

STORAGE NAME: h1293.edit.doc
DATE: February 8, 2002

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE
ANALYSIS**

BILL #: HB 1293
RELATING TO: Empowerment Zones
SPONSOR(S): Representative(s) Bendross-Mindingall

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE
- (2) FISCAL POLICY & RESOURCES
- (3) FISCAL RESPONSIBILITY COUNCIL
- (4)
- (5)

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- I. The legislation appropriates \$7 million in annual funding for the Florida Empowerment Zone Act, s.290.0491, F.S., for the remaining years of the program beginning with fiscal year 2002-2003 and extending through to December 31, 2009.

The act will take effect July 1, 2002.

SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. 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. Applications were due by October 22, 2001. HUD has not announced designations at this time but will before January 1, 2002.

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).

C. EFFECT OF PROPOSED CHANGES:

The legislation appropriates \$7 million in annual funding for the Florida Empowerment Zone Act, s.290.0491, F.S., for the remaining years of the program beginning with fiscal year 2002-2003 and extending through to December 31, 2009.

D. SECTION-BY-SECTION ANALYSIS:

N/A

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

This bill appropriates \$7 million dollars from the General Revenue Fund for the next seven years to the Department of Community Affairs 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.

2. Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

N/A

D. FISCAL COMMENTS:

N/A

III. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

N/A

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IV. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

This bill may both mandate a future legislature to appropriate at least \$7 million on a recurring annual basis in s. 290.0491(1)(5), F.S., and appropriate twice in the same bill, since s. 290.049 (2) F.S. appropriates \$7 million for the current fiscal year and s. 290.0491(1)(5) could be interpreted to do so for future years.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VI. SIGNATURES:

COMMITTEE ON ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE:

Prepared by:

Staff Director:

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