

CHAPTER 2013-39

Committee Substitute for Committee Substitute for House Bill No. 7007

An act relating to economic development; establishing the Economic Development Programs Evaluation; requiring the Office of Economic and Demographic Research and the Office of Program Policy Analysis and Government Accountability to present the evaluation; requiring the offices to develop and submit a work plan for completing the evaluation by a certain date; requiring the offices to provide an analysis of certain economic development programs and specifying a schedule; requiring the Office of Economic and Demographic Research to make certain evaluations in its analysis; limiting the office's evaluation for the purposes of tax credits, tax refunds, sales tax exemptions, cash grants, and similar programs; requiring the office to use a certain model to evaluate each program; requiring the Office of Program Policy Analysis and Government Accountability to make certain evaluations in its analysis; providing the offices access to all data necessary to complete the evaluation; amending s. 20.60, F.S.; revising the date on which the Department of Economic Opportunity and Enterprise Florida, Inc., are required to report on the business climate and economic development in the state; specifying reports and information that must be included; amending s. 201.15, F.S.; revising the distribution of funds in the Grants and Donations Trust Fund; amending s. 212.08, F.S.; revising definitions; clarifying the application of certain amendments; providing for an exemption from the tax imposed under ch. 212, F.S., for certain machinery and equipment; providing for repeal; amending s. 213.053, F.S.; authorizing the Department of Revenue to make certain information available to the director of the Office of Program Policy Analysis and Government Accountability and the coordinator of the Office of Economic and Demographic Research; authorizing the offices to share certain information; amending s. 220.194, F.S.; requiring the annual report for the Florida Space Business Incentives Act to be included in the annual incentives report; deleting certain reporting requirements; amending s. 288.001, F.S.; providing a network purpose; providing definitions; requiring the statewide director and the network to operate the program in compliance with federal laws and regulations and a Board of Governors regulation; requiring the statewide director to consult with the Board of Governors, the Department of Economic Opportunity, and the network's statewide advisory board to establish certain policies and goals; requiring the network to maintain a statewide advisory board; providing for advisory board membership; providing for terms of membership; providing for certain member reimbursement; requiring the director to develop support services; specifying support service requirements; requiring businesses that receive support services to participate in certain assessments; requiring the network to provide a match equal to certain state funding; providing criteria for the match; requiring the statewide director to coordinate with

the host institution to establish a pay-per-performance incentive; providing for pay-per-performance incentive funding and distribution; providing a distribution formula requirement; requiring the statewide director to coordinate with the advisory board to distribute funds for certain purposes and develop programs to distribute funds for those purposes; requiring the network to announce available funding, performance expectations, and other requirements; requiring the statewide director to present applications and recommendations to the advisory board; requiring applications approved by the advisory board to be publicly posted; providing minimum requirements for a program; prohibiting certain regional small business development centers from receiving funds; providing that match funding may not be reduced for regional small business development centers receiving additional funds; requiring the statewide director to regularly update the Board of Governors, the department, and the advisory board with certain information; requiring the statewide director, in coordination with the advisory board, to annually report certain information to the President of the Senate and the Speaker of the House of Representatives; amending s. 288.005, F.S.; providing a definition; amending s. 288.012, F.S.; requiring each State of Florida international office to submit a report to Enterprise Florida, Inc., for inclusion in its annual report; deleting a reporting date; amending s. 288.061, F.S.; requiring the Department of Economic Opportunity to analyze each economic development incentive application; prohibiting the executive director from approving an economic development incentive application unless a specified written declaration is received; requiring an awardee to provide a signed written declaration in specified years; providing that the department may adopt rules to implement this section; amending s. 288.0656, F.S.; requiring the Rural Economic Development Initiative to submit a report to supplement the Department of Economic Opportunity's annual report; deleting certain reporting requirements; amending s. 288.076, F.S.; providing definitions; requiring the Department of Economic Opportunity to publish on a website specified information concerning state investment in economic development programs; requiring the department to work with the Office of Economic and Demographic Research to provide a description of specified methodology and requiring the department to publish such description on its website; providing procedures and requirements for reviewing, updating, and supplementing specified published information; requiring the department to annually publish information relating to the progress of Quick Action Closing Fund projects; requiring the department to publish certain confidential information pertaining to participant businesses upon expiration of a specified confidentiality period; requiring the department to publish certain reports concerning businesses that fail to complete tax refund agreements under the tax refund program for qualified target industry businesses; providing for construction and legislative intent; authorizing the department to adopt rules; repealing s. 288.095(3)(c), F.S., relating to the annual report by Enterprise Florida, Inc., of programs funded by the Economic Development Incentives Account; amending s. 288.106, F.S.; deleting and adding provisions relating to the application and approval process of the tax refund program for qualified target

industry businesses; requiring the Department of Economic Opportunity to include information on qualified target industry businesses in the annual incentives report; deleting certain reporting requirements; amending 288.107, F.S.; revising definitions; revising provisions to conform to changes made by the act; revising the minimum criteria for participation in the brownfield redevelopment bonus refund; clarifying the application of certain amendments; amending s. 288.1081, F.S.; requiring the use of loan funds from the Economic Gardening Business Loan Pilot Program to be included in the department's annual report; deleting certain reporting requirements; amending s. 288.1082, F.S.; requiring the progress of the Economic Gardening Technical Assistance Pilot Program to be included in the department's annual report; deleting certain reporting requirements; amending s. 288.1088, F.S.; requiring the department to validate contractor performance for the Quick Action Closing Fund and include the performance validation in the annual incentives report; deleting certain reporting requirements; amending s. 288.1089, F.S.; requiring that certain projects in the Innovation Incentive Program provide a cumulative break-even economic benefit; requiring the department to report information relating to the Innovation Incentive Program in the annual incentives report; deleting certain reporting requirements; deleting provisions that require the Office of Program Policy Analysis and Government Accountability and the Auditor General's Office to report on the Innovation Incentive Program; amending s. 288.1253, F.S.; revising a reporting date; requiring expenditures of the Office of Film and Entertainment to be included in the annual entertainment industry financial incentive program report; amending s. 288.1254, F.S.; revising a reporting date; requiring the annual entertainment industry financial incentive program report to include certain information; amending s. 288.1258, F.S.; revising a reporting date; requiring the report detailing the relationship between tax exemptions and incentives to industry growth to be included in the annual entertainment industry financial incentive program report; amending s. 288.714, F.S.; requiring the Department of Economic Opportunity's annual report to include a report on the Black Business Loan Program; deleting certain reporting requirements; amending s. 288.7771, F.S.; requiring the Florida Export Finance Corporation to submit a report to Enterprise Florida, Inc.; amending s. 288.903, F.S.; requiring Enterprise Florida, Inc., with the Department of Economic Opportunity, to prepare an annual incentives report; repealing s. 288.904(6), F.S., relating to Enterprise Florida, Inc., which requires the department to report the return on the public's investment; amending s. 288.906, F.S.; requiring certain reports to be included in the Enterprise Florida, Inc., annual report; amending s. 288.907, F.S.; requiring Enterprise Florida, Inc., with the Department of Economic Opportunity, to prepare the annual incentives report; requiring the annual incentives report to include certain information; deleting a provision requiring the Division of Strategic Business Development to assist Enterprise Florida, Inc., with the report; 288.92, F.S.; requiring each division of Enterprise Florida, Inc., to submit a report; amending s. 288.95155, F.S.; requiring the financial status of the Florida Small Business Technology Growth

Program to be included in the annual incentives report; amending s. 288.9918, F.S.; revising reporting requirements related to community development entities; amending s. 290.0055, F.S.; providing for the expansion of the boundaries of enterprise zones that meet certain requirements; providing an application deadline; amending s. 290.0056, F.S.; revising a reporting date; requiring the enterprise zone development agency to submit certain information for the Department of Economic Opportunity's annual report; amending s. 290.014, F.S.; revising a reporting date; requiring certain reports on enterprise zones to be included in the Department of Economic Opportunity's annual report; amending s. 290.0455, F.S.; providing for the state's guarantee of certain federal loans to local governments; requiring applicants for such loans to pledge a specified amount of revenues to guarantee the loans; revising requirements for the department to submit recommendations to the Federal Government for such loans; revising the maximum amount of the loan guarantee commitment that a local government may receive and providing exceptions; providing for reduction of a local government's future community development block grants if the local government defaults on the federal loan; providing procedures if a local government is granted entitlement community status; amending ss. 331.3051 and 331.310, F.S.; revising requirements for annual reports by Space Florida; amending s. 443.036, F.S.; providing examples of misconduct; amending s. 443.091, F.S.; providing for online work registration and providing exceptions; limiting a claimant's use of the same prospective employer to meet work search requirements; providing an exception; providing that work search requirements do not apply to individuals required to participate in reemployment services; amending s. 443.101, F.S.; providing for disqualification in any week with respect to which the department finds that his or her unemployment is due to failure without good cause to maintain a license, registration, or certification required by applicable law necessary for the employee to perform her or his assigned job duties; providing examples of "good cause"; amending s. 443.1113, F.S., relating to the Reemployment Assistance Claims and Benefits Information System; revising timeframe for deployment of a certain Internet portal as part of such system; amending s. 443.131, F.S.; requiring the tax collection service provider to calculate a certain additional rate; providing for when an assessment may not be made; requiring assessments to be available to pay interest on federal advances; requiring certain excess funds to be transferred to the Unemployment Compensation Trust Fund after a certain time period; deleting the provision referring to crediting employer accounts; providing an expiration date; amending s. 443.151 F.S.; revising provisions to conform to changes made to benefit eligibility; providing that an employer or its agent may not be relieved of benefit charges for failure to timely and adequately respond to notice of claim or request for information; requiring the department to impose a penalty against a claimant who is overpaid reemployment assistance benefits due to fraud by the claimant; requiring an appeals referee to be an attorney in good standing with the Florida Bar or successfully admitted within 8 months of hire; providing an exception; amending s. 443.1715, F.S.; prohibiting the unlawful disclosure

of certain confidential information relating to employing units and individuals under the Reemployment Assistance Program Law; providing criminal penalties; amending s. 443.191, F.S.; providing for the deposit of moneys recovered and penalties collected due to fraud in the Unemployment Compensation Trust Fund; amending s. 446.50, F.S.; requiring the Department of Economic Opportunity's annual report to include a plan for the displaced homemaker program; deleting certain reporting requirements; creating s. 288.80, F.S.; providing a short title; creating s. 288.801, F.S.; providing Legislative intent; creating s. 288.81, F.S.; providing definitions; creating s. 288.82, F.S.; creating Triumph Gulf Coast, Inc., as nonprofit corporation; requiring the Triumph Gulf Coast, Inc., to create and administer the Recovery Fund for the benefit of disproportionately affected counties; providing for principal of the fund; providing for payment of administrative costs from the earnings of the fund; providing any remaining funds after 30 years revert to the State Treasury; authorizing investment of the principal of the fund; requiring an investment policy; requiring competitive procurement of money managers; requiring annual audits; requiring biannual reports; creating s. 288.83, F.S.; providing for application of public records and meetings laws; providing for governance by a 5 member board of directors; providing membership; providing for terms; providing for appointment for vacancies; providing limitations on board members; limiting postemployment activities; providing for a misdemeanor for violations; requiring financial disclosures; providing travel and per diem expenses; providing for removal; requiring quarterly meetings; providing for staffing; creating s. 288.831, F.S.; providing the powers and duties of the board of directors; creating s. 288.832, F.S.; providing the duties of Triumph Gulf Coast, Inc.; creating s. 288.84, F.S.; permitting awards for projects or programs from available earnings and principal; providing the award categories; providing the award categories for certain funds; establishing priority ranking for applications; prohibiting award from financing 100 percent of a project or program; permitting Triumph Gulf Coast, Inc., to requiring a one-to-one match; prohibiting an awardee from receiving all available funds; requiring a contract for an award; requiring regular reporting; requiring the scope of a financial audit for a local government entity to include funds related to Deepwater Horizon oil spill; requiring the Auditor General to conduct an operational audit of a local government entity's performance in the expenditure of funds related to the Deepwater Horizon oil spill; requiring the Auditor General to adopt rules for such audits; permitting the Auditor General to report to the Secretary of the Treasury of the United States; providing effective dates.

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

Section 1. Economic Development Programs Evaluation.—The Office of Economic and Demographic Research and the Office of Program Policy Analysis and Government Accountability (OPPAGA) shall develop and present to the Governor, the President of the Senate, the Speaker of the

House of Representatives, and the chairs of the legislative appropriations committees the Economic Development Programs Evaluation.

(1) The Office of Economic and Demographic Research and OPPAGA shall coordinate the development of a work plan for completing the Economic Development Programs Evaluation and shall submit the work plan to the President of the Senate and the Speaker of the House of Representatives by July 1, 2013.

(2) The Office of Economic and Demographic Research and OPPAGA shall provide a detailed analysis of economic development programs as provided in the following schedule:

(a) By January 1, 2014, and every 3 years thereafter, an analysis of the following:

1. The capital investment tax credit established under s. 220.191, Florida Statutes.

2. The qualified target industry tax refund established under s. 288.106, Florida Statutes.

3. The brownfield redevelopment bonus refund established under s. 288.107, Florida Statutes.

4. High-impact business performance grants established under s. 288.108, Florida Statutes.

5. The Quick Action Closing Fund established under s. 288.1088, Florida Statutes.

6. The Innovation Incentive Program established under s. 288.1089, Florida Statutes.

7. Enterprise Zone Program incentives established under ss. 212.08(5), 212.08(15), 212.096, 220.181, and 220.182, Florida Statutes.

(b) By January 1, 2015, and every 3 years thereafter, an analysis of the following:

1. The entertainment industry financial incentive program established under s. 288.1254, Florida Statutes.

2. The entertainment industry sales tax exemption program established under s. 288.1258, Florida Statutes.

3. VISIT Florida and its programs established or funded under ss. 288.122, 288.1226, 288.12265, and 288.124, Florida Statutes.

4. The Florida Sports Foundation and related programs established under ss. 288.1162, 288.11621, 288.1166, 288.1167, 288.1168, 288.1169, and 288.1171, Florida Statutes.

(c) By January 1, 2016, and every 3 years thereafter, an analysis of the following:

1. The qualified defense contractor and space flight business tax refund program established under s. 288.1045, Florida Statutes.

2. The tax exemption for semiconductor, defense, or space technology sales established under s. 212.08(5)(j), Florida Statutes.

3. The Military Base Protection Program established under s. 288.980, Florida Statutes.

4. The Manufacturing and Spaceport Investment Incentive Program established under s. 288.1083, Florida Statutes.

5. The Quick Response Training Program established under s. 288.047, Florida Statutes.

6. The Incumbent Worker Training Program established under s. 445.003, Florida Statutes.

7. International trade and business development programs established or funded under s. 288.826, Florida Statutes.

(3) Pursuant to the schedule established in subsection (2), the Office of Economic and Demographic Research shall evaluate and determine the economic benefits, as defined in s. 288.005, Florida Statutes, of each program over the previous 3 years. The analysis must also evaluate the number of jobs created, the increase or decrease in personal income, and the impact on state gross domestic product from the direct, indirect, and induced effects of the state's investment in each program over the previous 3 years.

(a) For the purpose of evaluating tax credits, tax refunds, sales tax exemptions, cash grants, and similar programs, the Office of Economic and Demographic Research shall evaluate data only from those projects in which businesses received state funds during the evaluation period. Such projects may be fully completed, partially completed with future fund disbursement possible pending performance measures, or partially completed with no future fund disbursement possible as a result of a business's inability to meet performance measures.

(b) The analysis must use the model developed by the Office of Economic and Demographic Research, as required in s. 216.138, Florida Statutes, to evaluate each program. The office shall provide a written explanation of the key assumptions of the model and how it is used. If the office finds that another evaluation model is more appropriate to evaluate a program, it may use another model, but it must provide an explanation as to why the selected model was more appropriate.

(4) Pursuant to the schedule established in subsection (2), OPPAGA shall evaluate each program over the previous 3 years for its effectiveness and

value to the taxpayers of this state and include recommendations on each program for consideration by the Legislature. The analysis may include relevant economic development reports or analyses prepared by the Department of Economic Opportunity, Enterprise Florida, Inc., or local or regional economic development organizations; interviews with the parties involved; or any other relevant data.

(5) The Office of Economic and Demographic Research and OPPAGA must be given access to all data necessary to complete the Economic Development Programs Evaluation, including any confidential data. The offices may collaborate on data collection and analysis.

Section 2. Subsection (10) of section 20.60, Florida Statutes, is amended to read:

20.60 Department of Economic Opportunity; creation; powers and duties.

(10) The department, with assistance from Enterprise Florida, Inc., shall, by November 1 ~~January 1~~ of each year, submit an annual report to the Governor, the President of the Senate, and the Speaker of the House of Representatives on the condition of the business climate and economic development in the state.

(a) The report must ~~shall~~ include the identification of problems and a prioritized list of recommendations.

(b) The report must incorporate annual reports of other programs, including:

1. The displaced homemaker program established under s. 446.50.
2. Information provided by the Department of Revenue under s. 290.014.
3. Information provided by enterprise zone development agencies under s. 290.0056 and an analysis of the activities and accomplishments of each enterprise zone.
4. The Economic Gardening Business Loan Pilot Program established under s. 288.1081 and the Economic Gardening Technical Assistance Pilot Program established under s. 288.1082.
5. A detailed report of the performance of the Black Business Loan Program and a cumulative summary of quarterly report data required under s. 288.714.
6. The Rural Economic Development Initiative established under s. 288.0656.

Section 3. Paragraph (c) of subsection (1) of section 201.15, Florida Statutes, is amended to read:

201.15 Distribution of taxes collected.—All taxes collected under this chapter are subject to the service charge imposed in s. 215.20(1). Prior to distribution under this section, the Department of Revenue shall deduct amounts necessary to pay the costs of the collection and enforcement of the tax levied by this chapter. Such costs and the service charge may not be levied against any portion of taxes pledged to debt service on bonds to the extent that the costs and service charge are required to pay any amounts relating to the bonds. After distributions are made pursuant to subsection (1), all of the costs of the collection and enforcement of the tax levied by this chapter and the service charge shall be available and transferred to the extent necessary to pay debt service and any other amounts payable with respect to bonds authorized before January 1, 2013, secured by revenues distributed pursuant to subsection (1). All taxes remaining after deduction of costs and the service charge shall be distributed as follows:

(1) Sixty-three and thirty-one hundredths percent of the remaining taxes shall be used for the following purposes:

(c) After the required payments under paragraphs (a) and (b), the remainder shall be paid into the State Treasury to the credit of:

1. The State Transportation Trust Fund in the Department of Transportation in the amount of the lesser of 38.2 percent of the remainder or \$541.75 million in each fiscal year. Out of such funds, the first \$50 million for the 2012-2013 fiscal year; \$65 million for the 2013-2014 fiscal year; and \$75 million for the 2014-2015 fiscal year and all subsequent years, shall be transferred to the State Economic Enhancement and Development Trust Fund within the Department of Economic Opportunity. The remainder is to be used for the following specified purposes, notwithstanding any other law to the contrary:

a. For the purposes of capital funding for the New Starts Transit Program, authorized by Title 49, U.S.C. s. 5309 and specified in s. 341.051, 10 percent of these funds;

b. For the purposes of the Small County Outreach Program specified in s. 339.2818, 5 percent of these funds. Effective July 1, 2014, the percentage allocated under this sub-subparagraph shall be increased to 10 percent;

c. For the purposes of the Strategic Intermodal System specified in ss. 339.61, 339.62, 339.63, and 339.64, 75 percent of these funds after allocating for the New Starts Transit Program described in sub-subparagraph a. and the Small County Outreach Program described in sub-subparagraph b.; and

d. For the purposes of the Transportation Regional Incentive Program specified in s. 339.2819, 25 percent of these funds after allocating for the New Starts Transit Program described in sub-subparagraph a. and the Small County Outreach Program described in sub-subparagraph b. Effective July 1, 2014, the first \$60 million of the funds allocated pursuant to this sub-

subparagraph shall be allocated annually to the Florida Rail Enterprise for the purposes established in s. 341.303(5).

2. The Grants and Donations Trust Fund in the Department of Economic Opportunity in the amount of the lesser of .23 percent of the remainder or \$3.25 million in each fiscal year to fund technical assistance to local governments ~~and school boards on the requirements and implementation of this act.~~

3. The Ecosystem Management and Restoration Trust Fund in the amount of the lesser of 2.12 percent of the remainder or \$30 million in each fiscal year, to be used for the preservation and repair of the state's beaches as provided in ss. 161.091-161.212.

4. General Inspection Trust Fund in the amount of the lesser of .02 percent of the remainder or \$300,000 in each fiscal year to be used to fund oyster management and restoration programs as provided in s. 379.362(3).

Moneys distributed pursuant to this paragraph may not be pledged for debt service unless such pledge is approved by referendum of the voters.

Section 4. Paragraph (o) 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.—

(o) *Building materials in redevelopment projects.*—

1. As used in this paragraph, the term:

a. “Building materials” means tangible personal property that becomes a component part of a housing project or a mixed-use project.

b. “Housing project” means the conversion of an existing manufacturing or industrial building to a housing unit which is units in an urban high-crime area, an enterprise zone, an empowerment zone, a Front Porch Community, a designated brownfield site for which a rehabilitation agreement with the Department of Environmental Protection or a local government delegated by the Department of Environmental Protection has been executed under s. 376.80 and any abutting real property parcel within a brownfield area, or an urban infill area; and in which the developer agrees to set aside at least 20 percent of the housing units in the project for low-income and moderate-income persons or the construction in a designated brownfield area of affordable housing for persons described in s. 420.0004(9), (11), (12), or (17) or in s. 159.603(7).

c. “Mixed-use project” means the conversion of an existing manufacturing or industrial building to mixed-use units that include artists’ studios, art and entertainment services, or other compatible uses. A mixed-use project must be located in an urban high-crime area, an enterprise zone, an empowerment zone, a Front Porch Community, a designated brownfield site for which a rehabilitation agreement with the Department of Environmental Protection or a local government delegated by the Department of Environmental Protection has been executed under s. 376.80 and any abutting real property parcel within a brownfield area, or an urban infill area; and the developer must agree to set aside at least 20 percent of the square footage of the project for low-income and moderate-income housing.

d. “Substantially completed” has the same meaning as provided in s. 192.042(1).

2. Building materials used in the construction of a housing project or mixed-use project are exempt from the tax imposed by this chapter upon an affirmative showing to the satisfaction of the department that the requirements of this paragraph have been met. This exemption inures to the owner through a refund of previously paid taxes. To receive this refund, the owner must file an application under oath with the department which includes:

- a. The name and address of the owner.
- b. The address and assessment roll parcel number of the project for which a refund is sought.
- c. A copy of the building permit issued for the project.
- d. A certification by the local building code inspector that the project is substantially completed.
- e. A sworn statement, under penalty of perjury, from the general contractor licensed in this state with whom the owner contracted to construct the project, which statement lists the building materials used in the construction of the project and the actual cost thereof, and the amount of sales tax paid on these materials. If a general contractor was not used, the owner shall provide this information in a sworn statement, under penalty of perjury. Copies of invoices evidencing payment of sales tax must be attached to the sworn statement.

3. An application for a refund under this paragraph must be submitted to the department within 6 months after the date the project is deemed to be substantially completed by the local building code inspector. Within 30 working days after receipt of the application, the department shall determine if it meets the requirements of this paragraph. A refund approved pursuant to this paragraph shall be made within 30 days after formal approval of the application by the department.

4. The department shall establish by rule an application form and criteria for establishing eligibility for exemption under this paragraph.

5. The exemption shall apply to purchases of materials on or after July 1, 2000.

Section 5. The amendments to section 212.08, Florida Statutes, made by this act do not apply to any housing project or mixed-use project where site development or construction work was initiated prior to the effective date of this act.

Section 6. Effective April 30, 2014, paragraph (kkk) is added to subsection (7) of section 212.08, Florida Statutes, 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.

(7) MISCELLANEOUS EXEMPTIONS.—Exemptions provided to any entity by this chapter do not inure to any transaction that is otherwise taxable under this chapter when payment is made by a representative or employee of the entity by any means, including, but not limited to, cash, check, or credit card, even when that representative or employee is subsequently reimbursed by the entity. In addition, exemptions provided to any entity by this subsection do not inure to any transaction that is otherwise taxable under this chapter unless the entity has obtained a sales tax exemption certificate from the department or the entity obtains or provides other documentation as required by the department. Eligible purchases or leases made with such a certificate must be in strict compliance with this subsection and departmental rules, and any person who makes an exempt purchase with a certificate that is not in strict compliance with this subsection and the rules is liable for and shall pay the tax. The department may adopt rules to administer this subsection.

(kkk) Certain machinery and equipment.—

1. Industrial machinery and equipment purchased by eligible manufacturing businesses which is used at a fixed location within this state for the manufacture, processing, compounding, or production of items of tangible personal property for sale shall be exempt from the tax imposed by this chapter. If at the time of purchase the purchaser furnishes the seller with a signed certificate certifying the purchaser's entitlement to exemption pursuant to this paragraph, the seller is relieved of the responsibility for collecting the tax on the sale of such items, and the department shall look solely to the purchaser for recovery of the tax if it determines that the purchaser was not entitled to the exemption.

2. For purposes of this paragraph, the term:

a. “Eligible manufacturing business” means any business whose primary business activity at the location where the industrial machinery and

equipment is located is within the industries classified under NAICS codes 31, 32, and 33. As used in this subparagraph, “NAICS” means those classifications contained in the North American Industry Classification System, as published in 2007 by the Office of Management and Budget, Executive Office of the President.

b. “Primary business activity” means an activity representing more than fifty percent of the activities conducted at the location where the industrial machinery and equipment is located.

c. “Industrial machinery and equipment” means tangible personal property or other property that has a depreciable life of 3 years or more and that is used as an integral part in the manufacturing, processing, compounding, or production of tangible personal property for sale. A building and its structural components are not industrial machinery and equipment unless the building or structural component is so closely related to the industrial machinery and equipment that it houses or supports that the building or structural component can be expected to be replaced when the machinery and equipment are replaced. Heating and air conditioning systems are not industrial machinery and equipment unless the sole justification for their installation is to meet the requirements of the production process, even though the system may provide incidental comfort to employees or serve, to an insubstantial degree, nonproduction activities. The term includes parts and accessories for industrial machinery and equipment only to the extent that the parts and accessories are purchased prior to the date the machinery and equipment are placed in service.

3. This paragraph is repealed effective April 30, 2017.

Section 7. Paragraph (bb) is added to subsection (8) of section 213.053, Florida Statutes, to read:

213.053 Confidentiality and information sharing.—

(8) Notwithstanding any other provision of this section, the department may provide:

(bb) Information to the director of the Office of Program Policy Analysis and Government Accountability or his or her authorized agent, and to the coordinator of the Office of Economic and Demographic Research or his or her authorized agent, for purposes of completing the Economic Development Programs Evaluation. Information obtained from the department pursuant to this paragraph may be shared by the director and the coordinator, or the director’s or coordinator’s authorized agent, for purposes of completing the Economic Development Programs Evaluation.

Disclosure of information under this subsection shall be pursuant to a written agreement between the executive director and the agency. Such agencies, governmental or nongovernmental, shall be bound by the same requirements of confidentiality as the Department of Revenue. Breach of

confidentiality is a misdemeanor of the first degree, punishable as provided by s. 775.082 or s. 775.083.

Section 8. Subsection (9) of section 220.194, Florida Statutes, is amended to read:

220.194 Corporate income tax credits for spaceflight projects.—

(9) ANNUAL REPORT.—Beginning in 2014, the Department of Economic Opportunity, in cooperation with Space Florida and the department, shall include in the submit an annual incentives report required under s. 288.907 a summary of summarizing activities relating to the Florida Space Business Incentives Act established under this section ~~to the Governor, the President of the Senate, and the Speaker of the House of Representatives by each November 30.~~

Section 9. Section 288.001, Florida Statutes, is amended to read:

288.001 The Florida Small Business Development Center Network; ~~purpose.—~~

(1) PURPOSE.—The Florida Small Business Development Center Network is the principal business assistance organization for small businesses in the state. The purpose of the network is to serve emerging and established for-profit, privately held businesses that maintain a place of business in the state.

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

(a) “Board of Governors” is the Board of Governors of the State University System.

(b) “Host institution” is the university designated by the Board of Governors to be the recipient organization in accordance with 13 C.F.R. s. 130.200.

(c) “Network” means the Florida Small Business Development Center Network.

(3) OPERATION; POLICIES AND PROGRAMS.—

(a) The network’s statewide director shall operate the network in compliance with the federal laws and regulations governing the network and the Board of Governors Regulation 10.015.

(b) The network’s statewide director shall consult with the Board of Governors, the department, and the network’s statewide advisory board to ensure that the network’s policies and programs align with the statewide goals of the State University System and the statewide strategic economic development plan as provided under s. 20.60.

(4) STATEWIDE ADVISORY BOARD.—

(a) The network shall maintain a statewide advisory board to advise, counsel, and confer with the statewide director on matters pertaining to the operation of the network.

(b) The statewide advisory board shall consist of 19 members from across the state. At least 12 members must be representatives of the private sector who are knowledgeable of the needs and challenges of small businesses. The members must represent various segments and industries of the economy in this state and must bring knowledge and skills to the statewide advisory board which would enhance the board's collective knowledge of small business assistance needs and challenges. Minority and gender representation must be considered when making appointments to the board. The board must include the following members:

1. Three members appointed from the private sector by the President of the Senate.

2. Three members appointed from the private sector by the Speaker of the House of Representatives.

3. Three members appointed from the private sector by the Governor.

4. Three members appointed from the private sector by the network's statewide director.

5. One member appointed by the host institution.

6. The President of Enterprise Florida, Inc., or his or her designee.

7. The Chief Financial Officer or his or her designee.

8. The President of the Florida Chamber of Commerce or his or her designee.

9. The Small Business Development Center Project Officer from the U.S. Small Business Administration at the South Florida District Office or his or her designee.

10. The executive director of the National Federation of Independent Businesses, Florida, or his or her designee.

11. The executive director of the Florida United Business Association or his or her designee.

(c) The term of an appointed member shall be for 4 years, beginning August 1, 2013, except that at the time of initial appointments, two members appointed by the Governor, one member appointed by the President of the Senate, one member appointed by the Speaker of the House of Representatives, and one member appointed by the network's statewide director shall be appointed for 2 years. An appointed member may be reappointed to a subsequent term. Members of the statewide advisory board may not receive

compensation but may be reimbursed for per diem and travel expenses in accordance with s. 112.061.

(5) SMALL BUSINESS SUPPORT SERVICES; AGREEMENT.—

(a) The statewide director, in consultation with the advisory board, shall develop support services that are delivered through regional small business development centers. Support services must target the needs of businesses that employ fewer than 100 persons and demonstrate an assessed capacity to grow in employment or revenue.

(b) Support services must include, but need not be limited to, providing information or research, consulting, educating, or assisting businesses in the following activities:

1. Planning related to the start-up, operation, or expansion of a small business enterprise in this state. Such activities include providing guidance on business formation, structure, management, registration, regulation, and taxes.

2. Developing and implementing strategic or business plans. Such activities include analyzing a business's mission, vision, strategies, and goals; critiquing the overall plan; and creating performance measures.

3. Developing the financial literacy of existing businesses related to their business cash flow and financial management plans. Such activities include conducting financial analysis health checks, assessing cost control management techniques, and building financial management strategies and solutions.

4. Developing and implementing plans for existing businesses to access or expand to new or existing markets. Such activities include conducting market research, researching and identifying expansion opportunities in international markets, and identifying opportunities in selling to units of government.

5. Supporting access to capital for business investment and expansion. Such activities include providing technical assistance relating to obtaining surety bonds; identifying and assessing potential debt or equity investors or other financing opportunities; assisting in the preparation of applications, projections, or pro forma or other support documentation for surety bond, loan, financing, or investment requests; and facilitating conferences with lenders or investors.

6. Assisting existing businesses to plan for a natural or man-made disaster, and assisting businesses when such an event occurs. Such activities include creating business continuity and disaster plans, preparing disaster and bridge loan applications, and carrying out other emergency support functions.

(c) A business receiving support services must agree to participate in assessments of such services. The agreement, at a minimum, must request the business to report demographic characteristics, changes in employment and sales, debt and equity capital attained, and government contracts acquired. The host institution may require additional reporting requirements for funding described in subsection (7).

(6) REQUIRED MATCH.—The network must provide a match equal to the total amount of any direct legislative appropriation which is received directly by the host institution and is specifically designated for the network. The match may include funds from federal or other nonstate funding sources designated for the network. At least 50 percent of the match must be cash. The remaining 50 percent may be provided through any allowable combination of additional cash, in-kind contributions, or indirect costs.

(7) ADDITIONAL STATE FUNDS; USES; PAY-PER-PERFORMANCE INCENTIVES; STATEWIDE SERVICE; SERVICE ENHANCEMENTS; BEST PRACTICES; ELIGIBILITY.—

(a) The statewide director, in coordination with the host institution, shall establish a pay-per-performance incentive for regional small business development centers. Such incentive shall be funded from half of any state appropriation received directly by the host institution, which appropriation is specifically designated for the network. These funds shall be distributed to the regional small business development centers based upon data collected from the businesses as provided under paragraph (5)(c). The distribution formula must provide for the distribution of funds in part on the gross number of jobs created annually by each center and in part on the number of jobs created per support service hour. The pay-per-performance incentive must supplement the operations and support services of each regional small business development center.

(b) Half of any state funds received directly by the host institution which are specifically designated for the network shall be distributed by the statewide director, in coordination with the advisory board, for the following purposes:

1. Ensuring that support services are available statewide, especially in underserved and rural areas of the state, to assist eligible businesses;

2. Enhancing participation in the network among state universities and colleges; and

3. Facilitating the adoption of innovative small business assistance best practices by the regional small business development centers.

(c) The statewide director, in coordination with the advisory board, shall develop annual programs to distribute funds for each of the purposes described in paragraph (b). The network shall announce the annual amount of available funds for each program, performance expectations, and other

requirements. For each program, the statewide director shall present applications and recommendations to the advisory board. The advisory board shall make the final approval of applications. Approved applications must be publicly posted. At a minimum, programs must include:

1. New regional small business development centers; and

2. Awards for the top six regional small business development centers that adopt best practices, as determined by the advisory board. Detailed information about best practices must be made available to regional small business development centers for voluntary implementation.

(d) A regional small business development center that has been found by the statewide director to perform poorly, to engage in improper activity affecting the operation and integrity of the network, or to fail to follow the rules and procedures set forth in the laws, regulations, and policies governing the network, is not eligible for funds under this subsection.

(e) Funds awarded under this subsection may not reduce matching funds dedicated to the regional small business development centers.

(8) REPORTING.—

(a) The statewide director shall quarterly update the Board of Governors, the department, and the advisory board on the network's progress and outcomes, including aggregate information on businesses assisted by the network.

(b) The statewide director, in coordination with the advisory board, shall annually report, on October 1, to the President of the Senate and the Speaker of the House of Representatives on the network's progress and outcomes for the previous fiscal year. The report must include aggregate information on businesses assisted by the network; network services and programs; the use of all federal, state, local, and private funds received by the network and the regional small business development centers, including any additional funds specifically appropriated by the Legislature for the purposes described in subsection (7); and the network's economic benefit to the state. The report must contain specific information on performance-based metrics and contain the methodology used to calculate the network's economic benefit to the state.

Section 10. Subsection (4) is added to section 288.005, Florida Statutes, to read:

288.005 Definitions.—As used in this chapter, the term:

(4) "Jobs" means full-time equivalent positions, including, but not limited to, positions obtained from a temporary employment agency or employee leasing company or through a union agreement or coemployment under a professional employer organization agreement, which result directly from a

project in this state. This number does not include temporary construction jobs involved with the construction of facilities for the project.

Section 11. Subsection (3) of section 288.012, Florida Statutes, is amended to read:

288.012 State of Florida international offices; state protocol officer; protocol manual.—The Legislature finds that the expansion of international trade and tourism is vital to the overall health and growth of the economy of this state. This expansion is hampered by the lack of technical and business assistance, financial assistance, and information services for businesses in this state. The Legislature finds that these businesses could be assisted by providing these services at State of Florida international offices. The Legislature further finds that the accessibility and provision of services at these offices can be enhanced through cooperative agreements or strategic alliances between private businesses and state, local, and international governmental entities.

(3) ~~By October 1 of each year, Each international office shall annually submit to Enterprise Florida, Inc., the department a complete and detailed report on its activities and accomplishments during the previous preceding fiscal year for inclusion in the annual report required under s. 288.906. In the~~ a format ~~and by the annual date prescribed provided~~ by Enterprise Florida, Inc., the report must set forth information on:

- (a) The number of Florida companies assisted.
- (b) The number of inquiries received about investment opportunities in this state.
- (c) The number of trade leads generated.
- (d) The number of investment projects announced.
- (e) The estimated U.S. dollar value of sales confirmations.
- (f) The number of representation agreements.
- (g) The number of company consultations.
- (h) Barriers or other issues affecting the effective operation of the office.
- (i) Changes in office operations which are planned for the current fiscal year.
- (j) Marketing activities conducted.
- (k) Strategic alliances formed with organizations in the country in which the office is located.
- (l) Activities conducted with Florida's other international offices.

(m) Any other information that the office believes would contribute to an understanding of its activities.

Section 12. Section 288.061, Florida Statutes, is amended to read:

288.061 Economic development incentive application process.—

(1) Upon receiving a submitted economic development incentive application, the Division of Strategic Business Development of the Department of Economic Opportunity and designated staff of Enterprise Florida, Inc., shall review the application to ensure that the application is complete, whether and what type of state and local permits may be necessary for the applicant's project, whether it is possible to waive such permits, and what state incentives and amounts of such incentives may be available to the applicant. The department shall recommend to the executive director to approve or disapprove an applicant business. If review of the application demonstrates that the application is incomplete, the executive director shall notify the applicant business within the first 5 business days after receiving the application.

(2) Beginning July 1, 2013, the department shall review and evaluate each economic development incentive application for the economic benefits of the proposed award of state incentives proposed for the project. The term "economic benefits" has the same meaning as in s. 288.005. The Office of Economic and Demographic Research shall establish the methodology and model used to calculate the economic benefits. For purposes of this requirement, an amended definition of "economic benefits" may be developed by the Office of Economic and Demographic Research.

~~(3)~~(2) Within 10 business days after the department receives the submitted economic development incentive application, the executive director shall approve or disapprove the application and issue a letter of certification to the applicant which includes a justification of that decision, unless the business requests an extension of that time.

(a) The contract or agreement with the applicant ~~must~~ shall specify the total amount of the award, the performance conditions that must be met to obtain the award, the schedule for payment, and sanctions that would apply for failure to meet performance conditions. The department may enter into one agreement or contract covering all of the state incentives that are being provided to the applicant. The contract must provide that release of funds is contingent upon sufficient appropriation of funds by the Legislature.

(b) The release of funds for the incentive or incentives awarded to the applicant depends upon the statutory requirements of the particular incentive program, except as provided in subsection (4).

~~(4)~~(3) The department shall validate contractor performance and report. ~~Such validation shall be reported in the annual incentives incentive report required under s. 288.907.~~

(5)(a) The executive director may not approve an economic development incentive application unless the application includes a signed written declaration by the applicant which states that the applicant has read the information in the application and that the information is true, correct, and complete to the best of the applicant’s knowledge and belief.

(b) After an economic development incentive application is approved, the awardee shall provide, in each year that the department is required to validate contractor performance, a signed written declaration. The written declaration must state that the awardee has reviewed the information and that the information is true, correct, and complete to the best of the awardee’s knowledge and belief.

(6) The department is authorized to adopt rules to implement this section.

Section 13. Subsection (8) of section 288.0656, Florida Statutes, is amended to read:

288.0656 Rural Economic Development Initiative.—

~~(8) REDI shall submit a report to the department Governor, the President of the Senate, and the Speaker of the House of Representatives each year on or before September 1 on all REDI activities for the previous prior fiscal year as a supplement to the department’s annual report required under s. 20.60. This supplementary report must shall include:~~

~~(a) A status report on all projects currently being coordinated through REDI, the number of preferential awards and allowances made pursuant to this section, the dollar amount of such awards, and the names of the recipients.~~

~~(b) The report shall also include A description of all waivers of program requirements granted.~~

~~(c) The report shall also include Information as to the economic impact of the projects coordinated by REDI, and~~

~~(d) Recommendations based on the review and evaluation of statutes and rules having an adverse impact on rural communities; and proposals to mitigate such adverse impacts.~~

Section 14. Effective October 1, 2013, section 288.076, Florida Statutes, is created to read:

288.076 Return on investment reporting for economic development programs.—

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

(a) “Jobs” has the same meaning as provided in s. 288.106(2)(i).

(b) “Participant business” means an employing unit, as defined in s. 443.036, that has entered into an agreement with the department to receive a state investment.

(c) “Project” has the same meaning as provided in s. 288.106(2)(m).

(d) “Project award date” means the date a participant business enters into an agreement with the department to receive a state investment.

(e) “State investment” means any state grants, tax exemptions, tax refunds, tax credits, or other state incentives provided to a business under a program administered by the department, including the capital investment tax credit under s. 220.191.

(2) The department shall maintain a website for the purpose of publishing the information described in this section. The information required to be published under this section must be provided in a format accessible to the public which enables users to search for and sort specific data and to easily view and retrieve all data at once.

(3) Within 48 hours after expiration of the period of confidentiality for project information deemed confidential and exempt pursuant to s. 288.075, the department shall publish the following information pertaining to each project:

(a) *Projected economic benefits.*—The projected economic benefits at the time of the initial project award date.

(b) *Project information.*—

1. The program or programs through which state investment is being made.

2. The maximum potential cumulative state investment in the project.

3. The target industry or industries, and any high impact sectors implicated by the project.

4. The county or counties that will be impacted by the project.

5. For a project that requires local commitment, the total cumulative local financial commitment and in-kind support for the project.

(c) *Participant business information.*—

1. The location of the headquarters of the participant business or, if a subsidiary, the headquarters of the parent company.

2. The firm size class of the participant business, or where owned by a parent company the firm size class of the participant business’s parent company, using the firm size classes established by the United States

Department of Labor Bureau of Labor Statistics, and whether the participant business qualifies as a small business as defined in s. 288.703.

3. The date of the project award.

4. The expected duration of the contract.

5. The anticipated dates when the participant business will claim the last state investment.

(d) *Project evaluation criteria.*—Economic benefits generated by the project.

(e) *Project performance goals.*—

1. The incremental direct jobs attributable to the project, identifying the number of jobs generated and the number of jobs retained.

2. The number of jobs generated and the number of jobs retained by the project, and for projects commencing after October 1, 2013, the average annual wage of persons holding such jobs.

3. The incremental direct capital investment in the state generated by the project.

(f) *Total state investment to date.*—The total amount of state investment disbursed to the participant business to date under the terms of the contract, itemized by incentive program.

(4) The department shall calculate and publish on its website the economic benefits of each project within 48 hours after the conclusion of the agreement between each participant business and the department. The department shall work with the Office of Economic and Demographic Research to provide a description of the methodology used to calculate the economic benefits of a project, and the department must publish the information on its website.

(5) At least annually, from the project award date, the department shall:

(a) Publish verified results to update the information described in paragraphs (3)(b)-(f) to accurately reflect any changes in the published information since the project award date.

(b) Publish on its website the date on which the information collected and published for each project was last updated.

(6) Annually, the department shall publish information relating to the progress of Quick Action Closing Fund projects, including the average number of days between the date the department receives a completed application and the date on which the application is approved.

(7)(a) Within 48 hours after expiration of the period of confidentiality provided under s. 288.075, the department shall publish the contract or agreement described in s. 288.061, redacted to protect the participant business from disclosure of information that remains confidential or exempt by law.

(b) Within 48 hours after submitting any report of findings and recommendations made pursuant to s. 288.106(7)(d) concerning a business's failure to complete a tax refund agreement pursuant to the tax refund program for qualified target industry businesses, the department shall publish such report.

(8) For projects completed before October 1, 2013, the department shall compile and, by October 1, 2014, shall publish the information described in subsections (3), (4), and (5), to the extent such information is available and applicable.

(9) The provisions of this section that restrict the department's publication of information are intended only to limit the information that the department may publish on its website and shall not be construed to create an exemption from public records requirements under s. 119.07(1) or s. 24(a), Art. I of the State Constitution.

(10) The department may adopt rules to administer this section.

Section 15. Paragraph (c) of subsection (3) of section 288.095, Florida Statutes, is repealed.

Section 16. Paragraph (c) of subsection (4) and paragraph (d) of subsection (7) of section 288.106, Florida Statutes, are amended to read:

288.106 Tax refund program for qualified target industry businesses.—

(4) APPLICATION AND APPROVAL PROCESS.—

(c) Each application meeting the requirements of paragraph (b) must be submitted to the department for determination of eligibility. The department shall review and evaluate each application based on, but not limited to, the following criteria:

1. Expected contributions to the state's economy, consistent with the state strategic economic development plan prepared by the department.

2. The economic benefits of the proposed award of tax refunds under this section and the economic benefits of state incentives proposed for the project. The term "economic benefits" has the same meaning as in s. 288.005. The Office of Economic and Demographic Research shall review and evaluate the methodology and model used to calculate the economic benefits and shall report its findings by September 1 of every 3rd year, to the President of the Senate and the Speaker of the House of Representatives.

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

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

5. The expected effect of the project on the unemployed and underemployed unemployment rate in the county where the project will be located.

6. The expected effect of the award on the viability of the project and the probability that the project would be undertaken in this state if such tax refunds are granted to the applicant.

~~7. The expected long-term commitment of the applicant to economic growth and employment in this state resulting from the project.~~

~~7.8.~~ A review of the business’s past activities in this state or other states, including whether the ~~such~~ business has been subjected to criminal or civil fines and penalties. This subparagraph does not require the disclosure of confidential information.

(7) ADMINISTRATION.—

~~(d) Beginning with tax refund agreements signed after July 1, 2010, the department shall attempt to ascertain the causes for any business’s failure to complete its agreement and shall report its findings and recommendations must be included in the annual incentives report under s. 288.907 to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The report shall be submitted by December 1 of each year beginning in 2011.~~

Section 17. Paragraphs (c) and (d) of subsection (1), subsections (2) and (3), and paragraphs (a), (b), and (f) of subsection (4) of section 288.107, Florida Statutes, are amended to read:

288.107 Brownfield redevelopment bonus refunds.—

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

(c) “Brownfield area eligible for bonus refunds” means a brownfield site for which a rehabilitation agreement with the Department of Environmental Protection or a local government delegated by the Department of Environmental Protection has been executed under s. 376.80 and any abutting real property parcel within a brownfield contiguous area of one or more brownfield sites, some of which may not be contaminated, and which has been designated by a local government by resolution under s. 376.80. Such areas may include all or portions of community redevelopment areas, enterprise zones, empowerment zones, other such designated economically deprived communities and areas, and Environmental Protection Agency-designated brownfield pilot projects.

(d) “Eligible business” means:

1. A qualified target industry business as defined in s. 288.106(2); or

2. A business that can demonstrate a fixed capital investment of at least \$2 million in mixed-use business activities, including multiunit housing, commercial, retail, and industrial in brownfield areas eligible for bonus refunds, or ~~at least \$500,000 in brownfield areas that do not require site cleanup~~, and that provides benefits to its employees.

(2) BROWNFIELD REDEVELOPMENT BONUS REFUND.—Bonus refunds shall be approved by the department as specified in the final order and allowed from the account as follows:

(a) A bonus refund of \$2,500 shall be allowed to any qualified target industry business as defined in s. 288.106 for each new Florida job created in a brownfield area eligible for bonus refunds which ~~that~~ is claimed on the qualified target industry business's annual refund claim authorized in s. 288.106(6).

(b) A bonus refund of up to \$2,500 shall be allowed to any other eligible business as defined in subparagraph (1)(d)2. for each new Florida job created in a brownfield area eligible for bonus refunds which ~~that~~ is claimed under an annual claim procedure similar to the annual refund claim authorized in s. 288.106(6). The amount of the refund shall be equal to 20 percent of the average annual wage for the jobs created.

(3) CRITERIA.—The minimum criteria for participation in the brownfield redevelopment bonus refund are:

(a) The creation of at least 10 new full-time permanent jobs. Such jobs shall not include construction or site rehabilitation jobs associated with the implementation of a brownfield site agreement as described in s. 376.80(5).

(b) The completion of a fixed capital investment of at least \$2 million in mixed-use business activities, including multiunit housing, commercial, retail, and industrial in brownfield areas eligible for bonus refunds, or ~~at least \$500,000 in brownfield areas that do not require site cleanup~~, by an eligible business applying for a refund under paragraph (2)(b) which provides benefits to its employees.

~~(c) That the designation as a brownfield will diversify and strengthen the economy of the area surrounding the site.~~

~~(d) That the designation as a brownfield will promote capital investment in the area beyond that contemplated for the rehabilitation of the site.~~

~~(e) A resolution adopted by the governing board of the county or municipality in which the project will be located that recommends that certain types of businesses be approved.~~

(4) PAYMENT OF BROWNFIELD REDEVELOPMENT BONUS REFUNDS.—

(a) To be eligible to receive a bonus refund for new Florida jobs created in a brownfield area eligible for bonus refunds, a business must have been certified as a qualified target industry business under s. 288.106 or eligible business as defined in paragraph (1)(d) and must have indicated on the qualified target industry business tax refund application form submitted in accordance with s. 288.106(4) or other similar agreement for other eligible business as defined in paragraph (1)(d) that the project for which the application is submitted is or will be located in a brownfield area eligible for bonus refunds and that the business is applying for certification as a qualified brownfield business under this section, and must have signed a qualified target industry business tax refund agreement with the department that indicates that the business has been certified as a qualified target industry business located in a brownfield area eligible for bonus refunds and specifies the schedule of brownfield redevelopment bonus refunds that the business may be eligible to receive in each fiscal year.

(b) To be considered to receive an eligible brownfield redevelopment bonus refund payment, the business meeting the requirements of paragraph (a) must submit a claim once each fiscal year on a claim form approved by the department which indicates the location of the brownfield site for which a rehabilitation agreement with the Department of Environmental Protection or a local government delegated by the Department of Environmental Protection has been executed under s. 376.80, the address of the business facility's brownfield location, the name of the brownfield in which it is located, the number of jobs created, and the average wage of the jobs created by the business within the brownfield as defined in s. 288.106 or other eligible business as defined in paragraph (1)(d) and the administrative rules and policies for that section.

(f) Applications shall be reviewed and certified pursuant to s. 288.061. The department shall review all applications submitted under s. 288.106 or other similar application forms for other eligible businesses as defined in paragraph (1)(d) which indicate that the proposed project will be located in a brownfield area eligible for bonus refunds and determine, with the assistance of the Department of Environmental Protection, that the project location is within a brownfield area eligible for bonus refunds as provided in this act.

Section 18. The amendments to s. 288.107, Florida Statutes, made by this act do not apply to any party seeking a brownfield redevelopment bonus refund where, before the effective date of this act:

(1) A resolution endorsing the refund was approved by the local government;

(2) Any such party seeking the refund filed a notice of intent to seek a refund or filed an application for the refund with the Department of Economic Opportunity or Enterprise Florida, Inc.; or

(3) Any such party seeking the refund executed an actual tax refund agreement with the Department of Economic Opportunity.

Section 19. Subsection (8) of section 288.1081, Florida Statutes, is amended to read:

288.1081 Economic Gardening Business Loan Pilot Program.—

(8) ~~The annual report required under s. 20.60 must describe On June 30 and December 31 of each year, the department shall submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives which describes in detail the use of the loan funds. The report must include, at a minimum, the number of businesses receiving loans, the number of full-time equivalent jobs created as a result of the loans, the amount of wages paid to employees in the newly created jobs, the locations and types of economic activity undertaken by the borrowers, the amounts of loan repayments made to date, and the default rate of borrowers.~~

Section 20. Subsection (8) of section 288.1082, Florida Statutes, is amended to read:

288.1082 Economic Gardening Technical Assistance Pilot Program.—

(8) ~~The annual report required under s. 20.60 must describe On December 31 of each year, the department shall submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives which describes in detail the progress of the pilot program. The report must include, at a minimum, the number of businesses receiving assistance, the number of full-time equivalent jobs created as a result of the assistance, if any, the amount of wages paid to employees in the newly created jobs, and the locations and types of economic activity undertaken by the businesses.~~

Section 21. Paragraph (e) of subsection (3) of section 288.1088, Florida Statutes, is amended to read:

288.1088 Quick Action Closing Fund.—

(3)

(e) ~~The department Enterprise Florida, Inc., shall validate contractor performance and report. such validation in the annual incentives report required under s. 288.907 shall be reported within 6 months after completion of the contract to the Governor, President of the Senate, and the Speaker of the House of Representatives.~~

Section 22. Paragraphs (b) and (d) of subsection (4), and subsections (9) and (11) of section 288.1089, Florida Statutes, are amended to read:

288.1089 Innovation Incentive Program.—

(4) To qualify for review by the department, the applicant must, at a minimum, establish the following to the satisfaction of the department:

(b) A research and development project must:

- 1. Serve as a catalyst for an emerging or evolving technology cluster.
- 2. Demonstrate a plan for significant higher education collaboration.

3. Provide the state, at a minimum, a cumulative break-even economic benefit return on investment within a 20-year period.

4. Be provided with a one-to-one match from the local community. The match requirement may be reduced or waived in rural areas of critical economic concern or reduced in rural areas, brownfield areas, and enterprise zones.

(d) For an alternative and renewable energy project in this state, the project must:

1. Demonstrate a plan for significant collaboration with an institution of higher education;

2. Provide the state, at a minimum, a cumulative break-even economic benefit return on investment within a 20-year period;

3. Include matching funds provided by the applicant or other available sources. The match requirement may be reduced or waived in rural areas of critical economic concern or reduced in rural areas, brownfield areas, and enterprise zones;

4. Be located in this state; and

5. Provide at least 35 direct, new jobs that pay an estimated annual average wage that equals at least 130 percent of the average private sector wage.

(9) The department shall validate the performance of an innovation business, a research and development facility, or an alternative and renewable energy business that has received an award. At the conclusion of the innovation incentive award agreement, or its earlier termination, the department shall include in the annual incentives report required under s. 288.907 a detailed description of, ~~within 90 days, submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives detailing~~ whether the recipient of the innovation incentive grant achieved its specified outcomes.

(11)(a) The department shall include in ~~submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives, as part of the annual~~ incentives report required under s. 288.907, a report summarizing the activities and accomplishments of the recipients of grants from the Innovation Incentive Program during the previous 12 months and an evaluation of whether the recipients are catalysts for additional direct and indirect economic development in Florida.

~~(b) Beginning March 1, 2010, and every third year thereafter, the Office of Program Policy Analysis and Government Accountability, in consultation with the Auditor General's Office, shall release a report evaluating the Innovation Incentive Program's progress toward creating clusters of high-wage, high-skilled, complementary industries that serve as catalysts for economic growth specifically in the regions in which they are located, and generally for the state as a whole. Such report should include critical analyses of quarterly and annual reports, annual audits, and other documents prepared by the Innovation Incentive Program awardees; relevant economic development reports prepared by the department, Enterprise Florida, Inc., and local or regional economic development organizations; interviews with the parties involved; and any other relevant data. Such report should also include legislative recommendations, if necessary, on how to improve the Innovation Incentive Program so that the program reaches its anticipated potential as a catalyst for direct and indirect economic development in this state.~~

Section 23. Subsection (3) of section 288.1253, Florida Statutes, is amended to read:

288.1253 Travel and entertainment expenses.—

~~(3) The Office of Film and Entertainment department shall include in the annual report for the entertainment industry financial incentive program required under s. 288.1254(10) a prepare an annual report of the office's expenditures of the Office of Film and Entertainment and provide such report to the Legislature no later than December 30 of each year for the expenditures of the previous fiscal year. The report must shall consist of a summary of all travel, entertainment, and incidental expenses incurred within the United States and all travel, entertainment, and incidental expenses incurred outside the United States, as well as a summary of all successful projects that developed from such travel.~~

Section 24. Subsection (10) of section 288.1254, Florida Statutes, is amended to read:

288.1254 Entertainment industry financial incentive program.—

~~(10) ANNUAL REPORT.—Each November 1 October 1, the Office of Film and Entertainment shall submit provide an annual report for the previous fiscal year to the Governor, the President of the Senate, and the Speaker of the House of Representatives which outlines the incentive program's return on investment and economic benefits to the state. The report must shall also include an estimate of the full-time equivalent positions created by each production that received tax credits under this section and information relating to the distribution of productions receiving credits by geographic region and type of production. The report must also include the expenditures report required under s. 288.1253(3) and the information describing the relationship between tax exemptions and incentives to industry growth required under s. 288.1258(5).~~

Section 25. Subsection (5) of section 288.1258, Florida Statutes, is amended to read:

288.1258 Entertainment industry qualified production companies; application procedure; categories; duties of the Department of Revenue; records and reports.—

(5) RELATIONSHIP OF TAX EXEMPTIONS AND INCENTIVES TO INDUSTRY GROWTH; REPORT TO THE LEGISLATURE.—The Office of Film and Entertainment shall keep annual records from the information provided on taxpayer applications for tax exemption certificates beginning January 1, 2001. These records also must ~~shall~~ reflect a ratio of the annual amount of sales and use tax exemptions under this section, plus the incentives awarded pursuant to s. 288.1254 to the estimated amount of funds expended by certified productions. In addition, the office shall maintain data showing annual growth in Florida-based entertainment industry companies and entertainment industry employment and wages. The employment information must ~~shall~~ include an estimate of the full-time equivalent positions created by each production that received tax credits pursuant to s. 288.1254. The Office of Film and Entertainment shall include ~~report~~ this information in the annual report for the entertainment industry financial incentive program required under s. 288.1254(10) ~~to the Legislature no later than December 1 of each year.~~

Section 26. Subsection (3) of section 288.714, Florida Statutes, is amended to read:

288.714 Quarterly and annual reports.—

(3) ~~By August 31 of each year, The department shall~~ include in its annual report required under s. 20.60 provide to the Governor, the President of the Senate, and the Speaker of the House of Representatives a detailed report of the performance of the Black Business Loan Program. The report must include a cumulative summary of the quarterly report data compiled pursuant to ~~required by~~ subsection (2) ~~(1)~~.

Section 27. Section 288.7771, Florida Statutes, is amended to read:

288.7771 Annual report of Florida Export Finance Corporation.—The corporation shall annually prepare and submit to Enterprise Florida, Inc., the department for inclusion in its annual report required under s. 288.906 ~~by s. 288.095~~ a complete and detailed report setting forth:

- (1) The report required in s. 288.776(3).
- (2) Its assets and liabilities at the end of its most recent fiscal year.

Section 28. Subsections (3), (4), and (5) of section 288.903, Florida Statutes, are amended to read:

288.903 Duties of Enterprise Florida, Inc.—Enterprise Florida, Inc., shall have the following duties:

(3) Prepare an annual report pursuant to s. 288.906.

(4) Prepare, in conjunction with the department, and an annual incentives report pursuant to s. 288.907.

(5)(4) Assist the department with the development of an annual and a long-range strategic business blueprint for economic development required in s. 20.60.

(6)(5) In coordination with Workforce Florida, Inc., identify education and training programs that will ensure Florida businesses have access to a skilled and competent workforce necessary to compete successfully in the domestic and global marketplace.

Section 29. Subsection (6) of section 288.904, Florida Statutes, is repealed.

Section 30. Subsection (3) is added to section 288.906, Florida Statutes, to read:

288.906 Annual report of Enterprise Florida, Inc., and its divisions; audits.—

(3) The following reports must be included as supplements to the detailed report required by this section:

(a) The annual report of the Florida Export Finance Corporation required under s. 288.7771.

(b) The report on international offices required under s. 288.012.

Section 31. Section 288.907, Florida Statutes, is amended to read:

288.907 Annual incentives report.—

(1) By December 30 of each year, In addition to the annual report required under s. 288.906, Enterprise Florida, Inc., in conjunction with the department, by December 30 of each year, shall provide the Governor, the President of the Senate, and the Speaker of the House of Representatives a detailed incentives report quantifying the economic benefits for all of the economic development incentive programs marketed by Enterprise Florida, Inc.

(a) The annual incentives report must include:

(1) For each incentive program:

(a)1. A brief description of the incentive program.

~~(b)2.~~ The amount of awards granted, by year, since inception and the annual amount actually transferred from the state treasury to businesses or for the benefit of businesses for each of the previous 3 years.

~~3.—The economic benefits, as defined in s. 288.005, based on the actual amount of private capital invested, actual number of jobs created, and actual wages paid for incentive agreements completed during the previous 3 years.~~

~~(c)4.~~ ~~The report shall also include~~ The actual amount of private capital invested, actual number of jobs created, and actual wages paid for incentive agreements completed during the previous 3 years for each target industry sector.

~~(2)(b)~~ For projects completed during the previous state fiscal year, ~~the report must include:~~

~~(a)1.~~ The number of economic development incentive applications received.

~~(b)2.~~ The number of recommendations made to the department by Enterprise Florida, Inc., including the number recommended for approval and the number recommended for denial.

~~(c)3.~~ The number of final decisions issued by the department for approval and for denial.

~~(d)4.~~ The projects for which a tax refund, tax credit, or cash grant agreement was executed, identifying for each project:

1.a. The number of jobs committed to be created.

2.b. The amount of capital investments committed to be made.

3.e. The annual average wage committed to be paid.

4.d. The amount of state economic development incentives committed to the project from each incentive program under the project's terms of agreement with the Department of Economic Opportunity.

5.e. The amount and type of local matching funds committed to the project.

(e) Tax refunds paid or other payments made funded out of the Economic Development Incentives Account for each project.

(f) The types of projects supported.

~~(3)(e)~~ For economic development projects that received tax refunds, tax credits, or cash grants under the terms of an agreement for incentives, ~~the report must identify:~~

(a)1. The number of jobs actually created.

~~(b)2.~~ The amount of capital investments actually made.

~~(c)3.~~ The annual average wage paid.

~~(4)(d)~~ For a project receiving economic development incentives approved by the department and receiving federal or local incentives, ~~the report must include~~ a description of the federal or local incentives, if available.

~~(5)(e)~~ The ~~report must state~~ the number of withdrawn or terminated projects that did not fulfill the terms of their agreements with the department and, consequently, are not receiving incentives.

~~(6)~~ For any agreements signed after July 1, 2010, findings and recommendations on the efforts of the department to ascertain the causes of any business's inability to complete its agreement made under s. 288.106.

~~(7)(f)~~ The amount ~~report must include an analysis of the economic benefits, as defined in s. 288.005, of tax refunds, tax credits, or other payments made to projects locating or expanding in state enterprise zones, rural communities, brownfield areas, or distressed urban communities. The report must include a separate analysis of the impact of such tax refunds on state enterprise zones designated under s. 290.0065, rural communities, brownfield areas, and distressed urban communities.~~

~~(8)~~ The name of and tax refund amount for each business that has received a tax refund under s. 288.1045 or s. 288.106 during the preceding fiscal year.

~~(9)(g)~~ An identification of ~~The report must identify~~ the target industry businesses and high-impact businesses.

~~(10)(h)~~ A description of ~~The report must describe~~ the trends relating to business interest in, and usage of, the various incentives, and the number of minority-owned or woman-owned businesses receiving incentives.

~~(11)(i)~~ An identification of ~~The report must identify~~ incentive programs not used and recommendations for program changes or program elimination utilized.

~~(12)~~ Information related to the validation of contractor performance required under s. 288.061.

~~(13)~~ Beginning in 2014, a summation of the activities related to the Florida Space Business Incentives Act.

~~(2)~~ ~~The Division of Strategic Business Development within the department shall assist Enterprise Florida, Inc., in the preparation of the annual incentives report.~~

Section 32. Subsection (3) of section 288.92, Florida Statutes, is amended to read:

288.92 Divisions of Enterprise Florida, Inc.—

(3) ~~By October 15 each year,~~ Each division shall draft and submit an annual report for inclusion in the report required under s. 288.906 which details the division’s activities during the previous ~~prior~~ fiscal year and includes ~~any~~ recommendations for improving current statutes related to the division’s related area of responsibility.

Section 33. Subsection (5) of section 288.95155, Florida Statutes, is amended to read:

288.95155 Florida Small Business Technology Growth Program.—

(5) Enterprise Florida, Inc., shall prepare for inclusion in the annual report ~~of the department required under s. 288.907~~ by s. 288.095 a report on the financial status of the program. The report must specify the assets and liabilities of the program within the current fiscal year and must include a portfolio update that lists all of the businesses assisted, the private dollars leveraged by each business assisted, and the growth in sales and in employment of each business assisted.

Section 34. Section 288.9918, Florida Statutes, is amended to read:

288.9918 Annual reporting by a community development entity.—

(1) A community development entity that has issued a qualified investment shall submit an annual report to the department by January 31 ~~April 30~~ after the end of each year which includes a credit allowance date. The report shall include information on investments made in the preceding calendar year to include but not limited to the following:

~~(1) The entity’s annual financial statements for the preceding tax year, audited by an independent certified public accountant.~~

~~(a)(2)~~ The identity of the types of industries, identified by the North American Industry Classification System Code, in which qualified low-income community investments were made.

~~(b)(3)~~ The names of the counties in which the qualified active low-income businesses are located which received qualified low-income community investments.

~~(c)(4)~~ The number of jobs created and retained by qualified active low-income community businesses receiving qualified low-income community investments, including verification that the average wages paid meet or exceed 115 percent of the federal poverty income guidelines for a family of four.

~~(d)(5)~~ A description of the relationships that the entity has established with community-based organizations and local community development

offices and organizations and a summary of the outcomes resulting from those relationships.

~~(e)(6)~~ Other information and documentation required by the department to verify continued certification as a qualified community development entity under 26 U.S.C. s. 45D.

(2) By April 30 after the end of each year which includes a credit allowance date, a community development entity shall submit annual financial statements for the preceding tax year, audited by an independent certified public accountant.

Section 35. Subsection (6) of section 290.0055, Florida Statutes, is amended to read:

290.0055 Local nominating procedure.—

(6)(a) The department may approve a change in the boundary of any enterprise zone which was designated pursuant to s. 290.0065. A boundary change must continue to satisfy the requirements of subsections (3), (4), and (5).

(b) Upon a recommendation by the enterprise zone development agency, the governing body of the jurisdiction which authorized the application for an enterprise zone may apply to the department for a change in boundary once every 3 years by adopting a resolution that:

1. States with particularity the reasons for the change; and
2. Describes specifically and, to the extent required by the department, the boundary change to be made.

(c) At least 90 days before adopting a resolution seeking a change in the boundary of an enterprise zone, the governing body shall include in a notice of the meeting at which the resolution will be considered an explanation that a change in the boundary of an enterprise zone will be considered and that the change may result in loss of enterprise zone eligibility for the area affected by the boundary change.

(d)1. The governing body of a jurisdiction which has nominated an application for an enterprise zone that is at least 15 square miles and less than 20 square miles ~~no larger than 12 square miles~~ and includes a portion of the state designated as a rural area of critical economic concern under s. 288.0656(7) may apply to the department to expand the boundary of the existing enterprise zone by not more than 3 square miles. ~~An application to expand the boundary of an enterprise zone under this paragraph must be submitted by December 31, 2012.~~

2. The governing body of a jurisdiction which has nominated an application for an enterprise zone that is at least 20 square miles and includes a portion of the state designated as a rural area of critical economic

concern under s. 288.0656(7) may apply to the department to expand the boundary of the existing enterprise zone by not more than 5 square miles.

3. An application to expand the boundary of an enterprise zone under this paragraph must be submitted by December 31, 2013.

~~4.2.~~ Notwithstanding the area limitations specified in subsection (4), the department may approve the request for a boundary amendment if the area continues to satisfy the remaining requirements of this section.

~~5.3.~~ The department shall establish the initial effective date of an enterprise zone designated under this paragraph.

Section 36. Subsection (11) of section 290.0056, Florida Statutes, is amended to read:

290.0056 Enterprise zone development agency.—

(11) Before ~~October 1~~ December 1 of each year, the agency shall submit to the department for inclusion in the annual report required under s. 20.60 a complete and detailed written report setting forth:

- (a) Its operations and accomplishments during the fiscal year.
- (b) The accomplishments and progress concerning the implementation of the strategic plan or measurable goals, and any updates to the strategic plan or measurable goals.
- (c) The number and type of businesses assisted by the agency during the fiscal year.
- (d) The number of jobs created within the enterprise zone during the fiscal year.
- (e) The usage and revenue impact of state and local incentives granted during the calendar year.
- (f) Any other information required by the department.

Section 37. Section 290.014, Florida Statutes, is amended to read:

290.014 Annual reports on enterprise zones.—

(1) By ~~October 1~~ February 1 of each year, the Department of Revenue shall submit an annual report to the department detailing the usage and revenue impact by county of the state incentives listed in s. 290.007.

(2) ~~By March 1 of each year, the department shall submit an annual report to the Governor, the Speaker of the House of Representatives, and the President of the Senate. The annual report required under s. 20.60 shall include the information provided by the Department of Revenue pursuant to subsection (1) and the information provided by enterprise zone development~~

agencies pursuant to s. 290.0056. In addition, the report shall include an analysis of the activities and accomplishments of each enterprise zone.

Section 38. Section 290.0455, Florida Statutes, is amended to read:

290.0455 Small Cities Community Development Block Grant Loan Guarantee Program; Section 108 loan guarantees.—

(1) The Small Cities Community Development Block Grant Loan Guarantee Program is created. The department shall administer the loan guarantee program pursuant to Section 108 ~~s. 108~~ of Title I of the Housing and Community Development Act of 1974, as amended, and as further amended by s. 910 of the Cranston-Gonzalez National Affordable Housing Act. The purpose of the Small Cities Community Development Block Grant Loan Guarantee Program is to guarantee, or to make commitments to guarantee, notes or other obligations issued by public entities for the purposes of financing activities enumerated in 24 C.F.R. s. 570.703.

(2) Activities assisted under the loan guarantee program must meet the requirements contained in 24 C.F.R. ss. 570.700-570.710 and may not otherwise be financed in whole or in part from the Florida Small Cities Community Development Block Grant Program.

(3) The department may pledge existing revenues on deposit or future revenues projected to be available for deposit in the Florida Small Cities Community Development Block Grant Program in order to guarantee, ~~in whole or in part,~~ the payment of principal and interest on a Section 108 loan made under the loan guarantee program.

(4) An applicant approved by the United States Department of Housing and Urban Development to receive a Section 108 loan shall enter into an agreement with the Department of Economic Opportunity which requires the applicant to pledge half of the amount necessary to guarantee the loan in the event of default.

(5) The department shall review all Section 108 loan applications that it receives from local governments. The department shall review the applications must submit all applications it receives to the United States Department of Housing and Urban Development for loan approval, in the order received, subject to a determination by the department determining that each the application meets all eligibility requirements contained in 24 C.F.R. ss. 570.700-570.710; and has been deemed financially feasible by a loan underwriter approved by the department. If the statewide maximum available for loan guarantee commitments established in subsection (6) has not been committed, the department may submit the Section 108 loan application to the United States Department of Housing and Urban Development with a recommendation that the loan be approved, with or without conditions, or be denied provided that the applicant has submitted the proposed activity to a loan underwriter to document its financial feasibility.

~~(6)(5)~~ The maximum amount of an individual loan guarantee commitment that an commitments that any eligible local government may receive is may be limited to ~~\$5~~ \$7 million pursuant to 24 C.F.R. s. 570.705, and the maximum amount of loan guarantee commitments statewide may not exceed an amount equal to two ~~five~~ times the amount of the most recent grant received by the department under the Florida Small Cities Community Development Block Grant Program. The \$5 million loan guarantee limit does not apply to loans guaranteed prior to July 1, 2013, that may be refinanced.

~~(7)(6)~~ Section 108 loans guaranteed by the Small Cities Community Development Block Grant Program loan-guarantee program must be repaid within 20 years.

~~(8)(7)~~ Section 108 loan applicants must demonstrate guarantees may be used for an activity only if the local government provides evidence to the department that the applicant investigated alternative financing services were investigated and the services were unavailable or insufficient to meet the financing needs of the proposed activity.

(9) If a local government defaults on a Section 108 loan received from the United States Department of Housing and Urban Development and guaranteed through the Florida Small Cities Community Development Block Grant Program, thereby requiring the department to reduce its annual grant award in order to pay the annual debt service on the loan, any future community development block grants that the local government receives must be reduced in an amount equal to the amount of the state's grant award used in payment of debt service on the loan.

(10) If a local government receives a Section 108 loan guaranteed through the Florida Small Cities Community Development Block Grant Program and is granted entitlement community status as defined in subpart D of 24 C.F.R. part 570 by the United States Department of Housing and Urban Development before paying the loan in full, the local government must pledge its community development block grant entitlement allocation as a guarantee of its previous loan and request that the United States Department of Housing and Urban Development release the department as guarantor of the loan.

~~(8) The department must, before approving an application for a loan, evaluate the applicant's prior administration of block grant funds for community development. The evaluation of past performance must take into account the procedural aspects of previous grants or loans as well as substantive results. If the department finds that any applicant has failed to substantially accomplish the results proposed in the applicant's last previously funded application, the department may prohibit the applicant from receiving a loan or may penalize the applicant in the rating of the current application.~~

Section 39. Subsection (11) of section 331.3051, Florida Statutes, is amended to read:

331.3051 Duties of Space Florida.—Space Florida shall:

(11) Annually report on its performance with respect to its business plan, to include finance, spaceport operations, research and development, workforce development, and education. Space Florida shall submit the report ~~shall be submitted~~ to the Governor, the President of the Senate, and the Speaker of the House of Representatives by November 30 no later than September 1 for the previous prior fiscal year. The annual report must include operations information as required under s. 331.310(2)(e).

Section 40. Paragraph (e) of subsection (2) of section 331.310, Florida Statutes, is amended to read:

331.310 Powers and duties of the board of directors.—

(2) The board of directors shall:

(e) Prepare an annual report of operations as a supplement to the annual report required under s. 331.3051(11). The report must ~~shall~~ include, but not be limited to, a balance sheet, an income statement, a statement of changes in financial position, a reconciliation of changes in equity accounts, a summary of significant accounting principles, the auditor's report, a summary of the status of existing and proposed bonding projects, comments from management about the year's business, and prospects for the next year; ~~which shall be submitted each year by November 30 to the Governor, the President of the Senate, the Speaker of the House of Representatives, the minority leader of the Senate, and the minority leader of the House of Representatives.~~

Section 41. Paragraphs (a) and (e) of subsection (30) of section 443.036, Florida Statutes, is amended to read:

443.036 Definitions.—As used in this chapter, the term:

(30) "Misconduct," irrespective of whether the misconduct occurs at the workplace or during working hours, includes, but is not limited to, the following, which may not be construed in pari materia with each other:

(a) Conduct demonstrating conscious disregard of an employer's interests and found to be a deliberate violation or disregard of the reasonable standards of behavior which the employer expects of his or her employee. Such conduct may include, but is not limited to, willful damage to an employer's property that results in damage of more than \$50; or theft of employer property or property of a customer or invitee of the employer.

(e)1. A violation of an employer's rule, unless the claimant can demonstrate that:

a.1. He or she did not know, and could not reasonably know, of the rule's requirements;

~~b.2.~~ The rule is not lawful or not reasonably related to the job environment and performance; or

~~c.3.~~ The rule is not fairly or consistently enforced.

2. Such conduct may include, but is not limited to, committing criminal assault or battery on another employee, or on a customer or invitee of the employer; or committing abuse or neglect of a patient, resident, disabled person, elderly person, or child in her or his professional care.

Section 42. Paragraphs (b), (c), and (d) of subsection (1) of section 443.091, Florida Statutes, are amended to read:

443.091 Benefit eligibility conditions.—

(1) An unemployed individual is eligible to receive benefits for any week only if the Department of Economic Opportunity finds that:

(b) She or he has completed the department’s online work registration ~~registered with the department for work~~ and subsequently reports to the one-stop career center as directed by the regional workforce board for reemployment services. This requirement does not apply to persons who are:

- 1. Non-Florida residents;
- 2. On a temporary layoff;
- 3. Union members who customarily obtain employment through a union hiring hall; ~~or~~
- 4. Claiming benefits under an approved short-time compensation plan as provided in s. 443.1116; or
- 5. Unable to complete the online work registration due to illiteracy, physical or mental impairment, a legal prohibition from using a computer, or a language impediment. If a person is exempted from the online work registration under this subparagraph, then the filing of his or her claim constitutes registration for work.

(c) To make continued claims for benefits, she or he is reporting to the department in accordance with this paragraph and department rules, and participating in an initial skills review, as directed by the department. Department rules may not conflict with s. 443.111(1)(b), which requires that each claimant continue to report regardless of any pending appeal relating to her or his eligibility or disqualification for benefits.

1. For each week of unemployment claimed, each report must, at a minimum, include the name, address, and telephone number of each prospective employer contacted, or the date the claimant reported to a one-stop career center, pursuant to paragraph (d).

2. The administrator or operator of the initial skills review shall notify the department when the individual completes the initial skills review and report the results of the review to the regional workforce board or the one-stop career center as directed by the workforce board. The department shall prescribe a numeric score on the initial skills review that demonstrates a minimal proficiency in workforce skills. The department, workforce board, or one-stop career center shall use the initial skills review to develop a plan for referring individuals to training and employment opportunities. The failure of the individual to comply with this requirement will result in the individual being determined ineligible for benefits for the week in which the noncompliance occurred and for any subsequent week of unemployment until the requirement is satisfied. However, this requirement does not apply if the individual is able to affirmatively attest to being unable to complete such review due to illiteracy or a language impediment or is exempt from the work registration requirement as set forth in paragraph (b).

3. Any individual who falls below the minimal proficiency score prescribed by the department in subparagraph 2. on the initial skills review shall be offered training opportunities and encouraged to participate in such training at no cost to the individual in order to improve his or her workforce skills to the minimal proficiency level.

4. The department shall coordinate with Workforce Florida, Inc., the workforce boards, and the one-stop career centers to identify, develop, and utilize best practices for improving the skills of individuals who choose to participate in training opportunities and who have a minimal proficiency score below the score prescribed in subparagraph 2.

5. The department, in coordination with Workforce Florida, Inc., the workforce boards, and the one-stop career centers, shall evaluate the use, effectiveness, and costs associated with the training prescribed in subparagraph 3. and report its findings and recommendations for training and the use of best practices to the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 1, 2013.

(d) She or he is able to work and is available for work. In order to assess eligibility for a claimed week of unemployment, the department shall develop criteria to determine a claimant's ability to work and availability for work. A claimant must be actively seeking work in order to be considered available for work. This means engaging in systematic and sustained efforts to find work, including contacting at least five prospective employers for each week of unemployment claimed. The department may require the claimant to provide proof of such efforts to the one-stop career center as part of reemployment services. A claimant's proof of work search efforts may not include the same prospective employer at the same location in three consecutive weeks, unless the employer has indicated since the time of the initial contact that the employer is hiring. The department shall conduct random reviews of work search information provided by claimants. As an alternative to contacting at least five prospective employers for any week of unemployment claimed, a claimant may, for that same week, report in

person to a one-stop career center to meet with a representative of the center and access reemployment services of the center. The center shall keep a record of the services or information provided to the claimant and shall provide the records to the department upon request by the department. However:

1. Notwithstanding any other provision of this paragraph or paragraphs (b) and (e), an otherwise eligible individual may not be denied benefits for any week because she or he is in training with the approval of the department, or by reason of s. 443.101(2) relating to failure to apply for, or refusal to accept, suitable work. Training may be approved by the department in accordance with criteria prescribed by rule. A claimant's eligibility during approved training is contingent upon satisfying eligibility conditions prescribed by rule.

2. Notwithstanding any other provision of this chapter, an otherwise eligible individual who is in training approved under s. 236(a)(1) of the Trade Act of 1974, as amended, may not be determined ineligible or disqualified for benefits due to enrollment in such training or because of leaving work that is not suitable employment to enter such training. As used in this subparagraph, the term "suitable employment" means work of a substantially equal or higher skill level than the worker's past adversely affected employment, as defined for purposes of the Trade Act of 1974, as amended, the wages for which are at least 80 percent of the worker's average weekly wage as determined for purposes of the Trade Act of 1974, as amended.

3. Notwithstanding any other provision of this section, an otherwise eligible individual may not be denied benefits for any week because she or he is before any state or federal court pursuant to a lawfully issued summons to appear for jury duty.

4. Union members who customarily obtain employment through a union hiring hall may satisfy the work search requirements of this paragraph by reporting daily to their union hall.

5. The work search requirements of this paragraph do not apply to persons who are unemployed as a result of a temporary layoff or who are claiming benefits under an approved short-time compensation plan as provided in s. 443.1116.

6. In small counties as defined in s. 120.52(19), a claimant engaging in systematic and sustained efforts to find work must contact at least three prospective employers for each week of unemployment claimed.

7. The work search requirements of this paragraph do not apply to persons required to participate in reemployment services under paragraph (e).

Section 43. Subsection (13) is added to section 443.101, Florida Statutes, to read:

443.101 Disqualification for benefits.—An individual shall be disqualified for benefits:

(13) For any week with respect to which the department finds that his or her unemployment is due to a discharge from employment for failure without good cause to maintain a license, registration, or certification required by applicable law necessary for the employee to perform her or his assigned job duties. For purposes of this paragraph, the term “good cause” includes, but is not limited to, failure of the employer to submit information required for a license, registration, or certification; short-term physical injury which prevents the employee from completing or taking a required test; and inability to take or complete a required test that is outside the employee’s control.

Section 44. Paragraph (b) of subsection (4) of section 443.1113, Florida Statutes, is amended to read:

443.1113 Reemployment Assistance Claims and Benefits Information System.—

(4) The project to implement the Reemployment Assistance Claims and Benefits Information System ~~is shall be~~ comprised of the following phases and corresponding implementation timeframes:

(b) The Reemployment Assistance Claims and Benefits Internet portal that replaces the Florida Unemployment Internet Direct and the Florida Continued Claims Internet Directory systems, the Call Center Interactive Voice Response System, the Benefit Overpayment Screening System, the Internet and Intranet Appeals System, and the Claims and Benefits Mainframe System shall be deployed to full operational status no later than the end of fiscal year 2013-2014 ~~2012-2013~~.

Section 45. Subsection (5) of section 443.131, Florida Statutes, is amended to read:

443.131 Contributions.—

(5) ADDITIONAL RATE FOR INTEREST ON FEDERAL ADVANCES.

(a) When the Unemployment Compensation Trust Fund has received advances from the Federal Government under the provisions of 42 U.S.C. s. 1321, each contributing employer shall be assessed an additional rate solely for the purpose of paying interest due on such federal advances. The additional rate shall be assessed no later than February 1 in each calendar year in which an interest payment is due.

(b) The Revenue Estimating Conference shall estimate the amount of such interest due on federal advances by no later than December 1 of the calendar year before preceding the calendar year in which an interest payment is due. The Revenue Estimating Conference shall, at a minimum, consider the following as the basis for the estimate:

1. The amounts actually advanced to the trust fund.
2. Amounts expected to be advanced to the trust fund based on current and projected unemployment patterns and employer contributions.
3. The interest payment due date.
4. The interest rate that will be applied by the Federal Government to any accrued outstanding balances.

~~(c)(b)~~ The tax collection service provider shall calculate the additional rate to be assessed against contributing employers. The additional rate assessed for a calendar year ~~is~~ shall be determined by dividing the estimated amount of interest to be paid in that year by 95 percent of the taxable wages as described in s. 443.1217 paid by all employers for the year ending June 30 of the ~~previous immediately preceding~~ calendar year. The amount to be paid by each employer ~~is~~ shall be the product obtained by multiplying such employer's taxable wages as described in s. 443.1217 for the year ending June 30 of the ~~previous immediately preceding~~ calendar year by the rate as determined by this subsection. An assessment may not be made if the amount of assessments on deposit from previous years, plus any earned interest, is at least 80 percent of the estimated amount of interest.

~~(d)~~ The tax collection service provider shall make a separate collection of such assessment, which may be collected at the time of employer contributions and subject to the same penalties for failure to file a report, imposition of the standard rate pursuant to paragraph (3)(h), and interest if the assessment is not received on or before June 30. Section 443.141(1)(d) and (e) does not apply to this separately collected assessment. The tax collection service provider shall maintain those funds in the tax collection service provider's Audit and Warrant Clearing Trust Fund until the provider is directed by the Governor or the Governor's designee to make the interest payment to the Federal Government. Assessments on deposit must be available to pay the interest on advances received from the Federal Government under 42 U.S.C. s. 1321. Assessments on deposit may be invested and any interest earned shall be part of the balance available to pay the interest on advances received from the Federal Government under 42 U.S.C. s. 1321.

~~(e)~~ Four months after In the calendar year that all advances from the Federal Government under 42 U.S.C. s. 1321 and associated interest are repaid, if there are assessment funds in excess of the amount required to meet the final interest payment, any such excess assessed funds in the Audit and Warrant Clearing Trust Fund, including associated interest, shall be transferred to credited to employer accounts in the Unemployment Compensation Trust Fund. Any assessment amounts subsequently collected shall also be transferred to the Unemployment Compensation Trust Fund in an amount equal to the employer's contribution to the assessment for that year divided by the total amount of the assessment for that year, the result of which is multiplied by the amount of excess assessed funds.

(f) If However, if the state is permitted to defer interest payments due during a calendar year under 42 U.S.C. s. 1322, payment of the interest assessment is shall not be due. If a deferral of interest expires or is subsequently disallowed by the Federal Government, either prospectively or retroactively, the interest assessment shall be immediately due and payable. Notwithstanding any other provision of this section, if interest due during a calendar year on federal advances is forgiven or postponed under federal law and is no longer due during that calendar year, no interest assessment shall be assessed against an employer for that calendar year, and any assessment already assessed and collected against an employer before the forgiveness or postponement of the interest for that calendar year shall be credited to such employer's account in the Unemployment Compensation Trust Fund. However, such funds may be used only to pay benefits or refunds of erroneous contributions.

(g) This subsection expires July 1, 2014.

Section 46. Paragraph (b) of subsection (2) and paragraph (a) of subsection (3), and paragraph (a) of subsection (6) of section 443.151, Florida Statutes, are amended to read:

443.151 Procedure concerning claims.—

(2) FILING OF CLAIM INVESTIGATIONS; NOTIFICATION OF CLAIMANTS AND EMPLOYERS.—

(b) *Process.*—When the Reemployment Assistance Claims and Benefits Information System described in s. 443.1113 is fully operational, the process for filing claims must incorporate the process for registering for work with the workforce information systems established pursuant to s. 445.011. Unless exempted under s. 443.091(1)(b)5., a claim for benefits may not be processed until the work registration requirement is satisfied. The department may adopt rules as necessary to administer the work registration requirement set forth in this paragraph.

(3) DETERMINATION OF ELIGIBILITY.—

(a) *Notices of claim.*—The Department of Economic Opportunity shall promptly provide a notice of claim to the claimant's most recent employing unit and all employers whose employment records are liable for benefits under the monetary determination. The employer must respond to the notice of claim within 20 days after the mailing date of the notice, or in lieu of mailing, within 20 days after the delivery of the notice. If a contributing employer or its agent fails to timely or adequately respond to the notice of claim or request for information, the employer's account may not be relieved of benefit charges as provided in s. 443.131(3)(a), notwithstanding paragraph (5)(b). The department may adopt rules as necessary to implement the processes described in this paragraph relating to notices of claim.

(6) RECOVERY AND RECOUPMENT.—

(a) Any person who, by reason of her or his fraud, receives benefits under this chapter to which she or he is not entitled is liable for repaying those benefits to the Department of Economic Opportunity on behalf of the trust fund or, in the discretion of the department, to have those benefits deducted from future benefits payable to her or him under this chapter. In addition, the department shall impose upon the claimant a penalty equal to 15 percent of the amount overpaid. To enforce this paragraph, the department must find the existence of fraud through a redetermination or decision under this section within 2 years after the fraud was committed. Any recovery or recoupment of benefits must be commenced within 7 years after the redetermination or decision.

Section 47. Effective January 1, 2014, paragraph (a) of subsection (4) of section 443.151, Florida Statutes, is amended to read:

(4) APPEALS.—

(a) Appeals referees.—

1. The Department of Economic Opportunity shall appoint one or more impartial salaried appeals referees in accordance with s. 443.171(3) to hear and decide appealed claims.

2. An appeals referee must be an attorney in good standing with the Florida Bar or be successfully admitted to the Florida Bar within 8 months after his or her date of employment. This subparagraph does not apply to an appeals referee appointed before January 1, 2014.

3. A person may not participate on behalf of the department as an appeals referee in any case in which she or he is an interested party.

4. The department may designate alternates to serve in the absence or disqualification of any appeals referee on a temporary basis. These alternates must have the same qualifications required of appeals referees.

5. The department shall provide the commission and the appeals referees with proper facilities and assistance for the execution of their functions.

Section 48. Subsection (1) of section 443.1715, Florida Statutes, is amended to read:

443.1715 Disclosure of information; confidentiality.—

(1) RECORDS AND REPORTS.—Information revealing an employing unit's or individual's identity obtained from the employing unit or any individual under the administration of this chapter, and any determination revealing that information, is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution. This confidential information may be released in accordance with the provisions in 20 C.F.R. part 603. A person receiving confidential information who violates this subsection commits a misdemeanor of the second degree, punishable as provided in s. 775.082 or s.

775.083. The Department of Economic Opportunity or its tax collection service provider may, however, furnish to any employer copies of any report submitted by that employer upon the request of the employer and may furnish to any claimant copies of any report submitted by that claimant upon the request of the claimant. The department or its tax collection service provider may charge a reasonable fee for copies of these reports as prescribed by rule, which may not exceed the actual reasonable cost of the preparation of the copies. Fees received for copies under this subsection must be deposited in the Employment Security Administration Trust Fund.

Section 49. Subsection (1) of section 443.191, Florida Statutes, is amended to read:

443.191 Unemployment Compensation Trust Fund; establishment and control.—

(1) There is established, as a separate trust fund apart from all other public funds of this state, an Unemployment Compensation Trust Fund, which shall be administered by the Department of Economic Opportunity exclusively for the purposes of this chapter. The fund must ~~shall~~ consist of:

- (a) All contributions and reimbursements collected under this chapter;
- (b) Interest earned on any moneys in the fund;
- (c) Any property or securities acquired through the use of moneys belonging to the fund;
- (d) All earnings of these properties or securities;
- (e) All money credited to this state's account in the federal Unemployment Compensation Trust Fund under 42 U.S.C. s. 1103; ~~and~~
- (f) All money collected for penalties imposed pursuant to s. 443.151(6)(a); and
- (g) Advances on the amount in the federal Unemployment Compensation Trust Fund credited to the state under 42 U.S.C. s. 1321, as requested by the Governor or the Governor's designee.

Except as otherwise provided in s. 443.1313(4), all moneys in the fund must ~~shall~~ be mingled and undivided.

Section 50. Paragraph (b) of subsection (3) and subsection (4) of section 446.50, Florida Statutes, are amended to read:

446.50 Displaced homemakers; multiservice programs; report to the Legislature; Displaced Homemaker Trust Fund created.—

(3) POWERS AND DUTIES OF THE DEPARTMENT OF ECONOMIC OPPORTUNITY.—

(b)1. The department shall enter into contracts with, and make grants to, public and nonprofit private entities for purposes of establishing multi-purpose service programs for displaced homemakers under this section. Such grants and contracts must shall be awarded pursuant to chapter 287 and based on criteria established in the program state plan as provided in subsection (4) ~~developed pursuant to this section~~. The department shall designate catchment areas that together, must shall compose the entire state, and, to the extent possible from revenues in the Displaced Homemaker Trust Fund, the department shall contract with, and make grants to, entities that will serve entire catchment areas so that displaced homemaker service programs are available statewide. These catchment areas must shall be coterminous with the state's workforce development regions. The department may give priority to existing displaced homemaker programs when evaluating bid responses to the request for proposals.

2. In order to receive funds under this section, and unless specifically prohibited by law from doing so, an entity that provides displaced homemaker service programs must receive at least 25 percent of its funding from one or more local, municipal, or county sources or nonprofit private sources. In-kind contributions may be evaluated by the department and counted as part of the required local funding.

3. The department shall require an entity that receives funds under this section to maintain appropriate data to be compiled in an annual report to the department. Such data must shall include, but is shall not be limited to, the number of clients served, the units of services provided, designated client-specific information including intake and outcome information specific to each client, costs associated with specific services and program administration, total program revenues by source and other appropriate financial data, and client followup information at specified intervals after the placement of a displaced homemaker in a job.

(4) DISPLACED HOMEMAKER PROGRAM STATE PLAN.—

(a) The Department of Economic Opportunity shall include in its annual report required under s. 20.60 a develop a 3-year state plan for the displaced homemaker program which shall be updated annually. The plan must address, at a minimum, the need for programs specifically designed to serve displaced homemakers, any necessary service components for such programs in addition to those described enumerated in this section, goals of the displaced homemaker program with an analysis of the extent to which those goals are being met, and recommendations for ways to address any unmet program goals. Any request for funds for program expansion must be based on the state plan.

(b) The displaced homemaker program ~~Each annual update must address any changes in the components of the 3-year state plan and a report that must include, but need not be limited to, the following:~~

(a)1. The scope of the incidence of displaced homemakers;

(b)2. A compilation and report, by program, of data submitted to the department pursuant to subparagraph (3)(b)3. ~~subparagraph 3.~~ by funded displaced homemaker service programs;

(c)3. An identification and description of the programs in the state which receive funding from the department, including funding information; and

(d)4. An assessment of the effectiveness of each displaced homemaker service program based on outcome criteria established by rule of the department.

~~(e) The 3-year state plan must be submitted to the President of the Senate, the Speaker of the House of Representatives, and the Governor on or before January 1, 2001, and annual updates of the plan must be submitted by January 1 of each subsequent year.~~

Section 51. Section 288.80, Florida Statutes, is created to read:

288.80 Short title.—Sections 288.80-288.84 may be cited as the “Gulf Coast Economic Corridor Act.”

Section 52. Section 288.801, Florida Statutes, is created to read:

288.801 Gulf Coast Economic Corridor; Legislative Intent.—The Legislature recognizes that fully supporting areas affected by the Deepwater Horizon disaster to ensure goals for economic recovery and diversification are achieved is in the best interest of the citizens of the state. The Legislature intends to provide a long-term source of funding for efforts of economic recovery and enhancement in the gulf coast region. The Legislature finds that it is important to help businesses, individuals, and local governments in the Gulf Coast region recover.

Section 53. Section 288.81, Florida Statutes, is created to read:

288.81 Definitions.—As used in ss. 288.80-288.84, the term:

(a) “Awardee” means a person, organization, or local government granted an award of funds from the Recovery Fund for a project or program.

(b) “Disproportionately affected county” means Bay County, Escambia County, Franklin County, Gulf County, Okaloosa County, Santa Rosa County, Walton County, or Wakulla County.

(c) “Earnings” means all the income generated by investments and interest.

(d) “Recovery Fund” means a trust account established by Triumph Gulf Coast, Inc., for the benefit of the disproportionately affected counties.

Section 54. Section 288.82, Florida Statutes, is created to read:

288.82 Triumph Gulf Coast, Inc.; Recovery Fund; Creation; Investment.

(1) There is created within the Department of Economic Opportunity a nonprofit corporation, to be known as Triumph Gulf Coast, Inc., which shall be registered, incorporated, organized, and operated in compliance with chapter 617, and which is not a unit or entity of state government. Triumph Gulf Coast, Inc., may receive, hold, invest, and administer the Recovery Fund in support of this act. Triumph Gulf Coast, Inc., is a separate budget entity and is not subject to control, supervision, or direction by the Department of Economic Opportunity in any manner, including, but not limited to, personnel, purchasing, transactions involving real or personal property, and budgetary matters.

(2) Triumph Gulf Coast, Inc., must create and administer the Recovery Fund for the benefit of the disproportionately affected counties. The principal of the fund shall derive from 75 percent of all funds recovered by the Attorney General for economic damage to the state resulting from the Deepwater Horizon disaster, after payment of reasonable and necessary attorney fees, costs, and expenses, including such attorney fees, costs, and expenses pursuant to s. 16.0155.

(3) The Recovery Fund must be maintained as a long-term and stable source of revenue, which shall decline over a 30-year period in equal amounts each year. Triumph Gulf Coast, Inc., shall establish a trust account at a federally insured financial institution to hold funds and make deposits and payments. Earnings generated by investments and interest of the fund, plus the amount of principal available each year, shall be available to make awards pursuant to this act and pay administrative costs. Earnings shall be accounted for separately from principal funds set forth in subsection (2). Administrative costs are limited to 2.25 percent of the earnings in a calendar year. Administrative costs include payment of investment fees, travel and per diem expenses of board members, audits, salary or other costs for employed or contracted staff, including required staff under s. 288.83(9), and other allowable costs. Any funds remaining in the Recovery Fund after 30 years shall revert to the State Treasury.

(4) Triumph Gulf Coast, Inc., shall invest and reinvest the principal of the Recovery Fund in accordance with s. 617.2104, in such a manner not to subject the funds to state or federal taxes, and consistent with an investment policy statement adopted by the corporation.

(a) The board of directors shall formulate an investment policy governing the investment of the principal of the Recovery Fund. The policy shall pertain to the types, kinds or nature of investment of any of the funds, and any limitations, conditions or restrictions upon the methods, practices or procedures for investment, reinvestments, purchases, sales or exchange transactions, provided such policies shall not conflict with nor be in derogation of any state constitutional provision or law. The policy shall be formulated with the advice of the financial advisor in consultation with the State Board of Administration

(b) Triumph Gulf Coast, Inc., must competitively procure one or more money managers, under the advice of the financial advisor in consultation with the State Board of Administration, to invest the principal of the Recovery Fund. The applicant manager or managers may not include representatives from the financial institution housing the trust account for the Recovery Fund. The applicant manager or managers must present a plan to invest the Recovery Fund to maximize earnings while prioritizing the preservation of Recovery Fund principal. Any agreement with a money manager must be reviewed by Triumph Gulf Coast, Inc., for continuance at least every 5 years. Plans should include investment in technology and growth businesses domiciled in, or that will be domiciled in, this state or businesses whose principal address is in this state.

(c) Costs and fees for investment services shall be deducted from the earnings as administrative costs. Fees for investment services shall be no greater than 150 basis points.

(d) Annually, Triumph Gulf Coast, Inc., shall cause an audit to be conducted of the investment of the Recovery Fund by the independent certified public accountant retained in s. 288.83. The expense of such audit shall be paid from earnings for administrative purposes.

(5) Triumph Gulf Coast, Inc., shall report on June 30 and December 30 each year to the Governor, the President of the Senate, and the Speaker of the House of Representatives on the financial status of the Recovery Fund and its investments, the established priorities, the project and program selection process, including a list of all submitted projects and reasons for approval or denial, and the status of all approved awards.

(6) The Auditor General shall conduct an audit of the Recovery Fund and Triumph Gulf Coast, Inc., annually. Triumph Gulf Coast, Inc., shall provide to the Auditor General any detail or supplemental data required.

Section 55. Section 288.83, Florida Statutes, is created to read:

288.83 Triumph Gulf Coast, Inc.; Organization; Board of Directors.—

(1) Triumph Gulf Coast, Inc., is subject to the provisions of chapter 119 relating to public records and those provisions of chapter 286 relating to public meetings and records.

(2) Triumph Gulf Coast, Inc., shall be governed by a 5-member board of directors. Each of the Trustees of the State Board of Administration, the President of the Senate, and the Speaker of the House of Representatives shall each appoint one member from the private sector. The board of directors shall annually elect a chairperson from among the board's members. The chairperson may be removed by a majority vote of the members. His or her successor shall be elected to serve for the balance of the removed chairperson's term. The chairperson is responsible to ensure records are kept of the proceedings of the board of directors and is the custodian of all

books, documents, and papers filed with the board; the minutes of meetings of the board; and the official seal of Triumph Gulf Coast, Inc.

(3) Each member of the board of directors shall serve for a term of 4 years, except that initially the appointments of the President of the Senate and the Speaker of the House of Representatives each shall serve a term of 2 years to achieve staggered terms among the members of the board. A member is not eligible for reappointment to the board, except, however, any member appointed to a term of 2 years or less may be reappointed for an additional term of 4 years. The initial appointments to the board must be made by November 15, 2013. Vacancies on the board of directors shall be filled by the officer who originally appointed the member. A vacancy that occurs before the scheduled expiration of the term of the member shall be filled for the remainder of the unexpired term.

(4) The Legislature determines that it is in the public interest for the members of the board of directors to be subject to the requirements of ss. 112.3135, 112.3143, and 112.313, notwithstanding the fact that the board members are not public officers or employees. For purposes of those sections, the board members shall be considered to be public officers or employees. In addition to the postemployment restrictions of s. 112.313(9), a person appointed to the board of directors must agree to refrain from having any direct interest in any contract, franchise, privilege, project, program, or other benefit arising from an award by Triumph Gulf Coast, Inc., during the term of his or her appointment and for 2 years after the termination of such appointment. It is a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083, for a person to accept appointment to the board of directors in violation of this subsection or to accept a direct interest in any contract, franchise, privilege, project, program, or other benefit granted by Triumph Gulf Coast, Inc., to an awardee within 2 years after the termination of his or her service on the board. Further, each member of the board of directors who is not otherwise required to file financial disclosure under s. 8, Art. II of the State Constitution or s. 112.3144 shall file disclosure of financial interests under s. 112.3145.

(5) Each member of the board of directors shall serve without compensation, but shall receive travel and per diem expenses as provided in s. 112.061 while in the performance of his or her duties.

(6) Each member of the board of directors is accountable for the proper performance of the duties of office, and each member owes a fiduciary duty to the people of the state to ensure that awards provided are disbursed and used, and investments are made, as prescribed by law and contract. An appointed member of the board of directors may be removed by the officer that appointed the member for malfeasance, misfeasance, neglect of duty, incompetence, permanent inability to perform official duties, unexcused absence from three consecutive meetings of the board, arrest or indictment for a crime that is a felony or a misdemeanor involving theft or a crime of dishonesty, or pleading nolo contendere to, or being found guilty of, any crime.

(7) The board of directors shall meet at least quarterly, upon the call of the chairperson or at the request of a majority of the membership, to review the Recovery Fund, establish and review priorities for economic recovery in disproportionately affected counties, and determine use of the earnings available. A majority of the members of the board of directors constitutes a quorum. Members may not vote by proxy.

(8) The executive director of the Department of Economic Opportunity, or his or her designee, the secretary of the Department of Environmental Protection, or his or her designee, and the chair of the Committee of 8 Disproportionally Affected Counties, or his or her designee, shall be available to consult with the board of directors and may be requested to attend meetings of the board of directors. These individuals shall not be permitted to vote on any matter before the board.

(9)(a) Triumph Gulf Coast, Inc., is permitted to hire or contract for all staff necessary to the proper execution of its powers and duties to implement this act. The corporation is required to retain:

1. An independent certified public accountant licensed in this state pursuant to chapter 473 to inspect the records of and to audit the expenditure of the earnings and available principal disbursed by Triumph Gulf Coast, Inc.

2. An independent financial advisor to assist Triumph Gulf Coast, Inc., in the development and implementation of a strategic plan consistent with the requirements of this act.

3. An economic advisor who will assist in the award process, including the development of priorities, allocation decisions, and the application and process; will assist the board in determining eligibility of award applications and the evaluation and scoring of applications; and will assist in the development of award documentation.

4. A legal advisor with expertise in not-for-profit investing and contracting and who is a member of the Florida Bar to assist with contracting and carrying out the intent of this act.

(b) Triumph Gulf Coast, Inc., shall require all employees of the corporation to comply with the code of ethics for public employees under part III of chapter 112. Retained staff under paragraph (a) must agree to refrain from having any direct interest in any contract, franchise, privilege, project, program, or other benefit arising from an award by Triumph Gulf Coast, Inc., during the term of his or her appointment and for 2 years after the termination of such appointment.

(c) Retained staff under paragraph (a) shall be available to consult with the board of directors and shall attend meetings of the board of directors. These individuals shall not be permitted to vote on any matter before the board.

Section 56. Section 288.831, Florida Statutes, is created to read:

288.831 Board of Directors; Powers.—In addition to the powers and duties prescribed in chapter 617 and the articles and bylaws adopted in compliance with that chapter, the board of directors may:

(1) Make and enter into contracts and other instruments necessary or convenient for the exercise of its powers and functions.

(2) Make expenditures including any necessary administrative expenditure from earnings consistent with its powers.

(3) Adopt, use, and alter a common corporate seal. Notwithstanding any provision of chapter 617 to the contrary, this seal is not required to contain the words “corporation not for profit.”

(4) Adopt, amend, and repeal bylaws, not inconsistent with the powers granted to it or the articles of incorporation, for the administration of the activities of Triumph Gulf Coast, Inc., and the exercise of its corporate powers.

(5) Use the state seal, notwithstanding the provisions of s. 15.03, when appropriate, for standard corporate identity applications. Use of the state seal is not intended to replace use of a corporate seal as provided in this section.

Under no circumstances may the credit of the State of Florida be pledged on behalf of Triumph Gulf Coast, Inc.

Section 57. Section 288.832, Florida Statutes, is created to read:

288.832 Triumph Gulf Coast, Inc.; Duties.—Triumph Gulf Coast, Inc., shall have the following duties:

(1) Manage responsibly and prudently all funds received, and ensure that the use of such funds is in accordance with all applicable laws, bylaws, or contractual requirements.

(2) Administer the program created under this act.

(3) Monitor, review, and annually evaluate awardees and their projects or programs to determine whether an award should be continued, terminated, reduced, or increased.

(4) Operate in a transparent manner, providing public access to information, notice of meetings, awards, and the status of projects and programs. To this end, Triumph Gulf Coast, Inc., shall maintain a website that provides public access to this information.

Section 58. Section 288.84, Florida Statutes, is created to read:

288.84 Awards.—

(1) Triumph Gulf Coast, Inc., shall make awards from available earnings and principal derived under s. 288.82(2) to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties, notwithstanding s. 377.43. Awards may be provided for:

(a) Ad valorem tax reduction within disproportionately affected counties;

(b) Payment of impact fees adopted pursuant to s. 163.31801 and imposed within disproportionately affected counties;

(c) Administrative funding for economic development organizations located within the disproportionately affected counties;

(d) Local match requirements of ss. 288.0655, 288.0659, 288.1045, and 288.106 for projects in the disproportionately affected counties;

(e) Economic development projects in the disproportionately affected counties;

(f) Infrastructure projects that are shown to enhance economic development in the disproportionately affected counties;

(g) Grants to local governments in the disproportionately affected counties to establish and maintain equipment and trained personnel for local action plans of response to respond to disasters, such as plans created for the Coastal Impacts Assistance Program;

(h) Grants to support programs of excellence that prepare students for future occupations and careers at K-20 institutions that have home campuses in the disproportionately affected counties. Eligible programs include those that increase students' technology skills and knowledge; encourage industry certifications; provide rigorous, alternative pathways for students to meet high school graduation requirements; strengthen career readiness initiatives; fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors; and, similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission of Education, encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university within the disproportionately affected counties; and

(i) Grants to the tourism entity created under s. 288.1226 for the purpose of advertising and promoting tourism, Fresh From Florida, or related content on behalf of one or all of the disproportionately affected counties.

(2) Triumph Gulf Coast, Inc., shall establish an application procedure for awards and a scoring process for the selection of projects and programs that have the potential to generate increased economic activity in the disproportionately affected counties, giving priority to projects and programs that:

(a) Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment.

(b) Increase household income in the disproportionately affected counties above national average household income.

(c) Expand high growth industries or establish new high growth industries in the region.

1. Industries that are supported must have strong growth potential in the disproportionately affected counties.

2. An industry's growth potential is defined based on a detailed review of the current industry trends nationally and the necessary supporting asset base for that industry in the disproportionately affected counties region.

(d) Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.

(e) Partner with local governments to provide funds, infrastructure, land, or other assistance for the project.

(f) Have investment commitments from private equity or private venture capital funds.

(g) Provide or encourage seed stage investments in start-up companies.

(h) Provide advice and technical assistance to companies on restructuring existing management, operations, or production to attract advantageous business opportunities.

(i) Benefit the environment in addition to the economy.

(j) Provide outcome measures for programs of excellence support, including terms of intent and metrics.

(k) Partner with K-20 educational institutions or school districts located within the disproportionately affected counties.

(l) Partner with convention and visitor bureaus, tourist development councils, or chambers of commerce located within the disproportionately affected counties.

(3) Triumph Gulf Coast, Inc., may make awards as applications are received or may establish application periods for selection. Awards may not be used to finance 100 percent of any project or program. Triumph Gulf Coast, Inc., may require a one-to-one private-sector match or higher for an award, if applicable and deemed prudent by the board of directors. An

awardee may not receive all of the earnings or available principal in any given year.

(4) A contract executed by Triumph Gulf Coast, Inc., with an awardee must include provisions requiring a performance report on the contracted activities, must account for the proper use of funds provided under the contract, and must include provisions for recovery of awards in the event the award was based upon fraudulent information or the awardee is not meeting the performance requirements of the award. Awardees must regularly report to Triumph Gulf Coast, Inc., the status of the project or program on a schedule determined by the corporation.

Section 59. Gulf Coast Audits.—

(1) The scope of a financial audit conducted pursuant to s. 218.39, Florida Statutes, shall include funds related to the Deepwater Horizon oil spill for any year in which a local government entity receives or expends funds related to the Deepwater Horizon oil spill, including any funds under s. 288.84, Florida Statutes, or under 33 U.S.C. 1321(t). The scope of review for these funds shall include, but is not limited to, compliance with state and federal laws related to the receipt and expenditure of these funds.

(2) Every 2 years, the Auditor General shall conduct an operational audit, as defined in s. 11.45, Florida Statutes, of a local government entity's funds related to the Deepwater Horizon oil spill to evaluate the local government entity's performance in administering laws, policies, and procedures governing the expenditure of funds related to the Deepwater Horizon oil spill in an efficient and effective manner. The scope of review shall include, but is not limited to, evaluating internal controls, internal audit functions, reporting and performance requirements required for use of the funds, and compliance with state and federal law. The audit shall include any funds the local government entity receives or expends related to the Deepwater Horizon oil spill, including any funds under s. 288.84, Florida Statutes, or under 33 U.S.C. 1321(t).

(3) In addition to the rules of the Auditor General adopted under s. 11.45(8), Florida Statutes, the Auditor General shall adopt rules for the form and conduct of all financial audits performed by independent certified public accountants and for audits of local government entities conducted under this section for funds received under 33 U.S.C. 1321(t). Such rules shall take into account the rules for such audits set forth by the Secretary of the Treasury pursuant to 33 U.S.C. 1321(t).

(4) The Auditor General may report findings to the Secretary of the Treasury of the United States in addition to the reporting requirements under state law.

Section 60. Except as otherwise expressly provided in this act, this act shall take effect upon becoming law.

Approved by the Governor May 17, 2013.

Filed in Office Secretary of State May 17, 2013.