

SB 40-E — Economic Development

by Senators Clary and Peadar

This bill makes several changes to state economic development programs and incentives. These changes include:

- Broadening the eligibility criteria for receiving grants from the Rural Infrastructure Fund by eliminating a requirement that grant recipients be applicants to federal programs for infrastructure funding. The bill also expands the purposes for which grants from the Rural Infrastructure Fund may be used to include: fostering job-retention; improving existing infrastructure that has resulted in regulatory action prohibiting economic growth; and reducing the costs to community users of proposed infrastructure improvements that exceed such costs in other comparable communities.
- Providing that a business in the Qualified Defense Contractor Tax Refund Program (QDC Program) or the Qualified Target Industry Tax Refund Program (QTI Program) which does not fulfill its agreed-upon performance requirements because of negative economic conditions in the business's industry or specific acts of terrorism may request an "economic-stimulus exemption" from the Governor's Office of Tourism, Trade, and Economic Development (OTTED) in lieu of any tax refund claim scheduled to be submitted after January 1, 2001, but before July 1, 2003. (Under current law, a business's failure to meet performance targets would result in its termination from the program unless the business qualified for a prorated tax refund.) If granted an economic stimulus exemption, a business must agree to renegotiate its tax refund agreement with OTTED to, at a minimum, ensure that the terms of the agreement comply with current law and relevant OTTED procedures. When amending the agreement of a business receiving an economic-stimulus exemption, OTTED may extend the duration of the agreement for no more than one year. A business that receives an economic-stimulus exemption may not receive a tax refund for the period covered by the exemption.
- Expanding the conditions for approving a prorated tax refund to a QDC Program or QTI Program business by allowing a business to receive a prorated refund for achieving at least 90 percent of the average wage specified in its tax refund agreement with the state (but not less than the minimum average wage required by statute) if it has achieved at least 80 percent of its projected employment and satisfied all other contractual requirements. A business qualifying and opting for a prorated refund would also have to agree to renegotiate its tax refund agreement with OTTED to, at a minimum, ensure that the terms of the agreement comply with current law and relevant OTTED procedures.

- Revising the eligibility criteria for the QDC Program, under which tax refunds are provided to a certified contractor that has secured a new Department of Defense (DOD) contract, consolidated an existing DOD contract in Florida, converted defense production jobs to non-defense production, or contracted for the reuse of a defense-related facility. Changes made by this bill to the QDC Program eligibility criteria are substantially similar to those made by ch. 2002-225, L.O.F.
- Revising the content of the annual economic development incentives report and re-assigning responsibility for the report from OTTED to Enterprise Florida, Inc.
- Making several administrative revisions to the QDC Program and the QTI Program, including altering the timeframe for seeking tax refunds, so that the Legislature is able to make a more accurate appropriation each year to these programs.
- Eliminating a requirement that certain individuals applying to sit for a state construction-contracting licensure examination must have taken college-level coursework in the fields of engineering, architecture, or building construction.

If approved by the Governor, these provisions take effect upon becoming law.

Vote: Senate 36-0; House 107-1