. 288.809, F.S., reflecting the oversight for the international programs being moved from the Department of State to the Office of Tourism, Trade, and Economic Development.

Section 6. Corrects references in s. 288.816, F.S., reflecting the oversight for the international programs being moved from the Department of State to the Office of Tourism, Trade, and Economic Development.

Section 7. Provides that the act shall take effect July 1, 2004.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

This bill transfers certain international programs from the Department of State to the Governor's Office of Tourism, Trade, and Economic Development. The Senate proposed General Appropriations Act for Fiscal Year 2004-05 transfers associated resources of 3.05 positions and \$829,688 of recurring general revenue to implement this transfer.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
