FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

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This bill analysis was prepared by nonpartisan committee sto	Iff and does not constitute an official statement of legislative intent.					
BILL #: <u>CS/HB 563</u>	COMPANION BILL: None					
TITLE: Fees/Florida Manufacturing Promotional	LINKED BILLS: <u>CS/HB 561</u> Cobb, Redondo					
Campaign	RELATED BILLS: CS/SB 602 (Truenow)					
SPONSOR(S): Cobb						
Committee References						
Housing, Agriculture & Tourism Transporta	ition & Economic Commerce					
14 Y, 0 N, As CS Development Budget						
SUMMARY						
Effect of the Bill:						
Requires the Department of Commerce to assess an ann	nual fee, not exceeding \$100, from those who register to					
participate in the voluntary Florida Manufacturing Pron	notional Campaign; fees must be deposited into the					
Economic Development Trust Fund and used solely for	administering the campaign.					
Fiscal or Economic Impact:						

The bill may have an indeterminate impact on the Department of Commerce and the private sector.

JUMP TO	<u>SUMMARY</u>	<u>ANALYSIS</u>	RELEVANT INFORMATION	BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill requires the Department of Commerce (Department) to assess and collect an annual fee not to exceed \$100 per registrant to fund the costs of administering the voluntary Florida Manufacturing Promotional Campaign (Campaign). The fees must be deposited into the Economic Development Trust Fund to be used solely for administering the campaign. (Section <u>1</u>).

The bill shall take effect on the same date as CS/HB 561 or similar legislation, if adopted in the same legislative session or an extension thereof. (Section $\underline{2}$).

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

Creating the Florida Manufacturing Promotional Campaign may have a fiscal impact on the Department.

PRIVATE SECTOR:

There may be a positive fiscal impact on the private sector. Those who register to participate in the Florida Manufacturing Promotional Campaign may experience increased market exposure and additional business.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Manufacturing

Florida has over 422,000 manufacturing jobs and ranks as the nation's 10th largest manufacturing employer.¹ Since 2014, Florida has increased manufacturing employment by 23.3 percent, which outpaced the other 11 states in the top 12 for manufacturing.² Manufacturing jobs generally pay higher wages than those in other industries. In 2022, the average annual wage for manufacturing jobs was over \$74,000, a 6.6 percent increase from 2021.³

The North American Industry Classification System (NAICS) is the standard used by federal statistical agencies to classify businesses by industry type for the purpose of statistical data collection and analysis related to the U.S. economy.⁴ NAICS Sector Codes 311-339 include unique manufacturing industries in Florida that have outpaced the nation in job growth, which include, but are not limited to, the following:⁵

- Food manufacturing
- Beverage and tobacco product manufacturing
- Textile mills and textile product mills
- Apparel manufacturing
- Leather and allied product manufacturing
- Wood product and paper manufacturing
- Printing and related support activities
- Petroleum and coal products manufacturing
- Chemical manufacturing
- Plastics and rubber products manufacturing
- Nonmetallic mineral product manufacturing
- Primary metal manufacturing
- Fabricated metal product manufacturing
- Machinery manufacturing
- Computer and electronic product manufacturing
- Electrical equipment and appliances
- Transportation equipment manufacturing
- Furniture and related product manufacturing
- Miscellaneous manufacturing

Additionally, manufacturing sectors with a high value-added component, such as aviation and aerospace, defense, microelectronics, medical devices and equipment, marine, fabricated metal products, and industrial machinery, have helped Florida's small and mid-size manufacturers grow quickly.⁶

Under the Local Manufacturing Development Program, a local government may adopt an ordinance establishing a local manufacturing development program through which the local government may grant master development approval for developing or expanding sites operated by manufacturers.⁷ Local governments may establish procedures for a manufacturing development program that allows manufacturers to submit and, upon approval of a master development plan, proceed with development without requiring additional local approvals, except for building permits.⁸ The approval process must be coordinated with the Department.⁹ Additionally, the Department has developed a model local manufacturing development program ordinance to guide local governments that

⁷ S. <u>163.3252, F.S.</u>

⁸ S. <u>163.3252(3), F.S.</u>

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<sup>9</sup> S. <u>163.3253, F.S.</u>
JUMP TO
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¹ Department of Commerce, *2023 Florida Manufacturing*, <u>https://www.floridajobs.org/docs/default-source/communicationsfiles/2023-florida-manufacturing-report.pdf</u> (last visited Apr. 7, 2025).

² *Id.* at 2.

³ *Id.* at 10.

⁴ United States Census Bureau, North American Industry Classification System (NAICS), <u>https://www.census.gov/naics/</u> (last visited Apr. 7, 2025).

⁵ Department of Commerce, *2023 Florida Manufacturing*, <u>https://www.floridajobs.org/docs/default-source/communicationsfiles/2023-florida-manufacturing-report.pdf</u> (last visited Apr. 7, 2025).

⁶ Id. at 47

intend to establish a local manufacturing development program.¹⁰ Currently, only Manatee and Volusia County have adopted an ordinance.¹¹

Workforce Training Programs

CareerSource Florida, a not-for-profit corporation administratively housed within the Department,¹² is the statewide workforce policy and investment board comprised of business and government leaders that helps Floridians enter, remain in, and advance in the workplace so that they may become more highly skilled and successful. The program also connects employers with qualified and skilled employees.¹³ Workforce training is administered through the 21 local workforce development boards.¹⁴

The Florida Job Growth Grant Fund is an economic development program that improves public infrastructure and workforce training across the state.¹⁵ Proposals are reviewed by the Department and chosen by the Governor to meet the demand for workforce or infrastructure needs in the communities they are awarded to.¹⁶

Manufacturing Extension Partnership (MEP)

The MEP National Network is a public-private partnership that delivers comprehensive solutions to U.S. manufacturers, fueling growth and advancing U.S. manufacturing.¹⁷ MEP is part of the U.S. Department of Commerce's National Institute of Standards and Technology (NIST).¹⁸ The MEP National Network, the mission of which is to strengthen and empower U.S. manufacturers, is comprised of NIST's Manufacturing Extension Partnership (NIST MEP), the 51 MEP Centers located in all 50 states and Puerto Rico, the MEP Advisory Board, MEP Center boards, and the Foundation for Manufacturing Excellence, as well as over 1,440 trusted advisors and experts at approximately 460 MEP service locations, providing any U.S. manufacturer with access to resources they need to succeed.¹⁹ FloridaMakes is the official representative of the MEP National Network and NIST MEP in the state of Florida.²⁰

The Department collaborates with FloridaMakes to promote and support the growth of Florida's manufacturing sector by providing resources, data, and partnership opportunities to manufacturers, often highlighting the industry's economic impact through initiatives like the "Florida Manufacturing Report" which is developed jointly by both entities.²¹

State Constitution

Section 19 of Article VII of the State Constitution requires a "state tax or fee imposed, authorized, or raised under this section must be contained in a separate bill that contains no other subject." A "fee" is defined by the Florida Constitution to mean "any charge or payment required by law, including any fee for service, fee or cost for licenses, and charge for service."²² Section 19 of Article VII of the State Constitution also requires that a tax or fee raised by the Legislature must be approved by two-thirds of the membership of each house of the Legislature.

ANALYSIS

¹⁰ S. <u>163.3252, F.S.</u>

¹¹ Department of Commerce, *Manufacturing Competitiveness Act Development Approval Program*, available at https://floridajobs.org/community-planning-and-development/programs/community-planning-table-ofcontents/manufacturing-competitiveness-act-development-approval-program (last visited Apr. 7, 2025). ¹² S. <u>445.004(1), F.S.</u>

 ¹³ See CareerSource Florida, About Us, available at <u>https://careersourceflorida.com/</u> (last visited Apr. 7, 2025).
 ¹⁴ Florida Commerce, Local Workforce Development Boards, <u>https://www.floridajobs.org/local-workforce-development-boards/local-workforce-development-boards</u>? (last visited Apr. 7, 2025).
 ¹⁵ S. <u>288.101(1)</u>, F.S.

¹⁶ See <u>s. 288.101(2), F.S.</u>

¹⁷ National Institute of Standards and Technology (NIST), *MEP National Network*, <u>https://www.nist.gov/mep/mep-national-network</u>? (last visited Apr. 7, 2025).

¹⁸ Id.

¹⁹ Id.

 ²⁰ FloridaMakes, *About us*, <u>https://www.floridamakes.com/about-us/how-we-help</u> (last visited Apr. 7, 2025).
 ²¹ FloridaMakes, *News, Blogs & Events*, <u>https://www.floridamakes.com/blogs/frances-nevill/2024/06/04/spotlight-on-floridas-inaugural-manfucturing-repor</u> (last visited Apr. 7, 2025).

BILL HISTORY							
COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY			
Housing, Agriculture & Tourism Subcommittee	14 Y, 0 N, As CS	4/1/2025	Curtin	Rodriguez			
THE CHANGES ADOPTED BY THE COMMITTEE:	 The PCS: Removed rulemaking authority from the Department to establish registration and renewal fees to fund the cost of administering the Florida Manufacturing Promotional Campaign. Established that the Department shall assess and collect an annual registration fee not exceeding \$100 per registrant, which will be used to fund the costs associated with administering the voluntary Florida Manufacturing Promotional Campaign. 						
<u>Transportation & Economic</u> <u>Development Budget</u> <u>Subcommittee</u> <u>Commerce Committee</u>							

THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.
