CHAPTER 2002-225

Committee Substitute for Senate Bill No. 1912

An act relating to defense contractors; amending s. 288.1045, F.S.; redefining the term "Department of Defense contract"; revising the required minimum percentage of gross receipts derived from Department of Defense contracts; providing an effective date.

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

Section 1. Paragraph (e) of subsection (1) and paragraph (e) of subsection (3) of section 288.1045, Florida Statutes, are amended to read:

288.1045 Qualified defense contractor tax refund program.—

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

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

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

(e) To qualify for review by the office, the application of an applicant must, at a minimum, establish the following to the satisfaction of the office:

1. The jobs proposed to be provided under the application, pursuant to subparagraph (b)6. or subparagraph (c)6., must pay an estimated annual average wage equaling at least 115 percent of the average wage in the area where the project is to be located.

2. The consolidation of a Department of Defense contract must result in a net increase of at least 25 percent in the number of jobs at the applicant's facilities in this state or the addition of at least 80 jobs at the applicant's facilities in this state.

3. The conversion of defense production jobs to nondefense production jobs must result in net increases in nondefense employment at the applicant's facilities in this state.

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

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

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

Section 2. This act shall take effect July 1, 2002.

Approved by the Governor May 1, 2002.

Filed in Office Secretary of State May 1, 2002.