

Committee Substitute for Senate Bill No. 2540

An act relating to the commercial space industry; amending s. 330.30, F.S.; exempting certain spaceports from a provision of law relating to the approval of airport sites and the licensing of airports; amending s. 331.303, F.S.; revising definitions with respect to the Spaceport Florida Authority Act; amending s. 331.304, F.S.; revising the boundaries of spaceport territory; amending s. 331.360, F.S.; providing for the development of a spaceport master plan; creating s. 332.008, F.S.; providing limitation on the application of chapter 332, F.S.; amending s. 334.03, F.S.; redefining the term "transportation facility"; amending s. 334.30, F.S.; authorizing a fixed guideway transportation system operating within the Department of Transportation's right-of-way to operate at any safe speed; amending s. 339.155, F.S.; revising a provision of law governing transportation planning to include reference to spaceport master plans; amending s. 339.175, F.S.; including reference to spaceports and aerospace development with respect to metropolitan planning organizations; creating the Commission on the Future of Aeronautics and Space in Florida; providing for qualifications and appointment of members; directing the commission to study and make recommendations regarding specified areas relating to aeronautics and aerospace in the state; requiring reports; amending s. 196.012, F.S.; redefining the term "governmental purpose"; amending s. 212.08, F.S.; providing an exemption from the tax on sales, use, and other transactions; revising the application of the sales tax exemption for machinery and equipment used to increase productive output with respect to such machinery and equipment used in connection with spaceport activities; amending s. 288.063, F.S.; authorizing the Spaceport Florida Authority to enter into contracts for transportation projects; amending s. 288.075, F.S.; adding the Office of Tourism, Trade, and Economic Development and the Spaceport Florida Authority to a list of economic development agencies whose records are confidential; amending s. 288.35, F.S.; redefining the term "government agency"; amending s. 288.9415, F.S.; authorizing the Spaceport Florida Authority to apply for international trade grants; amending s. 331.309, F.S.; providing that funds of the authority may be deposited with the Florida Commercial Space Financing Corporation; creating part III of ch. 331, F.S., the Florida Commercial Space Financing Corporation Act; providing findings and intent; providing definitions; creating the Florida Commercial Space Financing Corporation; specifying the functions the corporation is authorized to carry out; providing for a board of directors of the corporation and for qualifications and appointment of members; providing powers of the corporation and the board; providing for fees; providing for rules; providing for insurance, coinsurance, loan guarantees, and loans for eligible space-related transactions; directing the board to establish an account to receive specified resources; providing for deposits in the account and for allocation of the account's resources; providing for appointment of a president of the corporation; providing powers and duties of the

president; requiring an annual report; providing for development of a research design to evaluate the corporation; providing for a review and evaluation of the corporation by the Office of Program Policy Analysis and Government Accountability; providing for periodic reviews and reports by the Division of Banking; creating s. 331.367, F.S.; creating the Spaceport Management Council within the Spaceport Florida Authority; providing that the council shall make recommendations regarding specified areas; providing for an executive board and the membership thereof; providing duties of the council; providing duties with respect to a spaceport master plan; providing for development of a Spaceport Economic Development Plan; creating the Florida Space Research Institute; prescribing the purposes of the institute; providing for management and operation of the institute; requiring a report; amending s. 196.1994, F.S.; providing that cargo carriers are exempt from ad valorem taxes; providing intent; providing legislative findings and declarations with respect to the global competition that is encountered by the state in attracting commercial space business facilities; providing severability; providing an appropriation; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (d) of subsection (3) of section 330.30, Florida Statutes, 1998 Supplement, is amended to read:

330.30 Approval of airport sites and licensing of airports; fees.—

(3) EXEMPTIONS.—The provisions of this section do not apply to:

(d) An airport under the jurisdiction or control of a county or municipal aviation authority or a county or municipal port authority or the Spaceport Florida Authority; however, the department shall license any such airport if such authority does not elect to exercise its exemption under this subsection.

Section 2. Subsection (25) is added to section 331.303, Florida Statutes, to read:

331.303 Definitions.—

(25) “Spaceport discretionary capacity improvement projects” means capacity improvements that enhance space transportation capacity at spaceports that have had one or more orbital or suborbital flights during the previous calendar year or have an agreement in writing for installation of one or more regularly scheduled orbital or suborbital flights upon the commitment of funds for stipulated spaceport capital improvements.

Section 3. Section 331.304, Florida Statutes, is amended to read:

331.304 Spaceport territory.—The following property shall constitute spaceport territory:

(1) Certain real property located in Brevard County that is included within the 1998 boundaries of Patrick Air Force Base, Cape Canaveral Air Station, John F. Kennedy Space Center, with the following boundaries:

- ~~(a) Northern boundary—Latitude 28°32'30" North.~~
- ~~(b) Eastern boundary—The mean high water line of the shore along the Atlantic Ocean.~~
- ~~(c) Western boundary—Cape Road (State Road 401).~~
- ~~(d) Southern boundary—Latitude 28°26' North.~~

(2) Certain real property located in Gulf County with the following boundaries:

- (a) Northern boundary—Latitude 29°40'45" North from longitude 85°20' West in a westerly direction to the mean high water line of the Gulf of Mexico.
- (b) Eastern boundary—Longitude 85°20' West.
- (c) Western boundary—The mean high water line of the shore along the Gulf of Mexico.
- (d) Southern boundary—The mean high water line of the shore along the Gulf of Mexico.

(3) Certain real property located in Santa Rosa, Okaloosa, and Walton Counties which is included within the 1997 boundaries of Eglin Air Force Base.

Section 4. Section 331.360, Florida Statutes, is amended to read:

331.360 Joint project agreement or assistance.—

(1) It shall be the duty, function, and responsibility of the Department of Transportation to promote the further development and improvement of aerospace transportation facilities, to address intermodal requirements and impacts of the launch ranges, spaceports, and other space transportation facilities, to assist in the development of joint-use facilities and technology that support aviation and aerospace operations, and to facilitate and promote cooperative efforts between federal and state government entities to improve space transportation capacity and efficiency. In carrying out this duty and responsibility, the department may assist and advise, cooperate with, and coordinate with federal, state, local, or private organizations and individuals. The department may administratively house its space transportation responsibilities within an existing division or office.

(2) Notwithstanding any other provision of law, the Department of Transportation may enter into a joint project agreement with, or otherwise assist, the Spaceport Florida Authority as necessary to effectuate the provisions of this chapter and may allocate funds for such purposes in its 5-year work program. However, the department may not fund the administrative or operational costs of the authority.

(3) The authority shall develop a spaceport master plan for expansion and modernization of space transportation facilities within spaceport territories as defined in s. 331.303(22). The plan shall contain recommended projects to meet current and future commercial, national, and state space transportation requirements. The authority shall submit the plan to any appropriate M.P.O. for review of intermodal impacts. The authority shall submit the spaceport master plan to the Department of Transportation and such plan may be included within the department's 5-year work program of qualifying aerospace discretionary capacity improvement under s. 331.360(4). The plan shall identify appropriate funding levels and include recommendations on appropriate sources of revenue that may be developed to contribute to the State Transportation Trust Fund.

(4) Subject to the availability of appropriated funds, the department may participate in the capital cost of eligible spaceport discretionary capacity improvement projects. The annual legislative budget request shall be based on the proposed funding requested for approved spaceport discretionary capacity improvement projects.

Section 5. Section 332.008, Florida Statutes, is created to read:

332.008 Limitation on operation of chapter.—Nothing in this chapter shall be construed to authorize expenditure of aviation fuel tax revenues on space transportation projects. Nothing in this chapter shall be construed to limit the department's authority under s. 331.360.

Section 6. Subsection (31) of section 334.03, Florida Statutes, is amended to read:

334.03 Definitions.—When used in the Florida Transportation Code, the term:

(31) "Transportation facility" means any means for the transportation of people ~~or~~ and property from place to place which is constructed, operated, or maintained in whole or in part from public funds. The term includes the property or property rights, both real and personal, which have been or may be established by public bodies for the transportation of people ~~or~~ and property from place to place.

Section 7. Subsection (6) is added to section 334.30, Florida Statutes, to read:

334.30 Private transportation facilities.—The Legislature hereby finds and declares that there is a public need for rapid construction of safe and efficient transportation facilities for the purpose of travel within the state, and that it is in the public's interest to provide for the construction of additional safe, convenient, and economical transportation facilities.

(6) Notwithstanding s. 341.327, a fixed-guideway transportation system authorized by the department to be wholly or partially within the department's right-of-way pursuant to a lease granted under s. 337.251 may operate at any safe speed.

Section 8. Paragraph (d) of subsection (2) of section 339.155, Florida Statutes, is amended, present paragraphs (w) and (x) of that subsection are redesignated as paragraphs (x) and (y), respectively, and a new paragraph (w) is added to that subsection, to read:

339.155 Transportation planning.—The department shall develop and annually update a statewide transportation plan, to be known as the Florida Transportation Plan. The plan shall be designed so as to be easily read and understood by the general public.

(2) DEVELOPMENT CRITERIA.—The Florida Transportation Plan shall consider the needs of the entire state transportation system, examine the use of all modes of transportation to effectively and efficiently meet such needs, and provide for the interconnection of all types of modes in a comprehensive intermodal transportation system. In developing the Florida Transportation Plan, the department shall consider the following:

(d) International border crossings and access to ports, airports, spaceports, intermodal transportation facilities, major freight distribution routes, national parks, recreation and scenic areas, monuments and historic sites, and military installations.

(w) The spaceport master plan approved by the Spaceport Florida Authority.

Section 9. Paragraph (a) of subsection (2), paragraph (b) of subsection (5), paragraph (a) of subsection (6), paragraphs (a) and (c) of subsection (7), and paragraph (a) of subsection (9) of section 339.175, Florida Statutes, 1998 Supplement, are amended to read:

339.175 Metropolitan planning organization.—It is the intent of the Legislature to encourage and promote the development of transportation systems embracing various modes of transportation in a manner that will maximize the mobility of people and goods within and through urbanized areas of this state and minimize, to the maximum extent feasible, and together with applicable regulatory government agencies, transportation-related fuel consumption and air pollution. To accomplish these objectives, metropolitan planning organizations, referred to in this section as M.P.O.'s, shall develop, in cooperation with the state, transportation plans and programs for metropolitan areas. Such plans and programs must provide for the development of transportation facilities that will function as an intermodal transportation system for the metropolitan area. The process for developing such plans and programs shall be continuing, cooperative, and comprehensive, to the degree appropriate, based on the complexity of the transportation problems.

(2) VOTING MEMBERSHIP.—

(a) The voting membership of an M.P.O. shall consist of not fewer than 5 or more than 19 apportioned members, the exact number to be determined on an equitable geographic-population ratio basis by the Governor, based on an agreement among the affected units of general-purpose local government as required by federal rules and regulations. The Governor, in accordance

with 23 U.S.C. s. 134, as amended by the Intermodal Surface Transportation Efficiency Act of 1991, may also provide for M.P.O. members who represent municipalities to alternate with representatives from other municipalities within the designated urban area that do not have members on the M.P.O. County commission members shall compose not less than one-third of the M.P.O. membership, except for an M.P.O. with more than 15 members located in a county with a five-member county commission or an M.P.O. with 19 members located in a county with no more than 6 county commissioners, in which case county commission members may compose less than one-third percent of the M.P.O. membership, but all county commissioners must be members. All voting members shall be elected officials of general-purpose governments, except that an M.P.O. may include, as part of its apportioned voting members, a member of a statutorily authorized planning board, or an official of an agency that operates or administers a major mode of transportation, or an official of the Spaceport Florida Authority. In metropolitan areas in which authorities or other agencies have been, or may be, created by law to perform transportation functions that are not under the jurisdiction of a general-purpose local government represented on the M.P.O., they shall be provided voting membership on the M.P.O. The county commission shall compose not less than 20 percent of the M.P.O. membership if an official of an agency that operates or administers a major mode of transportation has been appointed to an M.P.O.

(5) **POWERS, DUTIES, AND RESPONSIBILITIES.**—The powers, privileges, and authority of an M.P.O. are those specified in this section or incorporated in an interlocal agreement authorized under s. 163.01. Each M.P.O. shall perform all acts required by federal or state laws or rules, now and subsequently applicable, which are necessary to qualify for federal aid. It is the intent of this section that each M.P.O. shall be involved in the planning and programming of transportation facilities, including, but not limited to, airports, intercity and high-speed rail lines, seaports, and intermodal facilities, to the extent permitted by state or federal law.

(b) In developing the long-range transportation plan and the transportation improvement program required under paragraph (a), each M.P.O. must, at a minimum, consider:

1. The preservation of existing transportation facilities and, where practical, ways to meet transportation needs by using existing facilities more efficiently;

2. The consistency of transportation planning with applicable federal, state, and local energy conservation programs, goals, and objectives;

3. The need to relieve congestion and prevent congestion from occurring where it does not yet occur;

4. The likely effect of transportation policy decisions on land use and development and the consistency of transportation plans and programs with all applicable short-term and long-term land use and development plans;

5. The programming of transportation enhancement activities as required by federal law;

6. The effect of all transportation projects to be undertaken in the metropolitan area, without regard to whether such projects are publicly funded;
7. The provision of access to seaports, airports, spaceports, intermodal transportation facilities, major freight distribution routes, national and state parks, recreation areas, monuments and historic sites, and military installations;
8. The need for roads within the metropolitan area to efficiently connect with roads outside the metropolitan area;
9. The transportation needs identified through the use of transportation management systems required by federal or state law;
10. The preservation of rights-of-way for construction of future transportation projects, including the identification of unused rights-of-way that may be needed for future transportation corridors and the identification of corridors for which action is most needed to prevent destruction or loss;
11. Any available methods to enhance the efficient movement of freight;
12. The use of life-cycle costs in the design and engineering of bridges, tunnels, or pavement;
13. The overall social, economic, energy, and environmental effects of transportation decisions;
14. Any available methods to expand or enhance transit services and increase the use of such services; and
15. The possible allocation of capital investments to increase security for transit systems.

(6) LONG-RANGE PLAN.—Each M.P.O. must develop a long-range transportation plan that addresses at least a 20-year planning horizon. The plan must include both long-range and short-range strategies and must comply with all other state and federal requirements. The long-range plan must be consistent, to the maximum extent feasible, with future land use elements and the goals, objectives, and policies of the approved local government comprehensive plans of the units of local government located within the jurisdiction of the M.P.O. The approved long-range plan must be considered by local governments in the development of the transportation elements in local government comprehensive plans and any amendments thereto. The long-range plan must, at a minimum:

(a) Identify transportation facilities, including, but not limited to, major roadways, airports, seaports, spaceports, commuter rail systems, transit systems, and intermodal or multimodal terminals that will function as an integrated metropolitan transportation system. The long-range plan must give emphasis to those transportation facilities that serve national, state-wide, or regional functions, and must consider the goals and objectives identified in the Florida Transportation Plan as provided in s. 339.155.

In the development of its long-range plan, each M.P.O. must provide affected public agencies, representatives of transportation agency employees, private providers of transportation, other interested parties, and members of the general public with a reasonable opportunity to comment on the long-range plan. The long-range plan must be approved by the M.P.O.

(7) **TRANSPORTATION IMPROVEMENT PROGRAM.**—Each M.P.O. shall, in cooperation with the state and affected public transportation operators, develop a transportation improvement program for the area within the jurisdiction of the M.P.O. In the development of the transportation improvement program, each M.P.O. must provide affected public transit agencies, representatives of transportation agency employees, private providers of transportation, other interested parties, and members of the general public with a reasonable opportunity to comment on the transportation improvement program.

(a) Each M.P.O. is responsible for developing, annually, a list of project priorities and a transportation improvement program. The transportation improvement program will be used to initiate federally aided transportation facilities and improvements as well as other transportation facilities and improvements including transit, rail, aviation, spaceport, and port facilities to be funded from the State Transportation Trust Fund within its metropolitan area in accordance with existing and subsequent federal and state laws and rules and regulations related thereto. The transportation improvement program shall be consistent, to the maximum extent feasible, with the approved local government comprehensive plans of the units of local government whose boundaries are within the metropolitan area of the M.P.O.

(c) The transportation improvement program must, at a minimum:

1. Include projects and project phases to be funded with state or federal funds within the time period of the transportation improvement program and which are recommended for advancement during the next fiscal year and 4 subsequent fiscal years. Such projects and project phases must be consistent, to the maximum extent feasible, with the approved local government comprehensive plans of the units of local government located within the jurisdiction of the M.P.O. For informational purposes, the transportation improvement program shall also include a list of projects to be funded from local or private revenues.

2. Include projects within the metropolitan area which are proposed for funding under 23 U.S.C. s. 134 of the Federal Transit Act and which are consistent with the long-range plan developed under subsection (6).

3. Provide a financial plan that demonstrates how the transportation improvement program can be implemented; indicates the resources, both public and private, that are reasonably expected to be available to accomplish the program; and recommends any innovative financing techniques that may be used to fund needed projects and programs. Such techniques may include the assessment of tolls, the use of value capture financing, or the use of congestion pricing. The transportation improvement program may include a project or project phase only if full funding can reasonably be

anticipated to be available for the project or project phase within the time period contemplated for completion of the project or project phase.

4. Group projects and project phases of similar urgency and anticipated staging into appropriate staging periods.

5. Indicate how the transportation improvement program relates to the long-range plan developed under subsection (6), including providing examples of specific projects or project phases that further the goals and policies of the long-range plan.

6. Indicate whether any project or project phase is inconsistent with an approved comprehensive plan of a unit of local government located within the jurisdiction of the M.P.O. If a project is inconsistent with an affected comprehensive plan, the M.P.O. must provide justification for including the project in the transportation improvement program.

7. Indicate how the improvements are consistent, to the maximum extent feasible, with affected seaport, ~~and airport, and spaceport~~ master plans and with public transit development plans of the units of local government located within the jurisdiction of the M.P.O.

(9) AGREEMENTS.—

(a) Each M.P.O. shall execute the following written agreements, which shall be reviewed, and updated as necessary, every 5 years:

1. An agreement with the department clearly establishing the cooperative relationship essential to accomplish the transportation planning requirements of state and federal law.

2. An agreement with the metropolitan and regional intergovernmental coordination and review agencies serving the metropolitan areas, specifying the means by which activities will be coordinated and how transportation planning and programming will be part of the comprehensive planned development of the area.

3. An agreement with operators of public transportation systems, including transit systems, commuter rail systems, airports, ~~and seaports, and spaceports,~~ describing the means by which activities will be coordinated and specifying how public transit, commuter rail, aviation, ~~and seaport, and aerospace~~ planning and programming will be part of the comprehensive planned development of the metropolitan area.

Section 10. Commission on the Future of Aeronautics and Space in Florida.—

(1) The Legislature finds that the aviation and aerospace industries comprise an important segment of Florida's present and future economy. Yet, there exists intense nationwide competition for future development of these industries. The state has the resources to help these industries meet the challenges and opportunities of competition and to establish itself as a prime location for aviation and aerospace industries, thus creating a prime envi-

ronment for economic development and employment opportunities. However, effective action and the necessary coordination of resources must be based on a reliable assessment of the present climate for such industries in the state. Further, the various options available for legislative action should be carefully considered.

(2) There is created the Commission on the Future of Aeronautics and Space in Florida. The commission shall be composed of the following 11 members:

(a) The chairs of the Transportation Committees of the Senate and the House of Representatives.

(b) A representative of the Aviation Office of the Department of Transportation, appointed by the Secretary of Transportation.

(c) A representative of the Spaceport Florida Authority, appointed by the board of supervisors of the authority.

(d) Two members appointed by the Governor who are not members of the Legislature.

(e) Two members appointed by the President of the Senate.

(f) Two members appointed by the Speaker of the House of Representatives.

(g) An active manager of an airport in Florida appointed by the Florida Airport Manager's Association.

(3) The members appointed pursuant to paragraphs (2)(d), (e), and (f), shall be selected so as to equitably provide knowledge concerning and experience in the following areas: commercial aviation; aviation manufacturing; aviation operations and maintenance; aerospace manufacturing; aerospace operations and maintenance; and aeronautics-related education.

(4) The members of the commission shall be appointed within 30 days after the effective date of this act. The commission shall serve until adjournment sine die of the 2001 Regular Session of the Legislature. Vacancies on the commission shall be filled in the same manner as the original appointment.

(5) Upon appointment of its members, the commission shall meet to organize and select a chair and vice chair. Meetings shall be held upon the call of the chair, but not less frequently than quarterly.

(6) The members of the commission shall serve without compensation but shall be entitled to be reimbursed for per diem and travel expenses as provided in section 112.061, Florida Statutes. The Department of Transportation shall provide administrative staff support and travel and per diem expenses for the commission.

(7) The commission shall:

(a) Survey current state and local laws, ordinances, and rules that affect the development and regulation of the aviation and aerospace industries in Florida and recommend ways in which these regulations can be streamlined and revised to operate more efficiently. The commission should also consider whether regulation and oversight in the fields of aviation and aerospace should be centralized under one governmental agency.

(b) Examine the ways in which aviation and aerospace industries, including the component elements of manufacturing, assembly, marketing, servicing, maintenance, logistical support, human resources, and related research and development, can be attracted to locate permanently in the state, and recommend actions that can be taken by state and local governments to accomplish this goal.

(c) Review existing studies to evaluate the availability of commercial air services in Florida, identify underserved locations, and recommend actions that can be taken to improve the availability, efficiency, and economy of the state's commercial air services.

(d) Identify the advances that can be expected in the future in aeronautics and aerospace operations, air transport, aeronautical education, and other aeronautical areas, and make recommendations regarding how the state can anticipate, encourage, and accommodate such advances.

(e) Identify aid that is available at the federal level to assist in efforts to improve Florida's aeronautical and aerospace competitive position, and recommend ways in which the state can be most effective in obtaining that aid.

(f) Determine whether Florida's secondary and postsecondary schools are producing a highly qualified workforce in sufficient numbers to meet the needs of the aviation and aerospace industries.

(8) The commission shall prepare a preliminary report of its findings and recommendations by December 1, 2000, and a final report by January 15, 2001. Copies of the reports shall be submitted to the Governor, the President and the Minority Leader of the Senate, and the Speaker and the Minority Leader of the House of Representatives. After submission of the final report, members of the commission may, with the approval of the chair, receive reimbursement pursuant to subsection (6) for travel necessary to consult with the Legislature concerning issues raised by, and implementation of, the final report, until termination of the commission.

Section 11. Subsection (6) of section 196.012, Florida Statutes, is amended to read:

196.012 Definitions.—For the purpose of this chapter, the following terms are defined as follows, except where the context clearly indicates otherwise:

(6) Governmental, municipal, or public purpose or function shall be deemed to be served or performed when the lessee under any leasehold interest created in property of the United States, the state or any of its political subdivisions, or any municipality, agency, special district, authority, or other public body corporate of the state is demonstrated to perform

a function or serve a governmental purpose which could properly be performed or served by an appropriate governmental unit or which is demonstrated to perform a function or serve a purpose which would otherwise be a valid subject for the allocation of public funds. For purposes of the preceding sentence, an activity undertaken by a lessee which is permitted under the terms of its lease of real property designated as an aviation area on an airport layout plan which has been approved by the Federal Aviation Administration and which real property is used for the administration, operation, business offices and activities related specifically thereto in connection with the conduct of an aircraft full service fixed base operation which provides goods and services to the general aviation public in the promotion of air commerce shall be deemed an activity which serves a governmental, municipal, or public purpose or function. Any activity undertaken by a lessee which is permitted under the terms of its lease of real property designated as a public airport as defined in s. 332.004(14) by municipalities, agencies, special districts, authorities, or other public bodies corporate and public bodies politic of the state, a spaceport as defined in s. 331.303(19), or which is located in a deepwater port identified in s. 403.021(9)(b) and owned by one of the foregoing governmental units, subject to a leasehold or other possessory interest of a nongovernmental lessee that is deemed to perform an aviation, ~~or~~ airport, aerospace, ~~or~~ maritime, or port purpose or operation shall be deemed an activity that serves a governmental, municipal, or public purpose. The use by a lessee, licensee, or management company of real property or a portion thereof as a convention center, visitor center, sports facility with permanent seating, concert hall, arena, stadium, park, or beach is deemed a use that serves a governmental, municipal, or public purpose or function when access to the property is open to the general public with or without a charge for admission. If property deeded to a municipality by the United States is subject to a requirement that the Federal Government, through a schedule established by the Secretary of the Interior, determine that the property is being maintained for public historic preservation, park, or recreational purposes and if those conditions are not met the property will revert back to the Federal Government, then such property shall be deemed to serve a municipal or public purpose. The term "governmental purpose" also includes a direct use of property on federal lands in connection with the Federal Government's Space Exploration Program or spaceport activities as defined in s. 212.02(22). Real property and tangible personal property owned by the Federal Government or the Spaceport Florida Authority and used for defense and space exploration purposes or which is put to a use in support thereof shall be deemed to perform an essential national governmental purpose and shall be exempt. "Owned by the lessee" as used in this chapter does not include personal property, buildings, or other real property improvements used for the administration, operation, business offices and activities related specifically thereto in connection with the conduct of an aircraft full service fixed based operation which provides goods and services to the general aviation public in the promotion of air commerce provided that the real property is designated as an aviation area on an airport layout plan approved by the Federal Aviation Administration. For purposes of determination of "ownership," buildings and other real property improvements which will revert to the airport authority or other governmental unit upon expiration of the term of the lease shall be deemed "owned" by the

governmental unit and not the lessee. Providing two-way telecommunications services to the public for hire by the use of a telecommunications facility, as defined in s. 364.02(13), and for which a certificate is required under chapter 364 does not constitute an exempt use for purposes of s. 196.199, unless the telecommunications services are provided by the operator of a public-use airport, as defined in s. 332.004, for the operator's provision of telecommunications services for the airport or its tenants, concessionaires, or licensees, or unless the telecommunications services are provided by a public hospital. However, property that is being used to provide such telecommunications services on or before October 1, 1997, shall remain exempt, but such exemption expires October 1, 2004.

Section 12. Paragraph (b) of subsection (5) of section 212.08, Florida Statutes, 1998 Supplement, is amended to read:

212.08 Sales, rental, use, consumption, distribution, and storage tax; specified exemptions.—The sale at retail, the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of the following are hereby specifically exempt from the tax imposed by this chapter.

(5) EXEMPTIONS; ACCOUNT OF USE.—

(b) Machinery and equipment used to increase productive output.—

1. Industrial machinery and equipment purchased for exclusive use by a new business in spaceport activities as defined by s. 212.02 or for use in new businesses which manufacture, process, compound, or produce for sale, ~~or for exclusive use in spaceport activities as defined in s. 212.02~~, items of tangible personal property at fixed locations are exempt from the tax imposed by this chapter upon an affirmative showing by the taxpayer to the satisfaction of the department that such items are used in a new business in this state. Such purchases must be made prior to the date the business first begins its productive operations, and delivery of the purchased item must be made within 12 months of that date.

2.a. Industrial machinery and equipment purchased for exclusive use by an expanding facility which is engaged in spaceport activities as defined by s. 212.02 or for use in expanding manufacturing facilities or plant units which manufacture, process, compound, or produce for sale, ~~or for exclusive use in spaceport activities as defined in s. 212.02~~, items of tangible personal property at fixed locations in this state are exempt from any amount of tax imposed by this chapter in excess of \$50,000 per calendar year upon an affirmative showing by the taxpayer to the satisfaction of the department that such items are used to increase the productive output of such expanded facility or business by not less than 10 percent.

b. Notwithstanding any other provision of this section, industrial machinery and equipment purchased for use in expanding printing manufacturing facilities or plant units that manufacture, process, compound, or produce for sale items of tangible personal property at fixed locations in this state are exempt from any amount of tax imposed by this chapter upon an affirmative showing by the taxpayer to the satisfaction of the department

that such items are used to increase the productive output of such an expanded business by not less than 10 percent.

3.a. To receive an exemption provided by subparagraph 1. or subparagraph 2., a qualifying business entity shall apply to the department for a temporary tax exemption permit. The application shall state that a new business exemption or expanded business exemption is being sought. Upon a tentative affirmative determination by the department pursuant to subparagraph 1. or subparagraph 2., the department shall issue such permit.

b. The applicant shall be required to maintain all necessary books and records to support the exemption. Upon completion of purchases of qualified machinery and equipment pursuant to subparagraph 1. or subparagraph 2., the temporary tax permit shall be delivered to the department or returned to the department by certified or registered mail.

c. If, in a subsequent audit conducted by the department, it is determined that the machinery and equipment purchased as exempt under subparagraph 1. or subparagraph 2. did not meet the criteria mandated by this paragraph or if commencement of production did not occur, the amount of taxes exempted at the time of purchase shall immediately be due and payable to the department by the business entity, together with the appropriate interest and penalty, computed from the date of purchase, in the manner prescribed by this chapter.

d. In the event a qualifying business entity fails to apply for a temporary exemption permit or if the tentative determination by the department required to obtain a temporary exemption permit is negative, a qualifying business entity shall receive the exemption provided in subparagraph 1. or subparagraph 2. through a refund of previously paid taxes. No refund may be made for such taxes unless the criteria mandated by subparagraph 1. or subparagraph 2. have been met and commencement of production has occurred.

4. The department shall promulgate rules governing applications for, issuance of, and the form of temporary tax exemption permits; provisions for recapture of taxes; and the manner and form of refund applications and may establish guidelines as to the requisites for an affirmative showing of increased productive output, commencement of production, and qualification for exemption.

5. The exemptions provided in subparagraphs 1. and 2. do not apply to machinery or equipment purchased or used by electric utility companies, communications companies, phosphate or other solid minerals severance, mining, or processing operations, oil or gas exploration or production operations, publishing firms that do not export at least 50 percent of their finished product out of the state, any firm subject to regulation by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation, or any firm which does not manufacture, process, compound, or produce for sale, ~~or for exclusive use in spaceport activities as defined in s. 212.02,~~ items of tangible personal property or which does not use such machinery and equipment in spaceport activities as required by this paragraph.

6. For the purposes of the exemptions provided in subparagraphs 1. and 2., these terms have the following meanings:

a. "Industrial machinery and equipment" means "section 38 property" as defined in s. 48(a)(1)(A) and (B)(i) of the Internal Revenue Code, provided "industrial machinery and equipment" shall be construed by regulations adopted by the Department of Revenue to mean tangible property used as an integral part of spaceport activities or of the manufacturing, processing, compounding, or producing for sale, ~~or for exclusive use in spaceport activities as defined in s. 212.02,~~ of items of tangible personal property. Such term includes parts and accessories only to the extent that the exemption thereof is consistent with the provisions of this paragraph.

b. "Productive output" means the number of units actually produced by a single plant or operation in a single continuous 12-month period, irrespective of sales. Increases in productive output shall be measured by the output for 12 continuous months immediately following the completion of installation of such machinery or equipment over the output for the 12 continuous months immediately preceding such installation. However, if a different 12-month continuous period of time would more accurately reflect the increase in productive output of machinery and equipment purchased to facilitate an expansion, the increase in productive output may be measured during that 12-month continuous period of time if such time period is mutually agreed upon by the Department of Revenue and the expanding business prior to the commencement of production; provided, however, in no case may such time period begin later than 2 years following the completion of installation of the new machinery and equipment. The units used to measure productive output shall be physically comparable between the two periods, irrespective of sales.

7. Notwithstanding any other provision in this paragraph to the contrary, in order to receive the exemption provided in this paragraph a taxpayer must register with the WAGES Program Business Registry established by the local WAGES coalition for the area in which the taxpayer is located. Such registration establishes a commitment on the part of the taxpayer to hire WAGES program participants to the maximum extent possible consistent with the nature of their business.

Section 13. Subsection (4) of section 288.063, Florida Statutes, 1998 Supplement, is amended, present subsections (7), (8), and (9) are redesignated as subsections (8), (9), and (10), respectively, and a new subsections (7) is added to that section, to read:

288.063 Contracts for transportation projects.—

(4) The Office of Tourism, Trade, and Economic Development may adopt criteria by which transportation projects are to be specified and identified. In approving transportation projects for funding, the Office of Tourism, Trade, and Economic Development shall consider factors including, but not limited to, the cost per job created or retained considering the amount of transportation funds requested; the average hourly rate of wages for jobs created; the reliance on the program as an inducement for the project's

location decision; the amount of capital investment to be made by the business; the demonstrated local commitment; the location of the project in an enterprise zone designated pursuant to s. 290.0055; the location of the project in a community development corporation service area as defined in s. 290.035(2); the location of the project in a spaceport territory as defined in s. 331.304; the unemployment rate of the surrounding area; the poverty rate of the community; and the adoption of an economic element as part of its local comprehensive plan in accordance with s. 163.3177(7)(j). The Office of Tourism, Trade, and Economic Development may contact any agency it deems appropriate for additional input regarding the approval of projects.

(7) For the purpose of this section, the Spaceport Florida Authority may serve as the local government or as the contracting agency for transportation projects within spaceport territory as defined by s. 331.304.

Section 14. Subsection (1) of section 288.075, Florida Statutes, is amended to read:

288.075 Confidentiality of records.—

(1) As used in this section, the term “economic development agency” means the Office of Tourism, Trade, and Economic Development Division of Economic Development of the Department of Commerce, any industrial development authority created in accordance with part III of chapter 159 or by special law, the Spaceport Florida Authority created in part II of chapter 331, the public economic development agency that advises the county commission on the issuance of industrial revenue bonds of a county that does not have an industrial development authority created in accordance with part III of chapter 159 or by special law, or any research and development authority created in accordance with part V of chapter 159. The term also includes any private agency, person, partnership, corporation, or business entity when authorized by the state, a municipality, or a county to promote the general business interests or industrial interests of the state or that municipality or county.

Section 15. Subsection (2) of section 288.35, Florida Statutes, is amended to read:

288.35 Definitions.—The following terms, wherever used or referred to in this part, shall have the following meanings:

(2) “Government agency” means the state or any county or political subdivision thereof; any state agency; any consolidated government of a county, and some or all of the municipalities located within said county; any chartered municipality in the state; and any of the institutions of such consolidated governments, counties, or municipalities. Specifically included are airports, port authorities, ~~and industrial authorities,~~ and the Spaceport Florida Authority.

Section 16. Subsection (2) of section 288.9415, Florida Statutes, is amended to read:

288.9415 International Trade Grants.—

(2) A county, municipality, economic development council, the Spaceport Florida Authority, or a not-for-profit association of businesses organized to assist in the promotion of international trade may apply for a grant of state funds for the promotion of international trade.

Section 17. Subsection (2) of section 331.309, Florida Statutes, 1998 Supplement, is amended to read:

331.309 Treasurer; depositories; fiscal agent.—

(2) The board is authorized to select as depositories in which the funds of the board and of the authority shall be deposited any qualified public depository as defined in s. 280.02, upon such terms and conditions as to the payment of interest by such depository upon the funds so deposited as the board may deem just and reasonable. Funds of the authority may also be deposited with the Florida Commercial Space Financing Corporation created by s. 331.407. The funds of the authority may be kept in or removed from the State Treasury upon written notification from the chair of the board to the State Comptroller.

Section 18. Part III of chapter 331, Florida Statutes, consisting of sections 331.401, 331.403, 331.405, 331.407, 331.409, 331.411, 331.415, 331.417, 331.419, and 331.421, is created to read:

331.401 Short title.—Sections 331.401-331.421 may be cited as the “Florida Commercial Space Financing Corporation Act.”

331.403 Legislative findings and intent.—The Legislature finds that the expansion of state and federal support for the aerospace industry in Florida is critical to the continued development of a viable commercial space industry and the technical and scientific job base for its citizens. This development of commercial opportunities in Florida is slowed by the lack of traditional business financing tools such as securitization for industrial development. Florida’s launch industry is also being challenged by the provision of such industry assistance by other countries. Florida’s aerospace industry could be assisted by a corporation established to work with the United States Export-Import Bank, the Small Business Administration, the National Aeronautics and Space Administration, and other federal, state, and private sources to provide information, technical assistance, and financial support. It is the intention of the Legislature to retain and expand job opportunities for Florida citizens through this mechanism.

331.405 Definitions.—As used in this part:

(1) “Account” means the account established pursuant to s. 331.415.

(2) “Authority” means the Spaceport Florida Authority created by s. 331.302.

(3) “Board” means the governing body of the corporation.

(4) “Corporation” means the Florida Commercial Space Financing Corporation.

- (5) “Domiciled in this state” means registered to do business in Florida.
- (6) “Financing agreement” has the same meaning as in s. 331.303(10).
- (7) “Financial institution” has the same meaning as in s. 655.005(1)(h).
- (8) “Member” means an individual appointed to be a member of the board.
- (9) “President” means the chief executive officer of the corporation.

331.407 Florida Commercial Space Financing Corporation.—

(1) The Florida Commercial Space Financing Corporation is created as a corporation not for profit. The corporation shall have all the powers, rights, privileges, and authority as provided under chapter 617 and this part. The corporation shall be organized on a nonstock basis. The purpose of the corporation is to expand employment and income opportunities for residents of this state by providing businesses domiciled in this state with information, technical assistance, and financial assistance to support space-related transactions, in order to increase the development within the state of commercial aerospace products, activities, services, and facilities.

(2) The corporation shall have the power and authority to carry out the following functions:

(a) To coordinate its efforts with programs and goals of the United States Air Force, the National Aeronautics and Space Administration, the Export-Import Bank, the International Trade Administration of the United States Department of Commerce, the Foreign Credit Insurance Association, Enterprise Florida, Inc., and its boards, and other private and public programs and organizations, domestic and foreign.

(b) To establish a network of contacts among those domestic and foreign public and private organizations which provide information, technical assistance, and financial support to the aerospace industry.

(c) To assemble, publish, and disseminate information on financing opportunities and techniques of financing aerospace projects, programs, and activities; sources of public and private aerospace financing assistance; and sources of space-related financing.

(d) To organize, host, and participate in seminars and other forums designed to disseminate information and technical assistance regarding space-related financing.

(e) To insure, coinsure, lend, and guarantee loans, and to originate for sale direct space-related loans, pursuant to criteria, bylaws, policies, and procedures adopted by the board.

(f) To capitalize, underwrite, and secure funding for aerospace infrastructure, satellites, launch vehicles, and any service which supports aerospace launches.

(g) To construct, lease, or sell aerospace infrastructure, satellites, launch vehicles, and any other related activities and services.

(h) To acquire property, including real, personal, tangible, intangible, or mixed, under such conditions as the board may deem necessary or desirable, and sell or otherwise dispose of the same.

(i) To make and exercise any and all contracts or other instruments necessary or convenient to the exercise of its powers, including financing agreements.

331.409 Powers and limitations.—

(1) The corporation may charge fees to help defray the operating expenses of its programs. The amount of fees shall be determined by the board.

(2) The total of loans, guarantees, direct loan originations for sale, and insured transactions outstanding shall not be more than five times the balance of the account. The board may elect to require a higher reserve.

(3) The board shall adopt rules with respect to the terms and limits for loans, guarantees, and direct loan originations, but a loan guarantee or a direct loan origination shall not exceed 90 percent of the transaction contract.

(4) In providing assistance, the board shall create a fiscal strategy for Florida which will guide and facilitate the successful expansion of space-related jobs.

(5) The board shall explore the possibility of organizing financial institutions and international bank syndicates for the purpose of offering nonre-course financing to the Florida aerospace industry.

(6) The board may exercise all powers granted to not-for-profit corporations under chapter 617.

(7) The board shall manage all funds in its possession and invest in permissible securities.

331.411 Board of directors; powers and duties.—

(1) There is created a board of directors of the corporation, which shall consist of up to 7 voting members as follows:

(a) One representative appointed by each of the following:

1. The board of supervisors of the Spaceport Florida Authority.
2. The board of directors of the Florida Export Finance Corporation.
3. The director of the Office of Tourism, Trade, and Economic Development.
4. The board of directors of Enterprise Florida, Inc.

5. The Secretary of Transportation.

(b) The Governor shall appoint the following members:

1. A member representing the investment banking industry.

2. An attorney at law in private practice.

The board shall also include two ex officio nonvoting members, a member of the House of Representatives selected by the Speaker of the House of Representatives, and a member of the Senate selected by the President of the Senate, both of whom shall serve 2-year terms.

(2) Each voting member shall serve a 3-year term, beginning on July 1. Members appointed pursuant to paragraph (1)(a) shall serve at the pleasure of the appointing authority. Members appointed pursuant to paragraph (1)(b) shall serve at the pleasure of the Governor. Initial appointments shall be made no later than 60 days after the effective date of this act.

(3)(a) No person appointed pursuant to paragraph (1)(a) may be employed full time by any entity that applies for financial support.

(b) The members of the board who are federal employees shall not vote on any financial matter, but may vote on all corporate policies and procedures.

(c) All board members must be residents of the state.

(4) The board shall hold its initial meeting no later than 30 days after the members have been appointed.

(5) At its first meeting, the board shall appoint a president of the corporation from qualified candidates who have been screened and interviewed by the Spaceport Florida Authority.

(6) Board members shall serve without compensation but may be reimbursed for all necessary expenses in the performance of their duties, including attending board meetings and conducting board business.

(7) The board shall:

(a) Prior to the expenditure of funds from the account, adopt bylaws, rules, and policies necessary to carry out its responsibilities under this part, particularly with respect to the implementation of the corporation's programs to insure, coinsure, lend, provide loan guarantees, and make direct, guaranteed, or collateralized loans to support space-related transactions.

(b) Hold regularly scheduled meetings, at least quarterly, in order to carry out the objectives and responsibilities of the board.

(c) Adopt policies, including criteria, establishing which space-related transactions shall be eligible for insurance, coinsurance, loan guarantees, and direct, guaranteed, or collateralized loans which may be extended by the

corporation. To implement this paragraph, the board shall adopt rules which include the following criteria:

1. Any individual signing any corporation loan application and loan or guarantee agreement must have an equity interest in the business applying for financial assistance.

2. Applicants must be domiciled in this state and will be contractually obligated to use Florida launch facilities to the maximum extent possible.

(d) Adopt requirements to ensure the full repayment of loans and loan guarantees, plus accrued interest, full-recourse claims, and indemnities on direct loan originations sold by the corporation, and the solvency of any insurance and coinsurance program extended under this part.

(e) Approve any extension of insurance, coinsurance, loans, loan guarantees, or direct loan originations for sale under this part.

(f) Consult with Enterprise Florida, Inc., and its boards, or any state or federal agency, to ensure that their respective loan guarantee or working capital loan origination programs are not duplicative and that each program makes full use, to the extent practicable, of the resources of the other.

(g) Work to secure a delegated line of authority from the United States Export-Import Bank or other appropriate federal or state agency or private sector entity in order to take advantage of possible funding or guarantee sources.

(h) Develop a streamlined application and review process.

331.415 Authority to create account.—

(1) The board shall create an account for the purposes of this part to receive state, federal, and private financial resources, and the return from investments of those resources. The account shall be under the exclusive control of the board.

(2) Resources in the account shall be allocated for operating expenses of the corporation and for other purposes authorized by this part.

(3)(a) Appropriations for the corporation shall be deposited into the account.

(b) The board may deposit the resources of the account with state or federally chartered financial institutions in this state and may invest the remaining portion in permissible securities.

(c) At all times, the board shall attempt to maximize the returns on funds in the account.

(d) All funds received from the activities of the corporation shall be re-deposited in the account to be used to support the purposes of this part.

(4) Any claims against the account shall be paid solely from the account. Under no circumstances shall the credit of the state be pledged other than

funds appropriated by law to the account, nor shall the state be liable or obligated in any way for claims on the account or against the corporation.

331.417 President.—

(1) The board shall appoint a president. The president shall be knowledgeable about the aerospace industry and its financing programs.

(2) The president shall serve at the pleasure of the board and shall receive a salary and benefits as fixed by the board.

(3) The president shall administer the programs of the corporation and perform such duties as are delegated by the board.

(4) The president may, upon approval of the board:

(a) Contract for services.

(b) Hold public hearings.

(c) Call upon and reimburse for services any state agency or department for assistance in carrying out the objectives of this part.

(d) Participate with government or private industry in programs for technical assistance, loans, technology transfer, or any other programs related to this part.

(e) Undertake or commission studies on methods to increase financial resources to expand the financial assistance to aerospace-related industries in this state.

(f) Hire staff and provide training for them and other individuals involved in finance assistance, including such training sessions as may be provided by the United States Export-Import Bank and other organizations.

(g) Exercise any other powers as may be necessary to carry out the purposes of this part.

(5) The president shall provide staff to the board as requested.

(6) The president shall submit an annual budget to be approved by the board.

331.419 Reports and audits.—

(1) By December 31 of each year, the corporation shall submit to the Governor, the President of the Senate, the Speaker of the House of Representatives, the Senate Minority Leader, and the House Minority Leader a complete and detailed report setting forth:

(a) An evaluation of its activities and recommendations for change.

(b) The corporation's impact on the participation of private banks and other private organizations and individuals in the corporation's financing programs, and other economic and social benefits to businesses in this state.

(c) Its assets and liabilities at the end of its most recent fiscal year.

(2) By September 1, 2000, the corporation, in cooperation with the Office of Program Policy Analysis and Government Accountability, shall develop a research design, including goals and measurable objectives for the corporation, which will provide the Legislature with a quantitative evaluation of the corporation. The corporation shall utilize the monitoring mechanisms and reports developed in the designs and provide these reports to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Office of Program Policy Analysis and Government Accountability.

(3) Prior to the 2001 Regular Session of the Legislature, the Office of Program Policy Analysis and Government Accountability shall perform a review and evaluation of the corporation using the research design promulgated pursuant to subsection (2). The report shall critique the corporation. A report of the findings and recommendations of the Office of Program Policy Analysis and Government Accountability shall be submitted to the President of the Senate and the Speaker of the House of Representatives prior to the 2001 Regular Session.

(4) The Division of Banking of the Department of Banking and Finance shall review the corporation's activities once every 24 months to determine compliance with this part and related laws and rules and to evaluate the corporation's operations. The division shall prepare a report based on its review and evaluation with recommendation for any corrective action. The president shall submit to the division regular reports on the corporation's activities. The content and frequency of such reports shall be determined by the division. The division may charge a fee for conducting the review and evaluation and preparing the related report, which fee shall not be in excess of the examination fee paid by chartered or licensed financial institutions.

Section 19. Section 331.367, Florida Statutes, is created to read:

331.367 Spaceport Management Council.—

(1) The Spaceport Management Council is created within the Spaceport Florida Authority to provide coordination and recommendations on projects and activities that will increase the operability and capabilities of Florida's space launch facilities, increase statewide space-related industry and opportunities, and promote space education and research within the state. The council shall work to develop integrated facility and programmatic development plans to address commercial, state, and federal requirements and to identify appropriate private, state, and federal resources to implement these plans.

(2) The council shall make recommendations regarding:

(a) The development of a spaceport master plan.

(b) The projects and levels of commercial financing required from the Florida Commercial Space Financing Corporation created by s. 331.407.

(c) Development and expansion of space-related education and research programs within Florida, including recommendations to be provided to the

State University System, the Division of Community Colleges, and the Department of Education.

(d) The regulation of spaceports and federal and state policy.

(e) Florida's approach to the Federal Government regarding requests for funding of space development.

(3)(a) The council shall consist of an executive board, which shall consist of representatives of governmental organizations with responsibilities for developing or operating space transportation facilities, and a Space Industry Committee, which shall consist of representatives of Florida's space industry.

(b) The following individuals shall serve on the executive board:

1. The executive director of the Spaceport Florida Authority or his or her designee.

2. The director of the John F. Kennedy Space Center or his or her designee.

3. The Commander of the United States Air Force 45th Space Wing or his or her designee.

4. The Commander of the Naval Ordnance Test Unit or his or her designee.

5. The Secretary of Transportation or his or her designee.

6. The president of Enterprise Florida, Inc., or his or her designee, as an ex officio nonvoting member.

7. The director of the Office of Tourism, Trade, and Economic Development or his or her designee, as an ex officio nonvoting member.

(4) Each member shall be appointed to serve for a 3-year term, beginning July 1. Initial appointments shall be made no later than 60 days after the effective date of this act.

(5) The executive board shall hold its initial meeting no later than 30 days after the members have been appointed. The Space Industry Committee shall hold its initial meeting no later than 60 days after the members have been appointed.

(6) All council members must be residents of the state.

(7) The council shall adopt bylaws governing the manner in which the business of the council shall be conducted. The bylaws shall specify the procedure by which the chairperson of the council is elected.

(8) The council shall provide infrastructure and program requirements and develop other information to be utilized in a 5-year spaceport master plan. The council shall define goals and objectives concerning the development of spaceport facilities and an intermodal transportation system

consistent with the goals of the Florida Transportation Plan developed pursuant to s. 339.155.

(9) The council shall provide requirements and other information to be utilized in the development of a 5-year Spaceport Economic Development Plan, defining the goals and objectives of the council concerning the development of space manufacturing, research and development, and educational facilities.

(10) The council shall meet at the call of its chairperson, at the request of a majority of its membership, or at such times as may be prescribed in its bylaws. However, the council must meet at least semiannually. A majority of voting members of the council constitutes a quorum for the purpose of transacting the business of the council. A vote of the majority of the voting members present is sufficient for any action of the council, unless the bylaws of the council require a greater vote for a particular action.

Section 20. (1) There is created the Florida Space Research Institute the purpose of which is to serve as an industry-driven center for research, leveraging the state's resources in a collaborative effort to support Florida's space industry and its transition to commercialization.

(2) The institute shall operate as a public/private partnership under the direction of a board comprised of representatives of the Spaceport Florida Authority, Enterprise Florida, Inc., the Florida Aviation and Aerospace Alliance, and four additional space industry representatives selected by the core membership of the board.

(3) The board of the Florida Space Research Institute shall:

(a) Set the strategic direction for the institute including research priorities, the scope of research projects, and the timeframes for completion.

(b) Invite the participation of public and private universities including, but not limited to, the University of Central Florida, the University of Florida, the University of South Florida, Florida State University, Florida Institute of Technology, and the University of Miami.

(c) Select a lead university to serve as coordinator of research and as the administrative entity of the institute.

(4) By December 1 of each year, the institute shall submit a report of its activities and accomplishments for the prior fiscal year to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The report shall also include recommendations regarding actions the state should take to enhance the development of space-related businesses, including:

(a) Future research activities.

(b) The development of capital and technology assistance to new and expanding industries.

(c) The removal of regulatory impediments.

(d) The establishment of business development incentives.

(e) The initiation of education and training programs to ensure a skilled workforce.

Section 21. If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared severable.

Section 22. Section 196.1994, Florida Statutes, is amended to read:

196.1994 Space laboratories and carriers exemption.—

(1) Notwithstanding other provisions of this chapter, modules, pallets, racks, lockers, and their necessary associated hardware and subsystems owned by any person and intended for use as space laboratories launched into space aboard the space shuttle for the primary purpose of conducting scientific research in space or as cargo carriers launched into space aboard the space shuttle for the primary purpose of transporting or storing cargo are deemed to carry out a scientific purpose and are exempt from ad valorem taxation.

(2) This section is repealed July 1, 2004.

Section 23. It is the intent of the Legislature that the amendment to section 196.1994, Florida Statutes, by this section clarifies and confirms existing law with respect to the tax exemption provided for herein.

Section 24. The sum of \$1 million is appropriated from the General Revenue Fund to the Florida Commercial Space Financing Corporation for the purpose of implementing sections 331.401-331.419, Florida Statutes, during the 1999-2000 fiscal year. The sum of \$500,000 is appropriated from the General Revenue Fund to the Florida Commercial Space Financing Corporation for corporate operations for the 1999-2000 fiscal year.

Section 25. This act shall take effect July 1, 1999.

Approved by the Governor June 8, 1999.

Filed in Office Secretary of State June 8, 1999.