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A bill to be entitled An act relating to rural areas of opportunity; amending s. 212.098, F.S.; revising definitions; authorizing Enterprise Florida, Inc., to make certain recommendations; increasing the value of tax credits for certain eliqible businesses; providing an additional tax credit for certain eligible businesses located within a rural area of opportunity; authorizing certain eligible businesses to apply for an ad valorem tax reimbursement in a specified amount; providing for a sales tax refund for certain eligible businesses; authorizing the Department of Revenue to adopt rules; amending s. 288.018, F.S.; increasing the maximum amount of grant funds that regionally based economic development organizations may receive from the Department of Economic Opportunity; authorizing the department to determine the appropriate amount of nonstate resources to match such grants; amending s. 288.0655, F.S.; increasing the maximum percentage of infrastructure project costs for which the department may award grants; revising requirements for eligible projects and eligible uses of funds; amending s. 288.106, F.S.; deleting a provision that caps the tax refund amount for certain qualified target industry business tax refund applicants; providing additional criteria for the identification of target industries;

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HB 611 2014

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exempting certain businesses from the requirement that tax refunds be reduced in the absence of a specified amount of local financial support; amending s. 290.004, F.S.; revising the definition of the term "rural enterprise zone" to include rural areas of opportunity; amending s. 290.0065, F.S.; specifying that a rural area of opportunity shall be designated as a rural enterprise zone; amending s. 339.63, F.S.; conforming provisions to changes made by the act; amending ss. 125.271, 163.3177, 163.3187, 163.3246, 211.3103, 218.67, 288.065, 288.0656, 288.1088, 288.1089, 290.0055, 339.2819, 373.4595, 380.06, 380.0651, 985.686, and 1011.76, F.S.; renaming "rural areas of critical economic concern" as "rural areas of opportunity"; providing an effective date. Be It Enacted by the Legislature of the State of Florida: Section 1. Subsections (1), (2), and (3) of section

212.098, Florida Statutes, are amended, subsections (5) through (11) of that section are renumbered as subsections (6) through (12), respectively, and new subsections (5), (13), and (14) are added to that section, to read:

212.098 Rural Job Tax Credit Program.

- (1)As used in this section, the term:
- (a) "Eligible business" means any sole proprietorship,

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firm, partnership, or corporation that is located in a qualified county and is predominantly engaged in, or is headquarters for a business predominantly engaged in, activities usually provided for consideration by firms classified within the following standard industrial classifications: SIC 01-SIC 09 (agriculture, forestry, and fishing); SIC 20-SIC 39 (manufacturing); SIC 52-SIC 57 and SIC 59 (retail); SIC 422 (public warehousing and storage); SIC 70 (hotels and other lodging places); SIC 7391 (research and development); SIC 781 (motion picture production and allied services); SIC 7992 (public golf courses); SIC 7996 (amusement parks); and a targeted industry eligible for the qualified target industry business tax refund under s. 288.106. A call center or similar customer service operation that services a multistate market or an international market is also an eligible business. In addition, the Department of Economic Opportunity and Enterprise Florida, Inc., may, as part of their its final budget requests request submitted pursuant to s. 216.023, recommend additions to or deletions from the list of standard industrial classifications used to determine an eligible business, and the Legislature may implement such recommendations. Excluded from eligible receipts are receipts from retail sales, except such receipts for hotels and other lodging places classified in SIC 70, public golf courses in SIC 7992, and amusement parks in SIC 7996. For purposes of this paragraph, the term "predominantly" means that more than 50 percent of the business's gross receipts from all sources is

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generated by those activities usually provided for consideration by firms in the specified standard industrial classification. The determination of whether the business is located in a qualified county and the tier ranking of that county must be based on the date of application for the credit under this section. Commonly owned and controlled entities are to be considered a single business entity.

- $\underline{\text{(b)}}$ "Existing business" means any eligible business that does not meet the criteria for a new business.
- (c) "Qualified area" means any area that is contained within a rural area of opportunity eritical economic concern designated under s. 288.0656, a county that has a population of fewer than 75,000 persons, or a county that has a population of 125,000 or less and is contiguous to a county that has a population of less than 75,000, selected in the following manner: every third year, the Department of Economic Opportunity shall rank and tier the state's counties according to the following four factors:
- 1. Highest unemployment rate for the most recent 36-month period.
- 2. Lowest per capita income for the most recent 36-month period.
- 3. Highest percentage of residents whose incomes are below the poverty level, based upon the most recent data available.
- 4. Average weekly manufacturing wage, based upon the most recent data available.

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(d) (b) "Qualified employee" means any employee of an eligible business who performs duties in connection with the operations of the business on a regular, full-time basis for an average of at least 36 hours per week for at least 3 months within the qualified county in which the eligible business is located. The term also includes an employee leased from an employee leasing company licensed under chapter 468, if such employee has been continuously leased to the employer for an average of at least 36 hours per week for more than 6 months. An owner or partner of the eligible business is not a qualified employee. If an employee meets the qualifications specified in this paragraph but subsequently fails to work for an average of at least 36 hours per week in any one month, the employee is still considered a qualified employee if he or she meets the qualifications of this paragraph during the month immediately following.

- (e) (d) "New business" means any eligible business first beginning operation on a site in a qualified county and clearly separate from any other commercial or business operation of the business entity within a qualified county. A business entity that operated an eligible business within a qualified county within the 48 months before the period provided for application by subsection (2) is not considered a new business.
- (2) A new eligible business may apply for a tax credit under this subsection once at any time during its first year of operation. A new eligible business in a qualified area that has

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at least 10 qualified employees on the date of application shall receive a \$2,000 \$1,000 tax credit for each such employee.

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- An existing eligible business may apply for a tax credit under this subsection at any time it is entitled to such credit, except as restricted by this subsection. An existing eligible business with fewer than 50 employees in a qualified area that on the date of application has at least 20 percent more qualified employees than it had 1 year before prior to its date of application shall receive a $$2,000 \frac{$1,000}{}$ tax credit for each such additional employee. An existing eligible business that has 50 employees or more in a qualified area that, on the date of application, has at least 10 more qualified employees than it had 1 year before prior to its date of application shall receive a $$2,000 \frac{$1,000}{}$ tax credit for each additional employee. Any existing eligible business that received a credit under subsection (2) may not apply for the credit under this subsection sooner than 12 months after the application date for the credit under subsection (2).
- (5) A new eligible business that receives a tax credit under subsection (2) shall receive an additional \$3,000 tax credit for each qualified employee if the new eligible business is located within a rural area of opportunity designated pursuant to s. 288.0656.
- (13) If a new or existing eligible business takes a credit granted under this section against its corporate income tax liability and the credit exceeds the corporate income tax

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liability, the eligible business may apply for an ad valorem tax reimbursement equal to the excess amount.

- (14) Effective January 1, 2015, a new or existing eligible business that receives a tax credit under subsection (2) or subsection (3) is eligible for a tax refund of up to 50 percent of the amount of sales tax paid by the business for electricity. The total amount of tax refunds approved pursuant to this subsection may not exceed \$10 million during any calendar year. The department may adopt rules to administer this subsection.
- Section 2. Subsection (1) of section 288.018, Florida Statutes, is amended to read:
 - 288.018 Regional Rural Development Grants Program.-
- (1) The department shall establish a matching grant program to provide funding to regionally based economic development organizations representing rural counties and communities for the purpose of building the professional capacity of their organizations. Such matching grants may also be used by an economic development organization to provide technical assistance to businesses within the rural counties and communities that it serves. The department is authorized to approve, on an annual basis, grants to such regionally based economic development organizations. The maximum amount an organization may receive in any year will be \$50,000 \$35,000, or \$150,000 \$100,000 in a rural area of opportunity eritical economic concern recommended by the Rural Economic Development Initiative and designated by the Governor, and must be matched

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each year by an equivalent amount of nonstate resources <u>as</u> determined by the department.

Section 3. Paragraphs (b), (c), and (e) of subsection (2) of section 288.0655, Florida Statutes, are amended to read:

288.0655 Rural Infrastructure Fund.—

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(b) To facilitate access of rural communities and rural areas of <u>opportunity critical economic concern</u> as defined by the Rural Economic Development Initiative to infrastructure funding

programs of the Federal Government, such as those offered by the
United States Department of Agriculture and the United States

Department of Commerce, and state programs, including those offered by Rural Economic Development Initiative agencies,

offered by Rural Economic Development Initiative agencies, and to facilitate local government or private infrastructure funding

efforts, the department may award grants for up to $\underline{40}$ $\underline{30}$ percent

of the total infrastructure project cost. If an application for

funding is for a catalyst site, as defined in s. 288.0656, the

department may award grants for up to $\underline{50}$ $\underline{40}$ percent of the total

infrastructure project cost. Eligible projects must be related

202 to specific job-creation or job-retention opportunities.

Eligible projects may also include improving any inadequate infrastructure that has resulted in regulatory action that

prohibits economic or community growth or reducing the costs to

206 community users of proposed infrastructure improvements that

207 exceed such costs in comparable communities. Eligible uses of

funds shall include site certification costs and improvements to

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public infrastructure for industrial or commercial sites and upgrades to or development of public tourism infrastructure. Authorized infrastructure may include the following public or public-private partnership facilities: storm water systems; telecommunications facilities; broadband facilities; roads or other remedies to transportation impediments; nature-based tourism facilities; or other physical requirements necessary to facilitate tourism, trade, and economic development activities in the community. Authorized infrastructure may also include publicly or privately owned self-powered nature-based tourism facilities, publicly owned telecommunications facilities, and broadband facilities, and additions to the distribution facilities of the existing natural gas utility as defined in s. 366.04(3)(c), the existing electric utility as defined in s. 366.02, or the existing water or wastewater utility as defined in s. 367.021(12), or any other existing water or wastewater facility, which owns a gas or electric distribution system or a water or wastewater system in this state where:

- 1. A contribution-in-aid of construction is required to serve public or public-private partnership facilities under the tariffs of any natural gas, electric, water, or wastewater utility as defined herein; and
- 2. Such utilities as defined herein are willing and able to provide such service.
- (c) To facilitate timely response and induce the location or expansion of specific job creating opportunities, the

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department may award grants for infrastructure feasibility studies, design and engineering activities, or other infrastructure planning and preparation activities. Authorized grants shall be up to \$50,000 for an employment project with a business committed to create at least 100 jobs; up to \$150,000 for an employment project with a business committed to create at least 300 jobs; and up to \$300,000 for a project in a rural area of opportunity critical economic concern. Grants awarded under this paragraph may be used in conjunction with grants awarded under paragraph (b), provided that the total amount of both grants does not exceed $\underline{40}$ $\underline{30}$ percent of the total project cost. In evaluating applications under this paragraph, the department shall consider the extent to which the application seeks to minimize administrative and consultant expenses.

(e) To enable local governments to access the resources available pursuant to s. 403.973(18), the department may award grants for surveys, feasibility studies, and other activities related to the identification and preclearance review of land which is suitable for preclearance review. Authorized grants under this paragraph shall not exceed \$75,000 each, except in the case of a project in a rural area of opportunity eritical economic concern, in which case the grant shall not exceed \$300,000. Any funds awarded under this paragraph must be matched at a level of 50 percent with local funds, except that any funds awarded for a project in a rural area of opportunity eritical economic concern must be matched at a level of 33 percent with

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local funds. If an application for funding is for a catalyst site, as defined in s. 288.0656, the requirement for local match may be waived pursuant to the process in s. 288.06561. In evaluating applications under this paragraph, the department shall consider the extent to which the application seeks to minimize administrative and consultant expenses.

Section 4. Paragraphs (k) and (q) of subsection (2) and paragraph (d) of subsection (6) of section 288.106, Florida Statutes, are amended to read:

288.106 Tax refund program for qualified target industry businesses.—

(2) DEFINITIONS.—As used in this section:

- (k) "Local financial support exemption option" means the option to exercise an exemption from the local financial support requirement available to any applicant whose project is located in a brownfield area, a rural city, or a rural community. Any applicant that exercises this option is not eligible for more than 80 percent of the total tax refunds allowed such applicant under this section.
- (q) "Target industry business" means a corporate headquarters business or any business that is engaged in one of the target industries identified pursuant to the following criteria developed by the department in consultation with Enterprise Florida, Inc.:
- 1. Future growth.—Industry forecasts should indicate strong expectation for future growth in both employment and

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output, according to the most recent available data. Special consideration should be given to businesses that export goods to, or provide services in, international markets and businesses that replace domestic and international imports of goods or services.

- 2. Stability.—The industry should not be subject to periodic layoffs, whether due to seasonality or sensitivity to volatile economic variables such as weather. The industry should also be relatively resistant to recession, so that the demand for products of this industry is not typically subject to decline during an economic downturn.
- 3. High wage.—The industry should pay relatively high wages compared to statewide or area averages.
- 4. Market and resource independent.—The location of industry businesses should not be dependent on Florida markets or resources as indicated by industry analysis, except for businesses in the renewable energy industry.
- 5. Industrial base diversification and strengthening.—The industry should contribute toward expanding or diversifying the state's or area's economic base, as indicated by analysis of employment and output shares compared to national and regional trends. Special consideration should be given to industries that strengthen regional economies by adding value to basic products or building regional industrial clusters as indicated by industry analysis. Special consideration should also be given to the development of strong industrial clusters that include

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defense and homeland security businesses.

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- 6. Positive economic impact.—The industry is expected to have strong positive economic impacts on or benefits to the state or regional economies. Special consideration should be given to industries that facilitate the development of the state as a hub for domestic and global trade and logistics.
- 7. Rural areas of opportunity.—By July 1, 2014, for existing rural areas of opportunity, and thereafter for both new and existing rural areas of opportunity upon designation or redesignation of such rural areas of opportunity by the Governor, the regionally based economic development organization representing the rural area of opportunity shall, in consultation with Enterprise Florida, Inc., and the department, develop target industries specific to the rural area of opportunity but shall not develop any industry specifically prohibited by this chapter. A business in a rural area of opportunity may apply to the department for a waiver of the target industry requirement.

The term does not include any business engaged in retail industry activities; any electrical utility company as defined in s. 366.02(2); any phosphate or other solid minerals severance, mining, or processing operation; any oil or gas exploration or production operation; or any business subject to

regulation by the Division of Hotels and Restaurants of the

Department of Business and Professional Regulation. Any business

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within NAICS code 5611 or 5614, office administrative services and business support services, respectively, may be considered a target industry business only after the local governing body and Enterprise Florida, Inc., make a determination that the community where the business may locate has conditions affecting the fiscal and economic viability of the local community or area, including but not limited to, factors such as low per capita income, high unemployment, high underemployment, and a lack of year-round stable employment opportunities, and such conditions may be improved by the location of such a business to the community. By January 1 of every 3rd year, beginning January 1, 2011, the department, in consultation with Enterprise Florida, Inc., economic development organizations, the State University System, local governments, employee and employer organizations, market analysts, and economists, shall review and, as appropriate, revise the list of such target industries and submit the list to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

(6) ANNUAL CLAIM FOR REFUND.-

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(d) A tax refund may not be approved for a qualified target industry business unless the required local financial support has been paid into the account for that refund. If the local financial support provided is less than 20 percent of the approved tax refund, the tax refund must be reduced unless the qualified target industry business is located in a rural area of opportunity. In no event may the tax refund exceed an amount

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that is equal to 5 times the amount of the local financial support received. Further, funding from local sources includes any tax abatement granted to that business under s. 196.1995 or the appraised market value of municipal or county land conveyed or provided at a discount to that business. The amount of any tax refund for such business approved under this section must be reduced by the amount of any such tax abatement granted or the value of the land granted, and the limitations in subsection (3) and paragraph (4)(e) must be reduced by the amount of any such tax abatement or the value of the land granted. A report listing all sources of the local financial support shall be provided to the department when such support is paid to the account.

Section 5. Subsection (5) of section 290.004, Florida Statutes, is amended to read:

290.004 Definitions relating to Florida Enterprise Zone Act.—As used in ss. 290.001-290.016:

opportunity designated pursuant to s. 288.0656 or an enterprise zone that is nominated by a county having a population of 75,000 or fewer, or a county having a population of 100,000 or fewer which is contiguous to a county having a population of 75,000 or fewer, or by a municipality in such a county, or by such a county and one or more municipalities. An enterprise zone designated in accordance with s. 290.0065(5)(b) is considered to be a rural enterprise zone.

Section 6. Subsections (6) and (7) of section 290.0065,

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391	florida Statutes, are renumbered as subsections (/) and (8),
392	respectively, and a new subsection (6) is added to that section
393	to read:
394	290.0065 State designation of enterprise zones
395	(6) Notwithstanding s. 290.0055, a rural area of
396	opportunity designated pursuant to s. 288.0656 shall be
397	designated as a rural enterprise zone.
398	Section 7. Paragraph (b) of subsection (5) of section
399	339.63, Florida Statutes, is amended to read:
400	339.63 System facilities designated; additions and
401	deletions
402	(5)
403	(b) A facility designated part of the Strategic Intermodal
404	System pursuant to paragraph (a) that is within the jurisdiction
405	of a local government that maintains a transportation
406	concurrency system shall receive a waiver of transportation
407	concurrency requirements applicable to Strategic Intermodal
408	System facilities in order to accommodate any development at the
409	facility which occurs pursuant to a building permit issued on or
410	before December 31, 2017, but only if such facility is located:
411	1. Within an area designated pursuant to s. 288.0656(7) as
412	a rural area of critical economic concern;
413	$\frac{2}{2}$ within a rural enterprise zone, as defined in s.
414	290.004(5), or within 15 miles of the boundary of a rural
415	enterprise zone; or
416	3. Within 15 miles of the boundary of a rural area of
	Page 16 of 45

critical economic concern or a rural enterprise zone.

- Section 8. Paragraph (a) of subsection (1) of section 125.271, Florida Statutes, is amended to read:
- 125.271 Emergency medical services; county emergency medical service assessments.—
 - (1) As used in this section, the term "county" means:
- (a) A county that is within a rural area of <u>opportunity</u> critical economic concern as designated by the Governor pursuant to s. 288.0656;

Once a county has qualified under this subsection, it always retains the qualification.

Section 9. Paragraphs (a), (b), and (e) of subsection (7) of section 163.3177, Florida Statutes, are amended to read:

163.3177 Required and optional elements of comprehensive plan; studies and surveys.—

- (7) (a) The Legislature finds that:
- 1. There are a number of rural agricultural industrial centers in the state that process, produce, or aid in the production or distribution of a variety of agriculturally based products, including, but not limited to, fruits, vegetables, timber, and other crops, and juices, paper, and building materials. Rural agricultural industrial centers have a significant amount of existing associated infrastructure that is used for processing, producing, or distributing agricultural products.

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2. Such rural agricultural industrial centers are often located within or near communities in which the economy is largely dependent upon agriculture and agriculturally based products. The centers significantly enhance the economy of such communities. However, these agriculturally based communities are often socioeconomically challenged and designated as rural areas of opportunity critical economic concern. If such rural agricultural industrial centers are lost and not replaced with other job-creating enterprises, the agriculturally based communities will lose a substantial amount of their economies.

- 3. The state has a compelling interest in preserving the viability of agriculture and protecting rural agricultural communities and the state from the economic upheaval that would result from short-term or long-term adverse changes in the agricultural economy. To protect these communities and promote viable agriculture for the long term, it is essential to encourage and permit diversification of existing rural agricultural industrial centers by providing for jobs that are not solely dependent upon, but are compatible with and complement, existing agricultural industrial operations and to encourage the creation and expansion of industries that use agricultural products in innovative ways. However, the expansion and diversification of these existing centers must be accomplished in a manner that does not promote urban sprawl into surrounding agricultural and rural areas.
 - (b) As used in this subsection, the term "rural

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agricultural industrial center" means a developed parcel of land in an unincorporated area on which there exists an operating agricultural industrial facility or facilities that employ at least 200 full-time employees in the aggregate and process and prepare for transport a farm product, as defined in s. 163.3162, or any biomass material that could be used, directly or indirectly, for the production of fuel, renewable energy, bioenergy, or alternative fuel as defined by law. The center may also include land contiguous to the facility site which is not used for the cultivation of crops, but on which other existing activities essential to the operation of such facility or facilities are located or conducted. The parcel of land must be located within, or within 10 miles of, a rural area of opportunity critical economic concern.

- (e) Nothing in This subsection does not shall be construed to confer the status of rural area of opportunity critical economic concern, or any of the rights or benefits derived from such status, on any land area not otherwise designated as such pursuant to s. 288.0656(7).
- Section 10. Subsection (3) of section 163.3187, Florida Statutes, is amended to read:
- 163.3187 Process for adoption of small-scale comprehensive plan amendment.—
- (3) If the small scale development amendment involves a site within a rural area of opportunity critical economic concern as defined under s. 288.0656(2)(d) for the duration of

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such designation, the 10-acre limit listed in subsection (1) shall be increased by 100 percent to 20 acres. The local government approving the small scale plan amendment shall certify to the Office of Tourism, Trade, and Economic Development that the plan amendment furthers the economic objectives set forth in the executive order issued under s. 288.0656(7), and the property subject to the plan amendment shall undergo public review to ensure that all concurrency requirements and federal, state, and local environmental permit requirements are met.

Section 11. Subsection (10) of section 163.3246, Florida Statutes, is amended to read:

163.3246 Local government comprehensive planning certification program.—

- (10) Notwithstanding subsections (2), (4), (5), (6), and (7), any municipality designated as a rural area of opportunity eritical economic concern pursuant to s. 288.0656 which is located within a county eligible to levy the Small County Surtax under s. 212.055(3) shall be considered certified during the effectiveness of the designation of rural area of opportunity eritical economic concern. The state land planning agency shall provide a written notice of certification to the local government of the certified area, which shall be considered final agency action subject to challenge under s. 120.569. The notice of certification shall include the following components:
 - (a) The boundary of the certification area.

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(b) A requirement that the local government submit either an annual or biennial monitoring report to the state land planning agency according to the schedule provided in the written notice. The monitoring report shall, at a minimum, include the number of amendments to the comprehensive plan adopted by the local government, the number of plan amendments challenged by an affected person, and the disposition of those challenges.

- Section 12. Paragraph (a) of subsection (6) of section 211.3103, Florida Statutes, is amended to read:
- 211.3103 Levy of tax on severance of phosphate rock; rate, basis, and distribution of tax.—
- (6) (a) Beginning July 1 of the 2011-2012 fiscal year, the proceeds of all taxes, interest, and penalties imposed under this section are exempt from the general revenue service charge provided in s. 215.20, and such proceeds shall be paid into the State Treasury as follows:
- 1. To the credit of the Conservation and Recreation Lands Trust Fund, 25.5 percent.
- To the credit of the General Revenue Fund of the state,35.7 percent.
- 3. For payment to counties in proportion to the number of tons of phosphate rock produced from a phosphate rock matrix located within such political boundary, 12.8 percent. The department shall distribute this portion of the proceeds annually based on production information reported by the

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producers on the annual returns for the taxable year. Any such proceeds received by a county shall be used only for phosphate-related expenses.

- 4. For payment to counties that have been designated as a rural area of opportunity critical economic concern pursuant to s. 288.0656 in proportion to the number of tons of phosphate rock produced from a phosphate rock matrix located within such political boundary, 10.0 percent. The department shall distribute this portion of the proceeds annually based on production information reported by the producers on the annual returns for the taxable year. Payments under this subparagraph shall be made to the counties unless the Legislature by special act creates a local authority to promote and direct the economic development of the county. If such authority exists, payments shall be made to that authority.
- 5. To the credit of the Nonmandatory Land Reclamation Trust Fund, 6.2 percent.
- 6. To the credit of the Phosphate Research Trust Fund in the Division of Universities of the Department of Education, 6.2 percent.
- 7. To the credit of the Minerals Trust Fund, 3.6 percent. Section 13. Subsection (1) of section 218.67, Florida Statutes, is amended to read:
 - 218.67 Distribution for fiscally constrained counties.—
- (1) Each county that is entirely within a rural area of opportunity critical economic concern as designated by the

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Governor pursuant to s. 288.0656 or each county for which the value of a mill will raise no more than \$5 million in revenue, based on the taxable value certified pursuant to s. 1011.62(4)(a)1.a., from the previous July 1, shall be considered a fiscally constrained county.

Section 14. Paragraphs (a) and (c) of subsection (2) of section 288.065, Florida Statutes, are amended to read:

288.065 Rural Community Development Revolving Loan Fund.-

- (2)(a) The program shall provide for long-term loans, loan guarantees, and loan loss reserves to units of local governments, or economic development organizations substantially underwritten by a unit of local government, within counties with populations of 75,000 or fewer, or within any county with a population of 125,000 or fewer which is contiguous to a county with a population of 75,000 or fewer, based on the most recent official population estimate as determined under s. 186.901, including those residing in incorporated areas and those residing in unincorporated areas of the county, or to units of local government, or economic development organizations substantially underwritten by a unit of local government, within a rural area of opportunity critical economic concern.
- (c) All repayments of principal and interest shall be returned to the loan fund and made available for loans to other applicants. However, in a rural area of opportunity critical economic concern designated by the Governor, and upon approval by the department, repayments of principal and interest may be

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retained by the applicant if such repayments are dedicated and matched to fund regionally based economic development organizations representing the rural area of <u>opportunity</u> eritical economic concern.

Section 15. Paragraphs (a), (b), and (d) of subsection (2) and subsection (7) of section 288.0656, Florida Statutes, are amended to read:

288.0656 Rural Economic Development Initiative.-

(2) As used in this section, the term:

- (a) "Catalyst project" means a business locating or expanding in a rural area of <u>opportunity</u> critical economic concern to serve as an economic generator of regional significance for the growth of a regional target industry cluster. The project must provide capital investment on a scale significant enough to affect the entire region and result in the development of high-wage and high-skill jobs.
- (b) "Catalyst site" means a parcel or parcels of land within a rural area of opportunity critical economic concern that has been prioritized as a geographic site for economic development through partnerships with state, regional, and local organizations. The site must be reviewed by REDI and approved by the department for the purposes of locating a catalyst project.
- (d) "Rural area of opportunity eritical economic concern" means a rural community, or a region composed of rural communities, designated by the Governor, that has been adversely affected by an extraordinary economic event, severe or chronic

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distress, or a natural disaster or that presents a unique economic development opportunity of regional impact.

- (7) (a) REDI may recommend to the Governor up to three rural areas of opportunity critical economic concern. The Governor may by executive order designate up to three rural areas of opportunity critical economic concern which will establish these areas as priority assignments for REDI as well as to allow the Governor, acting through REDI, to waive criteria, requirements, or similar provisions of any economic development incentive. Such incentives shall include, but not be limited to, the Qualified Target Industry Tax Refund Program under s. 288.106, the Quick Response Training Program under s. 288.047, the Quick Response Training Program for participants in the welfare transition program under s. 288.047(8), transportation projects under s. 339.2821, the brownfield redevelopment bonus refund under s. 288.107, and the rural job tax credit program under ss. 212.098 and 220.1895.
- (b) Designation as a rural area of opportunity eritical economic concern under this subsection is shall be contingent upon the execution of a memorandum of agreement among the department; the governing body of the county; and the governing bodies of any municipalities to be included within a rural area of opportunity eritical economic concern. Such agreement shall specify the terms and conditions of the designation, including, but not limited to, the duties and responsibilities of the county and any participating municipalities to take actions

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designed to facilitate the retention and expansion of existing businesses in the area, as well as the recruitment of new businesses to the area.

- concern may designate catalyst projects, provided that each catalyst project is specifically recommended by REDI, identified as a catalyst project by Enterprise Florida, Inc., and confirmed as a catalyst project by the department. All state agencies and departments shall use all available tools and resources to the extent permissible by law to promote the creation and development of each catalyst project and the development of catalyst sites.
- Section 16. Paragraph (a) of subsection (3) of section 288.1088, Florida Statutes, is amended to read:
 - 288.1088 Quick Action Closing Fund.-

- (3) (a) The department and Enterprise Florida, Inc., shall jointly review applications pursuant to s. 288.061 and determine the eligibility of each project consistent with the criteria in subsection (2). Waiver of these criteria may be considered under the following criteria:
 - 1. Based on extraordinary circumstances;
- 2. In order to mitigate the impact of the conclusion of the space shuttle program; or
- 3. In rural areas of <u>opportunity</u> critical economic concern if the project would significantly benefit the local or regional economy.

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Section 17. Paragraphs (b), (c), and (d) of subsection (4) of section 288.1089, Florida Statutes, are amended to read:

288.1089 Innovation Incentive Program.-

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- (4) To qualify for review by the department, the applicant must, at a minimum, establish the following to the satisfaction of the department:
 - (b) A research and development project must:
- 1. Serve as a catalyst for an emerging or evolving technology cluster.
- 2. Demonstrate a plan for significant higher education collaboration.
- 3. Provide the state, at a minimum, a cumulative breakeven economic benefit within a 20-year period.
- 4. Be provided with a one-to-one match from the local community. The match requirement may be reduced or waived in rural areas of opportunity critical economic concern or reduced in rural areas, brownfield areas, and enterprise zones.
- (c) An innovation business project in this state, other than a research and development project, must:
- 1.a. Result in the creation of at least 1,000 direct, new jobs at the business; or
- b. Result in the creation of at least 500 direct, new jobs if the project is located in a rural area, a brownfield area, or an enterprise zone.
- 701 2. Have an activity or product that is within an industry 702 that is designated as a target industry business under s.

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703 288.106 or a designated sector under s. 288.108.

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- 3.a. Have a cumulative investment of at least \$500 million within a 5-year period; or
- b. Have a cumulative investment that exceeds \$250 million within a 10-year period if the project is located in a rural area, brownfield area, or an enterprise zone.
- 4. Be provided with a one-to-one match from the local community. The match requirement may be reduced or waived in rural areas of opportunity critical economic concern or reduced in rural areas, brownfield areas, and enterprise zones.
- (d) For an alternative and renewable energy project in this state, the project must:
- 1. Demonstrate a plan for significant collaboration with an institution of higher education;
- 2. Provide the state, at a minimum, a cumulative breakeven economic benefit within a 20-year period;
- 3. Include matching funds provided by the applicant or other available sources. The match requirement may be reduced or waived in rural areas of opportunity critical economic concern or reduced in rural areas, brownfield areas, and enterprise zones;
 - 4. Be located in this state; and
- 5. Provide at least 35 direct, new jobs that pay an estimated annual average wage that equals at least 130 percent of the average private sector wage.
- Section 18. Paragraph (d) of subsection (6) of section

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729 290.0055, Florida Statutes, is amended to read:

290.0055 Local nominating procedure.

731 (6)

- (d)1. The governing body of a jurisdiction which has nominated an application for an enterprise zone that is at least 15 square miles and less than 20 square miles and includes a portion of the state designated as a rural area of opportunity critical economic concern under s. 288.0656(7) may apply to the department to expand the boundary of the existing enterprise zone by not more than 3 square miles.
- 2. The governing body of a jurisdiction which has nominated an application for an enterprise zone that is at least 20 square miles and includes a portion of the state designated as a rural area of opportunity critical economic concern under s. 288.0656(7) may apply to the department to expand the boundary of the existing enterprise zone by not more than 5 square miles.
- 3. An application to expand the boundary of an enterprise zone under this paragraph must be submitted by December 31, 2013.
- 4. Notwithstanding the area limitations specified in subsection (4), the department may approve the request for a boundary amendment if the area continues to satisfy the remaining requirements of this section.
- 5. The department shall establish the initial effective date of an enterprise zone designated under this paragraph.

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Section 19. Paragraph (c) of subsection (4) of section 339.2819, Florida Statutes, is amended to read:

339.2819 Transportation Regional Incentive Program.-

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- (c) The department shall give priority to projects that:
- 1. Provide connectivity to the Strategic Intermodal System developed under s. 339.64.
- 2. Support economic development and the movement of goods in rural areas of <u>opportunity critical economic concern</u> designated under s. 288.0656(7).
- 3. Are subject to a local ordinance that establishes corridor management techniques, including access management strategies, right-of-way acquisition and protection measures, appropriate land use strategies, zoning, and setback requirements for adjacent land uses.
- 4. Improve connectivity between military installations and the Strategic Highway Network or the Strategic Rail Corridor Network.

The department shall also consider the extent to which local matching funds are available to be committed to the project.

Section 20. Paragraph (c) of subsection (3) of section 373.4595, Florida Statutes, is amended to read:

778 373.4595 Northern Everglades and Estuaries Protection 779 Program.—

(3) LAKE OKEECHOBEE WATERSHED PROTECTION PROGRAM.—A

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protection program for Lake Okeechobee that achieves phosphorus load reductions for Lake Okeechobee shall be immediately implemented as specified in this subsection. The program shall address the reduction of phosphorus loading to the lake from both internal and external sources. Phosphorus load reductions shall be achieved through a phased program of implementation. Initial implementation actions shall be technology-based, based upon a consideration of both the availability of appropriate technology and the cost of such technology, and shall include phosphorus reduction measures at both the source and the regional level. The initial phase of phosphorus load reductions shall be based upon the district's Technical Publication 81-2 and the district's WOD program, with subsequent phases of phosphorus load reductions based upon the total maximum daily loads established in accordance with s. 403.067. In the development and administration of the Lake Okeechobee Watershed Protection Program, the coordinating agencies shall maximize opportunities provided by federal cost-sharing programs and opportunities for partnerships with the private sector.

(c) Lake Okeechobee Watershed Phosphorus Control Program.—
The Lake Okeechobee Watershed Phosphorus Control Program is
designed to be a multifaceted approach to reducing phosphorus
loads by improving the management of phosphorus sources within
the Lake Okeechobee watershed through implementation of
regulations and best management practices, development and
implementation of improved best management practices,

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improvement and restoration of the hydrologic function of natural and managed systems, and utilization of alternative technologies for nutrient reduction. The coordinating agencies shall facilitate the application of federal programs that offer opportunities for water quality treatment, including preservation, restoration, or creation of wetlands on agricultural lands.

- 1. Agricultural nonpoint source best management practices, developed in accordance with s. 403.067 and designed to achieve the objectives of the Lake Okeechobee Watershed Protection Program, shall be implemented on an expedited basis. The coordinating agencies shall develop an interagency agreement pursuant to ss. 373.046 and 373.406(5) that assures the development of best management practices that complement existing regulatory programs and specifies how those best management practices are implemented and verified. The interagency agreement shall address measures to be taken by the coordinating agencies during any best management practice reevaluation performed pursuant to sub-subparagraph d. The department shall use best professional judgment in making the initial determination of best management practice effectiveness.
- a. As provided in s. 403.067(7)(c), the Department of Agriculture and Consumer Services, in consultation with the department, the district, and affected parties, shall initiate rule development for interim measures, best management practices, conservation plans, nutrient management plans, or

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other measures necessary for Lake Okeechobee watershed total maximum daily load reduction. The rule shall include thresholds for requiring conservation and nutrient management plans and criteria for the contents of such plans. Development of agricultural nonpoint source best management practices shall initially focus on those priority basins listed in subparagraph (b) 1. The Department of Agriculture and Consumer Services, in consultation with the department, the district, and affected parties, shall conduct an ongoing program for improvement of existing and development of new interim measures or best management practices for the purpose of adoption of such practices by rule. The Department of Agriculture and Consumer Services shall work with the University of Florida's Institute of Food and Agriculture Sciences to review and, where appropriate, develop revised nutrient application rates for all agricultural soil amendments in the watershed.

b. Where agricultural nonpoint source best management practices or interim measures have been adopted by rule of the Department of Agriculture and Consumer Services, the owner or operator of an agricultural nonpoint source addressed by such rule shall either implement interim measures or best management practices or demonstrate compliance with the district's WOD program by conducting monitoring prescribed by the department or the district. Owners or operators of agricultural nonpoint sources who implement interim measures or best management practices adopted by rule of the Department of Agriculture and

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Consumer Services shall be subject to the provisions of s. 403.067(7). The Department of Agriculture and Consumer Services, in cooperation with the department and the district, shall provide technical and financial assistance for implementation of agricultural best management practices, subject to the availability of funds.

- c. The district or department shall conduct monitoring at representative sites to verify the effectiveness of agricultural nonpoint source best management practices.
- d. Where water quality problems are detected for agricultural nonpoint sources despite the appropriate implementation of adopted best management practices, the Department of Agriculture and Consumer Services, in consultation with the other coordinating agencies and affected parties, shall institute a reevaluation of the best management practices and make appropriate changes to the rule adopting best management practices.
- 2. Nonagricultural nonpoint source best management practices, developed in accordance with s. 403.067 and designed to achieve the objectives of the Lake Okeechobee Watershed Protection Program, shall be implemented on an expedited basis. The department and the district shall develop an interagency agreement pursuant to ss. 373.046 and 373.406(5) that assures the development of best management practices that complement existing regulatory programs and specifies how those best management practices are implemented and verified. The

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interagency agreement shall address measures to be taken by the department and the district during any best management practice reevaluation performed pursuant to sub-subparagraph d.

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- The department and the district are directed to work with the University of Florida's Institute of Food and Agricultural Sciences to develop appropriate nutrient application rates for all nonagricultural soil amendments in the watershed. As provided in s. 403.067(7)(c), the department, in consultation with the district and affected parties, shall develop interim measures, best management practices, or other measures necessary for Lake Okeechobee watershed total maximum daily load reduction. Development of nonagricultural nonpoint source best management practices shall initially focus on those priority basins listed in subparagraph (b)1. The department, the district, and affected parties shall conduct an ongoing program for improvement of existing and development of new interim measures or best management practices. The district shall adopt technology-based standards under the district's WOD program for nonagricultural nonpoint sources of phosphorus. Nothing in this sub-subparagraph shall affect the authority of the department or the district to adopt basin-specific criteria under this part to prevent harm to the water resources of the district.
- b. Where nonagricultural nonpoint source best management practices or interim measures have been developed by the department and adopted by the district, the owner or operator of a nonagricultural nonpoint source shall implement interim

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measures or best management practices and be subject to the provisions of s. 403.067(7). The department and district shall provide technical and financial assistance for implementation of nonagricultural nonpoint source best management practices, subject to the availability of funds.

- c. The district or the department shall conduct monitoring at representative sites to verify the effectiveness of nonagricultural nonpoint source best management practices.
- d. Where water quality problems are detected for nonagricultural nonpoint sources despite the appropriate implementation of adopted best management practices, the department and the district shall institute a reevaluation of the best management practices.
- 3. The provisions of subparagraphs 1. and 2. shall not preclude the department or the district from requiring compliance with water quality standards or with current best management practices requirements set forth in any applicable regulatory program authorized by law for the purpose of protecting water quality. Additionally, subparagraphs 1. and 2. are applicable only to the extent that they do not conflict with any rules promulgated by the department that are necessary to maintain a federally delegated or approved program.
- 4. Projects that reduce the phosphorus load originating from domestic wastewater systems within the Lake Okeechobee watershed shall be given funding priority in the department's revolving loan program under s. 403.1835. The department shall

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coordinate and provide assistance to those local governments seeking financial assistance for such priority projects.

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- Projects that make use of private lands, or lands held in trust for Indian tribes, to reduce nutrient loadings or concentrations within a basin by one or more of the following methods: restoring the natural hydrology of the basin, restoring wildlife habitat or impacted wetlands, reducing peak flows after storm events, increasing aquifer recharge, or protecting range and timberland from conversion to development, are eligible for grants available under this section from the coordinating agencies. For projects of otherwise equal priority, special funding priority will be given to those projects that make best use of the methods outlined above that involve public-private partnerships or that obtain federal match money. Preference ranking above the special funding priority will be given to projects located in a rural area of opportunity critical economic concern designated by the Governor. Grant applications may be submitted by any person or tribal entity, and eligible projects may include, but are not limited to, the purchase of conservation and flowage easements, hydrologic restoration of wetlands, creating treatment wetlands, development of a management plan for natural resources, and financial support to implement a management plan.
- 6.a. The department shall require all entities disposing of domestic wastewater residuals within the Lake Okeechobee watershed and the remaining areas of Okeechobee, Glades, and

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Hendry Counties to develop and submit to the department an agricultural use plan that limits applications based upon phosphorus loading. By July 1, 2005, phosphorus concentrations originating from these application sites shall not exceed the limits established in the district's WOD program. After December 31, 2007, the department may not authorize the disposal of domestic wastewater residuals within the Lake Okeechobee watershed unless the applicant can affirmatively demonstrate that the phosphorus in the residuals will not add to phosphorus loadings in Lake Okeechobee or its tributaries. This demonstration shall be based on achieving a net balance between phosphorus imports relative to exports on the permitted application site. Exports shall include only phosphorus removed from the Lake Okeechobee watershed through products generated on the permitted application site. This prohibition does not apply to Class AA residuals that are marketed and distributed as fertilizer products in accordance with department rule.

b. Private and government-owned utilities within Monroe, Miami-Dade, Broward, Palm Beach, Martin, St. Lucie, Indian River, Okeechobee, Highlands, Hendry, and Glades Counties that dispose of wastewater residual sludge from utility operations and septic removal by land spreading in the Lake Okeechobee watershed may use a line item on local sewer rates to cover wastewater residual treatment and disposal if such disposal and treatment is done by approved alternative treatment methodology at a facility located within the areas designated by the

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Governor as rural areas of opportunity critical economic concern pursuant to s. 288.0656. This additional line item is an environmental protection disposal fee above the present sewer rate and shall not be considered a part of the present sewer rate to customers, notwithstanding provisions to the contrary in chapter 367. The fee shall be established by the county commission or its designated assignee in the county in which the alternative method treatment facility is located. The fee shall be calculated to be no higher than that necessary to recover the facility's prudent cost of providing the service. Upon request by an affected county commission, the Florida Public Service Commission will provide assistance in establishing the fee. Further, for utilities and utility authorities that use the additional line item environmental protection disposal fee, such fee shall not be considered a rate increase under the rules of the Public Service Commission and shall be exempt from such rules. Utilities using the provisions of this section may immediately include in their sewer invoicing the new environmental protection disposal fee. Proceeds from this environmental protection disposal fee shall be used for treatment and disposal of wastewater residuals, including any treatment technology that helps reduce the volume of residuals that require final disposal, but such proceeds shall not be used for transportation or shipment costs for disposal or any costs relating to the land application of residuals in the Lake Okeechobee watershed.

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c. No less frequently than once every 3 years, the Florida
Public Service Commission or the county commission through the
services of an independent auditor shall perform a financial
audit of all facilities receiving compensation from an
environmental protection disposal fee. The Florida Public
Service Commission or the county commission through the services
of an independent auditor shall also perform an audit of the
methodology used in establishing the environmental protection
disposal fee. The Florida Public Service Commission or the
county commission shall, within 120 days after completion of an
audit, file the audit report with the President of the Senate
and the Speaker of the House of Representatives and shall
provide copies to the county commissions of the counties set
forth in sub-subparagraph b. The books and records of any
facilities receiving compensation from an environmental
protection disposal fee shall be open to the Florida Public
Service Commission and the Auditor General for review upon
request.

- 7. The Department of Health shall require all entities disposing of septage within the Lake Okeechobee watershed to develop and submit to that agency an agricultural use plan that limits applications based upon phosphorus loading. By July 1, 2005, phosphorus concentrations originating from these application sites shall not exceed the limits established in the district's WOD program.
 - 8. The Department of Agriculture and Consumer Services

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shall initiate rulemaking requiring entities within the Lake Okeechobee watershed which land-apply animal manure to develop resource management system level conservation plans, according to United States Department of Agriculture criteria, which limit such application. Such rules may include criteria and thresholds for the requirement to develop a conservation or nutrient management plan, requirements for plan approval, and recordkeeping requirements.

- 9. The district, the department, or the Department of Agriculture and Consumer Services, as appropriate, shall implement those alternative nutrient reduction technologies determined to be feasible pursuant to subparagraph (d) 6.
- Section 21. Paragraph (e) of subsection (2) and paragraph (b) of subsection (26) of section 380.06, Florida Statutes, are amended to read:
 - 380.06 Developments of regional impact.
 - (2) STATEWIDE GUIDELINES AND STANDARDS.-
- (e) With respect to residential, hotel, motel, office, and retail developments, the applicable guidelines and standards shall be increased by 50 percent in urban central business districts and regional activity centers of jurisdictions whose local comprehensive plans are in compliance with part II of chapter 163. With respect to multiuse developments, the applicable individual use guidelines and standards for residential, hotel, motel, office, and retail developments and multiuse guidelines and standards shall be increased by 100

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percent in urban central business districts and regional activity centers of jurisdictions whose local comprehensive plans are in compliance with part II of chapter 163, if one land use of the multiuse development is residential and amounts to not less than 35 percent of the jurisdiction's applicable residential threshold. With respect to resort or convention hotel developments, the applicable guidelines and standards shall be increased by 150 percent in urban central business districts and regional activity centers of jurisdictions whose local comprehensive plans are in compliance with part II of chapter 163 and where the increase is specifically for a proposed resort or convention hotel located in a county with a population greater than 500,000 and the local government specifically designates that the proposed resort or convention hotel development will serve an existing convention center of more than 250,000 gross square feet built before prior to July 1, 1992. The applicable guidelines and standards shall be increased by 150 percent for development in any area designated by the Governor as a rural area of opportunity eritical economic concern pursuant to s. 288.0656 during the effectiveness of the designation.

- (26) ABANDONMENT OF DEVELOPMENTS OF REGIONAL IMPACT.-
- (b) Upon receipt of written confirmation from the state land planning agency that any required mitigation applicable to completed development has occurred, an industrial development of regional impact located within the coastal high-hazard area of a

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rural area of opportunity county of economic concern which was approved before prior to the adoption of the local government's comprehensive plan required under s. 163.3167 and which plan's future land use map and zoning designates the land use for the development of regional impact as commercial may be unilaterally abandoned without the need to proceed through the process described in paragraph (a) if the developer or owner provides a notice of abandonment to the local government and records such notice with the applicable clerk of court. Abandonment shall be deemed to have occurred upon the recording of the notice. All development following abandonment shall be fully consistent with the current comprehensive plan and applicable zoning.

Section 22. Paragraph (g) of subsection (3) of section 380.0651, Florida Statutes, is amended to read:

380.0651 Statewide guidelines and standards.-

- (3) The following statewide guidelines and standards shall be applied in the manner described in s. 380.06(2) to determine whether the following developments shall be required to undergo development-of-regional-impact review:
- (g) Residential development.—No rule may be adopted concerning residential developments which treats a residential development in one county as being located in a less populated adjacent county unless more than 25 percent of the development is located within 2 or less miles or less of the less populated adjacent county. The residential thresholds of adjacent counties with less population and a lower threshold shall not be

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controlling on any development wholly located within areas designated as rural areas of <u>opportunity critical economic concern</u>.

- Section 23. Paragraph (b) of subsection (2) of section 985.686, Florida Statutes, is amended to read:
- 985.686 Shared county and state responsibility for juvenile detention.-
 - (2) As used in this section, the term:

- (b) "Fiscally constrained county" means a county within a rural area of opportunity critical economic concern as designated by the Governor pursuant to s. 288.0656 or each county for which the value of a mill will raise no more than \$5 million in revenue, based on the certified school taxable value certified pursuant to s. 1011.62(4)(a)1.a., from the previous July 1.
- Section 24. Subsection (2) of section 1011.76, Florida Statutes, is amended to read:
 - 1011.76 Small School District Stabilization Program.-
- (2) In order to participate in this program, a school district must be located in a rural area of <u>opportunity critical</u> economic concern designated by the Executive Office of the Governor, and the district school board must submit a resolution to the Department of Economic Opportunity requesting participation in the program. A rural area of <u>opportunity</u> critical economic concern must be a rural community, or a region composed of such, that has been adversely affected by an

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extraordinary economic event or a natural disaster or that presents a unique economic development concern or opportunity of regional impact. The resolution must be accompanied by with documentation of the economic conditions in the community and provide information indicating the negative impact of these conditions on the school district's financial stability, and the school district must participate in a best financial management practices review to determine potential efficiencies that could be implemented to reduce program costs in the district.

Section 25. This act shall take effect July 1, 2014.

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