

## Senate Bill No. 40-E

An act relating to economic development; amending s. 288.0655, F.S.; providing for additional uses of moneys in the Rural Infrastructure Fund; amending s. 288.095, F.S.; revising terminology relating to certain incentive payment schedules; revising the due date and content for an annual report on incentives and reassigning responsibility for such report to Enterprise Florida, Inc.; amending s. 288.1045, F.S., relating to the tax refund program for qualified defense contractors; revising definitions; revising conditions and procedures governing applications for tax refunds; revising provisions relating to the order authorizing a tax refund; revising the required elements of a tax refund agreement; providing an exemption from mandatory loss of tax refund eligibility and decertification resulting from agreement breach in cases of uncontrollable economic factors or specific acts of terrorism; prescribing a deadline for applying for tax refunds; authorizing the office to grant extensions to certain application and notification deadlines; revising conditions under which a prorated tax refund will be approved; providing for calculation of such prorated refund; specifying that the section does not create a presumption a claim will be approved and paid; revising the agencies with which the office may verify information and to which the office may provide information; expanding purposes for which the office may seek assistance from certain entities; specifying that certain appropriations may not be used for any purpose other than the payment of specified tax refunds; amending s. 288.106, F.S., relating to the tax refund program for qualified target industry businesses; revising requirements for application for certification as such business with respect to the number of current and new jobs at the business and projections by the Office of Tourism, Trade, and Economic Development of refunds based thereon; revising requirements relating to the tax refund agreement with respect to job creation and the time for filing of claims for refund; providing for an exemption from mandatory loss of tax refund eligibility and decertification resulting from agreement breach in cases of uncontrollable economic factors or specific acts of terrorism; revising provisions relating to annual claims for refund; authorizing an extension of time for signing the tax refund agreement; providing an application deadline; revising provisions relating to the order authorizing a tax refund; revising conditions under which a prorated tax refund will be approved; providing for calculation of such prorated tax refund; specifying that the section does not create a presumption that a claim will be approved and paid; revising the agencies with which the office may verify information and to which the office may provide information; expanding purposes for which the office may seek assistance from certain entities; specifying that certain appropriations may not be used for any purpose other than the payment of specified tax refunds; amending ss. 212.08 and 288.108, F.S.; removing references, to conform; amending s. 489.111, F.S.; deleting certain educational

course requirements for purposes of qualifying for licensure by examination as a construction contractor; providing for construction of the act in pari materia with laws enacted at the 2002 Regular Session; providing an effective date.

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

Section 1. Paragraphs (a) and (b) of subsection (2) of section 288.0655, Florida Statutes, are amended to read:

288.0655 Rural Infrastructure Fund.—

(2)(a) Funds appropriated by the Legislature shall be distributed by the office through a grant ~~programs program~~ that ~~maximize~~ maximizes the use of federal, local, and private resources, including, but not limited to, those available under the Small Cities Community Development Block Grant Program.

(b) To facilitate access of rural communities and rural areas of critical economic concern as defined by the Rural Economic Development Initiative to infrastructure funding programs of the Federal Government, such as those offered by the United States Department of Agriculture and the United States Department of Commerce, and state programs, including those offered by Rural Economic Development Initiative agencies, and to facilitate local government or private infrastructure funding efforts, the office may award grants ~~to applicants for such federal programs~~ for up to 30 percent of the total infrastructure project cost. Eligible projects must be related to specific job-creation or job-retention ~~job-creating~~ opportunities. Eligible projects may also include improving any inadequate infrastructure that has resulted in regulatory action that prohibits economic or community growth or reducing the costs to community users of proposed infrastructure improvements that exceed such costs in comparable communities. Eligible uses of funds shall include improvements to public infrastructure for industrial or commercial sites and upgrades to or development of public tourism infrastructure. Authorized infrastructure may include the following public or public-private partnership facilities: storm water systems; telecommunications facilities; roads or other remedies to transportation impediments; nature-based tourism facilities; or other physical requirements necessary to facilitate tourism, trade, and economic development activities in the community. Authorized infrastructure may also include publicly owned self-powered nature-based tourism facilities and additions to the distribution facilities of the existing natural gas utility as defined in s. 366.04(3)(c), the existing electric utility as defined in s. 366.02, or the existing water or wastewater utility as defined in s. 367.021(12), or any other existing water or wastewater facility, which owns a gas or electric distribution system or a water or wastewater system in this state where:

1. A contribution-in-aid of construction is required to serve public or public-private partnership facilities under the tariffs of any natural gas, electric, water, or wastewater utility as defined herein; and

2. Such utilities as defined herein are willing and able to provide such service.

Section 2. Paragraphs (b) and (c) of subsection (3) of section 288.095, Florida Statutes, are amended to read:

288.095 Economic Development Trust Fund.—

(3)

(b) The total amount of tax refund claims approved for payment by the Office of Tourism, Trade, and Economic Development based on actual project performance may not exceed the amount appropriated to the Economic Development Incentives Account for such purposes for the fiscal year. In the event the Legislature does not appropriate an amount sufficient to satisfy ~~estimates~~ projections by the office for tax refunds under ss. 288.1045 and 288.106 in a fiscal year, the Office of Tourism, Trade, and Economic Development shall, not later than July 15 of such year, determine the proportion of each refund claim which shall be paid by dividing the amount appropriated for tax refunds for the fiscal year by the estimated ~~projected~~ total of refund claims for the fiscal year. The amount of each claim for a tax refund shall be multiplied by the resulting quotient. If, after the payment of all such refund claims, funds remain in the Economic Development Incentives Account for tax refunds, the office shall recalculate the proportion for each refund claim and adjust the amount of each claim accordingly.

(c) By December 31 ~~September 30~~ of each year, Enterprise Florida, Inc., the Office of Tourism, Trade, and Economic Development shall submit a complete and detailed report to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the director of the Office of Tourism, Trade, and Economic Development ~~board of directors of Enterprise Florida, Inc., created under part VII of this chapter,~~ of all applications received, recommendations made to the Office of Tourism, Trade, and Economic Development, final decisions issued, tax refund agreements executed, and tax refunds paid or other payments made under all programs funded out of the Economic Development Incentives Account, including analyses of benefits and costs, types of projects supported, and employment and investment created. Enterprise Florida, Inc., The Office of Tourism, Trade, and Economic Development shall also include a separate analysis of the impact of such tax refunds on state enterprise zones designated pursuant to s. 290.0065, rural communities, brownfield areas, and distressed urban communities. By December 1 of each year, the board of directors of Enterprise Florida, Inc., shall review and comment on the report, and the board shall submit the report, together with the comments of the board, to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The report must discuss whether the authority and moneys appropriated by the Legislature to the Economic Development Incentives Account were managed and expended in a prudent, fiducially sound manner. The Office of Tourism, Trade, and Economic Development shall assist Enterprise Florida, Inc., in the collection of data related to business performance and incentive payments.

Section 3. Section 288.1045, Florida Statutes, is amended to read:

288.1045 Qualified defense contractor tax refund program.—

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

(a) “Consolidation of a Department of Defense contract” means the consolidation of one or more of an applicant’s facilities under one or more Department of Defense contracts either from outside this state or from inside and outside this state, into one or more of the applicant’s facilities inside this state.

(b) “Average wage in the area” means the average of all wages and salaries in the state, the county, or in the standard metropolitan area in which the business unit is located.

(c) “Applicant” means any business entity that holds a valid Department of Defense contract or any business entity that is a subcontractor under a valid Department of Defense contract or any business entity that holds a valid contract for the reuse of a defense-related facility, including all members of an affiliated group of corporations as defined in s. 220.03(1)(b).

(d) “Office” means the Office of Tourism, Trade, and Economic Development.

(e) “Department of Defense contract” means a competitively bid Department of Defense contract or subcontract or a competitively bid federal agency contract or subcontract issued on behalf of the Department of Defense for manufacturing, assembling, fabricating, research, development, or design with a duration of 2 or more years, but excluding any contract or subcontract to provide goods, improvements to real or tangible property, or services directly to or for any particular military base or installation in this state. The term includes contracts or subcontracts for products or services for military use which contracts or subcontracts are approved by the United States Department of Defense, the United States Department of State, or the United States Coast Guard.

(f) “New Department of Defense contract” means a Department of Defense contract entered into after the date application for certification as a qualified applicant is made and after January 1, 1994.

(g) “Jobs” means full-time equivalent positions, consistent with the use of such terms by the ~~Agency for Workforce Innovation Department of Labor and Employment Security~~ for the purpose of unemployment compensation tax, resulting directly from a project in this state. This number does not include temporary construction jobs involved with the construction of facilities for the project.

(h) “Nondefense production jobs” means employment exclusively for activities that, directly or indirectly, are unrelated to the Department of Defense.

(i) “Project” means any business undertaking in this state under a new Department of Defense contract, consolidation of a Department of Defense contract, or conversion of defense production jobs over to nondefense production jobs or reuse of defense-related facilities.

(j) “Qualified applicant” means an applicant that has been approved by the director to be eligible for tax refunds pursuant to this section.

(k) “Director” means the director of the Office of Tourism, Trade, and Economic Development.

(l) “Taxable year” means the same as in s. 220.03(1)(z).

(m) “Fiscal year” means the fiscal year of the state.

(n) “Business unit” means an employing unit, as defined in s. 443.036, that is registered with the Agency for Workforce Innovation Department of Labor and Employment Security for unemployment compensation purposes or means a subcategory or division of an employing unit that is accepted by the Agency for Workforce Innovation Department of Labor and Employment Security as a reporting unit.

(o) “Local financial support” means funding from local sources, public or private, which is paid to the Economic Development Trust Fund and which is equal to 20 percent of the annual tax refund for a qualified applicant. Local financial support may include excess payments made to a utility company under a designated program to allow decreases in service by the utility company under conditions, regardless of when application is made. A qualified applicant may not provide, directly or indirectly, more than 5 percent of such funding in any fiscal year. The sources of such funding may not include, directly or indirectly, state funds appropriated from the General Revenue Fund or any state trust fund, excluding tax revenues shared with local governments pursuant to law.

(p) “Contract for reuse of a defense-related facility” means a contract with a duration of 2 or more years for the use of a facility for manufacturing, assembling, fabricating, research, development, or design of tangible personal property, but excluding any contract to provide goods, improvements to real or tangible property, or services directly to or for any particular military base or installation in this state. Such facility must be located within a port, as defined in s. 313.21, and have been occupied by a business entity that held a valid Department of Defense contract or occupied by any branch of the Armed Forces of the United States, within 1 year of any contract being executed for the reuse of such facility. A contract for reuse of a defense-related facility may not include any contract for reuse of such facility for any Department of Defense contract for manufacturing, assembling, fabricating, research, development, or design.

(q) “Local financial support exemption option” means the option to exercise an exemption from the local financial support requirement available to any applicant whose project is located in a county designated by the Rural Economic Development Initiative, if the county commissioners of the county in which the project will be located adopt a resolution requesting that the applicant’s project be exempt from the local financial support requirement. Any applicant that exercises this option is not eligible for more than 80 percent of the total tax refunds allowed such applicant under this section.

## (2) GRANTING OF A TAX REFUND; ELIGIBLE AMOUNTS.—

(a) There shall be allowed, from the Economic Development Trust Fund, a refund to a qualified applicant for the amount of eligible taxes certified by the director which were paid by such qualified applicant. The total amount of refunds for all fiscal years for each qualified applicant shall be determined pursuant to subsection (3). The annual amount of a refund to a qualified applicant shall be determined pursuant to subsection (5).

(b) A qualified applicant may not be qualified for any project to receive more than \$5,000 times the number of jobs provided in the tax refund agreement pursuant to subparagraph (4)(a)1. A qualified applicant may not receive refunds of more than 25 percent of the total tax refunds provided in the tax refund agreement pursuant to subparagraph (4)(a)1. in any fiscal year, provided that no qualified applicant may receive more than \$2.5 million in tax refunds pursuant to this section in any fiscal year.

(c) A qualified applicant may not receive more than \$7.5 million in tax refunds pursuant to this section in all fiscal years.

(d) Contingent upon an annual appropriation by the Legislature, the director may approve not more in tax refunds than the amount appropriated to the Economic Development Trust Fund for tax refunds, for a fiscal year pursuant to subsection (5) and s. 288.095.

(e) For the first 6 months of each fiscal year, the director shall set aside 30 percent of the amount appropriated for refunds pursuant to this section by the Legislature to provide tax refunds only to qualified applicants who employ 500 or fewer full-time employees in this state. Any unencumbered funds remaining undisbursed from this set-aside at the end of the 6-month period may be used to provide tax refunds for any qualified applicants pursuant to this section.

(f) After entering into a tax refund agreement pursuant to subsection (4), a qualified applicant may receive refunds from the Economic Development Trust Fund for the following taxes due and paid by the qualified applicant beginning with the applicant's first taxable year that begins after entering into the agreement:

1. Taxes on sales, use, and other transactions paid pursuant to chapter 212.
2. Corporate income taxes paid pursuant to chapter 220.
3. Intangible personal property taxes paid pursuant to chapter 199.
4. Emergency excise taxes paid pursuant to chapter 221.
5. Excise taxes paid on documents pursuant to chapter 201.
6. Ad valorem taxes paid, as defined in s. 220.03(1)(a) on June 1, 1996.

However, a qualified applicant may not receive a tax refund pursuant to this section for any amount of credit, refund, or exemption granted such contrac-

tor for any of such taxes. If a refund for such taxes is provided by the office, which taxes are subsequently adjusted by the application of any credit, refund, or exemption granted to the qualified applicant other than that provided in this section, the qualified applicant shall reimburse the Economic Development Trust Fund for the amount of such credit, refund, or exemption. A qualified applicant must notify and tender payment to the office within 20 days after receiving a credit, refund, or exemption, other than that provided in this section.

(g) Any qualified applicant who fraudulently claims this refund is liable for repayment of the refund to the Economic Development Trust Fund plus a mandatory penalty of 200 percent of the tax refund which shall be deposited into the General Revenue Fund. Any qualified applicant who fraudulently claims this refund commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(h) Funds made available pursuant to this section may not be expended in connection with the relocation of a business from one community to another community in this state unless the Office of Tourism, Trade, and Economic Development determines that without such relocation the business will move outside this state or determines that the business has a compelling economic rationale for the relocation which creates additional jobs.

### (3) APPLICATION PROCESS; REQUIREMENTS; AGENCY DETERMINATION.—

(a) To apply for certification as a qualified applicant pursuant to this section, an applicant must file an application with the office which satisfies the requirements of paragraphs (b) and (e), paragraphs (c) and (e), or paragraphs (d) and (e). An applicant may not apply for certification pursuant to this section after a proposal has been submitted for a new Department of Defense contract, after the applicant has made the decision to consolidate an existing Department of Defense contract in this state for which such applicant is seeking certification, or after the applicant has made the decision to convert defense production jobs to nondefense production jobs for which such applicant is seeking certification.

(b) Applications for certification based on the consolidation of a Department of Defense contract or a new Department of Defense contract must be submitted to the office as prescribed by the office and must include, but are not limited to, the following information:

1. The applicant's federal employer identification number, the applicant's Florida sales tax registration number, and a notarized signature of an officer of the applicant.

2. The permanent location of the manufacturing, assembling, fabricating, research, development, or design facility in this state at which the project is or is to be located.

3. The Department of Defense contract numbers of the contract to be consolidated, the new Department of Defense contract number, or the "RFP" number of a proposed Department of Defense contract.

4. The date the contract was executed or is expected to be executed, and the date the contract is due to expire or is expected to expire.

5. The commencement date for project operations under the contract in this state.

6. The number of net new full-time equivalent Florida jobs included in this state which are or will be dedicated to the project as of December 31 of each during the year and the average wage of such jobs.

7. The total number of full-time equivalent employees employed by the applicant in this state.

8. The percentage of the applicant's gross receipts derived from Department of Defense contracts during the 5 taxable years immediately preceding the date the application is submitted.

9. The amount of:

a. Taxes on sales, use, and other transactions paid pursuant to chapter 212;

b. Corporate income taxes paid pursuant to chapter 220;

c. Intangible personal property taxes paid pursuant to chapter 199;

d. Emergency excise taxes paid pursuant to chapter 221;

e. Excise taxes paid on documents pursuant to chapter 201; and

f. Ad valorem taxes paid

during the 5 fiscal years immediately preceding the date of the application, and the projected amounts of such taxes to be due in the 3 fiscal years immediately following the date of the application.

10. The estimated amount of tax refunds to be claimed for ~~in~~ each fiscal year.

11. A brief statement concerning the applicant's need for tax refunds, and the proposed uses of such refunds by the applicant.

12. A resolution adopted by the county commissioners of the county in which the project will be located, which recommends the applicant be approved as a qualified applicant, and which indicates that the necessary commitments of local financial support for the applicant exist. Prior to the adoption of the resolution, the county commission may review the proposed public or private sources of such support and determine whether the proposed sources of local financial support can be provided or, for any applicant whose project is located in a county designated by the Rural Economic Development Initiative, a resolution adopted by the county commissioners of such county requesting that the applicant's project be exempt from the local financial support requirement.



13. Any additional information requested by the office.

(c) Applications for certification based on the conversion of defense production jobs to nondefense production jobs must be submitted to the office as prescribed by the office and must include, but are not limited to, the following information:

1. The applicant's federal employer identification number, the applicant's Florida sales tax registration number, and a notarized signature of an officer of the applicant.

2. The permanent location of the manufacturing, assembling, fabricating, research, development, or design facility in this state at which the project is or is to be located.

3. The Department of Defense contract numbers of the contract under which the defense production jobs will be converted to nondefense production jobs.

4. The date the contract was executed, and the date the contract is due to expire or is expected to expire, or was canceled.

5. The commencement date for the nondefense production operations in this state.

6. The number of net new full-time equivalent Florida jobs included in this state which are or will be dedicated to the nondefense production project as of December 31 of each ~~during the~~ year and the average wage of such jobs.

7. The total number of full-time equivalent employees employed by the applicant in this state.

8. The percentage of the applicant's gross receipts derived from Department of Defense contracts during the 5 taxable years immediately preceding the date the application is submitted.

9. The amount of:

a. Taxes on sales, use, and other transactions paid pursuant to chapter 212;

b. Corporate income taxes paid pursuant to chapter 220;

c. Intangible personal property taxes paid pursuant to chapter 199;

d. Emergency excise taxes paid pursuant to chapter 221;

e. Excise taxes paid on documents pursuant to chapter 201; and

f. Ad valorem taxes paid

during the 5 fiscal years immediately preceding the date of the application, and the projected amounts of such taxes to be due in the 3 fiscal years immediately following the date of the application.

10. The estimated amount of tax refunds to be claimed for ~~in~~ each fiscal year.

11. A brief statement concerning the applicant's need for tax refunds, and the proposed uses of such refunds by the applicant.

12. A resolution adopted by the county commissioners of the county in which the project will be located, which recommends the applicant be approved as a qualified applicant, and which indicates that the necessary commitments of local financial support for the applicant exist. Prior to the adoption of the resolution, the county commission may review the proposed public or private sources of such support and determine whether the proposed sources of local financial support can be provided or, for any applicant whose project is located in a county designated by the Rural Economic Development Initiative, a resolution adopted by the county commissioners of such county requesting that the applicant's project be exempt from the local financial support requirement.

13. Any additional information requested by the office.

(d) Applications for certification based on a contract for reuse of a defense-related facility must be submitted to the office as prescribed by the office and must include, but are not limited to, the following information:

1. The applicant's Florida sales tax registration number and a notarized signature of an officer of the applicant.

2. The permanent location of the manufacturing, assembling, fabricating, research, development, or design facility in this state at which the project is or is to be located.

3. The business entity holding a valid Department of Defense contract or branch of the Armed Forces of the United States that previously occupied the facility, and the date such entity last occupied the facility.

4. A copy of the contract to reuse the facility, or such alternative proof as may be prescribed by the office that the applicant is seeking to contract for the reuse of such facility.

5. The date the contract to reuse the facility was executed or is expected to be executed, and the date the contract is due to expire or is expected to expire.

6. The commencement date for project operations under the contract in this state.

7. The number of net new full-time equivalent Florida jobs included in this state which are or will be dedicated to the project as of December 31 of each ~~during~~ the year and the average wage of such jobs.

8. The total number of full-time equivalent employees employed by the applicant in this state.

9. The amount of:
  - a. Taxes on sales, use, and other transactions paid pursuant to chapter 212.
  - b. Corporate income taxes paid pursuant to chapter 220.
  - c. Intangible personal property taxes paid pursuant to chapter 199.
  - d. Emergency excise taxes paid pursuant to chapter 221.
  - e. Excise taxes paid on documents pursuant to chapter 201.
- f. Ad valorem taxes paid during the 5 fiscal years immediately preceding the date of the application, and the projected amounts of such taxes to be due in the 3 fiscal years immediately following the date of the application.
10. The estimated amount of tax refunds to be claimed for ~~in~~ each fiscal year.
11. A brief statement concerning the applicant's need for tax refunds, and the proposed uses of such refunds by the applicant.
12. A resolution adopted by the county commissioners of the county in which the project will be located, which recommends the applicant be approved as a qualified applicant, and which indicates that the necessary commitments of local financial support for the applicant exist. Prior to the adoption of the resolution, the county commission may review the proposed public or private sources of such support and determine whether the proposed sources of local financial support can be provided or, for any applicant whose project is located in a county designated by the Rural Economic Development Initiative, a resolution adopted by the county commissioners of such county requesting that the applicant's project be exempt from the local financial support requirement.
13. Any additional information requested by the office.
  - (e) To qualify for review by the office, the application of an applicant must, at a minimum, establish the following to the satisfaction of the office:
    1. The jobs proposed to be provided under the application, pursuant to subparagraph (b)6. or subparagraph (c)6., must pay an estimated annual average wage equaling at least 115 percent of the average wage in the area where the project is to be located.
    2. The consolidation of a Department of Defense contract must result in a net increase of at least 25 percent in the number of jobs at the applicant's facilities in this state or the addition of at least 80 jobs at the applicant's facilities in this state.
    3. The conversion of defense production jobs to nondefense production jobs must result in net increases in nondefense employment at the applicant's facilities in this state.

4. The Department of Defense contract cannot allow the business to include the costs of relocation or retooling in its base as allowable costs under a cost-plus, or similar, contract.

5. A business unit of the applicant must have derived not less than 60 70 percent of its gross receipts in this state from Department of Defense contracts over the applicant's last fiscal year, and must have derived not less than an average of 60 80 percent of its gross receipts in this state from Department of Defense contracts over the 5 years preceding the date an application is submitted pursuant to this section. This subparagraph does not apply to any application for certification based on a contract for reuse of a defense-related facility.

6. The reuse of a defense-related facility must result in the creation of at least 100 jobs at such facility.

(f) Each application meeting the requirements of paragraphs (b) and (e), paragraphs (c) and (e), or paragraphs (d) and (e) must be submitted to the office for a determination of eligibility. The office shall review, evaluate, and score each application based on, but not limited to, the following criteria:

1. Expected contributions to the state strategic economic development plan adopted by Enterprise Florida, Inc., taking into account the extent to which the project contributes to the state's high-technology base, and the long-term impact of the project and the applicant on the state's economy.

2. The economic benefit of the jobs created or retained by the project in this state, taking into account the cost and average wage of each job created or retained, and the potential risk to existing jobs.

3. The amount of capital investment to be made by the applicant in this state.

4. The local commitment and support for the project and applicant.

5. The impact of the project on the local community, taking into account the unemployment rate for the county where the project will be located.

6. The dependence of the local community on the defense industry.

7. The impact of any tax refunds granted pursuant to this section on the viability of the project and the probability that the project will occur in this state if such tax refunds are granted to the applicant, taking into account the expected long-term commitment of the applicant to economic growth and employment in this state.

8. The length of the project, or the expected long-term commitment to this state resulting from the project.

(g) The office shall forward its written findings and evaluation on each application meeting the requirements of paragraphs (b) and (e), paragraphs (c) and (e), or paragraphs (d) and (e) to the director within 60 calendar days after ~~of~~ receipt of a complete application. The office shall notify each applicant when its application is complete, and when the 60-day period begins.

In its written report to the director, the office shall specifically address each of the factors specified in paragraph (f), and shall make a specific assessment with respect to the minimum requirements established in paragraph (e). The office shall include in its report projections of the tax refunds the applicant would be eligible to receive ~~refund claims that will be sought by the applicant~~ in each fiscal year based on the creation and maintenance of the net new Florida jobs specified in subparagraphs (b)6., (c)6., or (d)7. as of December 31 of the preceding state fiscal year ~~information submitted in the application.~~

(h) Within 30 days after receipt of the office's findings and evaluation, the director shall issue a letter of certification which ~~enter a final order that~~ either approves or disapproves an application. The decision must be in writing and provide the justifications for either approval or disapproval. If appropriate, the director shall enter into a written agreement with the qualified applicant pursuant to subsection (4).

(i) The director may not certify ~~enter any final order that certifies~~ any applicant as a qualified applicant when the value of tax refunds to be included in that letter of certification ~~final order~~ exceeds the available amount of authority to certify new businesses ~~enter final orders~~ as determined in s. 288.095(3). A letter of certification ~~final order~~ that approves an application must specify the maximum amount of a tax refund that is to be available to the contractor for ~~in~~ each fiscal year and the total amount of tax refunds for all fiscal years.

(j) This section does not create a presumption that an applicant should receive any tax refunds under this section.

#### (4) QUALIFIED DEFENSE CONTRACTOR TAX REFUND AGREEMENT.—

(a) A qualified applicant shall enter into a written agreement with the office containing, but not limited to, the following:

1. The total number of full-time equivalent jobs in this state that are or will be dedicated to the qualified applicant's project, the average wage of such jobs, the definitions that will apply for measuring the achievement of these terms during the pendency of the agreement, and a time schedule or plan for when such jobs will be in place and active in this state. ~~This information must be the same as the information contained in the application submitted by the contractor pursuant to subsection (3).~~

2. The maximum amount of a refund that the qualified applicant is eligible to receive for ~~in~~ each fiscal year, based on the job creation or retention and maintenance schedule specified in subparagraph 1.

3. An agreement with the office allowing the office to review and verify the financial and personnel records of the qualified applicant to ascertain whether the qualified applicant is complying with the requirements of this section.

4. ~~The date by after which, in each fiscal year, the qualified applicant may file a an annual claim pursuant to subsection (5) to be considered to receive a tax refund in the following fiscal year.~~

5. That local financial support shall be annually available and will be paid to the Economic Development Trust Fund.

(b) Compliance with the terms and conditions of the agreement is a condition precedent for receipt of tax refunds each year. The failure to comply with the terms and conditions of the agreement shall result in the loss of eligibility for receipt of all tax refunds previously authorized pursuant to this section, and the revocation of the certification as a qualified applicant by the director, unless the qualified applicant is eligible to receive and elects to accept a prorated refund under paragraph (5)(g) or the office grants the qualified applicant an economic-stimulus exemption.

1. A qualified applicant may submit, in writing, a request to the office for an economic-stimulus exemption. The request must provide quantitative evidence demonstrating how negative economic conditions in the qualified applicant's industry, or specific acts of terrorism affecting the qualified applicant, have prevented the qualified applicant from complying with the terms and conditions of its tax refund agreement.

2. Upon receipt of a request under subparagraph 1., the director shall have 45 days to notify the requesting qualified applicant, in writing, if its exemption has been granted or denied. In determining if an exemption should be granted, the director shall consider the extent to which negative economic conditions in the requesting qualified applicant's industry, or specific acts of terrorism affecting the qualified applicant, have prevented the qualified applicant from complying with the terms and conditions of its tax refund agreement.

3. As a condition for receiving a prorated refund under paragraph (5)(g) or an economic-stimulus exemption under this paragraph, a qualified applicant must agree to renegotiate its tax refund agreement with the office to, at a minimum, ensure that the terms of the agreement comply with current law and office procedures governing application for and award of tax refunds. Upon approving the award of a prorated refund or granting an economic-stimulus exemption, the office shall renegotiate the tax refund agreement with the qualified applicant as required by this subparagraph. When amending the agreement of a qualified applicant receiving an economic-stimulus exemption, the office may extend the duration of the agreement for a period not to exceed 1 year.

4. A qualified applicant may submit a request for an economic-stimulus exemption to the office in lieu of any tax refund claim scheduled to be submitted after January 1, 2001, but before July 1, 2003.

5. A qualified applicant that receives an economic-stimulus exemption may not receive a tax refund for the period covered by the exemption.

(c) The agreement shall be signed by the director and the authorized officer of the qualified applicant.

(d) The agreement must contain the following legend, clearly printed on its face in bold type of not less than 10 points:

“This agreement is neither a general obligation of the State of Florida, nor is it backed by the full faith and credit of the State of Florida. Payment of tax refunds are conditioned on and subject to specific annual appropriations by the Florida Legislature of funds sufficient to pay amounts authorized in s. 288.1045, Florida Statutes.”

(5) ANNUAL CLAIM FOR REFUND FROM A QUALIFIED DEFENSE CONTRACTOR.—

(a) To be eligible to claim any scheduled tax refund, qualified applicants who have entered into a written agreement with the office pursuant to subsection (4) and who have entered into a valid new Department of Defense contract, commenced the consolidation of a Department of Defense contract, commenced the conversion of defense production jobs to nondefense production jobs, or ~~who have entered into a valid contract for reuse of a defense-related facility~~ must may apply by January 31 of onee each fiscal year to the office for tax refunds scheduled to be paid from the appropriation for the fiscal year that begins on July 1 following the January 31 claims-submission date. The office may, upon written request, grant a 30-day extension of the filing date. The application ~~must be made on or after the date contained in the agreement entered into pursuant to subsection (4)~~ and must include a notarized signature of an officer of the applicant.

(b) The claim for refund by the qualified applicant must include a copy of all receipts pertaining to the payment of taxes for which a refund is sought, and data related to achieving each performance item contained in the tax refund agreement pursuant to subsection (4). The amount requested as a tax refund may not exceed the amount for the relevant fiscal year in the written agreement entered pursuant to subsection (4).

(c) A tax refund may not be approved for any qualified applicant unless local financial support has been paid to the Economic Development Trust Fund ~~for in that refund fiscal year~~. If the local financial support is less than 20 percent of the approved tax refund, the tax refund shall be reduced. The tax refund paid may not exceed 5 times the local financial support received. Funding from local sources includes tax abatement under s. 196.1995 provided to a qualified applicant. The amount of any tax refund for an applicant approved under this section shall be reduced by the amount of any such tax abatement, and the limitations in subsection (2) and paragraph (3)(h) shall be reduced by the amount of any such tax abatement. A report listing all sources of the local financial support shall be provided to the office when such support is paid to the Economic Development Trust Fund.

(d) The director, with assistance from the office, the Department of Revenue, and the Agency for Workforce Innovation ~~Department of Labor and Employment Security~~, shall, by June 30 following the scheduled date for submitting the tax-refund claim, specify by written order the approval or disapproval of the tax refund claim and, if approved, determine the amount of the tax refund that is authorized to be paid to ~~for~~ the qualified applicant for the fiscal year in a ~~written final order within 30 days after the date the~~

claim for the annual tax refund is received by the office. The office may grant an extension of this date upon the request of the qualified applicant for the purpose of filing additional information in support of the claim.

(e) The total amount of tax refunds approved by the director under this section in any fiscal year may not exceed the amount appropriated to the Economic Development Trust Fund for such purposes for the fiscal year. If the Legislature does not appropriate an amount sufficient to satisfy projections by the office for tax refunds in a fiscal year, the director shall, not later than July 15 of such year, determine the proportion of each refund claim which shall be paid by dividing the amount appropriated for tax refunds for the fiscal year by the projected total amount of refund claims for the fiscal year. The amount of each claim for a tax refund shall be multiplied by the resulting quotient. If, after the payment of all such refund claims, funds remain in the Economic Development Trust Fund for tax refunds, the director shall recalculate the proportion for each refund claim and adjust the amount of each claim accordingly.

(f) Upon approval of the tax refund pursuant to paragraphs (c) and (d), the Comptroller shall issue a warrant for the amount included in the written final order. In the event of any appeal of the written final order, the Comptroller may not issue a warrant for a refund to the qualified applicant until the conclusion of all appeals of the written final order.

(g) A prorated tax refund, less a 5 percent penalty, shall be approved for a qualified applicant provided all other applicable requirements have been satisfied and the applicant proves to the satisfaction of the director that it has achieved at least 80 percent of its projected employment and that the average wage paid by the qualified applicant is at least 90 percent of the average wage specified in the tax refund agreement, but in no case less than 115 percent of the average private-sector wage in the area available at the time of certification. The prorated tax refund shall be calculated by multiplying the tax refund amount for which the qualified applicant would have been eligible, if all applicable requirements had been satisfied, by the percentage of the average employment specified in the tax refund agreement which was achieved, and by the percentage of the average wages specified in the tax refund agreement which was achieved.

(h) This section does not create a presumption that a tax refund claim will be approved and paid.

(6) ADMINISTRATION.—

(a) The office may adopt rules pursuant to chapter 120 for the administration of this section.

(b) The office may verify information provided in any claim submitted for tax credits under this section with regard to employment and wage levels or the payment of the taxes with the appropriate agency or authority including the Department of Revenue, the Agency for Workforce Innovation ~~Department of Labor and Employment Security~~, or any local government or authority.



(c) To facilitate the process of monitoring and auditing applications made under this program, the office may provide a list of qualified applicants to the Department of Revenue, to the Agency for Workforce Innovation Department of Labor and Employment Security, or to any local government or authority. The office may request the assistance of said entities with respect to monitoring jobs, wages, and the payment of the taxes listed in subsection (2).

(d) By December 1 of each year, the office shall submit a complete and detailed report to the Governor, the President of the Senate, and the Speaker of the House of Representatives of all tax refunds paid under this section, including analyses of benefits and costs, types of projects supported, employment and investment created, geographic distribution of tax refunds granted, and minority business participation. The report must indicate whether the moneys appropriated by the Legislature to the qualified applicant tax refund program were expended in a prudent, fiducially sound manner.

(e) Funds specifically appropriated for the tax refund program under this section may not be used for any purpose other than the payment of tax refunds authorized by this section.

(7) EXPIRATION.—An applicant may not be certified as qualified under this section after June 30, 2004.

Section 4. Paragraphs (a) and (d) of subsection (3), paragraphs (a), (b), and (c) of subsection (4), and subsections (5), (6), and (7) of section 288.106, Florida Statutes, are amended to read:

288.106 Tax refund program for qualified target industry businesses.—

(3) APPLICATION AND APPROVAL PROCESS.—

(a) To apply for certification as a qualified target industry business under this section, the business must file an application with the office before the business has made the decision to locate a new business in this state or before the business had made the decision to expand an existing business in this state. The application shall include, but is not limited to, the following information:

1. The applicant's federal employer identification number and the applicant's state sales tax registration number.

2. The permanent location of the applicant's facility in this state at which the project is or is to be located.

3. A description of the type of business activity or product covered by the project, including four-digit SIC codes for all activities included in the project.

4. The number of net new full-time equivalent Florida jobs at the qualified target industry business as of December 31 of each year included in this state that are or will be dedicated to the project and the average wage of

those jobs. If more than one type of business activity or product is included in the project, the number of jobs and average wage for those jobs must be separately stated for each type of business activity or product.

5. The total number of full-time equivalent employees employed by the applicant in this state.

6. The anticipated commencement date of the project.

7. A brief statement concerning the role that the tax refunds requested will play in the decision of the applicant to locate or expand in this state.

8. An estimate of the proportion of the sales resulting from the project that will be made outside this state.

9. A resolution adopted by the governing board of the county or municipality in which the project will be located, which resolution recommends that certain types of businesses be approved as a qualified target industry business and states that the commitments of local financial support necessary for the target industry business exist. In advance of the passage of such resolution, the office may also accept an official letter from an authorized local economic development agency that endorses the proposed target industry project and pledges that sources of local financial support for such project exist. For the purposes of making pledges of local financial support under this subsection, the authorized local economic development agency shall be officially designated by the passage of a one-time resolution by the local governing authority.

10. Any additional information requested by the office.

(d) The office shall forward its written findings and evaluation concerning each application meeting the requirements of paragraph (b) to the director within 45 calendar days after receipt of a complete application. The office shall notify each target industry business when its application is complete, and of the time when the 45-day period begins. In its written report to the director, the office shall specifically address each of the factors specified in paragraph (c) and shall make a specific assessment with respect to the minimum requirements established in paragraph (b). The office shall include in its report projections of the tax refunds the business would be eligible to receive ~~refund claim that will be sought by the target industry business~~ in each fiscal year based on the creation and maintenance of the net new Florida jobs specified in subparagraph (a)4. as of December 31 of the preceding state fiscal year ~~information submitted in the application.~~

(4) TAX REFUND AGREEMENT.—

(a) Each qualified target industry business must enter into a written agreement with the office which specifies, at a minimum:

1. The total number of full-time equivalent jobs in this state that will be dedicated to the project, the average wage of those jobs, the definitions that will apply for measuring the achievement of these terms during the pendency of the agreement, and a time schedule or plan for when such jobs will

be in place and active in this state. ~~This information must be the same as the information contained in the application submitted by the business under subsection (3).~~

2. The maximum amount of tax refunds which the qualified target industry business is eligible to receive on the project and the maximum amount of a tax refund that the qualified target industry business is eligible to receive ~~in~~ in each fiscal year, based on the job creation and maintenance schedule specified in subparagraph 1.

3. That the office may review and verify the financial and personnel records of the qualified target industry business to ascertain whether that business is in compliance with this section.

4. The date ~~by~~ after which, in each fiscal year, the qualified target industry business may file ~~a an annual~~ claim under subsection (5) to be considered to receive a tax refund in the following fiscal year.

5. That local financial support will be annually available and will be paid to the account. The director may not enter into a written agreement with a qualified target industry business if the local financial support resolution is not passed by the local governing authority within 90 days after he or she has issued the letter of certification under subsection (3).

(b) Compliance with the terms and conditions of the agreement is a condition precedent for the receipt of a tax refund each year. The failure to comply with the terms and conditions of the tax refund agreement results in the loss of eligibility for receipt of all tax refunds previously authorized under this section and the revocation by the director of the certification of the business entity as a qualified target industry business, unless the business is eligible to receive and elects to accept a prorated refund under paragraph (5)(d) or the office grants the business an economic-stimulus exemption.

1. A qualified target industry business may submit, in writing, a request to the office for an economic-stimulus exemption. The request must provide quantitative evidence demonstrating how negative economic conditions in the business's industry, or specific acts of terrorism affecting the qualified target industry business, have prevented the business from complying with the terms and conditions of its tax refund agreement.

2. Upon receipt of a request under subparagraph 1., the director shall have 45 days to notify the requesting business, in writing, if its exemption has been granted or denied. In determining if an exemption should be granted, the director shall consider the extent to which negative economic conditions in the requesting business's industry, or specific acts of terrorism affecting the qualified target industry business, have prevented the business from complying with the terms and conditions of its tax refund agreement.

3. As a condition for receiving a prorated refund under paragraph (5)(d) or an economic-stimulus exemption under this paragraph, a qualified target industry business must agree to renegotiate its tax refund agreement with the office to, at a minimum, ensure that the terms of the agreement comply

with current law and office procedures governing application for and award of tax refunds. Upon approving the award of a prorated refund or granting an economic-stimulus exemption, the office shall renegotiate the tax refund agreement with the business as required by this subparagraph. When amending the agreement of a business receiving an economic-stimulus exemption, the office may extend the duration of the agreement for a period not to exceed 1 year.

4. A qualified target industry business may submit a request for an economic-stimulus exemption to the office in lieu of any tax refund claim scheduled to be submitted after January 1, 2001, but before July 1, 2003.

5. A qualified target industry business that receives an economic-stimulus exemption may not receive a tax refund for the period covered by the exemption.

(c) The agreement must be signed by the director and by an authorized officer of the qualified target industry business within 120 days after the issuance of the letter of certification under subsection (3), but not before passage and receipt of the resolution of local financial support. The office may grant an extension of this period at the written request of the qualified target industry business.

(5) ANNUAL CLAIM FOR REFUND.—

(a) To be eligible to claim any scheduled tax refund, a qualified target industry business that has entered into a tax refund agreement with the office under subsection (4) must may apply by January 31 of once each fiscal year to the office for the a tax refund scheduled to be paid from the appropriation for the fiscal year that begins on July 1 following the January 31 claims-submission date. The office may, upon written request, grant a 30-day extension of the filing date. The application must be made on or after the date specified in that agreement.

(b) The claim for refund by the qualified target industry business must include a copy of all receipts pertaining to the payment of taxes for which the refund is sought and data related to achievement of each performance item specified in the tax refund agreement. The amount requested as a tax refund may not exceed the amount specified for the relevant that fiscal year in that agreement.

(c) A tax refund may not be approved for a qualified target industry business unless the required local financial support has been paid into the account for that refund in that fiscal year. If the local financial support provided is less than 20 percent of the approved tax refund, the tax refund must be reduced. In no event may the tax refund exceed an amount that is equal to 5 times the amount of the local financial support received. Further, funding from local sources includes any tax abatement granted to that business under s. 196.1995 or the appraised market value of municipal or county land conveyed or provided at a discount to that business. The amount of any tax refund for such business approved under this section must be reduced by the amount of any such tax abatement granted or the value of the land granted; and the limitations in subsection (2) and paragraph (3)(f)

must be reduced by the amount of any such tax abatement or the value of the land granted. A report listing all sources of the local financial support shall be provided to the office when such support is paid to the account.

(d) A prorated tax refund, less a 5-percent penalty, shall be approved for a qualified target industry business provided all other applicable requirements have been satisfied and the business proves to the satisfaction of the director that it has achieved at least 80 percent of its projected employment and that the average wage paid by the business is at least 90 percent of the average wage specified in the tax refund agreement, but in no case less than 115 percent of the average private-sector wage in the area available at the time of certification, or 150 percent or 200 percent of the average private-sector wage if the business requested the additional per-job tax refund authorized in paragraph (2)(b) for wages above those levels. The prorated tax refund shall be calculated by multiplying the tax refund amount for which the qualified target industry business would have been eligible, if all applicable requirements had been satisfied, by the percentage of the average employment specified in the tax refund agreement which was achieved, and by the percentage of the average wages specified in the tax refund agreement which was achieved.

(e) The director, with such assistance as may be required from the office, the Department of Revenue, or the Agency for Workforce Innovation Department of Labor and Employment Security, shall, by June 30 following the scheduled date for submission of the tax-refund claim, specify by written final order the approval or disapproval of the tax refund claim and, if approved, the amount of the tax refund that is authorized to be paid to ~~for~~ the qualified target industry business for the fiscal year within 30 days after the date that the claim for the annual tax refund is received by the office. The office may grant an extension of this date on the request of the qualified target industry business for the purpose of filing additional information in support of the claim.

(f) The total amount of tax refund claims approved by the director under this section in any fiscal year must not exceed the amount authorized under s. 288.095(3).

(g) This section does not create a presumption that a tax refund claim will be approved and paid.

(h)(g) Upon approval of the tax refund under paragraphs (c), (d), and (e), the Comptroller shall issue a warrant for the amount specified in the written final order. If the written final order is appealed, the Comptroller may not issue a warrant for a refund to the qualified target industry business until the conclusion of all appeals of that order.

#### (6) ADMINISTRATION.—

(a) The office is authorized to verify information provided in any claim submitted for tax credits under this section with regard to employment and wage levels or the payment of the taxes to the appropriate agency or authority, including the Department of Revenue, the Agency for Workforce Innova-

~~tion Department of Labor and Employment Security, or any local government or authority.~~

(b) To facilitate the process of monitoring and auditing applications made under this program, the office may provide a list of qualified target industry businesses to the Department of Revenue, to the Agency for Workforce Innovation Department of Labor and Employment Security, or to any local government or authority. The office may request the assistance of those entities with respect to monitoring jobs, wages, and the payment of the taxes listed in subsection (2).

(c) Funds specifically appropriated for the tax refund program for qualified target industry businesses may not be used for any purpose other than the payment of tax refunds authorized by this section.

(7) EXPIRATION.—This section expires June 30, 2004.

Section 5. Paragraph (j) of subsection (5) of section 212.08, Florida Statutes, 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.—

(j) Machinery and equipment used in semiconductor, defense, or space technology production and research and development.—

1.a. Industrial machinery and equipment used in semiconductor technology facilities certified under subparagraph 6. to manufacture, process, compound, or produce semiconductor technology products for sale or for use by these facilities are exempt from the tax imposed by this chapter. For purposes of this paragraph, industrial machinery and equipment includes molds, dies, machine tooling, other appurtenances or accessories to machinery and equipment, testing equipment, test beds, computers, and software, whether purchased or self-fabricated, and, if self-fabricated, includes materials and labor for design, fabrication, and assembly.

b. Industrial machinery and equipment used in defense or space technology facilities certified under subparagraph 6. to manufacture, process, compound, or produce defense technology products or space technology products for sale or for use by these facilities are exempt from 25 percent of the tax imposed by this chapter.

2.a. Machinery and equipment are exempt from the tax imposed by this chapter if used predominately in semiconductor wafer research and development activities in a semiconductor technology research and development facility certified under subparagraph 6. For purposes of this paragraph, machinery and equipment includes molds, dies, machine tooling, other appurtenances or accessories to machinery and equipment, testing equipment,

test beds, computers, and software, whether purchased or self-fabricated, and, if self-fabricated, includes materials and labor for design, fabrication, and assembly.

b. Machinery and equipment are exempt from 25 percent of the tax imposed by this chapter if used predominately in defense or space research and development activities in a defense or space technology research and development facility certified under subparagraph 6.

3. Building materials purchased for use in manufacturing or expanding clean rooms in semiconductor-manufacturing facilities are exempt from the tax imposed by this chapter.

4. In addition to meeting the criteria mandated by subparagraph 1., subparagraph 2., or subparagraph 3., a business must be certified by the Office of Tourism, Trade, and Economic Development as authorized in this paragraph in order to qualify for exemption under this paragraph.

5. For items purchased tax exempt pursuant to this paragraph, possession of a written certification from the purchaser, certifying the purchaser's entitlement to exemption pursuant to this paragraph, relieves the seller of the responsibility of collecting the tax on the sale of such items, and the department shall look solely to the purchaser for recovery of tax if it determines that the purchaser was not entitled to the exemption.

6.a. To be eligible to receive the exemption provided by subparagraph 1., subparagraph 2., or subparagraph 3., a qualifying business entity shall apply to Enterprise Florida, Inc. The application shall be developed by the Office of Tourism, Trade, and Economic Development in consultation with Enterprise Florida, Inc.

b. Enterprise Florida, Inc., shall review each submitted application and information and determine whether or not the application is complete within 5 working days. Once an application is complete, Enterprise Florida, Inc., shall, within 10 working days, evaluate the application and recommend approval or disapproval of the application to the Office of Tourism, Trade, and Economic Development.

c. Upon receipt of the application and recommendation from Enterprise Florida, Inc., the Office of Tourism, Trade, and Economic Development shall certify within 5 working days those applicants who are found to meet the requirements of this section and notify the applicant, Enterprise Florida, Inc., and the department of the certification. If the Office of Tourism, Trade, and Economic Development finds that the applicant does not meet the requirements of this section, it shall notify the applicant and Enterprise Florida, Inc., within 10 working days that the application for certification has been denied and the reasons for denial. The Office of Tourism, Trade, and Economic Development has final approval authority for certification under this section.

7.a. A business may apply once each year for the exemption.

b. The application must indicate, for program evaluation purposes only, the average number of full-time equivalent employees at the facility over the

preceding calendar year, the average wage and benefits paid to those employees over the preceding calendar year, the total investment made in real and tangible personal property over the preceding calendar year, and the total value of tax-exempt purchases and taxes exempted during the previous year. The department shall assist the Office of Tourism, Trade, and Economic Development in evaluating and verifying information provided in the application for exemption.

c. The Office of Tourism, Trade, and Economic Development may use the information reported on the application for evaluation purposes only and shall prepare an annual report on the exemption program and its cost and impact. The annual report for the preceding fiscal year shall be submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives by September 30 of each fiscal year. ~~This report may be submitted in conjunction with the annual report required in s. 288.095(3)(c).~~

8. A business certified to receive this exemption may elect to designate one or more state universities or community colleges as recipients of up to 100 percent of the amount of the exemption for which they may qualify. To receive these funds, the institution must agree to match the funds so earned with equivalent cash, programs, services, or other in-kind support on a one-to-one basis in the pursuit of research and development projects as requested by the certified business. The rights to any patents, royalties, or real or intellectual property must be vested in the business unless otherwise agreed to by the business and the university or community college.

9. As used in this paragraph, the term:

a. “Predominately” means at least 50 percent of the time in qualifying research and development.

b. “Research and development” means basic and applied research in the science or engineering, as well as the design, development, and testing of prototypes or processes of new or improved products. Research and development does not include market research, routine consumer product testing, sales research, research in the social sciences or psychology, nontechnological activities, or technical services.

c. “Semiconductor technology products” means raw semiconductor wafers or semiconductor thin films that are transformed into semiconductor memory or logic wafers, including wafers containing mixed memory and logic circuits; related assembly and test operations; active-matrix flat panel displays; semiconductor chips; semiconductor lasers; optoelectronic elements; and related semiconductor technology products as determined by the Office of Tourism, Trade, and Economic Development.

d. “Clean rooms” means manufacturing facilities enclosed in a manner that meets the clean manufacturing requirements necessary for high-technology semiconductor-manufacturing environments.

e. “Defense technology products” means products that have a military application, including, but not limited to, weapons, weapons systems, guidance systems, surveillance systems, communications or information sys-



tems, munitions, aircraft, vessels, or boats, or components thereof, which are intended for military use and manufactured in performance of a contract with the United States Department of Defense or the military branch of a recognized foreign government or a subcontract thereunder which relates to matters of national defense.

f. "Space technology products" means products that are specifically designed or manufactured for application in space activities, including, but not limited to, space launch vehicles, missiles, satellites or research payloads, avionics, and associated control systems and processing systems. The term does not include products that are designed or manufactured for general commercial aviation or other uses even though those products may also serve an incidental use in space applications.

Section 6. Subsection (7) of section 288.108, Florida Statutes, is amended to read:

288.108 High-impact business.—

(7) REPORTING.—The office shall by December 1 of each year issue a complete and detailed report of all designated high-impact sectors, all applications received and their disposition, all final orders issued, and all payments made, including analyses of benefits and costs, types of projects supported, and employment and investments created. The report shall be submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives. ~~The report may be combined with the incentives report required in s. 288.095.~~

Section 7. Subsection (2) of section 489.111, Florida Statutes, is amended to read:

489.111 Licensure by examination.—

(2) A person shall be eligible for licensure by examination if the person:

(a) Is 18 years of age;

(b) Is of good moral character; and

(c) Meets eligibility requirements according to one of the following criteria:

1. Has received a baccalaureate degree from an accredited 4-year college in the appropriate field of engineering, architecture, or building construction and has 1 year of proven experience in the category in which the person seeks to qualify. For the purpose of this part, a minimum of 2,000 person-hours shall be used in determining full-time equivalency.

2. Has a total of at least 4 years of active experience as a worker who has learned the trade by serving an apprenticeship as a skilled worker who is able to command the rate of a mechanic in the particular trade or as a foreman who is in charge of a group of workers and usually is responsible to a superintendent or a contractor or his or her equivalent, provided, however, that at least 1 year of active experience shall be as a foreman.

3. Has a combination of not less than 1 year of experience as a foreman and not less than 3 years of credits for any accredited college-level courses; has a combination of not less than 1 year of experience as a skilled worker, 1 year of experience as a foreman, and not less than 2 years of credits for any accredited college-level courses; or has a combination of not less than 2 years of experience as a skilled worker, 1 year of experience as a foreman, and not less than 1 year of credits for any accredited college-level courses. ~~For the number of years of credits for any accredited college-level courses, the applicant shall show completion of an equal number of courses in the appropriate field of engineering, architecture, or building construction.~~ All junior college or community college-level courses shall be considered accredited college-level courses.

4.a. An active certified residential contractor is eligible to take the building contractors' examination if he or she possesses a minimum of 3 years of proven experience in the classification in which he or she is certified.

b. An active certified residential contractor is eligible to take the general contractors' examination if he or she possesses a minimum of 4 years of proven experience in the classification in which he or she is certified.

c. An active certified building contractor is eligible to take the general contractors' examination if he or she possesses a minimum of 4 years of proven experience in the classification in which he or she is certified.

5.a. An active certified air-conditioning Class C contractor is eligible to take the air-conditioning Class B contractors' examination if he or she possesses a minimum of 3 years of proven experience in the classification in which he or she is certified.

b. An active certified air-conditioning Class C contractor is eligible to take the air-conditioning Class A contractors' examination if he or she possesses a minimum of 4 years of proven experience in the classification in which he or she is certified.

c. An active certified air-conditioning Class B contractor is eligible to take the air-conditioning Class A contractors' examination if he or she possesses a minimum of 1 year of proven experience in the classification in which he or she is certified.

6.a. An active certified swimming pool servicing contractor is eligible to take the residential swimming pool contractors' examination if he or she possesses a minimum of 3 years of proven experience in the classification in which he or she is certified.

b. An active certified swimming pool servicing contractor is eligible to take the swimming pool commercial contractors' examination if he or she possesses a minimum of 4 years of proven experience in the classification in which he or she is certified.

c. An active certified residential swimming pool contractor is eligible to take the commercial swimming pool contractors' examination if he or she possesses a minimum of 1 year of proven experience in the classification in which he or she is certified.

d. An applicant is eligible to take the swimming pool/spa servicing contractor's examination if he or she has satisfactorily completed 60 hours of instruction in courses related to the scope of work covered by that license and approved by the Construction Industry Licensing Board by rule and has at least 1 year of proven experience related to the scope of work of such a contractor.

Section 8. If any law that is amended by this act was also amended by a law enacted at the 2002 Regular Session of the Legislature, such laws shall be construed as if they had been enacted at the same session of the Legislature, and full effect should be given to each if that is possible.

Section 9. This act shall take effect upon becoming a law.

Approved by the Governor May 30, 2002.

Filed in Office Secretary of State May 30, 2002.