

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Committee on Transportation, Tourism, and Economic Development

BILL: SB 1516

INTRODUCER: Senator Wright

SUBJECT: Aerospace Industry

DATE: March 25, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Ingram	Proctor	MS	Favorable
2.	Griffin	Nortelus	ATD	Pre-meeting
3.			FP	

I. Summary:

SB 1516 establishes the International Aerospace Innovation Fund (IAIF), administered by Space Florida, to accelerate global aerospace innovation by funding collaborative research and development projects, workforce development initiatives, and commercialization efforts. The bill requires the IAIF to develop partnerships between Florida-based aerospace companies and international companies. The IAIF will also drive innovation in critical technology areas related to aerospace and attract global investment in Florida's aerospace ecosystem. The bill also requires Space Florida to secure funding which may be received from the state, from private sector investments, or from international contributions.

The bill requires Space Florida to develop eligibility criteria for projects to be funded by the IAIF. At a minimum, a project must:

- Involve at least one aerospace company or organization that is based in this state;
- Be a partnership involving an international aerospace company, a university, a space agency, or a research institute; and
- Be intended, and have demonstrated potential, for commercialization.

Space Florida is required to establish a panel of experts to evaluate and recommend projects seeking funding and to establish an application process for the projects. Funding must be competitively awarded based on merit. Space Florida is required to identify and establish partnerships with countries with robust aerospace sectors. The bill authorizes Space Florida to negotiate and enter into bilateral agreements for the purposes of the IAIF.

The bill may have an indeterminate fiscal impact. **See Section V. Fiscal Impact Statement.**

The bill takes effect July 1, 2025.

II. Present Situation:

Space Florida

In 2006, the Legislature passed the Space Florida Act,¹ which consolidated Florida's three existing space entities, the Florida Space Authority, the Florida Space Research Institute, and the Florida Aerospace Finance Corporation, into a single entity called Space Florida.² Space Florida is established as an independent special district, a body politic and corporate, and a subdivision of the state, to foster the growth and development of a sustainable and world-leading aerospace³ industry in the state. Space Florida has all the powers, rights, privileges, and authority as provided under the laws of this state⁴, and receives state funding through contracts with the Florida Department of Commerce (FDC) and the Florida Department of Transportation (DOT).⁵

Space Florida acts as Florida's point of contact for state aerospace-related activities with federal agencies, the military, state agencies, businesses, and the private sector.⁶ Space Florida is authorized to purchase or construct facilities, set rates, fees, and charges for the use of facilities, and undertake joint financing with municipalities or private sector entities for any project.⁷ A project is:

- Any activity associated with any development, improvement, property, launch, utility, facility, system, works, road, sidewalk, enterprise, service, or convenience, which may include coordination with federal and state partners or agencies;
- Any rocket, capsule, module, launch facility, assembly facility, operations or control facility, tracking facility, administrative facility, or any other type of aerospace-related transportation vehicle, station, or facility;
- Any type of equipment or instrument to be used or useful in connection with any of the foregoing;
- Any type of intellectual property and intellectual property protection in connection with any of the foregoing including, without limitation, any patent, copyright, trademark, and service mark for, among other things, computer software;
- Any water, wastewater, gas, or electric utility system, plant, or distribution or collection system;
- Any small business incubator initiative, including any startup aerospace company, and any aerospace business proposing to expand or locate its business in this state, research and development company, research and development facility, education and workforce training facility, storage facility, and consulting service; or

¹ Chapter 2006-60, Laws of Fla.

² See ss. 331.301 through 331.371, F.S.

³ Section 331.303, F.S., defines "aerospace" as the technology and industry related to the design, manufacture, maintenance, repair, and operation of aircraft or any other device intended to be used or designed for flight or reentry, including rockets, missiles, spacecraft, satellites, space vehicles, space stations, space and aircraft facilities or components thereof, and related equipment, systems, facilities, simulators, programs, and activities, including, but not limited to, the application of aerospace and aviation technologies in air-based, land-based, space-based, and sea-based platforms for commercial, civil, and defense purposes.

⁴ Section 331.302, F.S.

⁵ Florida Accountability Contract Tracking System, Contracts Main Search, Vendor/Grantor Name - Space Florida, *available at* <https://facts.fldfs.com/Search/ContractSearch.aspx> (last visited Mar. 10, 2025).

⁶ Section 331.3011, F.S.

⁷ Section 331.305, F.S.

- Any tourism initiative, including any space experience attraction, microgravity flight program, aerospace launch-related activity, and space museum sponsored or promoted by Space Florida.⁸

According to Space Florida's 2024 Annual Operations Report, as of June 30, 2024, Space Florida had 161 total projects in development with an estimated value of \$5.6 billion in capital investment, and provided \$101.9 million in funding for 30 research projects, partnerships, and grants.⁹

Powers of Space Florida

In furtherance of its duties, Space Florida is given certain powers, including, but not limited to:¹⁰

- Using a corporate seal;
- Using patents, copyrights, and trademarks;
- Lending and investing money;
- Acquiring certain properties;
- Executing contracts;
- Issuing revenue bonds;
- Making expenditures for entertainment and travel expenses and business clients, guests, and other authorized persons; and
- Fixing and collecting fees, loan payments, rental payments, and other charges in connection with financing agreements.

Duties of Space Florida

In order to implement the Space Florida Act and carry out spaceport operations, Space Florida is given certain duties, including, but not limited to, creating a business plan, entering into agreements and cooperating with other state agencies, and consulting with appropriate federal agencies.¹¹

Specifically, Space Florida is required to:

- Enter into agreement with the Department of Education (DOE), the DOT, the FDC, and CareerSource Florida, Inc. (CSF).¹²
- In cooperation with the FDC, develop a plan to retain, expand, attract, and create aerospace industry entities, public or private, which results in the creation of high-value-added businesses and jobs in this state.¹³
- Develop, in cooperation with the FDC, a plan to provide financing assistance to aerospace businesses.¹⁴
- Carry out its responsibilities for spaceport operations by:

⁸ Section 331.303(14), F.S.

⁹ Space Florida, *Space Florida Annual Report 2024*, available https://cdn.prod.website-files.com/66c8a3fe36eef11411f2b1ef/674749d0769077b041d100ff_Annual-Report-2024-Final_compressed.pdf (last visited Mar. 10, 2025).

¹⁰ Section 331.305, F.S.

¹¹ Section 331.3051, F.S.

¹² Section 331.3051(2), F.S.

¹³ Section 331.3051(3), F.S.

¹⁴ Section 331.3051(6), F.S.

- Seeking federal support and developing partnerships to renew and upgrade the infrastructure and technologies at the Cape Canaveral Air Force Station, the John F. Kennedy Space Center, and the Eastern Range.
- Supporting federal efforts to clarify roles and responsibilities of federal agencies in an effort to streamline access for commercial launch users.
- Pursuing the development of commercial spaceports in the state in partnership with counties or municipalities, the Federal Government, or private entities.
- Promoting and facilitating launch activity within the state by supporting and assisting commercial launch operators' interactions with federal agencies for launching from Florida.
- Consulting, as necessary, with the appropriate federal, state, and local authorities, including the National Aeronautics and Space Administration (NASA), Federal Aviation Administration (FAA), Department of Defense, the DOT, Florida National Guard, and industry on establishing and operating spaceport infrastructure and facilities in the state.¹⁵

In 2023, the Legislature expanded those duties by requiring Space Florida to conduct the following collaborative measures:

- Solicit input regularly on Space Florida plans and activities from the aerospace industry, private sector spaceport territory stakeholders, each entity that owns or has ownership interest in a facility within spaceport territory, and other political subdivisions within spaceport territory.
- Partner with the Board of Governors to foster technological advancement and economic development for spaceport activities by strengthening higher education programs and supporting aerospace activities.
- Partner with the FDC's Division of Workforce Services, CSF, and local workforce development boards to support initiatives that address the high technology skills and staff resources needed to better promote the state's efforts in becoming the nation's leader in aerospace and space exploration.
- Partner with the Metropolitan Planning Organization Advisory Council to coordinate and specify how aerospace planning and programming will be part of the state's cooperative transportation planning process.¹⁶

Contracts, Grants, and Contributions

Space Florida is authorized to:

- Make and enter all contracts and agreements necessary or incidental to the performance of its functions and execution of its powers.
- Contract with, and accept and receive grants or loans of money, material, or property from, any person, private or public as the Space Florida Board determines necessary or desirable to carry out the purposes of the Space Florida Act.
- In connection with any such contract, grant, or loan, stipulate and agree to such covenants, terms, and conditions as the Space Florida board of directors deems appropriate.¹⁷

¹⁵ Section 331.3051(7), F.S.

¹⁶ Ch. 2023-200, s. 5 Laws of Fla. Section 331.3051(11), (12), (13), and (14), F.S.

¹⁷ Section 331.324, F.S.

Board of Directors

Under general law, Space Florida is governed by an independent board of directors (Space Florida Board), which consists of the Governor, or the Governor's designee, who is a voting member and serves as the chair and the following appointed members:¹⁸

- The Secretary of Transportation or his or her designee.
- Five members appointed by the Governor and subject to Senate confirmation.¹⁹
- One member appointed by the President of the Senate.²⁰
- One member appointed by the Speaker of the House of Representatives.²¹
- A representative of each of the following entities, appointed by the Governor, who shall serve as an ex officio, nonvoting member of the board:
 - An employee or official of a port district or port authority.²²
 - The Titusville-Cocoa Airport Authority.
 - The Jacksonville Aviation Authority.²³

The duties of the Space Florida Board include:

- Adopting rules and orders to conduct the business of Space Florida, the maintenance of records, and the form of all documents and records of Space Florida.
- Maintaining an executive office and Space Florida offices in close proximity to the John F. Kennedy Space Center.
- Appointing a president of Space Florida, and determining his or her title, functions, duties, powers, and salary.
- Abiding by all applicable federal labor laws in the construction and day-to-day operations of Space Florida and any spaceport.
- Preparing the annual report of operations as a supplement to its annual report, which is also required by law.²⁴

The Space Florida Board is authorized to exercise the following powers:

- Enter, and authorize any agent or employee of Space Florida to enter, upon any lands, waters, and premises, upon giving reasonable notice and due process to the land owner, for the purposes of making surveys, soundings, drillings, appraisals, and examinations necessary to perform its duties and functions.
- Execute all contracts and other documents, adopt all proceedings, and perform all acts determined by the Space Florida Board to be necessary or desirable to carry out the purposes of the Space Florida Act.

¹⁸ Section 331.3081(1), F.S.

¹⁹ Section 331.3081(1)(b), F.S. specifies that the five members must each reflect the state's interests in the aerospace sector and represent the intent, duties, and purpose of Space Florida or have at least 5 years of relevant experience at least one of the following areas: The aerospace industry, such member may not be currently employed by an entity that is under contract with Space Florida; bond financing; academic experience in aerospace, aviation, or a relevant science; or an aircraft facilities manager, a fixed-based operator, or a commercial airport operator.

²⁰ The appointed member must have at least 5 years of experience as provided in s. 331.3081(1)(b), F.S.

²¹ *Id.*

²² Section 315.02(2), F.S., defines "port authority" to mean any port authority in Florida created by or pursuant to the provisions of any general or special law or any district or board of county commissioners acting as a port authority under or pursuant to the provisions of any general or special law.

²³ Section 331.3081(1), F.S.

²⁴ Section 331.310(2), F.S.

- Establish and create such departments, committees, or other entities as from time to time the Space Florida Board deems necessary or desirable in the performance of any acts or other things necessary to the exercise of the powers provided in statute.
- Provide financial services to support aerospace-related business development within the state. Financial services may include, but are not limited to:
 - Insuring, coinsuring, or originating for sale direct aerospace-related loans.
 - Direct lending.
 - Guaranteeing and collateralizing loans.
 - Creating accounts.
 - Capitalizing, underwriting, leasing, selling, or securing funding for aerospace-related infrastructure.
 - Investing in permissible securities.
 - Organizing financial institutions and international bank syndicates.
 - Acquiring, accepting, or administering grants, contracts, and fees from other organizations to perform activities that are consistent with the purposes of Space Florida's business plan. If the Space Florida Board deems a financial services entity is necessary, the Space Florida Board may create, form, or contract with one or more such entities.
- Examine, and authorize any officer or agent of Space Florida to examine, the county tax rolls with respect to the assessed valuation of the real and personal property within any spaceport territory.
- Engage in the planning and implementation of space-related economic and educational development within the state.
- Provide the strategic direction for the aerospace-related research priorities of the state and its aerospace-related businesses.
- Execute intergovernmental agreements and development agreements consistent with prevailing statutory provisions, including, but not limited to, special benefits or tax increment financing initiatives.
- Establish reserve funds for future Space Florida Board operations.
- Adopt rules to carry out the purposes of the Space Florida Act.²⁵

Florida Opportunity Fund

In 2007 the Legislature passed the Capital Formation Act (Act),²⁶ a multi-faceted approach to nurturing entrepreneurs and emerging companies in the state, with the intent to mobilize private investment in a broad variety of partnerships in diversified industries and geographies.²⁷ One component of the Act was the creation of the Florida Opportunity Fund as an investor in seed and early stage businesses, infrastructure projects, venture capital funds, and angel funds.²⁸ Designed to mobilize investment in a broad variety of Florida-based, new technology companies and to generate a return sufficient to continue reinvestment, the Florida Opportunity Fund, the private, not-for profit corporation, is required to:

²⁵ Section 331.310(1), F.S. Sections 288.9621-288.96255, F.S.

²⁶ Chapter 2007-189, Laws of Fla.

²⁷ Section 288.9622, F.S.

²⁸ *Id.*

- Invest in certain seed and early stage venture capital funds. The fund also may make direct investments, including loans, in individual businesses and infrastructure projects. While not precluded from investing in venture capital funds that have investments outside this state, the fund must require a venture capital fund to show a record of successful investment in this state, to be based in this state, or to have an office in this state staffed with a full-time, professional venture investment executive in order to be eligible for investment.
- Negotiate for investment capital or loan proceeds from private, institutional, or banking sources.
- Negotiate any and all terms and conditions for its investments.
- Invest only in funds, businesses, and infrastructure projects that have raised capital from other sources so that the amount invested in such funds, businesses, or infrastructure projects is at least twice the amount invested by the fund. Direct investments must be made in Florida infrastructure projects or businesses that are Florida-based or have significant business activities in Florida and operate in technology sectors that are strategic to Florida, including, but not limited to, enterprises in life sciences, information technology, advanced manufacturing processes, aviation and aerospace, and homeland security and defense, as well as other strategic technologies.
- Form or operate other entities and accept additional funds from other public and private sources to further its purpose.²⁹

III. Effect of Proposed Changes:

The bill amends s. 331.3051, F.S., to revise Space Florida's duties to include administering the International Aerospace Innovation Fund (IAIF).

The bill also amends s. 331.310, F.S., to conform a cross-reference to incorporate Space Florida's duty to administer the IAIF.

The bill creates s. 331.372, F.S., to establish the IAIF, administered by Space Florida, to accelerate global aerospace innovation by funding collaborative research and development projects, workforce development initiatives, and commercialization efforts.

As part of funding such projects, initiatives, and commercialization efforts, the IAIF will develop partnerships between Florida-based aerospace companies and international aerospace companies, drive innovation in critical technology areas related to aerospace, including, but not limited to, space exploration, advanced manufacturing, and space infrastructure, and attract global investment in this state's aerospace ecosystem.

Space Florida is required to secure funding for the IAIF, which may be received from:

- The state, in the form of direct appropriations to Space Florida for purposes of the International Aerospace Innovation Fund, investment by the Florida Opportunity Fund,³⁰ and any other investment, loan, or grant funds for which projects of the IAIF qualify.
- Private sector investments. Space Florida may solicit matching funds from and partner with private aerospace companies and venture capital funds.

²⁹ Sections 288.9622 and 288.9624, F.S.

³⁰ Section 288.9624, F.S.

- International contributions. To the extent permitted under state law, Space Florida may collaborate with foreign industry development organizations or innovation authorities to co-fund IAIF projects.

The bill requires Space Florida to establish an application process for projects seeking funding from the IAIF and develop eligibility criteria for projects that may be funded by the IAIF. Space Florida must also establish a panel of aerospace experts to evaluate and recommend projects.

The eligibility criteria for projects must include, but are not limited to, all of the following:

- The project must involve at least one aerospace company or organization that is based in this state.
- The project must be a partnership that involves at least one of the following:
 - An international aerospace company.
 - A university.
 - A space agency.
 - A research institute.
- The project must be intended, and have demonstrated potential, for commercialization.

Funding by the IAIF must be competitively awarded to eligible projects based on merit.

In addition, the bill requires Space Florida to identify and establish partnerships, to the extent possible, with countries that have robust aerospace sectors.

The bill authorizes Space Florida to negotiate and enter into bilateral agreements for the purposes of the IAIF, which may include, but are not limited to, the establishment of co-funding commitments, intellectual property rights, and collaboration terms.

The bill takes effect July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Funding for the IAIF may be derived from private sector investments and international contributions, as secured by Space Florida. The impact on the private sector is indeterminate. However, the bill may have a positive impact on funding for Florida aerospace companies or organizations, since the bill requires that a project must involve at least one aerospace company or organization that is based in this state.

C. Government Sector Impact:

Funding for the IAIF from the state, as secured by Space Florida, may be in the form of direct appropriation for the purposes of the IAIF, investment by the Florida Opportunity Fund, and other investment, loan, or grant funds for which the IAIF projects qualify. Therefore, the bill may have an indeterminate fiscal impact.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 331.3051 and 331.310.

This bill creates section 331.372 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
