

The Florida Senate  
**HOUSE MESSAGE SUMMARY**

---

Prepared By: The Professional Staff of the Select Committee On Florida's Economy Committee

---

[2010s1752.hms.docx]

BILL: CS/SB 1752, 1st Eng.  
INTRODUCER: Policy and Steering Committee on Ways and Means, Senator Gaetz and others  
SUBJECT: Economic Development  
DATE: April 29, 2010

---

**I. Amendments Contained in Message:**

**House Amendment 1 – 832405 (body with title)**

**II. Summary of Amendments Contained in Message:**

**House Amendment 1** creates provisions similar to CS/SB 1752. However the strike all amendment makes the following changes and additions.

The amendment revises s. 196.1995, F.S., to allow local governments to extend previously adopted ordinances to grant ad valorem relief another 10 years.

The amendment defines the “fractional aircraft ownership program,” and amends s. 212.031, F.S., to exempt rental/leasing of space at a convention hall, civic hall, or meeting space at public lodgings to a person providing telecomm, data systems management, or Internet services from sales and use tax. This provision is remedial and retroactive in nature.

The amendment deletes the 7/1/09 repeal date in s. 212.04, F.S., of an exemption for admission charges for events at publicly owned facilities.

The amendment revises s. 212.05, F.S., capping the sales tax on boat purchases at \$18,000. The amendment also creates s. 212.0597, F.S., to cap the amount of sales and use tax (and any discretionary sales surtaxes) assessed on a fractional aircraft ownership interest at \$300. CS/SB 1752 capped the sales tax on boats and aircrafts.

The amendment makes changes to s. 212.08, F.S., to:

- Modify the definition of “productive output” to allow manufacturers to get SUT exemption based on product “lines,” not total product output;
- Create SUT exemption for aircraft temporarily in this state; and
- Create a SUT exemption for fractional aircraft ownership interests.

The amendment creates the “Local Government Distressed Area Matching Grant Program.” Housed within OTTED, the program will provide a 50-50 matching grant to the local contribution or \$50,000, whichever is less, to a business that:

- Will create at least 15 jobs; and
- Is either new to Florida, is expanding its operations in Florida, or is planning to leave Florida without incentives.

Additionally, the local government must expedite its permitting processes for the business.

OTTED will award grants based on the following criteria:

- Pervasive poverty, unemployment & general distress in the area;
- How much the local government plans to contribute to the business;
- The # of jobs and the wages; and
- The amount of capital investment by the company.

The amendment revises several sections of Florida’s statutes to modify the definition of “jobs” to include leased employees. It also amends the QTI incentive program to:

- Allow “call centers” to access the QTI program under specific conditions (lines 1349-1359);
- Create a \$1,000-per-job bump for businesses in counties that provide a 50-50 match to the state;
- Create a \$2,000-per-job bump for HIPI industries;
- Create a \$2,000-per-job bump for businesses that increase the value or tonnage of their exports by 10% through the 14 seaports;
- Direct QTI applicants to include on their application an estimate of how much they plan to spend on MME purchased out-of-state; and
- Allow local governing board to choose whether the local or statewide average wage will serve as the baseline for determining the 115% wage amount.

The amendment makes revisions to s. 288.108, F.S., to:

- Allow “jobs” for the HIPI program to include leased employees;
- Reduce the job-creation and capital investment thresholds;
- Make eligible for a \$500,000 to \$1 million HIPI grant a high-impact business that makes a cumulative investment of \$50 million and creates 50 new jobs; and
- Require OTTED and EFI to review and update the HIPI list of eligible industry sectors every 3 years, beginning 1/1/11.

The amendment creates the “Manufacturing and Spaceport Investment Program. This program:

- Allows eligible businesses to apply for a tax credit (really a refund) of SUT paid on eligible MME equipment purchased in FY 10-11 and in FY 11-12.
- The credit is based on the difference in the costs of equipment purchases made in the base year of 2008, and in the two outer years.
- The total “refund” is \$50,000 per business.
- \$19 million is available for refunds in FY 10-11 and \$24 million is available for refunds in FY 11-12, awarded on a first-come, first-served basis.
- If more applications for refunds are submitted in FY 10-11 than funds allocated, the excess applicants are first in line for the refunds in FY 11-12.
- This section is repealed July 1, 2013.

The House amendment revises s. 288.1088, QAC, to:

- Allow OTTED the flexibility to renegotiate QAC contracts in certain circumstances for FY 10-11 ONLY, and
- Speed up the QAC approval process by allowing QAC project awards of less than \$2 million to be approved by the Legislature's Presiding Officers, rather than the full LBC. However, if either the Senate President or the House Speaker objects to the QAC project, no funds will be released to that project until the LBC or the Legislature addresses the issue.

The amendment makes revisions to s. 288.1251, F.S., to clean up/update powers, duties, and responsibilities of OFE and the film commissioner. It also amends s. 288.1258, F.S., to modify an OFE report related to film-related SUT exemptions. Changes are made to s. 288.1253, F.S., to update provisions related to travel expenditures by OFE employees, to bring them in line with similar provisions for other state employees.

The amendment makes changes to the Florida film incentive program, to replace the current cash refund incentive with a CIT and SUT credit program. Substantively very similar to stand-alone bill CS/SB 1430. The major change is in the amount of the tax credits:

- FY 10-11: \$53.5 million;
- FY 11-12: \$74.5 million; and
- FYs 12-13, 13-14, and 14-15: \$38 million.

The amendment creates s. 288.9552, F.S., the Florida Research Commercialization Matching Grant Program. Under this program, state grants would be available for Phase I and Phase II grants. The amendment also gives the Institute for the Commercialization of Public Research specific responsibility for the Florida Commercialization Matching Grant Program.

The amendment Creates the Florida Infrastructure Investment Fund.

The amendment creates additional exemptions from the tax on admissions for certain sporting events:

- National Basketball Association All-Star Game, Rookie Challenge, Celebrity Game, 3-Point Shooting Contest, and Slam Dunk Contest;
- National Hockey League All-Star Game;
- Major League Baseball Home Run Derby; and
- National Football League Pro-Bowl.

The amendment requires all contracts for construction funded by the state to contain a provision requiring the contractor to give preference to the employment of Florida residents in the performance of the work on the project

- if the residents have "substantially equal qualifications" to those of non-residents (*substantially equal qualifications* is defined).
- Local construction contracts funded with local funds have the option to require such provisions.
- Contractors required to hire Floridians must contact the Agency for Workforce Innovation to post the jobs on the state's job bank system ([www.employflorida.com](http://www.employflorida.com)).

- However, for work involving federal aid funds, the contract provision may not be enforceable to the extent it conflicts with federal law.

The amendment provides for the following appropriations:

- \$10 million in NR GR to address financing, business development, and infrastructure needs of aerospace industry;
- \$3.2 million in NR GR for retraining of space workers;
- \$3 million in NR GR for Space business recruitment;
- \$2 million in NR GR for the Local Gov Distressed Area Matching Grant Program;
- \$1 million in NR GR for EcoGardening Tech Assistance.
- \$2 million in NR GR for the Defense Infrastructure Grant Program;
- \$98,000 for an OTTED FTE.
- \$2.9 million for the Florida Export Finance Corporation.
- \$2 million in NR GR for the SURCAG grant programs within the State University System.

Subject to availability of FMAP monies, the following additional appropriations will be made:

- \$1 million to the Economic Gardening Technical Assistance Program;
- \$2 million for the Defense Infrastructure Grant Program;
- \$15 million for QAC; and
- \$2 for the Florida Export Finance Corporation.

The amendment also appropriates \$3 million from non-recurring general revenue to the Research Commercialization Grant program for FY 10-11. Up to \$750,000 of this appropriation may be used for Phase I grants, with the rest being reserved for Phase II grants.

This amendment provides for an effective date upon becoming law, unless otherwise provided.