

## Committee on Commerce and Tourism

### **CS/HB 7023 — Economic Development**

by Economic Affairs Committee; Economic Development and Tourism Subcommittee; and Reps. Hutson and Campbell (CS/CS/SB 1634 by Appropriations Committee; Military and Veteran Affairs, Space, and Domestic Security Committee; and Commerce and Tourism Committee)

The bill addresses a number of activities related to economic development as well as activities under the jurisdiction of the Department of Economic Opportunity (DEO). Specifically, the bill addresses the following:

#### ***Rural Job Tax Credit Program***

- Provides a tax refund of up to 50 percent of the sales tax paid for electricity by an eligible business receiving a tax credit under the Rural Job Tax Credit Program during the 1-year period after the tax credit is received.
- The total amount of tax refunds that may be approved is capped at \$600,000 for each calendar year.

#### ***Economic Development Reporting***

- Requires Office of Economic and Demographic Research (EDR) and the Office of Program Policy Analysis and Government Accountability (OPPAGA) to include the New Markets Development Program in the rotating, 3-year review schedule of economic development programs.

#### ***Loan Programs Administered by the DEO***

- Establishes requirements for the operation of all loan programs administered by the DEO to increase accountability and performance.

#### ***Triumph Gulf Coast, Inc.***

- Clarifies that the Auditor General's annual audit of Triumph Gulf Coast, Inc., and the Recovery Fund is a performance audit, and that the audit by the retained independent certified public account is to be performed annually.
- Provides that the initial appointments to the board of directors of Triumph Gulf Coast, Inc., begin after the Legislature appropriates funds to the Recovery Fund, and provides for term limits for the initial appointments.

#### ***Florida Defense Support Task Force***

- Increases the amount of funds the Florida Defense Support Task Force may annually spend on staffing and administrative expenses from \$200,000 to \$250,000.

#### ***Florida Small Cities Community Development Block Grant Program***

- Provides the DEO rulemaking authority to establish guidelines to distribute the Small Cities Community Development Block Grant Program funds through a competitive selection process.

- Revises application procedures, including the citizen participation requirements.
- Revises the amount of block grant funds that may be spent on administrative costs under the economic development program category and provides that the maximum amount of block grant funds that may be spent on engineering and architectural costs will be determined by a method adopted by the DEO by rule.

### ***Space Florida***

- Directs Space Florida to consult with VISIT Florida, rather than Enterprise Florida, Inc., to develop a space tourism marketing plan.
- Repeals the requirement that Space Florida develop a proposal to establish a Center for Excellence for Aerospace and instead, makes it permissive.
- Requires Space Florida to provide support to universities in Florida that are members of the Federal Aviation Administration's Center of Excellence for Commercial Space Transportation.
- Permits the Department of Transportation, in consultation with Space Florida, to fund certain strategic spaceport launch support facilities investment projects.

### ***Reemployment Assistance***

- Repeals the requirement that applicants for reemployment assistance complete the mandatory initial skills review and replaces it with a voluntary online assessment of the individual's skills, abilities, and career aptitude. The online assessment must work seamlessly with CONNECT, the electronic claims filing system, and must be competitively procured by the DEO.
- Amends the Short-Term Compensation program to comply with federal requirements, including:
  - Defining "employer-sponsored training."
  - Requiring an employer participating in the program to treat the fringe benefits of a participant the same as if he or she was not a participant.
  - Prohibiting the DEO from denying benefits due to an individual's participation in certain training programs.
- Extends the ability of employers to make quarterly contributions to the Unemployment Compensation Trust Fund, rather than a single, annual payment. This provision was scheduled to sunset in 2014.
- Requires the DEO to provide an alternate method for filing a claim, such as by telephone, when it determines that the electronic claims filing system is unavailable for individuals to use to file claims.

### ***Rural Areas of Opportunity***

- Rebrands "rural areas of critical economic concern" as "rural areas of opportunity."

### ***Regional Rural Development Grants Program***

- Increases the maximum grant amount that may be awarded by the DEO under the Regional Rural Development Grants Program from \$35,000 to \$50,000; and for rural

areas of opportunity, the maximum grant amount is increased from \$100,000 to \$150,000.

#### ***Developments of Regional Impact***

- Exempts certain developments that qualify for an exemption as a Dense Urban Land Use pursuant to s. 380.06(29), F.S., from aggregation requirements set forth in s. 380.0651(4), F.S.

#### ***Permits***

- Extends and renews certain building permits issued by the Department of Environmental Protection, by a water management district, or a local government for a period of 2 years.
- Requires permit holders to apply for a permit extension, in writing, by December 31, 2014.
- Provides that the permit extensions do not apply to permits issued by the Army Corp of Engineers, permits in significant noncompliance, or permits that, if extended, would prevent compliance with a court order.
- Allows a local government to require an applicant for a permit extension to maintain and secure the property in compliance with applicable laws and ordinances.

#### ***The Florida Microfinance Act***

- Creates the “Florida Microfinance Act” consisting of two programs: a loan program and a guarantee program.
  - Under the loan program, the DEO will competitively award funds to up to three eligible loan administrators who will in-turn provide a 1:1 match to make short-term, microloans of up to \$50,000 to entrepreneurs and small businesses. The borrower must participate in business training and technical assistance provided by the Florida Small Business Development Network.
  - Under the guarantee program, Enterprise Florida, Inc., (EFI) will utilize state funds to guarantee loans made by private lenders to entrepreneurs and small businesses in Florida. Loan guarantees may only be provided on loans between \$50,000 and \$250,000, and a guarantee cannot exceed 50 percent of the total loan amount.
  - Under both programs, eligibility is limited to borrowers who are entrepreneurs or small businesses with 25 or fewer employees and revenue up to \$1.5 million per year.
  - Requires the DEO and EFI to report annually on the programs.
  - Requires the EDR to prepare a report that analyzes, evaluates, and determines the economic benefits of the first 3 years of the programs.
- Requires the OPPAGA and the EDR evaluate the federal State Small Business Credit Initiative in Florida by January 1, 2015.
- Appropriates \$10 million in nonrecurring funds to the DEO to implement the act, of which \$100,000 may be spent by the DEO and EFI to market and promote the act. The bill also authorizes 1 full-time equivalent position to the DEO to implement the act.

If approved by the Governor, these provisions take effect July 1, 2014.

*Vote: Senate 38-0; House 113-0*