Tourism, Infrastructure & Energy Subcommittee

Tuesday, February 8, 2022
8:00 am – 10:00 am
Reed Hall (102 HOB)

Meeting Packet

Chris Sprowls
Speaker

Brad Drake
Chair

The Florida House of Representatives

Commerce Committee

Tourism, Infrastructure & Energy Subcommittee

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Meeting Agenda

Tuesday, February 8, 2022
8:00 AM – 10:00 AM
Reed Hall (102 HOB)

I. Call to Order

II. Roll Call

III. Welcome and Opening Remarks

IV. Consideration of the following bill(s):

HB 1163 Sales Tax Exemptions for Hydrogen Products by Overdorf

HB 1303 Northeast Florida Regional Spaceport Authority by Duggan

HB 1435 Code and Traffic Enforcement by Leek

Consideration of the following proposed committee substitute(s):

PCS for HB 673 -- Tourist Development Taxes

PCS for HB 1517 -- Motor Vehicles

V. Closing Remarks

VI. Adjournment

303 House Office Building, 402 South Monroe Street, Tallahassee, FL 32399-1300
(850) 717-4870

HB 1163

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1163 Sales Tax Exemptions for Hydrogen Products
SPONSOR(S): Overdorf
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Tourism, Infrastructure & Energy Subcommittee		Walsh	Keating
2) Ways & Means Committee			
3) Commerce Committee			

SUMMARY ANALYSIS

Hydrogen can be produced using a process called electrolysis, which splits water into hydrogen and oxygen. When renewable energy is used as the source of electricity to power an electrolyzer, the resulting hydrogen is referred to as green hydrogen. In Florida, NextEra Energy plans to propose a 20-megawatt project that will produce 100 percent green hydrogen from solar power.

Florida law provides a sales and use tax exemption on the purchase of machinery and equipment necessary to produce electrical or steam energy resulting from burning boiler fuels other than residual oil. There is also a sales tax exemption for various items purchased for use as a combustible fuel in an industrial manufacturing, processing, compounding, or production.

The bill provides that machinery and equipment necessary to produce electrical or steam energy that results from burning hydrogen is exempt from sales and use tax. The bill also provides that hydrogen is exempt from sales and use tax when purchased for use as a combustible fuel in an industrial manufacturing, processing, compounding, or production process at a fixed location.

The bill creates a sales tax exemption for green hydrogen and defines that term. The bill exempts from sales and use tax:

- The purchase of machinery and equipment primarily used in the production, storage, transportation, compression, or blending of green hydrogen.
- The purchase of machinery and equipment primarily used in the production, storage, transportation, compression, or blending of ammonia derived from green hydrogen, if the ammonia will be converted back to green hydrogen before its use or sale.
- The purchase of machinery and equipment that are necessary to produce electrical energy resulting from the electrochemical reaction of green hydrogen and oxygen in a fuel cell. The electrical energy must be primarily used in manufacturing, processing, compounding, or producing for sale items of tangible personal property in this state.

The bill provides that purchasers of machinery and equipment qualifying for this exemption must furnish the vendor with an affidavit stating that the item or items to be exempted will be used for the purposes specified in the exemption, unless the purchaser has self-accrual authority. The bill incorporates existing penalties for submitting a fraudulent claim.

The bill has an approximately $200,000 recurring negative fiscal impact to state government revenues, and a $100,000 recurring negative fiscal impact to local government revenues.

The bill provides an effective date of July 1, 2022.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Green Hydrogen

Hydrogen is the simplest and smallest element in the periodic table, and no matter how hydrogen is produced, it ends up with the same carbon-free molecule. The pathways to produce hydrogen are diverse, and so are the emissions of greenhouse gases like carbon dioxide (CO_2) and methane (CH_4) that result from the production of many types of hydrogen.[1]

Some methods of producing hydrogen, mainly grey hydrogen[2] and blue hydrogen,[3] use methane or coal to power the production process. Hydrogen may also be produced using a process called electrolysis, which splits water into hydrogen and oxygen.[4] When renewable energy is used as the source of electricity to power an electrolyzer,[5] the resulting hydrogen can result in zero greenhouse gas emissions[6] and is referred to as green hydrogen. Electrolyzers range in size, varying from small appliance-sized units to larger-scale central production facilities that can be tied directly to renewable forms of electricity production to power the unit.[7]

While utilizing green hydrogen could help reduce emissions, the production of green hydrogen is capital intensive.[8] The production cost of green hydrogen must significantly decrease for it to be competitive with more mature carbon-based pathways of energy production.[9]

Green hydrogen can be used for a variety of purposes, including:

- Replacing existing hydrogen feedstock in areas like oil refining, ammonia production, and steelmaking;
- Replacing natural gas in some residential and commercial heating systems;
- Energy storage;
- As an alternative fuel source; and
- Powering fuel-cell vehicles.[10]

[1] World Economic Forum, *What is Green Hydrogen and Why Do We Need It? An Expert Explains* (Dec. 21, 2021) https://www.weforum.org/agenda/2021/12/what-is-green-hydrogen-expert-explains-benefits/ (last visited Feb. 4, 2022).
[2] Grey hydrogen is traditionally produced from methane that is split with steam into carbon dioxide and hydrogen. *Id.*
[3] Blue hydrogen production follows the same process as grey hydrogen production, but also includes the technology necessary to capture the carbon dioxide produced when hydrogen is split from methane. *Id.*
[4] *Id.*
[5] The process of electrolysis uses an electrolyzer, which is a system that uses electricity to break water into hydrogen and oxygen. Cummins, Inc., *Electrolyzers 101: What They Are, How They Work, and Where They fit in a Green Economy*, https://www.cummins.com/news/2020/11/16/electrolyzers-101-what-they-are-how-they-work-and-where-they-fit-green-economy (last visited Feb. 4, 2022).
[6] Office of Energy Efficiency & Renewable Energy, *Hydrogen Production: Electrolysis*, U.S. Department of Energy, https://www.energy.gov/eere/fuelcells/hydrogen-production-electrolysis (last visited Feb. 6, 2022).
[7] *Id.*
[8] World Economic Forum, *supra* note 1.
[9] Office of Energy Efficiency &Renewable Energy, *supra* note 6.
[10] Jason Deign, *5 Early Applications for Green Hydrogen* (Jan. 2, 2020), https://www.greentechmedia.com/articles/read/5-early-applications-for-green-hydrogen (last visited Feb. 6, 2022).

NextEra Energy's Green Hydrogen Project

In Florida, NextEra Energy[11] plans to propose a 20-megawatt electrolyzer that will produce 100 percent green hydrogen from solar power.[12] The green hydrogen produced by the electrolyzer would replace a portion of the natural gas consumed by the utility's existing Okeechobee plant. The electricity to power the electrolyzer would come from solar power.[13]

Sales Tax Exemptions

Florida law provides numerous exemptions from sales and use tax.[14] One sales tax exemption is for the purchase of machinery and equipment used at a fixed location in which the machinery and equipment is necessary to produce electrical or steam energy resulting from burning boiler fuels other than residual oil. This electrical or steam energy must be primarily used in the manufacturing, processing, compounding, or producing for sale items of tangible personal property in Florida.[15]

Another sales tax exemption is for natural gas, residual oil, recycled oil, waste oil, solid waste material, coal, sulfur, wood, wood residue, and wood bark when purchased for use as a combustible fuel in industrial manufacturing, processing, compounding, or production at a fixed location. This exemption may not be used unless the purchaser signs a certificate stating that the fuel is being purchased exclusively for a designated purpose. This exemption does not apply to the use of boiler fuels that are not used in manufacturing, processing, compounding, or producing items of tangible personal property for sale.[16]

Florida's sales tax law, does not currently define or reference the term "green hydrogen."[17]

Effect of the Bill

The bill provides that machinery and equipment necessary to produce electrical or steam energy that results from burning hydrogen is exempt from sales and use tax.

The bill also provides that hydrogen is exempt from sales and use tax when purchased for use as a combustible fuel in an industrial manufacturing, processing, compounding, or production process at a fixed location.

The bill creates a sales and use tax exemption for green hydrogen. The bill defines the term "green hydrogen" to mean hydrogen created using an electrolytic process powered from renewable energy sources, including solar energy, wind energy, and geothermal energy. The term also includes hydrogen created using the pyrolytic decomposition of methane gas.

Under the bill, the following are exempt from sales and use tax:

- The purchase of machinery and equipment primarily used[18] in the production, storage, transportation, compression, or blending of green hydrogen. The machinery and equipment must be used at a fixed location.
- The purchase of machinery and equipment primarily used in the production, storage, transportation, compression, or blending of ammonia derived from green hydrogen, if the

[11] Florida Power & Light Company, a subsidiary of NextEra Energy, operates as one of Florida's four investor-owned electric utilities.
[12] Stromska, Karl-Erik, *NextEra Energy to Build Its First Green Hydrogen Plant in Florida* (July 24, 2020), https://www.greentechmedia.com/articles/read/nextera-energy-to-build-its-first-green-hydrogen-plant-in-florida (last visited Feb. 4, 2022).
[13] *Id.*
[14] S. 212.08, F.S.
[15] S. 212.08(5)(c), F.S.
[16] S. 212.08(7)(b), F.S.
[17] Department of Revenue (DOR), Agency Analysis of 2022 House Bill 1163, p.2. (Jan. 12, 2022).
[18] The bill defines the term "primarily used" to mean a use of at least 50 percent.

ammonia will be converted back to green hydrogen before its use or sale. The machinery and equipment must be used at a fixed location.
- The purchase of machinery and equipment that are necessary to produce electrical energy resulting from the electrochemical reaction of green hydrogen and oxygen in a fuel cell. The electrical energy must be primarily used in manufacturing, processing, compounding, or producing for sale items of tangible personal property in this state. The machinery and equipment must be used at a fixed location.

The bill provides that purchasers of machinery and equipment qualifying for this exemption must furnish the vendor with an affidavit stating that the item or items to be exempted are for the use designated herein. Purchasers with self-accrual authority[19] are not required to provide this affidavit but must maintain all documentation necessary to prove the exempt status of purchases.

The bill provides that a person furnishing a false affidavit to the vendor for the purpose of evading payment of any tax imposed by ch. 212, F.S., is subject to the penalty set forth in s. 212.085, F.S., providing penalties for the fraudulent claim of a tax exemption and as otherwise provided by law.

The bill authorizes the Department of Revenue (DOR) to adopt rules to implement this tax exemption.

B. SECTION DIRECTORY:

Section 1: Amends s. 323.08, F.S., relating to sales, rental, use, consumption, distribution, and storage tax; specified exemptions.

Section 2: Provides an effective date of July 1, 2022.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

On January 28, 2022, the Revenue Estimating Conference (REC) adopted a negative recurring fiscal impact of $200,000 to General Revenue, and insignificant negative fiscal impacts to state trust funds, per fiscal year for the 2022-2023 through 2026-2027 fiscal years.[20]

2. Expenditures:

DOR may incur some expenditures associates with implementing this tax exemption and creating a new rule to implement the sales tax exemption for green hydrogen.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

On January 28, 2022, the REC adopted be a negative recurring fiscal impact of $100,000 to local governments for the 2022-2023 through 2026-2027 fiscal years.[21]

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

[19] Pursuant to s. 212.183, F.S.,
[20] Office of Economic and Demographic Research, Revenue Estimating Conference, *2022 Impact Conference Results*, p. 296, http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2022/_pdf/page293-298.pdf (last visited Feb. 4, 2022).
[21] *Id.*

The sales tax exemption may reduce costs associated with the production, storage, transportation, compression, blending, and combustion of green hydrogen, which may enhance the economic viability of green hydrogen projects in the state.

D. FISCAL COMMENTS:

The sales tax exemption created in the bill may be duplicative of an existing sales tax exemption for industrial machinery and equipment by an eligible manufacturing business. Eligible manufacturing businesses are defined as within industries classified under certain North American Industry Classification System (NAICS) classifications as published in 2007. Included in eligible classification codes is the NAICS code 325120, relating to industrial gas manufacturing, including hydrogen gas manufacturing.[22]

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill authorizes DOR to adopt rules to implement the sales and use tax exemptions for green hydrogen.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

Not applicable.

[22] *Id.* at 295. *See also* s. 212.08(7)(jjj), F.S.

A bill to be entitled

An act relating to sales tax exemptions for hydrogen products; amending s. 212.08, F.S.; exempting from sales taxes the purchase of certain machinery and equipment that produce electric or steam energy from burning hydrogen; requiring a proration of the exemption under specified conditions; exempting from sales taxes the purchase of hydrogen used in specified industrial settings; defining the terms "green hydrogen" and "primarily used"; exempting from sales taxes the purchase of certain machinery and equipment involving green hydrogen, certain types of ammonia, and certain electrochemical reactions of green hydrogen and oxygen; authorizing the Department of Revenue to adopt rules to implement the exemptions; providing guidelines for purchasers to use in obtaining an exemption; providing penalties; providing an effective date.

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

Section 1. Paragraph (c) of subsection (5) and paragraph (b) of subsection (7) of section 212.08, Florida Statutes, are amended, and paragraph (ppp) is added to subsection (7) of that section, to read:

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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.—

(c) Machinery and equipment used in production of electrical or steam energy.—

1. The purchase of machinery and equipment for use at a fixed location which machinery and equipment are necessary in the production of electrical or steam energy resulting from the burning of hydrogen or boiler fuels other than residual oil, is exempt from the tax imposed by this chapter. Such electrical or steam energy must be primarily for use in manufacturing, processing, compounding, or producing for sale items of tangible personal property in this state. Use of a de minimis amount of residual fuel to facilitate the burning of nonresidual fuel shall not reduce the exemption otherwise available under this paragraph.

2. In facilities where machinery and equipment are necessary to burn hydrogen, or ~~both~~ residual and nonresidual fuels, the exemption shall be prorated. Such proration shall be based upon the production of electrical or steam energy from nonresidual fuels and hydrogen as a percentage of electrical or

steam energy from all fuels. If it is determined that 15 percent or less of all electrical or steam energy generated was produced by burning residual fuel, the full exemption shall apply. Purchasers claiming a partial exemption shall obtain such exemption by refund of taxes paid, or as otherwise provided in the department's rules.

3. The department may adopt rules that provide for implementation of this exemption. Purchasers of machinery and equipment qualifying for the exemption provided in this paragraph shall furnish the vendor with an affidavit stating that the item or items to be exempted are for the use designated herein. Any person furnishing a false affidavit to the vendor for the purpose of evading payment of any tax imposed under this chapter shall be subject to the penalty set forth in s. 212.085 and as otherwise provided by law. Purchasers with self-accrual authority shall maintain all documentation necessary to prove the exempt status of purchases.

(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.

(b) Boiler fuels.—When purchased for use as a combustible fuel, purchases of natural gas, residual oil, recycled oil, waste oil, solid waste material, coal, sulfur, hydrogen, wood, wood residues or wood bark used in an industrial manufacturing, processing, compounding, or production process at a fixed location in this state are exempt from the taxes imposed by this chapter; however, such exemption shall not be allowed unless the purchaser signs a certificate stating that the fuel to be exempted is for the exclusive use designated herein. This exemption does not apply to the use of boiler fuels that are not used in manufacturing, processing, compounding, or producing items of tangible personal property for sale, or to the use of boiler fuels used by any firm subject to regulation by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation.

(ppp) Green hydrogen.—

1. As used this paragraph, the term:

a. "Green hydrogen" means hydrogen created using an electrolytic process powered from renewable energy sources, including solar energy, wind energy, and geothermal energy. The term also includes hydrogen created using the pyrolytic decomposition of methane gas.

b. "Primarily used" means a use of at least 50 percent.

2. The following are exempt from the tax imposed by this chapter:

a. The purchase of machinery and equipment primarily used in the production, storage, transportation, compression, or blending of green hydrogen. The machinery and equipment must be used at a fix location

b. The purchase of machinery and equipment primarily used in the production, storage, transportation, compression, or blending of ammonia derived from green hydrogen, if the ammonia will be converted back to green hydrogen before its use or sale. The machinery and equipment must be used at a fix location.

c. The purchase of machinery and equipment that are necessary to produce electrical energy resulting from the electrochemical reaction of green hydrogen and oxygen in a fuel cell. The electrical energy must be primarily used in manufacturing, processing, compounding, or producing for sale items of tangible personal property in this state. The machinery

and equipment must be used at a fix location.

3. Purchasers of machinery and equipment qualifying for the exemption provided in this paragraph shall furnish the vendor with an affidavit stating that the item or items to be exempted are for the use designated herein. Purchasers with self-accrual authority pursuant to s. 212.183 are not required to provide this affidavit but shall maintain all documentation necessary to prove the exempt status of purchases.

4. A person furnishing a false affidavit to the vendor for the purpose of evading payment of any tax imposed under this chapter shall be subject to the penalty set forth in s. 212.085 and as otherwise provided by law. Purchasers with self-accrual authority pursuant to s. 212.183 are not required to provide an affidavit but shall maintain all documentation necessary to prove the exempt status of purchases.

5. The department may adopt rules to implement the exemptions in this paragraph.

Section 2. This act shall take effect July 1, 2022.

TOURISM, INFRASTRUCTURE & ENERGY SUBCOMMITTEE

HB 1163 by Rep. Overdorf
Sales Tax Exemptions for Hydrogen Products

AMENDMENT SUMMARY
February 8, 2022

Amendment 1 by Rep. Overdorf (Line 114):

- Corrects drafting errors.

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___ (Y/N)
ADOPTED AS AMENDED	___ (Y/N)
ADOPTED W/O OBJECTION	___ (Y/N)
FAILED TO ADOPT	___ (Y/N)
WITHDRAWN	___ (Y/N)
OTHER	_____

Committee/Subcommittee hearing bill: Tourism, Infrastructure & Energy Subcommittee

Representative Overdorf offered the following:

Amendment (with title amendment)

Remove lines 114-126 and insert:

used at a fixed location.

b. The purchase of machinery and equipment primarily used in the production, storage, transportation, compression, or blending of ammonia derived from green hydrogen, if the ammonia will be converted back to green hydrogen before its use or sale. The machinery and equipment must be used at a fixed location.

c. The purchase of machinery and equipment that are necessary to produce electrical energy resulting from the electrochemical reaction of green hydrogen and oxygen in a fuel cell. The electrical energy must be primarily used in

manufacturing, processing, compounding, or producing for sale items of tangible personal property in this state. The machinery and equipment must be used at a fixed location.

T I T L E A M E N D M E N T

Remove lines 14-17 and insert:

hydrogen and oxygen; providing guidelines for purchasers to use in obtaining an exemption; authorizing the Department of Revenue to adopt rules to implement the exemptions; providing penalties; providing

HB 1303

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1303 Northeast Florida Regional Spaceport Authority
SPONSOR(S): Duggan and others
TIED BILLS: **IDEN./SIM. BILLS:** SB 1814

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Tourism, Infrastructure & Energy Subcommittee		Walsh	Keating
2) Infrastructure & Tourism Appropriations Subcommittee			
3) Ways & Means Committee			
4) Commerce Committee			

SUMMARY ANALYSIS

Space Florida acts as Florida's point of contact for state aerospace-related activities with federal agencies, the military, state agencies, businesses, and the private sector. Space Florida is an independent special district and a subdivision of the state. Special districts are subject to the Uniform Special District Accountability Act.

Facilities that are equipped to serve the aerospace industry, including a horizontal take-off runway and solid rocket motor storage, are located in Northeast Florida.

The bill creates the Northeast Florida Regional Spaceport Authority (Authority), which will serve to promote the development of Northeast Florida's commercial space industry. The bill creates the Authority as an independent special district, body politic and corporate, and a subdivision of the state. The bill provides certain territorial limits for the Authority.

The bill authorizes the Authority to have and exercise all powers necessary or convenient to effect any or all of the purposes for which it is organized. The bill states that the Authority will be governed by a nine-member board of directors. Under the bill, the Authority and its board of directors are given various powers and duties related to the purpose for which the Authority is created.

The bill grants bonding authority and provides tax exempt status for the Authority. The bill permits the Department of Transportation to include projects of the Authority in the department's annual legislative budget request.

The bill provides an effective date of July 1, 2022.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Space Florida

In 2006, the Legislature passed the Space Florida Act,[1] which created Space Florida as an independent special district to promote aerospace business development by facilitating business and infrastructure financing, spaceport operations, research and development, workforce development, and innovative education programs.[2] Space Florida acts as Florida's point of contact for state aerospace-related activities with federal agencies, the military, state agencies, businesses, and the private sector.[3]

Space Florida is governed by a 13-member independent board of directors consisting of members appointed by the Governor, the President of the Senate, the Speaker of the House of Representatives, and members of the board of directors of Enterprise Florida, Inc. The Governor serves ex officio, or may appoint a designee to serve as the chair and a voting member of the board. [4]

Space Florida is an independent special district and a subdivision of the state. The boundary and services area for the Space Florida special district covers the entire state.[5] Space Florida is subject to the provisions of the Uniform Special District Accountability Act, to the extent that the provisions of that act do not conflict with the Space Florida Act.[6]

Special Districts

In 1989, the Legislature passed the Uniform Special District Accountability Act.[7] This Act sets forth the general provisions for all special districts, addressing such issues as creation, operation, financial reporting, taxation, assessments, elections, definitions, compliance with general law, and comprehensive planning. Generally, the charter creating an independent special district must contain the following information:

- The purpose of the special district;
- The powers, functions and duties of the special district relating to ad valorem taxes, bonds and other revenue-raising abilities, budget preparation and approval, liens and lien foreclosures, and the use of tax deeds and certificates for non-ad valorem assessments and contractual agreements;
- A method for establishing the district and amending the district charter;
- The membership, organization, compensation, and administrative duties of the governing board and its members;
- Applicable financial disclosures, noticing, and reporting requirements;
- Procedures and requirements for bond issues, if the special district will issue bonds;
- Election procedures and requirements;
- A method for financing the district;
- Authorized millage rate, and methods for collecting non-ad valorem assessments, fees, or service charges;
- Planning requirements; and
- District boundaries.[8]

[1] *See* ss. 331.301 through 331.371, F.S.
[2] S. 331.302, F.S.
[3] S. 331.3011, F.S.
[4] S. 331.3081, F.S.
[5] S. 331.302(1), F.S.
[6] Ss. 331.301-331.371, F.S.
[7] Ch. 189, F.S.
[8] S. 189.031, F.S.

Northeast Florida Aerospace Commerce

Northeast Florida has multiple facilities that are equipped to serve the aerospace industry. For example, Camp Blanding, located in Clay County, is equipped to provide rail transport and solid rocket motor storage, and Cecil Air and Spaceport, located in Duval County, is equipped with a horizontal launch runway.[9]

Effect of the Bill

The bill creates the Northeast Florida Regional Spaceport Authority (Authority), which will serve to promote the development of Northeast Florida's commercial space industry.

Legislative Findings and Intent

The bill provides a short title of the "Northeast Florida Regional Spaceport Authority Act." The bill contains legislative findings that:

- The commercial aerospace industry of Florida is integral to the state's long-term success in diversifying its economy and creating an economy that can support the creation of high-value-added businesses and jobs;
- Attaining these economic goals requires a strong public and private commitment to the commercial aerospace industry;
- Clay, Duval, and Nassau Counties have ideal geographic spaceport attributes; and
- It is the intent of the Legislature that commercial aerospace activities in Northeast Florida be coordinated by the Authority and that, notwithstanding any other provision of law, the Authority be an independent point of contact for commercial aerospace activities with federal agencies, the military, state agencies, businesses, and the private sector.

Creation and Purpose of the Authority

The bill creates the Authority as an independent special district, body politic and corporate, and a subdivision of the state. As an independent special district, the Authority would be subject to the Uniform Special District Accountability Act. However, the bill states that to the extent that any provision of the Uniform Special District Accountability Act conflicts with the bill, the bill will prevail.

The Authority would not be considered an agency as defined in s. 216.011(1)(qq)[10] or s. 287.012(1),[11] F.S. Under the bill, the Authority's purpose is to promote commercial aerospace business development by facilitating business financing, spaceport operations, research and development, local workforce development, and local education programs.

The bill requires that in carrying out its duties and responsibilities, the Authority must advise, coordinate, cooperate, and when necessary, enter into memoranda of agreement with municipalities, counties, regional authorities, state agencies and organizations both within and outside Florida, appropriate federal agencies and organizations, and other interested persons and groups. The Authority may not endorse any candidate for elected public office or contribute money to such a candidate's campaign.

The bill defines the following terms: "aerospace," "authority," "board" or "board of directors," "bonds," "financing agreement," "landing area," "launch pad," "launch support facilities," "payload," "person," "project," "range," "recovery," "region," "regional spaceport," "spaceport," "spaceport discretional capacity improvement projects," and "spaceport user."

[9] Attachment to email from Koby Adams, Legislative Assistant to Rep. Wyman Duggan, to Cochran Keating, Policy Chief, RE: Global Space Economy DOC (Jan. 19, 2022).
[10] S. 216.011, F.S. relates to planning and budgeting.
[11] S. 216.012, F.S. relates to procurement of personal property and services.

The bill provides that it supersedes any general or special act that is inconsistent with the language of the bill.

Territory of the Authority

The bill provides that the following property constitutes the Authority's regional spaceport territory:

- Real property located in Duval County which is included within the boundaries of Cecil Airport and Cecil Commerce Center and any other real property designated by the Jacksonville City Council;[12]
- Real property located in Nassau County as designated by the Nassau County Board of County Commissioners;
- Real property located in Clay County as designated by the Clay County Board of County Commissioners; and
- Real property within Duval, Nassau, and Clay Counties which is licensed by the Federal Aviation Administration (FAA) as a spaceport.

Powers and Duties of the Authority

Under the bill, the Authority may conduct its affairs, carry on its operations, and have offices and exercise the powers granted by the bill in any state, territory, district, or possession of the United States or any foreign country. The bill gives the Authority the ability to have and exercise all powers necessary or convenient to effect any or all of the purposes for which it is organized.

The bill further provides that the Authority may examine, develop, and use new concepts, designs, and ideas relating to the purpose for which it is created. To do so, the bill provides that the Authority may own, acquire, construct, reconstruct, equip, operate, maintain, extend, and improve experimental spaceport facilities and services and otherwise undertake, sponsor, finance, and maintain research activities, experimentation, and development, in order to promote the development and use of new concepts, designs, and ideas in the fields of space exploration, commercialization of the space industry, and spaceport facilities.

The bill states that the Authority may acquire real, personal, intangible, tangible, or mixed property, within or without its territorial limits by purchase, gift, devise, or lease, on such terms and conditions as the board may deem necessary or desirable, and sell or otherwise dispose of any of the assets and properties of the authority.

With regard to real and personal property, the bill gives the Authority power to own, acquire, construct, develop, create, reconstruct, equip, operate, maintain, extend, and improve launch pads, landing areas, ranges, payload assembly buildings, payload processing facilities, laboratories, aerospace business incubators, launch vehicles, payloads, space flight hardware, facilities and equipment for the construction of payloads, space flight hardware, rockets, and other launch vehicles, and other spaceport facilities and aerospace-related systems, including educational, cultural, and parking facilities and aerospace-related initiatives.

The bill also gives the Authority powers relating to the construction, possession, maintenance, and operation of:

- Transportation facilities appropriate to meet the transportation requirements of the Authority and activities conducted within the regional spaceport;
- Electric power plants, transmission lines and related facilities, gas mains and facilities of any nature for the production or distribution of natural gas, and transmission lines and related facilities for the generation and transmission of power through traditional, new, and experimental sources of power and energy;[13]

[12] The bill provides that, notwithstanding any other provision of law, the spaceport facilities and projects owned and administered by the Jacksonville Airport Authority will become the property and responsibility of the Authority.

[13] With regard to utilities, the bill provides that the Authority may also: purchase sources of power for distribution within any spaceport territory; develop and operate water and sewer systems; and develop and operate new and experimental

- Water and flood control facilities, subject to the rules and regulations of the appropriate water management district;
- Public safety facilities for the regional spaceport; and
- Such works to construct facilities determined by the board to promote and ensure public safety.

The bill outlines other powers of the Authority as the abilities to:

- Sue and be sued;
- Adopt and use a corporate seal;
- Acquire, enjoy, use, and dispose of patents, copyrights, and trademarks and any licenses and other rights or interests under or in such licenses;
- Purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote on, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of and otherwise use and deal in and with shares and other interests in, or obligations of, other domestic or foreign corporations;
- Lend money for its purposes, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds loaned;
- Make and execute any contracts and other instruments, including financing agreements with persons or spaceport users, to facilitate the financing, construction, leasing, or sale of any project;
- Whenever deemed necessary by the board, lease any facilities or property for the use of the Authority to carry out the purposes of the Authority;
- Hire a safety officer with substantial experience in public safety procedures and programs for space vehicle launching and related hazardous operations;[14]
- Issue revenue bonds or other evidences of indebtedness;
- In connection with any financing agreement, fix and collect fees, loan payments, rental payments, and other charges for the use of any project in such amount as to provide sufficient moneys to pay the principal of and interest on bonds as they become due and payable;
- Recover the costs of a spaceport facility or system;
- Prescribe, fix, establish, and collect rates, fees, rentals, tolls, fares, or other charges and revise such revenues for the facilities and services furnished or to be furnished by the Authority and the spaceport;
- Recover any unpaid balance, all interest accrued thereon, and attorney fees and costs if any rates, fees, rentals, tolls, fates, other charges, or delinquent penalties go unpaid and are in default for 30 days or more;
- Accept, receive, and receipt for federal moneys, property, and other moneys or properties, either public or private, for the Authority's purposes; and
- Sell bonds in blocks in compliance with current law.

The bill provides that the Authority must, in accordance with FAA procedures, file the appropriate federal notification to activate special use airspace in support of launch operations. Furthermore, the bill states that the Authority must obtain the required environmental permits in accordance with state and federal law. The bill requires the Authority to involve and utilize women, minorities, and socially and economically disadvantaged business enterprises in all phases of the design, development, construction, maintenance, and operation of spaceports developed by the bill.

Under the bill, the Authority is not required to pay any taxes on any project or any other property owned by the Authority or on the income from such projects or property.

The bill provides that no corporation incorporated or authorized to transact business in Florida, nor any person or business entity transacting business in Florida, may use the words "Northeast Florida Regional Spaceport Authority" in its name, unless the board gives written approval for such use. The

public utilities. However, the Authority may not construct any of the aforementioned systems if a system of similar character is actually being operated by a municipality or private company in the area adjacent thereto, unless such entity consents to the construction.

[14] The bill provides that the safety officer shall monitor and report on the safety and hazards of ground-based space operations to the chair.

bill authorizes the Department of State to dissolve any corporation that uses the Authority's name without consent to do so.

The bill requires the Authority to develop a spaceport master plan for expansion and modernization of space transportation facilities within the region. The Authority must submit the plan to the Department of Transportation and to any appropriate metropolitan planning organization. The department may participate in the capital cost of eligible spaceport discretionary capacity improvement projects, and the department's annual legislative budget request shall be based on the proposed funding requested for approved spaceport discretionary capacity improvement projects.

Board of Directors

The bill states that the Authority will be governed by a nine-member board of directors (board). Under the bill, the Authority's board of directors consists of:

- Three members appointed by the Governor and confirmed by the Senate,[15]
- Three members appointed by the Mayor of the City of Jacksonville and confirmed by the Jacksonville City Council,
- Two members appointed by the Clay County Board of County Commissioners, and
- One member appointed by the Nassau County Board of County Commissioners.[16]

The bill provides that each member of the board will serve a term of four years beginning on June 1 of the year in which he or she is appointed and will hold office until a successor has been appointed. The bill provides a process for how a vacancy on the board must be filled.

Under the bill, the members of the board are not entitled to compensation but must be reimbursed for travel expenses or other expenses incurred in their duties as provided by law.

Five voting members of the board shall constitute a quorum, and a resolution adopted by the board may not become effective without the affirmative vote of at least five members.

Powers and Duties of the Board of Directors

The bill provides that the board must designate an individual who is a resident of the state, or a qualified public depository, as treasurer of the Authority, who must have charge of the Authority's funds. The bill outlines how the treasurer must handle funds. Under the bill, the board may give the treasurer additional powers and duties as it deems appropriate, and the board must determine the treasurer's compensation.

The bill provides that the board may also employ a fiscal agent, who must be a resident of this state or a corporation organized under the laws of this or any other state and authorized by such laws to act as a fiscal agent in such state.

The bill provides that the board may:

- Execute contracts and other documents, adopt all proceedings, and perform all acts determined by the board to be necessary or desirable to carry out its purposes;
- Establish, create, and delegate the proper authority to departments, committees, or other entities the board deems necessary or desirable in the performance of any acts or other things necessary to the exercise of the powers provided in the bill;
- Provide financial services to support commercial aerospace-related business development within the region;[17]

[15] At least one of the members appointed by the Governor must be a resident and qualified elector of Clay County, Duval County, or Nassau County.

[16] Each of the six members not appointed by the Governor must be a resident and qualified elector of the county from which he or she is appointed.

[17] The bill provides what the financial services may include.

- Execute intergovernmental agreements and development agreements consistent with prevailing statutory provisions;
- Establish reserve funds for future board operations;
- Enter into contracts for the use of projects and for the services and facilities furnished or to be furnished by the Authority;
- Discontinue and shut off services and facilities of any project if the rates, fees, rentals, tolls, fares, or other charges for services and facilities are not paid when due;
- Enter into and execute contracts and agreements relating to the common powers, duties, and functions of the board and other officers, agents, and employees of the Authority, and the respective governing body or bodies of one or more municipalities;
- Authorize bonds by resolution;
- Invest the funds of the Authority in and through the means outlined in the bill; and
- Establish a fiscal year for the Authority.

The bill provides that the board has the following duties:

- Adopt rules and orders to conduct the business of the authority, the maintenance of records, and the form of all documents and records of the authority;
- Prepare an annual report of operations for the previous fiscal year and submit the report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by November 30th of each year;
- Establish a safety program;
- Secure insurance coverage within reasonable limits for liability; and
- Secure reasonable levels of insurance coverage on its buildings, facilities, and property, if such coverage is available and cost effective.

The Authority and Political Subdivisions

The bill provides that the Authority may exercise any of its rights, powers, privileges, and authority in any portion of the regional spaceport lying within the boundaries of any municipality or other political subdivision whose boundaries lie wholly or partly in the territory of the Authority to the same extent as in areas of the regional spaceport not incorporated as part of a municipality or other political subdivision. However, the Authority may only do so within the portion of the municipality or other political subdivision lying within the boundaries of the regional spaceport.

The state, counties, municipalities, and other political subdivisions, public bodies, and agencies thereof may aid and cooperate with the Authority in carrying out any of the purposes and projects of the Authority, enter into cooperative agreements with the Authority, and participate in any such cooperative agreement for carrying out the purpose and projects of the Authority. Any such agreement may not exceed 99 years.

B. SECTION DIRECTORY:

Section 1: Creates ss. 331.601 through 331.661, F.S., otherwise known as the Northeast Florida Regional Spaceport Authority Act.

Section 2: Provides an effective date of July 1, 2022.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   See Fiscal Comments.

2. Expenditures:

See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

See Fiscal Comments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill may aid in developing Northeast Florida's private aerospace industry, which may bring jobs to the area.

D. FISCAL COMMENTS:

The bill grants bonding authority to the Northeast Florida Spaceport Authority. The bill provides tax exempt status for the Authority. The bill permits the Department of Transportation to include projects of the Authority in the department's annual legislative budget request.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill authorizes the board of directors of the Authority to adopt rules to conduct the business of the Authority. Under the bill, the Authority's board of directors may adopt rules with respect to any of the projects of the Authority, with notice and a public hearing.

C. DRAFTING ISSUES OR OTHER COMMENTS:

The bill provides that it is the Legislature's intent that the Authority be an independent point of contact for commercial aerospace activities with federal agencies, the military, state agencies, businesses, and the private sector. However, current law provides similar language for Space Florida, which is an independent special district with territory that covers the entire State of Florida.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

Not applicable.

A bill to be entitled

An act relating to the Northeast Florida Regional Spaceport Authority; creating part IV of chapter 331, F.S.; providing a short title; providing legislative findings and intent; creating the Northeast Florida Regional Spaceport Authority; providing purpose and responsibilities of the authority; prohibiting the authority from endorsing a candidate for public office; providing that the authority does not meet a specified definition of the term "agency"; providing applicability of certain provisions; providing definitions; specifying authority territory; providing powers of the authority; requiring the authority to file a federal notification to activate certain airspace; providing membership requirements and terms of the authority's board of directors; requiring members to file a statement of financial interests; requiring the board to designate a treasurer; authorizing the board to select depositories and employ a fiscal agent and providing requirements therefor; providing powers and duties of the board; providing requirements for the exercise of powers; authorizing the authority to construct projects, furnish facilities and services, and collect charges within the regional spaceport; providing powers of the

authority relating to certain roads; providing for recovery of certain costs by the authority; authorizing the board to enter into certain contracts; authorizing the board to shut off and discontinue services and facilities under certain circumstances; authorizing the authority to receive certain moneys and properties; requiring compliance with laws relating to the expenditure of federal moneys; authorizing the board to enter into contracts with municipalities for the performance of common powers, duties, and functions; authorizing the state and its political subdivisions to enter into certain cooperative agreements with the authority; providing the term of such agreements; providing powers of the authority relating to contracts, grants, and contributions; requiring compliance with certain environmental provisions; providing for sovereign immunity; providing legal remedies for certain violations; providing for bond issuance, lien of pledges, and trust agreements; providing for the sale, authorization, and form of bonds; authorizing issuance of interim or replacement bond certificates; specifying negotiability of bonds; granting certain authority to the board regarding defeasance of the right, title, and interest of bondholders; specifying

that bonds constitute legal investments or securities; authorizing a resolution for the issuance of bonds to contain certain covenants; providing procedures for the validation of bonds; specifying that full authority for bond issuance and exercise of powers rests with the authority; providing that bonds do not constitute an obligation of the state; authorizing the board to make certain investments; establishing the fiscal year of the authority; providing insurance and safety program requirements; requiring the authority to involve women, minorities, and disadvantaged business enterprises in the development and operation of spaceports; exempting the authority from certain taxes; prohibiting a person or business entity from using the name of the authority without written approval; authorizing the Department of State to dissolve an entity in violation of such prohibition; specifying authority ownership of rights to intellectual property; authorizing the Department of Transportation to enter into a joint participation agreement with the authority for certain purposes; requiring the authority to develop a spaceport master plan for submission to the department and metropolitan planning organizations; authorizing the department to participate in the capital cost of certain projects

using available funds; providing construction; providing an effective date.

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

Section 1. Part IV of chapter 331, Florida Statutes, consisting of sections 331.601 through 331.661, is created to read:

PART IV

NORTHEAST FLORIDA REGIONAL SPACEPORT AUTHORITY

331.601 Short title.—This part may be cited as the "Northeast Florida Regional Spaceport Authority Act."

331.6011 Legislative findings and intent.—

(1) The Legislature finds and declares that the commercial aerospace industry of this state is integral to the state's long-term success in diversifying its economy and building a knowledge-based economy that is able to support the creation of high-value-added businesses and jobs.

(2) The Legislature finds that attaining this vision requires a strong public and private commitment to the commercial aerospace industry. It is the intent of the Legislature to improve the regulatory flexibility for commercial aerospace launches and the development of sites for commercial aerospace launches and related research and development.

(3) Clay, Duval, and Nassau Counties have ideal geographic

spaceport attributes, including access to multiple orbits, proximity to water for launch activities, existing facilities and infrastructure for recovery activities, proximity to multiple channels of intermodal transportation infrastructure, access to multiple sources of fuel and power generation, and quality-of-life factors attractive to human capital.

(4) It is the intent of the Legislature that commercial aerospace activities in Northeast Florida be coordinated by the Northeast Florida Regional Spaceport Authority and that, notwithstanding any other provision of law, the Northeast Florida Regional Spaceport Authority be an independent point of contact for commercial aerospace activities with federal agencies, the military, state agencies, businesses, and the private sector.

331.602 Northeast Florida Regional Spaceport Authority; creation; purpose.—

(1) There is created the Northeast Florida Regional Spaceport Authority, which is created as an independent special district, a body politic and corporate, and a subdivision of the state, to foster the growth and development of a sustainable commercial aerospace industry in Northeast Florida. The Northeast Florida Regional Spaceport Authority shall promote commercial aerospace business development by facilitating business financing, spaceport operations, research and development, local workforce development, and innovative local

education programs. The Northeast Florida Regional Spaceport Authority has all the powers, rights, privileges, and authority as provided under the laws of this state.

(2) In carrying out its duties and responsibilities, the Northeast Florida Regional Spaceport Authority shall advise, coordinate, cooperate, and, when necessary, enter into memoranda of agreement with municipalities, counties, regional authorities, state agencies and organizations both within and outside Florida, appropriate federal agencies and organizations, and other interested persons and groups.

(3) The Northeast Florida Regional Spaceport Authority may not endorse any candidate for any elected public office or contribute money to the campaign of any candidate for public office.

(4) The Northeast Florida Regional Spaceport Authority is not an agency as defined in s. 216.011(1)(qq) or s. 287.012.

(5) The Northeast Florida Regional Spaceport Authority is subject to applicable provisions of chapter 189, including, but not limited to, s. 189.051. To the extent that any provisions of chapter 189 conflict with this part, this part shall prevail.

331.603 Definitions.—As used in this part, the term:

(1) "Aerospace" means the industry that designs and manufactures aircraft, rockets, missiles, spacecraft, satellites, space vehicles, space stations, space facilities or components thereof, and equipment, systems, facilities,

simulators, programs, and related activities, including, but not limited to, the application of aerospace technologies in air-based, land-based, and sea-based platforms for commercial, civil, and defense purposes.

(2) "Authority" means the Northeast Florida Regional Spaceport Authority.

(3) "Board" or "board of directors" means the governing body of the Northeast Florida Regional Spaceport Authority.

(4) "Bonds" means revenue bonds or other evidences of indebtedness, including bank loans, issued by the authority for the purpose of financing its projects.

(5) "Financing agreement" means a lease, lease-purchase agreement, lease with option to purchase, sale or installment sale agreement, whether title passes in whole or in part at any time before, at, or after completion of the project, loan agreement, or other agreement forming the basis for the financing under this part, including any agreements, guarantees, or security instruments forming part of or related to providing assurance of payment of the obligations under the financing agreement.

(6) "Landing area" means the geographical area designated by the authority for or intended for the landing and surface maneuvering of any launch vehicle or other space vehicle.

(7) "Launch pad" means any launch pad, runway, airstrip, or similar facility used for launching space vehicles.

(8) "Launch support facilities" means facilities that are located at launch sites or launch ranges that are required to support launch activities, including launch vehicle assembly, launch vehicle operations and control, communications, and flight safety functions, as well as payload operations, control, and processing.

(9) "Payload" means any property or cargo to be transported aboard any vehicle launched by or from a spaceport.

(10) "Person" means any individual, community college, college, university, firm, association, joint venture, partnership, estate, trust, business trust, syndicate, fiduciary, corporation, nation, federal, state, or local government, government or nongovernment agency, subdivision of the state, municipality, county, business entity, or any other group or combination thereof.

(11) "Project" means any activity associated with any development, improvement, property, launch, utility, facility, system, works, road, sidewalk, enterprise, service, or convenience, which may include coordination with federal and state partners or agencies; any rocket, capsule, module, launch facility, assembly facility, operations or control facility, tracking facility, administrative facility, or any other type of aerospace-related transportation vehicle, station, or facility; any type of equipment or instrument to be used or useful in connection with any of the foregoing; any type of intellectual

property and intellectual property protection in connection with any of the foregoing, including, without limitation, any patent, copyright, trademark, or service mark for, among other things, computer software; any water, wastewater, gas, or electric utility system, plant, or distribution or collection system; any small business incubator initiative, including any startup aerospace company and any aerospace business proposing to expand or locate its business in this state; any research and development company, research and development facility, education and workforce training facility, storage facility, or consulting service; or any tourism initiative, including any space experience attraction, microgravity flight program, aerospace launch-related activity, or space museum sponsored or promoted by the authority.

(12) "Range" means the geographical area designated by the authority or another appropriate body as the area for the launching of rockets, missiles, launch vehicles, and other vehicles designed to reach high altitude.

(13) "Recovery" means the recovery of space vehicles and payloads that have been launched from or by a spaceport.

(14) "Region" means Clay, Duval, and Nassau Counties.

(15) "Regional spaceport" means the geographical area designated in s. 331.604 as may be amended from time to time.

(16) "Spaceport" means any area of land or water, or any manmade object or facility located therein, which area is

intended for public use or for the launching, takeoff, and landing of spacecraft and aircraft, and includes any appurtenant areas that are used or intended for public use, for spaceport buildings, or for other spaceport facilities, launch support facilities, spaceport projects, or rights-of-way.

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

(18) "Spaceport user" means any person who uses the facilities or services of any spaceport. For the purposes of any exemptions or rights granted under this part, a person shall be deemed a spaceport user only during the time period in which the person has in effect a contract, memorandum of understanding, or agreement with the spaceport, and such rights and exemptions shall be granted with respect to transactions relating only to spaceport projects.

331.604 Regional spaceport territory.—The following property shall constitute the authority's regional spaceport territory:

(1) Real property located in Duval County which is

included within the boundaries of Cecil Airport and Cecil Commerce Center and any other real property designated by the Jacksonville City Council. Notwithstanding any other provision of law, the spaceport facilities and projects owned and administered by the Jacksonville Airport Authority will become the property and responsibility of the authority upon this part becoming law.

(2) Real property located in Nassau County as designated by the Nassau County Board of County Commissioners.

(3) Real property located in Clay County as designated by the Clay County Board of County Commissioners.

(4) Real property within Duval, Nassau, and Clay Counties which is licensed by the Federal Aviation Administration as a spaceport.

331.605 Powers of authority.—The authority may:

(1) Sue and be sued by its name in any court of law or in equity.

(2) Adopt and use a corporate seal and alter the same at pleasure.

(3) Conduct its affairs, carry on its operations, and have offices and exercise the powers granted by this part in any state, territory, district, or possession of the United States or any foreign country.

(4) Acquire, enjoy, use, and dispose of patents, copyrights, and trademarks and any licenses and other rights or

interests under or in such licenses.

(5) Purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote on, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of and otherwise use and deal in and with shares and other interests in, or obligations of, other domestic or foreign corporations, whether for profit or not for profit, associations, partnerships, or individuals, or direct or indirect obligations of the United States or of any other government, state, territory, governmental district, or municipality, or of any instrumentality of such governmental units.

(6) Lend money for its purposes, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds loaned.

(7) Have and exercise all powers necessary or convenient to effect any or all of the purposes for which it is organized.

(8) Acquire property, real, personal, intangible, tangible, or mixed, within or without its territorial limits, in fee simple or any lesser interest or estate, by purchase, gift, devise, or lease, on such terms and conditions as the board may deem necessary or desirable, and sell or otherwise dispose of the same and of any of the assets and properties of the authority.

(9) Make and execute any and all contracts and other instruments necessary or convenient to the exercise of its

powers, including financing agreements with persons or spaceport users to facilitate the financing, construction, leasing, or sale of any project.

(10) Whenever deemed necessary by the board, lease as lessor or lessee to or from any person, public or private, any facilities or property for the use of the authority and carry out any of the purposes of the authority.

(11) Own, acquire, construct, develop, create, reconstruct, equip, operate, maintain, extend, and improve launch pads, landing areas, ranges, payload assembly buildings, payload processing facilities, laboratories, aerospace business incubators, launch vehicles, payloads, space flight hardware, facilities and equipment for the construction of payloads, space flight hardware, rockets, and other launch vehicles, and other spaceport facilities and other aerospace-related systems, including educational, cultural, and parking facilities and aerospace-related initiatives.

(12) Own, acquire, construct, reconstruct, equip, operate, maintain, extend, or improve transportation facilities appropriate to meet the transportation requirements of the authority and activities conducted within the regional spaceport.

(13) Own, acquire, construct, reconstruct, equip, operate, maintain, extend, or improve electric power plants, transmission lines and related facilities, gas mains and facilities of any

nature for the production or distribution of natural gas, and transmission lines and related facilities for the generation and transmission of power through traditional, new, and experimental sources of power and energy; purchase electric power, natural gas, and other sources of power for distribution within any spaceport territory; develop and operate water and sewer systems and waste collection and disposal consistent with chapter 88-130, Laws of Florida; and develop and operate such new and experimental public utilities, including, but not limited to, centrally distributed heating and air-conditioning facilities and services, closed-circuit television systems, and computer services and facilities, as the board determines. However, the authority may not construct any system, work, project, or utility authorized to be constructed under this subsection if a system, work, project, or utility of a similar character is being actually operated by a municipality or private company in the municipality or territory adjacent thereto unless such municipality or private company consents to such construction.

(14) Subject to the rules and regulations of the appropriate water management district, own, acquire, construct, reconstruct, equip, maintain, operate, extend, and improve water and flood control facilities. The authority may receive moneys, disbursements, and assistance from the state available to flood control or water management districts and navigation districts or agencies.

(15) Own, acquire, construct, reconstruct, equip, maintain, operate, extend, and improve public safety facilities for the regional spaceport, including security stations, security vehicles, fire stations, water mains and plugs, and fire trucks and other vehicles and equipment; hire employees, security officers, and firefighters; and undertake such works and construct such facilities determined by the board to be necessary or desirable to promote and ensure public safety within the regional spaceport.

(16) Hire, through the chair of its board of directors, a safety officer with substantial experience in public safety procedures and programs for space vehicle launching and related hazardous operations. The safety officer shall monitor and report on the safety and hazards of ground-based space operations to the chair.

(17) Examine, develop, and use new concepts, designs, and ideas; own, acquire, construct, reconstruct, equip, operate, maintain, extend, and improve experimental spaceport facilities and services; and otherwise undertake, sponsor, finance, and maintain such research activities, experimentation, and development as the board determines, in connection with any of the projects that the authority is authorized to undertake pursuant to the powers and authority vested in it by this part, in order to promote the development and use of new concepts, designs, and ideas in the fields of space exploration,

commercialization of the space industry, and spaceport facilities.

(18) Issue revenue bonds or other evidences of indebtedness, including bank loans, authorized by this part or any other law and pay all or part of the cost of the acquisition, construction, reconstruction, extension, repair, improvement, or maintenance of any project or combination of projects, including environmental mitigation, payloads and space flight hardware, and equipment for research, development, and educational activities, to provide for any facility, service, or other activity of the authority, and provide for the retirement or refunding of any bonds or obligations of the authority, or for any combination of the foregoing purposes.

(19) In connection with any financing agreement, fix and collect fees, loan payments, rental payments, and other charges for the use of any project in such amount as to provide sufficient moneys to pay the principal of and interest on bonds as they become due and payable, if so provided in the bond resolution or trust agreement, and to create reserves for such purposes. The fees, loan payments, rental payments, and other charges and all other revenues and proceeds derived from the project in connection with which the bonds are issued, except such part thereof necessary for reserves or any expenditures provided in the resolution authorizing the issuance of the bonds or in the trust agreement securing the bonds, shall be set

aside, at the time specified in the resolution or trust agreement, in a sinking fund that may be pledged to and charged with the payment of the principal of and the interest on such bonds as they become due and the redemption price or the purchase price of bonds retired by call or purchase as provided therein. Such pledge is valid and binding from the time the pledge is made. The fees, loan payments, rental payments, other charges, and all other revenues and proceeds so pledged and thereafter received by or on behalf of the authority shall immediately be subject to the lien of any such pledge without any physical delivery thereof or further act, and the lien of any such pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority, regardless of whether such parties have notice thereof. The resolution or any trust agreement by which a pledge is created need not be filed or recorded, except in the records of the authority. The use and disposition of money to the credit of the sinking fund shall be subject to the provisions of the resolution authorizing the issuance of such bonds or the provisions of such trust agreement.

331.606 Federal airspace notification.—In accordance with Federal Aviation Administration procedures, the authority shall file the appropriate federal notification to activate special use airspace in support of its launch operations.

331.6081 Board of directors.—The authority shall be

governed by a nine-member independent board of directors that consists of three members appointed by the Governor and confirmed by the Senate, three members appointed by the Mayor of the City of Jacksonville and confirmed by the Jacksonville City Council, two members appointed by the Clay County Board of County Commissioners, and one member appointed by the Nassau County Board of County Commissioners. At least one of the three members appointed by the Governor must be a resident and qualified elector of Clay County, Duval County, or Nassau County. Each of the six members not appointed by the Governor must be a resident and qualified elector of the county from which he or she is appointed. Each member shall serve a term of 4 years beginning on June 1 of the year in which he or she is appointed and shall hold office until a successor has been appointed and has qualified. A vacancy on the board shall be filled for the remainder of the unexpired term in the same manner as the original appointment. Any member appointed to the board for two consecutive full terms is not eligible for appointment to the next succeeding term. The board shall annually designate one of its members as chair, one of its members as vice chair, and one of its members as secretary. The members of the board are not entitled to compensation but shall be reimbursed for travel expenses or other expenses actually incurred in their duties as provided by law. Five voting members of the board shall constitute a quorum, and a resolution adopted

by the board may not become effective without the affirmative vote of at least five members. Each member of the board shall file as his or her mandatory financial disclosure a statement of financial interests with the Commission on Ethics as provided in s. 112.3145.

331.609 Treasurer; depositories; fiscal agent.—

(1) The board shall designate an individual who is a resident of the state, or a qualified public depository as defined in s. 280.02, as treasurer of the authority, who shall have charge of the funds of the authority. Such funds shall be disbursed only upon the order of or pursuant to the resolution of the board by warrant, check, authorization, or direct deposit pursuant to s. 215.85, signed or authorized by the treasurer or his or her representative or by any other person authorized by the board. The board may give the treasurer such additional powers and duties as it deems appropriate and shall determine the treasurer's compensation. The board may require the treasurer to give a bond in such amount, on such terms, and with such sureties as are deemed satisfactory to the board to secure the performance by the treasurer of his or her powers and duties. The board shall audit or have audited the books of the treasurer at least once per year.

(2) The board may select as depositories in which the funds of the board and of the authority shall be deposited a qualified public depository as defined in s. 280.02, upon such

terms and conditions as to the payment of interest on such funds by such depository the board deems just and reasonable. The funds of the authority may be kept in or removed from the State Treasury upon written notification from the chair of the board to the Chief Financial Officer.

(3) The board may employ a fiscal agent, who shall be a resident of this state or a corporation organized under the laws of this or any other state and authorized by such laws to act as such fiscal agent in such state.

331.610 Powers and duties of board of directors.—

(1) The board of directors may:

(a) Execute all contracts and other documents, adopt all proceedings, and perform all acts determined by the board to be necessary or desirable to carry out the purposes of this part. The board may authorize one or more of its members to execute contracts and other documents on behalf of the board or the authority.

(b) Establish and create such departments, committees, or other entities as the board deems necessary or desirable in the performance of any acts or other things necessary to the exercise of the powers provided in this part, and delegate to such departments, committees, or other entities such administrative duties and other powers as the board deems necessary or desirable.

(c) Provide financial services to support commercial

aerospace-related business development within the region. Financial services may include, but are not limited to, insuring, coinsuring, or originating for sale direct aerospace-related loans; direct lending; guaranteeing and collateralizing loans; creating accounts; capitalizing, underwriting, leasing, selling, or securing funding for aerospace-related infrastructure; investing in permissible securities; organizing financial institutions and international bank syndicates; and acquiring, accepting, or administering grants, contracts, and fees from other organizations to perform activities that are consistent with the purposes of the authority's business plan. If the board determines that a financial services entity is necessary, the board may create, form, or contract with one or more such entities.

(d) Execute intergovernmental agreements and development agreements consistent with prevailing statutory provisions, including, but not limited to, special benefits or tax increment financing initiatives.

(e) Establish reserve funds for future board operations.

(2) The board of directors shall:

(a) Adopt rules and orders to conduct the business of the authority, the maintenance of records, and the form of all documents and records of the authority. The board may adopt rules with respect to any of the projects of the authority with notice and a public hearing.

(b) Prepare an annual report of operations for the previous fiscal year and submit the report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by November 30. The report must 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 following year.

331.611 Exercise of powers within municipalities and other political subdivisions.—The authority may exercise any of its rights, powers, privileges, and authority in any and all portions of the regional spaceport lying within the boundaries of any municipal corporation or other political subdivision the boundaries of which lie wholly or partly within the geographical limits of the regional spaceport, to the same extent and in the same manner as in areas of the regional spaceport not incorporated as part of a municipality or other political subdivision. With respect to any municipal corporation or other political subdivision the boundaries of which lie partly within and partly without the geographical limits of the regional spaceport, the authority may exercise its rights, powers, privileges, and authority only within the portion of the municipal corporation or other political subdivision lying

within the boundaries of the regional spaceport.

331.612 Furnishing facilities and services within regional spaceport.—The authority may construct, develop, create, maintain, and operate its projects within the regional spaceport, including any portions of the regional spaceport located inside the boundaries of any incorporated municipality or other political subdivision, and offer, supply, and furnish the facilities and services provided for in this part to, and establish and collect fees, rentals, and other charges from, persons, public or private, within the geographical limits of the regional spaceport and for the use of the authority itself.

331.613 Power of authority; roads.—Within the geographical limits of the regional spaceport, the authority may acquire, through purchase or interagency agreement, or as otherwise provided by law, and construct, control, and maintain, roads deemed necessary by the authority and connections thereto and extensions thereof acquired, constructed, or maintained in accordance with established highway safety standards. However, if a road being addressed by the authority is owned by another agency or jurisdiction, the authority, before proceeding with the proposed project or work activity, must coordinate the desired work with the owning agency or jurisdiction or must successfully execute an interagency agreement with the owning agency or jurisdiction.

331.616 Revenues; procedure for adoption and modification;

minimum requirements.—

(1) To recover the costs of a spaceport facility or system, the authority may prescribe, fix, establish, and collect rates, fees, rentals, tolls, fares, or other charges, hereinafter referred to as "revenues," and revise such revenues from time to time, for the facilities and services furnished or to be furnished by the authority and the spaceport, including, but not limited to, launch pads, ranges, payload assembly and processing facilities, visitor and tourist facilities, transportation facilities, and parking and other related facilities. The authority may provide for reasonable penalties against any user or property for any such revenues that are delinquent.

(2) The board may enter into contracts for the use of the projects of the authority and for the services and facilities furnished or to be furnished by the authority, including, but not limited to, launch services, payload assembly and processing, and other commercial sector launch and aerospace-related services, for such consideration and on such other terms and conditions as the board approves. Such contracts, and revenues or service charges received or to be received by the authority thereunder, may be pledged as security for any of the bonds of the authority.

331.617 Recovery of delinquent charges.—If any of the rates, fees, rentals, tolls, fares, other charges, or delinquent

penalties are not paid when due and are in default for 30 days or more, the unpaid balance thereof and all interest accrued thereon, together with attorney fees and costs, may be recovered by the authority in a civil action.

331.618 Discontinuance of service.—If the rates, fees, rentals, tolls, fares, or other charges for the services and facilities of any project are not paid when due, the board may discontinue and shut off such services and facilities until such rates, fees, rentals, tolls, fares, or other charges, including interest, penalties, and charges for the shutting off, discontinuance, and restoration of such services and facilities, are fully paid. Such delinquent rates, fees, rentals, tolls, fares, or other charges, together with interest, penalties, and charges for the shutting off, discontinuance, and restoration of such services and facilities, and reasonable attorney fees and other expenses, may be recovered by the authority by suit in any court of competent jurisdiction. The authority may also enforce payment of such delinquent rates, fees, rentals, tolls, fares, or other charges by any other lawful method.

331.621 Federal and other funds and aid.—The Authority may accept, receive, and receipt for federal moneys, property, and other moneys or properties, either public or private, for the acquisition, planning, operation, construction, enlargement, improvement, maintenance, equipment, or development of programs, facilities, and sites for the authority. The authority must

comply with the laws of the United States and any rules and regulations adopted thereunder for the expenditure of federal moneys.

331.622 Agreements with municipalities within region.—The board of directors and the governing body or bodies of one or more municipalities located wholly or partly within the region may enter into and execute contracts and agreements relating to the common powers, duties, and functions of the board and other officers, agents, and employees of the authority, and the respective governing body or bodies of one or more such municipalities, and their respective officers, agents, and employees, for the purpose of effective cooperation between and coordination of the efforts of such municipality or municipalities and the authority in discharging their common functions, powers, and duties and in rendering services to the residents and property owners of such municipality or municipalities and the authority. The board and the governing body or bodies of one or more such municipalities may also enter into and execute contracts and agreements for the performance of any of their common powers, duties, and functions by a central agency or common agent of the contracting parties.

331.623 Cooperative agreements with the state, counties, and municipalities.—

(1) The state and the counties, municipalities, and other political subdivisions, public bodies, and agencies thereof may

aid and cooperate with the authority in carrying out any of the purposes and projects of the authority, enter into cooperative agreements with the authority, and provide in any such cooperative agreement for the making of loans, gifts, grants, or contributions to the authority and the granting and conveyance to the authority of real or personal property of any kind or nature, or any interest therein, for the carrying out of the purpose and projects of the authority; covenant in any such cooperative agreement to pay all or any part of the costs of acquisition, planning, development, construction, reconstruction, extension, improvement, operation, and maintenance of any projects of the authority; and pay all or any part of the principal and interest on any bonds of the authority.

(2) The state and the counties, municipalities, and other political subdivisions, public bodies, and agencies thereof and the authority may enter into cooperative agreements to provide for the furnishing by the authority to the state or any county, municipality, or other political subdivision, public body, or agency thereof of any of the facilities and services of the authority, or by the state or any county, municipality, or other political subdivision, public body, or agency thereof to the authority and to persons within the spaceport territory of facilities and services of the type that the authority is authorized to furnish or undertake, or such other facilities and

services determined necessary or desirable by the board for the carrying out of the purposes of this part. Without limitation of the foregoing, such cooperative agreements may provide for the furnishing by any county, municipality, or other political subdivision of fire and police protection for the authority and persons and property within the authority and for the provision to the authority of any services deemed necessary or desirable by the board for the proper functioning of the authority.

(3) Without limitation of the foregoing, the board may undertake and finance any of the projects of the authority, in whole or in part, jointly with any municipality or municipalities or in any other manner combine the projects of the authority with the projects of such municipality or municipalities.

(4) Any agreement of the type authorized by this section may be made and entered into under this part for up to 99 years.

331.624 Contracts, grants, and contributions.—The authority may make and enter into all contracts and agreements necessary or incidental to the performance of the functions of the authority and the execution of its powers; may contract with, and accept and receive grants or loans of money, material, or property from, any person, private or public, as the board determines is necessary or desirable to carry out the purposes of this part; and, in connection with any such contract, grant, or loan, may stipulate and agree to such covenants, terms, and

conditions as the board deems appropriate.

331.625 Environmental permits.—The authority shall obtain required environmental permits in accordance with federal and state law and shall comply with chapter 380.

331.628 Sovereign immunity.—As an independent special district, the authority has sovereign immunity in the same manner as the state under the laws and Constitution of the State of Florida. The state, by this section, waives the sovereign immunity granted to the same extent as waived by the state under state law.

331.630 Enforcement and penalties.—The board or any aggrieved person may have recourse to such remedies in law and equity as may be necessary to ensure compliance with this part, including injunctive relief to enjoin or restrain any person violating this part and any bylaws, resolutions, regulations, rules, codes, or orders adopted under this part, and the court shall, upon proof of such violation, issue such temporary and permanent injunctions as are necessary to prevent further violation thereof. If any building or structure is erected, constructed, reconstructed, altered, repaired, converted, or maintained, or any building, structure, land, or water is used, in violation of this part or of any code, order, resolution, or other regulation made under authority conferred by this part or under law, the board may institute any appropriate action or proceeding to prevent such unlawful erection, construction,

reconstruction, alteration, repair, conversion, maintenance, or use; to restrain, correct, or avoid such violation; to prevent the occupancy of such building, structure, land, or water; and to prevent any illegal act, conduct, business, or use in or about such premises, land, or water.

331.631 Revenue bonds.—

(1) Revenue bonds issued by the authority shall not be deemed revenue bonds issued by the state or its agencies for purposes of s. 11, Art. VII of the State Constitution and ss. 215.57-215.83. The authority shall include in its annual report to the Governor and Legislature, as provided in s. 331.610, a summary of the status of existing and proposed bonding projects.

(2) The issuance of revenue bonds may be secured by or payable from the gross or net pledge of the revenues to be derived from any project or combination of projects; from the rates, fees, rentals, tolls, fares, assessments, or other charges to be collected from the users of any project or projects; from any revenue-producing undertaking or activity of the authority; or from any source of pledged security other than state appropriations. Such bonds are not secured by the full faith and credit of the authority. Bonds issued by the authority are not secured by the full faith and credit of the authority and do not constitute an obligation, general or special, thereof.

(3) Any two or more projects may be combined and

consolidated into a single project and may thereafter be operated and maintained as a single project. The revenue bonds authorized herein may be issued to finance any one or more such projects separately, or to finance two or more such projects, regardless of whether such projects have been combined and consolidated into a single project. If the board deems it advisable, the proceedings authorizing such revenue bonds may provide that the authority may thereafter combine the projects then being financed or theretofore financed with other projects to be subsequently financed by the authority on a parity with the revenue bonds then being issued, all on such terms, conditions, and limitations as shall be provided, and may further provide that the revenues to be derived from the subsequent projects shall at the time of the issuance of such parity revenue bonds be also pledged to the holders of any revenue bonds theretofore issued to finance the revenue undertakings that are later combined with such subsequent projects. The authority may pledge for the security of the revenue bonds a fixed amount without regard to any fixed proportion of the gross revenues of any project.

331.632 Issuance of additional bonds.—If the proceeds of any bonds are less than the cost of completing the project in connection with which such bonds are issued, the board may authorize the issuance of additional bonds, upon such terms and conditions as the board may provide in the resolution

authorizing such issuance, but only in compliance with the resolution or other proceedings authorizing the issuance of the original bonds.

331.633 Refunding bonds.—The authority, through its board, may issue bonds to provide for the retirement or refunding of any bonds or obligations of the authority that at the time of such issuance are, or subsequently thereto become, due and payable, or that at the time of issuance have been called, or are or will be subject to call, for redemption within 10 years thereafter, or the surrender of which can be procured from the holders thereof at prices satisfactory to the board. Refunding bonds may be issued at any time when, in the judgment of the board, such issuance will be advantageous to the authority. The provisions of this part pertaining to bonds of the authority shall, unless the context otherwise requires, govern the issuance of refunding bonds, the form and other details thereof, the rights of the holders thereof, and the duties of the board with respect thereto.

331.635 Lien of pledges.—All pledges of revenues made pursuant to this part shall be valid and binding from the time such pledges are made. All such revenues so pledged and thereafter collected shall immediately be subject to the lien of such pledges without any physical delivery thereof or further action, and the lien of such pledges shall be valid and binding as against all parties having claims of any kind in tort,

contract, or otherwise against the authority, regardless of whether such parties have notice thereof.

331.638 Trust agreements.—In the discretion of the board, any issue of bonds may be secured by a trust agreement by and between the authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or outside the state. The resolution authorizing the issuance of the bonds or such trust agreement may pledge the revenues to be received from any projects of the authority and any other authorized moneys to be used for the repayment of bonds and may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as the board may approve, including, without limitation, covenants setting forth the duties of the authority in relation to the acquisition, planning, development, construction, reconstruction, improvement, maintenance, repair, operation, and insurance of any projects, the fixing and revision of the rates, fees, rentals, tolls, fares, and charges, and the custody, safeguarding, and application of all moneys, and for the employment of consulting engineers in connection with such acquisition, planning, development, construction, reconstruction, improvement, maintenance, repair, or operation. It shall be lawful for any bank or trust company incorporated under the laws of the state or the United States which may act as a depository of the proceeds of bonds or of revenues to

furnish such indemnifying bonds or to pledge such securities as required by the authority. Such resolution or trust agreement may set forth the rights and remedies of the bondholders and of the trustee, if any, and may restrict the individual right of action by bondholders. The board may provide for the payment of the proceeds of the sale of the bonds and the revenues of any project to such officer, board, or depository as it may designate for the custody thereof, and for the method of disbursement thereof, with such safeguards and restrictions as it may determine. All expenses incurred in carrying out such resolution or trust agreement may be treated as part of the cost of the project to which such trust agreement pertains.

331.639 Sale of bonds.—Bonds may be sold in blocks or installments at different times, or an entire issue or series may be sold at one time. Bonds may only be sold at public sale after being advertised and publicly noticed, unless the authority has previously complied with s. 218.385. Bonds may be sold or exchanged for refunding bonds. Special assessment and revenue bonds may be delivered as payment by the authority of the purchase price or lease of any project or part thereof, or a combination of projects or parts thereof, or as the purchase price of, or exchange for, any property, real, personal, or mixed, including franchises, or services rendered by any contractor, engineer, or other person, all at one time or in blocks from time to time, in such manner and upon such terms as

the board in its discretion determines. The price or prices for any bonds sold, exchanged, or delivered may be:

(1) The money paid for the bonds.

(2) The principal amount, plus accrued interest to date of redemption or exchange, of outstanding obligations exchanged for refunding bonds.

(3) In the case of special assessment or revenue bonds, the amount of any indebtedness to contractors or other persons paid with such bonds, or the fair value of any properties exchanged for the bonds, as determined by the board.

331.640 Authorization and form of bonds.—Bonds may be authorized by resolution or resolutions of the board which are adopted by a majority of all of the members thereof then in office and present at the meeting at which the resolution or resolutions are adopted and shall be approved as provided in s. 331.605. The resolution or resolutions of the board may be adopted at the same meeting at which they are introduced and shall be published and noticed. The board may by resolution authorize the issuance of bonds and determine the aggregate amount of bonds to be issued, the purpose or purposes for which the moneys derived therefrom shall be expended, the rate or rates of interest, the denomination of the bonds, whether the bonds are to be issued in one or more series, the date or dates thereof, the date or dates of maturity, which shall not exceed 30 years from their respective dates of issuance, the medium of

payment, the place or places within or without the state where payment shall be made, registration privileges, redemption terms and privileges, whether with or without premium, the manner of execution, the form of the bonds including any interest coupons to be attached thereto, the manner of execution of bonds and coupons, and any and all other terms, covenants, and conditions thereof, and the establishment of reserve or other funds. Such authorizing resolution may further provide that such bonds may be executed manually or by engraved, lithographed, or facsimile signature, provided that where signatures are engraved, lithographed, or facsimile, a bond is not valid unless countersigned by a registrar or other officer designated by appropriate resolution of the board. The seal of the authority may be affixed, lithographed, engraved, or otherwise reproduced in facsimile on such bonds. If any officer whose signature or a facsimile of whose signature appears on any bonds or coupons ceases to be such officer before the delivery of such bonds, such signature or facsimile is nevertheless valid and sufficient for all purposes as if the officer had remained in office until such delivery.

331.641 Interim certificates; replacement certificates.—Pending the preparation of definitive bonds, the board may issue interim certificates or receipts or temporary bonds, in such form and with such provisions as the board determines, exchangeable for definitive bonds when such bonds have been

executed and are available for delivery. The board may also provide for the replacement of any bonds that are mutilated, lost, or destroyed.

331.642 Negotiability of bonds.—Any bond issued under this part and any interim certificate, receipt, or temporary bond shall, in the absence of an express recital on the face thereof that it is nonnegotiable, be fully negotiable and shall be and constitute negotiable instruments within the meaning and for all purposes of the law merchant and the laws of the State of Florida.

331.643 Defeasance.—The board may make such provision with respect to the defeasance of the right, title, and interest of the holders of any of the bonds and obligations of the authority in any revenues, funds, or other properties by which such bonds are secured as the board deems appropriate and, without limitation on the foregoing, may provide that when such bonds or obligations become due and payable or have been called for redemption, and the whole amount of the principal and the interest and premium, if any, due and payable upon the bonds or obligations when outstanding are paid, or sufficient moneys or direct obligations of the United States Government the principal of and the interest on which, when due, will provide sufficient moneys, are held or deposited in trust for such purpose, and provision shall also be made for paying all other sums payable in connection with such bonds or other obligations, then the

right, title, and interest of the holders of the bonds in any revenues, funds, or other properties by which such bonds are secured shall thereupon cease, terminate, and become void. The board may apply any surplus in any sinking fund established in connection with such bonds or obligations and all balances remaining in all other funds or accounts other than money held for the redemption or payment of the bonds or other obligations to any lawful purpose of the authority as the board determines.

331.644 Bonds as legal investment or security.—Notwithstanding any other provision of law to the contrary, all bonds issued under this part shall constitute legal investments for savings banks, banks, trust companies, insurance companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency, instrumentality, county, municipality, or other political subdivision of the state, and shall constitute securities that may be deposited by banks or trust companies as security for deposits of state, county, municipal, or other public funds or by insurance companies as required or voluntary statutory deposits.

331.645 Covenants.—Any resolution authorizing the issuance of bonds may contain such covenants as the board deems advisable, and all such covenants shall constitute valid, legally binding, and enforceable contracts between the authority and the bondholders, regardless of the time of issuance thereof. Such covenants may include, without limitation, covenants

concerning the disposition of the bond proceeds, the use and disposition of project revenues, the pledging of revenues and assessments, the obligations of the authority with respect to the operation of the project and the maintenance of adequate project revenues, the issuance of additional bonds, the appointment, powers, and duties of trustees and receivers, the acquisition of outstanding bonds and obligations, restrictions on the establishment of competing projects or facilities, restrictions on the sale or disposal of the assets and property of the authority, the priority of assessment liens, the priority of claims by bondholders on the taxing power of the authority, the maintenance of deposits to ensure the payment of revenues by users of spaceport facilities and services, the discontinuance of authority services by reason of delinquent payments, acceleration upon default, the execution of necessary instruments, the procedure for amending or abrogating covenants with the bondholders, and such other covenants as may be deemed necessary or desirable for the security of the bondholders.

331.646 Validity of bonds; validation proceedings.—Any bonds issued by the authority shall be incontestable in the hands of bona fide purchasers or holders for value and shall not be invalid because of any irregularity or defect in the proceedings for the issue and sale thereof. Before the issuance of any bonds, the authority shall publish a notice at least once in a newspaper or newspapers published or of general circulation

in the appropriate county or counties in the state, stating the date of adoption of the resolution authorizing such obligations, the amount, maximum rate of interest, and maturity of such obligations, and the purpose in general terms for which such obligations are to be issued, and further stating that any action or proceeding questioning the validity of such obligations or of the proceedings authorizing the issuance thereof, or of any covenants made therein, must be instituted within 20 days after the first publication of such notice, or the validity of such obligations, proceedings, and covenants shall not be thereafter questioned in any court. If no such action or proceeding is instituted within such 20-day period, the validity of such obligations, proceedings, and covenants shall be conclusive, and all persons or parties shall be forever barred from questioning the validity of such obligations, proceedings, or covenants in any court. Alternatively, the authority may validate its bonds pursuant to chapter 75.

331.647 Part furnishes full authority for issuance of bonds.—This part constitutes full and complete authority for the issuance of bonds and the exercise of the powers of the authority provided in this part. Any and all bonds issued by the authority shall not be secured by the full faith and credit of the state and do not constitute an obligation, general or special, of the state.

331.648 Investment of funds.—The board may in its

discretion invest funds of the authority through the Chief Financial Officer or in:

(1) Direct obligations of or obligations guaranteed by the United States or for the payment of the principal and interest of which the faith and credit of the United States is pledged.

(2) Bonds or notes issued by any of the following federal agencies:

(a) Bank for Cooperatives.

(b) Federal intermediate credit banks.

(c) Federal home loan bank system.

(d) Federal land banks.

(e) Federal National Mortgage Association, including debentures or participating certificates issued by such association.

(3) Public housing bonds issued by public housing authorities and secured by a pledge or annual contributions under an annual contribution contract or contracts with the United States.

(4) Bonds or other interest-bearing obligations of any county, district, city, or town located in the state for which the full faith and credit of such political subdivision is pledged.

(5) Any investment authorized for insurers by ss. 625.306-625.316 and any amendments thereto.

(6) Any investment authorized under s. 17.57 and any

amendments thereto.

331.649 Fiscal year of authority.—The board may establish and from time to time redetermine the fiscal year of the authority. Unless the board otherwise provides, the authority's fiscal year shall be July 1 through June 30.

331.650 Insurance coverage of authority; safety program.—

(1) Notwithstanding any other provision of law, the State Risk Management Trust Fund established under s. 284.30 may not insure buildings and property owned or leased by the authority.

(2) Notwithstanding any other provision of law, the State Risk Management Trust Fund established under s. 284.30 may not insure against any liability of the authority.

(3) The authority shall establish a safety program. The safety program shall include:

(a) Development and implementation of a loss prevention program which shall consist of a comprehensive safety program for the authority, including a statement, established by the board, of safety policy and responsibility.

(b) Provision for regular and periodic facility and equipment inspections.

(c) Investigation of job-related employee accidents and other accidents occurring on the premises of the authority or within areas of its jurisdiction.

(d) Establishment of a program to promote increased safety awareness among employees, agents, and subcontractors of the

authority.

(4)(a) The authority shall, if available, secure insurance coverage within reasonable limits for liability that may arise as a consequence of its responsibilities.

(b) The authority shall, if available and cost-effective, secure reasonable levels of insurance coverage on its buildings, facilities, and property.

(c) The authority, with respect to the purchase of insurance, shall be subject to the applicable provisions of chapter 287 and other applicable law.

331.651 Participation by women, minorities, and socially and economically disadvantaged business enterprises encouraged.—It is the intent of the Legislature and the public policy of this state that women, minorities, and socially and economically disadvantaged business enterprises be encouraged to participate fully in all phases of economic and community development. Accordingly, to achieve such purpose, the authority shall, in accordance with applicable state and federal law, involve and utilize women, minorities, and socially and economically disadvantaged business enterprises in all phases of the design, development, construction, maintenance, and operation of spaceports developed under this part.

331.654 Tax exemption.—The exercise of the powers granted by this part in all respects shall be for the benefit of the people of the state, for the increase of their industry and

prosperity, for the improvement of their health and living conditions, and for the provision of gainful employment and shall constitute the performance of essential public functions. The authority is not required to pay any taxes on any project or any other property owned by the authority under this part or on the income therefrom. The bonds issued under this part or on the income therefrom, including any profit made on the sale thereof, and all notes, mortgages, security agreements, letters of credit, or other instruments that arise out of or are given to secure the repayment of bonds issued in connection with a project financed under this part shall at all times be free from taxation by the state or any local unit, political subdivision, or other instrumentality of the state. However, this section does not exempt from taxation or assessments the leasehold interest of a lessee in any project or any other property or interest owned by the lessee. The exemption granted by this section is not applicable to any tax imposed by chapter 220 on interest, income, or profits on debt obligations owned by corporations.

331.655 Use of name; ownership rights to intellectual property.—

(1)(a) The corporate name of a corporation incorporated or authorized to transact business in this state, or the name of any person or business entity transacting business in this state, may not use the words "Northeast Florida Regional

Spaceport Authority" in its name unless the board gives written approval for such use.

(b) The Department of State may dissolve, pursuant to s. 607.1420, any corporation that violates paragraph (a).

(2) Notwithstanding any provision of chapter 286, the legal title and every right, interest, claim, or demand of any kind in and to any patent, trademark, copyright, certification mark, or other right acquired under the patent and trademark laws of the United States or this state or any foreign country, or the application for the same, as is owned or held, acquired, or developed by the authority, under the authority and directions given it by this part, is vested in the authority for the use, benefit, and purposes provided in this part. The authority is vested with and may exercise any and all of the normal incidents of such ownership, including the receipt and disposition of royalties. Any sums received as royalties from any such rights are appropriated to the authority for any and all of the purposes and uses provided in this part.

331.660 Joint participation agreement or assistance; spaceport master plan.—

(1) Notwithstanding any other provision of law, the Department of Transportation may enter into a joint participation agreement with, or otherwise assist, the authority as necessary to effectuate this part and may allocate funds for such purposes in its 5-year work program. However, the

department may not fund the administrative or operational costs of the authority.

(2) The authority shall develop a spaceport master plan for expansion and modernization of space transportation facilities within the region. The plan shall contain recommended projects to meet current and future commercial, national, and state space transportation requirements. The authority shall submit the plan to any appropriate metropolitan planning organization for review of intermodal impacts. The authority shall submit the plan to the Department of Transportation, and such plan may be included within the department's 5-year work program of qualifying commercial sector launch and spaceport discretionary capacity improvement under subsection (3). The plan shall identify appropriate funding levels and include recommendations on appropriate sources of revenue that may be developed to contribute to the State Transportation Trust Fund.

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

331.661 Construction.—This part supersedes any general or special act that is inconsistent with this part to the extent of such inconsistency.

Section 2. This act shall take effect July 1, 2022.

HB 1435

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1435 Code and Traffic Enforcement
SPONSOR(S): Leek
TIED BILLS: **IDEN./SIM. BILLS:** SB 1954

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Criminal Justice & Public Safety Subcommittee	16 Y, 1 N	Padgett	Hall
2) Tourism, Infrastructure & Energy Subcommittee		Neuffer	Keating
3) Judiciary Committee			

SUMMARY ANALYSIS

The ease of communicating over social media allows virtually anyone to organize spontaneous "pop-up" events that can attract large crowds, overwhelm local resources, and endanger the safety of the general public. During the summer of 2021, several pop-up events brought huge crowds to Daytona Beach, leading to packed roads, fights, unruly behavior, property damage, excessive noise, and complaints from tourists and residents. Although such behavior is prohibited under current law, law enforcement agencies and local government officials indicate that existing statutes are not a strong enough deterrent to curb such lawless behavior when an area is flooded with crowds, often with little or no notice to the local government.

The bill creates s. 316.1891, F.S., to assist local governments in responding to such pop-up events. The bill authorizes the sheriff or chief administrative officer of a county or municipality to designate an area as a special event zone in response to a special event, defined as an unpermitted activity or event organized or promoted via a social media platform which is attended by 50 or more persons and substantially increases or disrupts the normal flow of traffic on a roadway, street, or highway. The bill:

- Doubles the statutory fine for any noncriminal traffic infraction that occurs within a special event zone;
- Allows a law enforcement officer to impound a vehicle for up to 72 hours for any criminal traffic violation or noncriminal traffic infraction that occurs in a special event zone;
- Authorizes a law enforcement officer to enforce occupancy limits in a special event zone; and
- Provides for the recovery of costs associated with designating and enforcing a special event zone from the organizer or promoter of the special event.

The bill also amends s. 316.3045, F.S., which prohibits excessive noise emanating from a motor vehicle, by removing the portion of statute which the Supreme Court of Florida deemed invalid in 2012. Additionally, the bill updates the types of soundmaking devices that are subject to such noise limitations and authorizes a local authority to impose more stringent regulations than those currently provided in statute.

The bill may have an indeterminate positive fiscal impact on state and local governments from the increased fines for noncriminal traffic infractions that occur in a special event zone. The bill may have an indeterminate positive fiscal impact on local governments by authorizing a local government to recover the costs of designating and enforcing a special event zone from the promoter or organizer of a special event.

The bill provides an effective date of July 1, 2022.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Special Event Zones

The ease of communicating over social media allows virtually anyone to organize spontaneous "pop-up" events that can attract large crowds, overwhelm local resources, and endanger the safety of the general public. During the 2021 Memorial Day weekend, an unpermitted pop-up event that was promoted on social media brought huge crowds to Daytona Beach.[1] The influx of people and resulting traffic congestion required law enforcement officers to close roads and bridges and limit beach access.[2] A month later, in June 2021, another unpermitted pop-up event brought approximately 35,000 people to Daytona Beach; leading to packed roads, fights, unruly behavior, property damage, excessive noise, and complaints from tourists and residents.[3] Although such behavior is prohibited under current law, law enforcement agencies and local government officials indicate that existing statutes are not a strong enough deterrent to curb such lawless behavior when an area is flooded with crowds, often with little or no notice to the local government.

Excessive Noise

Section 316.3045, F.S., provides that it is a noncriminal traffic infraction[4] for any person operating or occupying a motor vehicle on a street or highway to operate or amplify the sound produced by a radio, tape player, or other mechanical soundmaking device or instrument from within the motor vehicle so that the sound is:

- Plainly audible at a distance of 25 feet or more from the motor vehicle; or
- Louder than necessary for the convenient hearing by persons inside the vehicle in areas adjoining churches, schools, or hospitals.

The provisions of s. 316.3045, F.S., do not apply to any law enforcement or emergency vehicles equipped with any communication device necessary for the performance of their duties, or to motor vehicles used for business or political purposes, which in the normal course of conducting such business use soundmaking devices.

In 2012, the Florida Supreme Court struck down s. 316.3045, F.S., holding that the statute was unconstitutionally overbroad because the exemption for vehicles used for business or political purposes created an impermissible content-based restriction on speech that was not narrowly tailored and protected commercial speech to a greater degree than noncommercial speech.[5] The Court held the unconstitutional portion of the statute exempting vehicles used for business or political purposes could not be severed from the remainder of the statute without expanding the scope of the statute beyond what the Legislature intended.[6] Thus, the Court invalidated the statute in its entirety.[7]

Effect of Proposed Changes

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[1] Hadas Brown, *Crowds, concerning pictures prompt bridge traffic closures in Daytona Beach*, WESH (May 30, 2021), https://www.wesh.com/article/crowds-concerning-pictures-prompt-bridge-traffic-closures-in-daytona-beach/36576831# (last visited Jan. 25, 2022).
[2] *Id.*
[3] Mike Springer and Sarah Wilson, *Complaints call for Daytona Truck Meet not to return next year*, WFTV (June 14, 2021), https://www.wftv.com/news/local/volusia-county/complaints-call-daytona-truck-meet-not-return-next-year/E2F5MBY6WVGDJF4NBI6QEYH45A/ (last visited Jan. 25, 2022).
[4] A noncriminal traffic infraction in s. 316.3045, F.S., is punishable as a nonmoving violation under ch. 318, F.S. A nonmoving violation is punishable by a fine of $30. S. 318.18(2), F.S.
[5] *State v. Catalano, et al.*, 104 So. 3d 1069 (Fla. 2012).
[6] *Id.* at 1081.
[7] *Id.*

Special Event Zones

The bill creates s. 316.1891, F.S., which authorizes the sheriff or chief administrative officer of a county or municipality to designate an area as a special event zone in response to a special event that takes place or is reasonably anticipated to take place on a roadway, street, or highway over which the sheriff or chief administrative officer has jurisdiction. If a special event takes place or is reasonably anticipated to take place in multiple jurisdictions, the sheriff or chief administrative officer of each jurisdiction may coordinate to designate a special event zone covering multiple jurisdictions.

The bill defines a "special event" as an unpermitted temporary activity or event organized or promoted via a social media platform[8] which is attended by 50 or more persons and substantially increases or disrupts the normal flow of traffic along a roadway, street, or highway.

The bill defines a "special event zone" as a contiguous area on or along a roadway, street, or highway which is designated by warning signs, and includes a parking structure, a parking lot, or any other property, whether public or private, immediately adjacent to or along the designated area.

The bill requires a sheriff or chief administrative officer to enforce a special event zone in a manner that causes the least inconvenience to the public and that is consistent with preserving the public health, safety, and welfare. The bill provides a special event zone must:

- Be designated by the posting of a clearly legible warning sign at each point of ingress or egress stating, "Special Event Zone–All Fines Doubled."
- Remain in effect as long as is reasonably necessary to ensure the public health, safety, and welfare but may not remain in effect after the special event has dissipated.

The bill provides for enhanced penalties for criminal traffic violations[9] and noncriminal traffic infractions[10] that occur within the boundaries of a special event zone. A law enforcement officer may impound the vehicle of any person who commits a criminal traffic violation or noncriminal traffic infraction in a special event zone for up to 72 hours. Unless the criminal charge or noncriminal infraction is dismissed, all costs and fees associated with such impoundment must be paid by the owner of a vehicle or, if a vehicle is leased or rented, by the person leasing or renting the vehicle. In addition, a person who commits a noncriminal traffic infraction in a special event zone is required to pay a fine double the amount provided in statute.

The bill provides that a sheriff or chief administrative officer of a county or municipality with the authority to temporarily authorize a law enforcement officer to enforce occupancy limits on public or private property within a special event zone.[11]

The bill provides the sheriff or chief administrative officer of a county or municipality that declares a special event zone may recover from a promoter or organizer of a special event all relevant costs or fees associated with designating and enforcing a special event zone. Such costs and fees include, but are not limited to, those incurred for providing supplemental law enforcement personnel, firefighters, emergency medical technicians or paramedics, and sanitation services. Under the bill, a "promoter or organizer" means a person or entity who arranges, organizes, or sponsors a special event.

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[8] A "social media platform" means any information service, system, Internet search engine, or access software provider that:

- Provides or enables computer access by multiple users to a computer server, including an Internet platform or a social media site;
- Operates as a sole proprietorship, partnership, limited liability company, corporation, association, or other legal entity;
- Does business in the state; and
- Satisfies at least one of the following thresholds:
  - Has annual gross revenues in excess of $100 million, as adjusted in January of each odd-numbered year to reflect any increase in the Consumer Price Index.
  - Has at least 100 million monthly individual platform participants globally.

The term does not include any information service, system, Internet search engine, or access software provider operated by a company that owns and operates a theme park or entertainment complex as defined in s. 509.013, F.S. S. 501.2041(1)(g), F.S.

[9] Examples of criminal traffic violations include reckless driving, racing, and driving under the influence.

[10] Examples of noncriminal traffic infractions include speeding, careless driving, and failure to stop at a traffic signal.

[11] Under current law, occupancy limits are prescribed by the State Fire Marshal and enforced by local fire service providers or, if a local government has no organized fire service provider, an official designated by a local government. S. 633.118, F.S.

Excessive Noise

The bill amends s. 316.3045, F.S., to make the excessive noise statute constitutional and update the language to improve enforcement. Specifically, the bill:

- Expands the types of soundmaking devices in a motor vehicle from which excessive noise is prohibited by including a compact disc player, portable music or video player, cellular telephone, tablet computer, laptop computer, stereo, television, musical instrument, or electronic soundmaking device.
- Provides a person violates the excessive noise prohibition by amplifying a sound that is louder than necessary for convenient hearing by a person inside a vehicle in an area adjoining private residences.
- Removes the noise exemption for vehicles used for business or political purposes, which cures the constitutional issue cited by the Florida Supreme Court.
- Provides that a local authority may impose more stringent regulations on sound produced by a radio or other mechanical or electronic soundmaking device that emanates from a motor vehicle.

The bill provides an effective date of July 1, 2022.

B. SECTION DIRECTORY:

Section 1: Creates s. 316.1891, F.S., relating to designation of special event zones; definitions; enhanced penalties; vehicle impoundment.

Section 2: Amends s. 316.3045, F.S., relating to operation of radios or other mechanical soundmaking devices or instruments in vehicles; exemptions.

Section 3: Provides an effective date of July 1, 2022.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   See Fiscal Comments.

2. Expenditures:

   None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   See Fiscal Comments.

2. Expenditures:

   None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The bill may have an indeterminate positive fiscal impact on state and local governments from the increased fines for noncriminal traffic infractions that occur in a special event zone. The bill may have an indeterminate positive fiscal impact on local governments by authorizing a local government to

recover the costs of designating and enforcing a special event zone from the promoter or organizer of a special event.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. The bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditures of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill does not require or authorize rulemaking. The Department of Highway Safety and Motor Vehicles has sufficient rulemaking authority to implement the provisions of the bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

Not applicable.

A bill to be entitled

An act relating to code and traffic enforcement; creating s. 316.1891, F.S.; providing definitions; authorizing a sheriff or chief administrative officer of a county or municipality to designate a special event zone under certain circumstances on a roadway, street, or highway; providing requirements for a special event zone; providing enhanced penalties for a person who commits a noncriminal traffic infraction in a special event zone; authorizing a law enforcement officer to impound the motor vehicle of a person who commits a noncriminal traffic infraction or a criminal traffic violation in a special event zone; providing for the payment of costs and fees related thereto; providing applicability; authorizing a sheriff or chief administrative officer to grant certain temporary authority to a law enforcement officer in a special event zone; providing for recovery of costs and fees associated with designating and enforcing a special event zone; amending s. 316.3045, F.S.; revising the types of soundmaking devices or instruments subject to the prohibition against operating or amplifying sound from within a motor vehicle; applying such prohibition to sound emanating from a motor vehicle; prohibiting such operation or

amplification in areas adjoining private residences; revising exemptions; providing construction; providing a penalty; providing an effective date.

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

Section 1. Section 316.1891, Florida Statutes, is created to read:

316.1891 Designation of special event zones; definitions; enhanced penalties; vehicle impoundment.—

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

(a) "Promoter or organizer" means a person or entity who arranges, organizes, or sponsors a special event.

(b) "Special event" means an unpermitted temporary activity or event organized or promoted via a social media platform, as defined in s. 501.2041(1), which is attended by 50 or more persons and substantially increases or disrupts the normal flow of traffic on a roadway, street, or highway.

(c) "Special event zone" means a contiguous area on or along a roadway, street, or highway which is designated by warning signs. The term includes a parking structure, a parking lot, or any other property, whether public or private, immediately adjacent to or along the designated area.

(2) In accordance with s. 316.008, the sheriff or chief administrative officer of a county or municipality may designate

a special event zone in response to a special event that takes place or is reasonably anticipated to take place on a roadway, street, or highway over which the sheriff or chief administrative officer has jurisdiction. If a special event takes place or is reasonably anticipated to take place in multiple jurisdictions, the sheriff or chief administrative officer of each jurisdiction may coordinate to designate a special event zone covering multiple jurisdictions.

(3) The sheriff or chief administrative officer must enforce a special event zone in a manner that causes the least inconvenience to the public and that is consistent with preserving the public health, safety, and welfare. A special event zone must:

(a) Be designated by the posting of a clearly legible warning sign at each point of ingress or egress stating, "Special Event Zone—All Fines Doubled."

(b) Remain in effect as long as is reasonably necessary to ensure the public health, safety, and welfare but may not remain in effect after the special event has dissipated.

(4) Notwithstanding any other provision of law, a person who commits a noncriminal traffic infraction in a special event zone must pay a fine double the amount provided in chapter 318.

(5)(a) In addition to any other penalty authorized by this section, a law enforcement officer may impound the motor vehicle of a person who commits a noncriminal traffic infraction or a

criminal traffic violation in a special event zone. The term of impoundment authorized under this subsection may not exceed 72 hours.

(b) All costs and fees for the motor vehicle impoundment must be paid by the owner of the vehicle or, if the vehicle is leased or rented, by the person leasing or renting the vehicle, unless the noncriminal traffic infraction or the criminal charge is dismissed.

(c) Section 713.78 applies to a vehicle impounded under this subsection.

(6) Notwithstanding s. 633.118, the sheriff or chief administrative officer of a county or municipality may temporarily authorize a law enforcement officer to enforce occupancy limits on private or public property in a special event zone. Temporary authority granted under this subsection is supplemental to the authority granted in s. 633.118.

(7) The sheriff or chief administrative officer of a county or municipality who designates a special event zone may recover from a promoter or organizer of a special event all relevant costs and fees associated with designating and enforcing the special event zone, including, but not limited to, costs and fees for the provision of supplemental law enforcement, firefighter, emergency medical technician or paramedic, and sanitation services.

Section 2. Section 316.3045, Florida Statutes, is amended

to read:

316.3045 Operation of radios or other mechanical or electronic soundmaking devices or instruments in vehicles; exemptions.—

(1) A ~~It is unlawful for any~~ person operating or occupying a motor vehicle on a street or highway may not ~~to~~ operate or amplify the sound produced by a radio, tape player, compact disc player, portable music or video player, cellular telephone, tablet computer, laptop computer, stereo, television, musical instrument, or other mechanical or electronic soundmaking device or instrument, which sound emanates from ~~within~~ the motor vehicle, so that the sound is:

(a) Plainly audible at a distance of 25 feet or more from the motor vehicle; or

(b) Louder than necessary for the convenient hearing by persons inside the vehicle in areas adjoining private residences, churches, schools, or hospitals.

(2) ~~The provisions of~~ This section does ~~shall~~ not apply to a ~~any~~ law enforcement ~~motor~~ vehicle equipped with a ~~any~~ communication device necessary in the performance of law enforcement duties or to an ~~any~~ emergency vehicle equipped with a ~~any~~ communication device necessary in the performance of ~~any~~ emergency procedures.

~~(3) The provisions of this section do not apply to motor vehicles used for business or political purposes, which in the~~

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

~~normal course of conducting such business use soundmaking devices. The provisions of this subsection shall not be deemed to prevent local authorities, with respect to streets and highways under their jurisdiction and within the reasonable exercise of the police power, from regulating the time and manner in which such business may be operated.~~

(3)~~(4) The provisions of~~ This section does ~~do~~ not apply to the noise made by a horn or other warning device required or permitted by s. 316.271. The Department of Highway Safety and Motor Vehicles shall adopt ~~promulgate~~ rules defining "plainly audible" and establish standards regarding how sound should be measured by law enforcement personnel who enforce ~~the provisions of~~ this section.

(4) This section does not prohibit a local authority from lawfully imposing more stringent regulations on sound produced by a radio or other mechanical or electronic soundmaking device or instrument as described in subsection (1), which sound emanates from a motor vehicle.

(5) A violation of this section is a noncriminal traffic infraction, punishable as a nonmoving violation as provided in chapter 318.

Section 3. This act shall take effect July 1, 2022.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

PCS for HB 673

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCS for HB 673 Tourist Development Taxes
SPONSOR(S): Tourism, Infrastructure & Energy Subcommittee
TIED BILLS: **IDEN./SIM. BILLS:** SB 1542

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Tourism, Infrastructure & Energy Subcommittee		Walsh	Keating

SUMMARY ANALYSIS

The Local Option Tourist Development Act authorizes counties to levy five separate taxes on transient rental transactions (tourist development taxes or TDTs), including:

- The original TDT, which may be levied at the rate of 1 or 2 percent.
- An additional 1 percent tax, which may be levied by counties who have previously levied the original TDT at the 1 or 2 percent rate for at least three years.
- A high tourism impact tax, which may be levied at an additional 1 percent.
- A professional sports franchise facility tax, which may be levied up to an additional 1 percent.
- An additional professional sports franchise facility tax no greater than 1 percent, which may be imposed by a county that has already levied the professional sports franchise facility tax

Counties must meet certain criteria and follow specific procedures in order to levy each of the different TDTs. Current law authorizes counties to levy TDTs as a mechanism for funding a variety of tourist-related uses, including tourism promotion and the financing and construction of public facilities needed to increase tourist-related business activities in the county, beach restoration and maintenance projects, and convention centers and professional sports franchise facilities. Certain qualifying counties may use up to ten percent of TDT revenues to reimburse their expenses to provide public safety services.

Fiscally constrained counties are counties entirely within a rural area of opportunity or where a 1 mill levy would raise no more than $5 million in annual tax revenue.

The bill allows a county that is located adjacent to the Gulf of Mexico or Atlantic Ocean and is designated as a fiscally constrained county, as defined above, to use up to 10 percent of TDT revenue received to reimburse expenses for public safety services. The fiscally constrained counties located adjacent to the Gulf of Mexico or Atlantic Ocean whom the bill may benefit include: Dixie, Franklin, Gulf, Jefferson, Levy, Taylor, and Wakulla.

The bill does not appear to impact state or local government revenues or expenditures. See Fiscal Comments.

The bill provides an effective date of July 1, 2022.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Tourist Development Taxes

The Local Option Tourist Development Act[1] authorizes counties to levy five separate taxes on transient rental[2] transactions (tourist development taxes or TDTs). Depending on a county's eligibility to levy such taxes, the maximum potential tax rate varies:

- The original TDT may be levied at the rate of 1 or 2 percent.[3]
- An additional 1 percent tax may be levied by counties who have previously levied the original TDT at the 1 or 2 percent rate for at least three years.[4]
- A high tourism impact tax may be levied at an additional 1 percent.[5]
- A professional sports franchise facility tax may be levied up to an additional 1 percent.[6]
- An additional professional sports franchise facility tax no greater than 1 percent may be imposed by a county that has already levied the professional sports franchise facility tax.[7]

TDT Process

Each county that levies the original 1 or 2 percent TDT is required to have a tourist development council.[8] The tourist development council is a group of residents from the county who are appointed by the county governing board.[9] The tourist development council, among other duties, makes recommendations to the county governing board for the effective operation of special projects or for uses of the TDT revenue.[10]

Prior to the authorization of the original 1 or 2 percent TDT, the levy must be approved by a countywide referendum,[11] and additional TDT levies must be authorized by a vote of the county's governing board or by voter approval in a countywide referendum.[12] Each county proposing to levy the original 1 or 2 percent tax must then adopt an ordinance for the levy and imposition of the tax,[13] which must include a

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[1] Section 125.0104, F.S.

[2] Section 125.0104(3)(a)(1), F.S. considers "transient rental" to be the rental or lease of any accommodation for a term of six months or less.

[3] Section 125.0104(3)(c), F.S. All sixty-seven of Florida's counties are eligible to levy this tax, but only sixty-two counties have done so, all at a rate of 2 percent. Office of Economic & Demographic Research (EDR), *County Tax Rates: CY 2007-2022*, available at http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm (last visited Feb. 4, 2022). These counties are estimated to realize $445 million in revenue from these taxes in the 2021-22 fiscal year. EDR, *2021 Local Government Financial Information Handbook* (November 2021), p. 255, http://edr.state.fl.us/content/local-government/reports/lgfih21.pdf (last visited Feb. 4, 2022).

[4] Section 125.0104(3)(d), F.S. Fifty-six of the eligible fifty-nine counties levy this tax, with an estimated 2021-22 state fiscal year collection of $185 million in revenue. EDR, *2021 Local Government Financial Information Handbook*, *supra* note 3, at 259.

[5] Section 125.0104(3)(m), F.S. Eight of the nine eligible counties levy this tax, with an estimated 2021-22 state fiscal year collection of $102 million in revenue. *Id.* at 265.

[6] Section 125.0104(3)(l), F.S. Revenue can be used to pay debt service on bonds for the construction or renovation of professional sports franchise facilities, spring training facilities or professional sports franchises, and convention centers and to promote and advertise tourism. Forty-five of the sixty-seven eligible counties levy this additional tax, with an estimated 2021-22 state fiscal year collection of $205 million in revenue. *Id.* at 263.

[7] Section 125.0104(3)(n), F.S. Thirty-one counties levy the additional professional sports franchise facility tax, with an estimated 2021-22 state fiscal year collection of $150 million in revenue. *Id.* at 269.

[8] Section 125.0104(4)(e), F.S.

[9] *Id.*

[10] *Id.*

[11] Section 125.0104(6), F.S.

[12] Section 125.0104(3)(d), F.S.

[13] S. 125.0104(4)(a), F.S.

plan for tourist development prepared by the tourist development council.[14] The plan for tourist development must include the anticipated net tax revenue to be derived by the county for the two years following the tax levy, as well as a list of the proposed uses of the tax and the approximate cost for each project or use.[15] The plan for tourist development may not be substantially amended except by ordinance enacted by an affirmative vote of a majority plus one additional member of the governing board.[16]

TDT Uses

Current law authorizes counties to levy and spend TDTs as a mechanism for funding a variety of tourist-related uses, including tourism promotion and the financing and construction of public facilities needed to increase tourist-related business activities in the county, beach restoration and maintenance projects, and convention centers and professional sports franchise facilities.[17] More specifically, the revenues derived from TDTs may be used for:[18]

- The acquisition, construction, extension, enlargement, remodeling, repair, or improvement of a publicly owned and operated convention center, sports stadium, sports arena, coliseum, auditorium, aquarium, or a museum that is publicly owned and operated or owned and operated by a not-for-profit organization, or promotion of a zoo.
- Promotion and advertising of tourism in the state.
- Funding of convention bureaus, tourist bureaus, tourist information centers, and news bureaus as county agencies, or by contract with chambers of commerce or similar associations in the county.
- Financing beach park facilities or beach improvement, maintenance, renourishment, restoration, and erosion control, including shoreline protection, enhancement, cleanup or restoration of inland lakes and rivers to which there is public access as those uses relate to the physical preservation of the beach, shoreline, or inland lake or river.[19]
- In counties with populations less than 950,000, the acquisition, construction, extension, enlargement, remodeling, repair, or improvement, maintenance, operation, or promotion of zoos, fishing piers, or nature centers which are publicly owned and operated or owned and operated by a not-for-profit organization and open to the public.[20]
- Securing revenue bonds issued by the county for the acquisition, construction, extension, enlargement, remodeling, repair, or improvement of a publicly owned and operated convention center, sports stadium, sports arena, coliseum, auditorium, aquarium, or a museum, or financing beach park facilities or beach improvement, maintenance, renourishment, restoration, and erosion control.

In addition, up to 10 percent of the tax revenue received by a county located adjacent to the Gulf of Mexico or the Atlantic Ocean may be used to reimburse expenses incurred in providing public safety services, including emergency medical services and law enforcement services, which are needed to address impacts related to increased tourism and visitors to an area.[21] However, current law does not allow some counties adjacent to the Gulf of Mexico or the Atlantic Ocean to reimburse these public safety service expenses when the county receives revenue from taxes levied pursuant to a tourist impact tax within an area of critical state concern,[22] or if the county does not meet all of the following criteria:

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[14] S. 125.0104(4), F.S.
[15] *See* s. 125.0104(4), F.S.
[16] *See* s. 125.0104(4), F.S. The provisions found in s. 125.0104(4)(a)-(d), F.S., do not apply to the high tourism impact tax, the professional sports franchise facility tax, or the additional professional sports franchise facility tax.
[17] Florida Legislative Committee on Intergovernmental Relations, *Issue Brief: Utilization of Local Option Tourist Taxes by Florida Counties in Fiscal Year 2009-10* (December 2009), http://edr.state.fl.us/Content/local-government/reports/localopttourist09.pdf (last visited Feb. 4, 2022).
[18] S. 125.0104, F.S.
[19] In counties with populations less than 100,000, up to 10 percent of tourist development tax revenues may be used for financing beach park facilities. *See* s. 125.0104(5)(a), F.S.
[20] S. 125.0104(5)(b), F.S.
[21] S. 125.0104(5)(c), F.S.
[22] *See* S. 125.0108, F.S.

- Generate a minimum of $10 million in annual proceeds from any tax, or any combination of taxes, authorized to be levied pursuant to this section;
- Have at least three municipalities; or
- Have an estimated population of less than 225,000.[23]

Revenues received by a county from the original 1 percent levy or the additional 1 percent levy can be used to pay debt service on bonds for the construction or renovation of professional sports franchise facilities, spring training facilities or professional sports franchises, and to promote and advertise tourism. The original 1 percent levy may also be used to operate or maintain a convention center.[24]

The use of TDT revenue for any purpose not expressly authorized in statute is expressly prohibited.[25]

Fiscally Constrained Counties

Fiscally Constrained Counties are counties entirely within a rural area of opportunity or where a 1 mill levy would raise no more than $5 million in annual tax revenue.[26] A rural area of opportunity is a rural community[27] or region that has been adversely affected by an extraordinary economic event, severe distress, natural disaster, or that presents a unique economic development opportunity of regional impact, as designated by the Governor.[28] Florida's fiscally constrained counties are: Baker, Bradford, Calhoun, Columbia, Desoto, Dixie, Franklin, Gadsden, Gilchrist, Glades, Gulf, Hamilton, Hardee, Hendry, Highlands, Holmes, Jackson, Jefferson, Lafayette, Liberty, Madison, Okeechobee, Putnam, Suwannee, Taylor, Union, Wakulla and Washington.[29]

Effect of the Bill

The bill allows a county that is located adjacent to the Gulf of Mexico or Atlantic Ocean and is designated as a fiscally constrained county, as defined by current law, to use up to 10 percent of TDT revenue received to reimburse expenses for public safety services. Qualifying counties may do so even if they are an area of critical state concern or do not meet the requirements currently in statute of generating $10 million in annual TDT proceeds, having at least 3 municipalities, and having a population less than 225,000.

The fiscally constrained counties located adjacent to the Gulf of Mexico or Atlantic Ocean which the bill may benefit include: Dixie, Franklin, Gulf, Jefferson, Levy, Taylor, and Wakulla.[30]

B. SECTION DIRECTORY:

Section 1: Amends s. 125.0104, F.S., relating to tourist development tax; procedure for levying; authorized uses; referendum; enforcement.

Section 2: Provides an effective date of July 1, 2022.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

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[23] S. 125.0104(5)(c), F.S.
[24] S. 125.0104(5)(d). F.S.
[25] S. 125.0104(5)(e), F.S.
[26] S. 218.67(1), F.S.
[27] A "rural community" as the term relates to counties means a county with a population of 75,000 or fewer, or a county with a population of 125,000 or fewer which is contiguous to a county with a population of 75,000 or fewer. *See* s. 288.0656(1)(e), F.S.
[28] S. 288.0656(1)(d), F.S.
[29] Florida Department of Revenue, *Fiscally Constrained Counties*, https://floridarevenue.com/property/Documents/fcco081210.pdf (last visited Feb. 4, 2022).
[30] These counties may not have previously qualified to use ten percent of TDT funds for public safety purposes because none of the counties generated more than $10 million in TDT proceeds. *See* EDR, *2021 Local Government Financial Information Handbook*, *supra* note 3, at 260-61.

1. Revenues:

   None.

2. Expenditures:

   None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   None. See Fiscal Comments.

2. Expenditures:

   None. See Fiscal Comments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The bill authorizes certain counties to use existing TDT funds for the additional purpose of providing public safety services. This may encourage additional spending for public safety services in those counties but decrease spending of TDT funds for other purposes.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

   Not applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

   None.

B. RULE-MAKING AUTHORITY:

The bill does not require or authorize rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

Not applicable.

A bill to be entitled

An act relating to tourist development taxes; amending s. 125.0104, F.S.; authorizing certain fiscally constrained counties to be reimbursed for the use of tourist development tax revenues for certain purposes regardless of whether certain other requirements are met; correcting a cross-reference; providing an effective date.

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

Section 1. Paragraphs (d) and (e) of subsection (5) of section 125.0104, Florida Statutes, are redesignated as paragraphs (e) and (f), respectively, present paragraph (e) of that subsection is amended, and new paragraph (d) is added to that subsection, to read:

125.0104 Tourist development tax; procedure for levying; authorized uses; referendum; enforcement.—

(5) AUTHORIZED USES OF REVENUE.—

(d) A fiscally constrained county, as defined in s. 218.67(1) that is located adjacent to the Gulf of Mexico or the Atlantic Ocean, may use up to 10 percent of the tourist development tax revenues received to reimburse expenses incurred in providing public safety services, even if the county designated as a fiscally constrained county does not meet the

requirements under paragraph (c).

(e) ~~(d)~~ The revenues to be derived from the tourist development tax may be pledged to secure and liquidate revenue bonds issued by the county for the purposes set forth in subparagraphs (a)1., 2., and 5. or for the purpose of refunding bonds previously issued for such purposes, or both; however, no more than 50 percent of the revenues from the tourist development tax may be pledged to secure and liquidate revenue bonds or revenue refunding bonds issued for the purposes set forth in subparagraph (a)5. Such revenue bonds and revenue refunding bonds may be authorized and issued in such principal amounts, with such interest rates and maturity dates, and subject to such other terms, conditions, and covenants as the governing board of the county shall provide. The Legislature intends that this paragraph be full and complete authority for accomplishing such purposes, but such authority is supplemental and additional to, and not in derogation of, any powers now existing or later conferred under law.

(f) ~~(e)~~ Any use of the local option tourist development tax revenues collected pursuant to this section for a purpose not expressly authorized by paragraph (3)(l) or paragraph (3)(n) or paragraphs (a)-(e) ~~(a)-(d)~~ of this subsection is expressly prohibited.

Section 2. This act shall take effect July 1, 2022.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCS for HB 1517 Motor Vehicles
SPONSOR(S): Tourism, Infrastructure & Energy Subcommittee
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Tourism, Infrastructure & Energy Subcommittee		Johnson	Keating

SUMMARY ANALYSIS

Under Florida law, an application for a certificate of title on a motor vehicle or mobile home must be filed with the Department of Highway Safety and Motor Vehicles (DHSMV) and be accompanied by the appropriate fees. A certificate of title is the proof of ownership of a vehicle, mobile home, or vessel in Florida. After the purchase of a motor vehicle or a mobile home from a licensed dealer, the dealer has 30 days to apply for a tag and title for the purchaser. DHSMV may deny, suspend, or revoke the license of a dealer who shows a pattern of failing to apply for the certificate within the prescribed period of time.

Florida law also authorizes DHSMV to issue temporary registration tags for motor vehicles. Unless otherwise provided in law, a temporary tag is valid for 30 days, and no more than two temporary tags may be issued to the same person for the same vehicle. The penalty for an expired tag begins as a noncriminal traffic infraction and gradually becomes a second-degree misdemeanor.

The bill increases the length of time in which a motor vehicle dealer or mobile home dealer must apply to DHSMV for a certificate of title for a motor vehicle or mobile home to 60 days after the delivery of the motor vehicle or consummation of the sale of the motor home to the purchaser.

The bill also increases the length of time that most temporary tags are valid to 60 days.

The bill does not appear to impact state or local government revenues or expenditures.

The bill has an effective date of July 1, 2022.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Certificates of Title

A certificate of title is the proof of ownership of a vehicle, mobile home, or vessel. Most vehicles, mobile homes, and vessels are required to be titled, except for mopeds, motorized bicycles, and trailers weighing less than 2,000 pounds.[1] An application for a certificate of title must be filed with the Department of Highway Safety and Motor Vehicles (DHSMV) and be accompanied by the appropriate fee.[2]

Under Florida law, after the purchase of a motor vehicle or a mobile home from a licensed dealer, the dealer has 30 days to apply for a tag and title on behalf of the purchaser.[3]

If a motor vehicle dealer fails to do so within the prescribed 30 days, DHSMV has the authority to deny, suspend, or revoke the dealer's license, if the failure occurs with sufficient frequency to establish a pattern of wrongdoing.[4]

DHSMV routinely monitors dealers that fail to apply for a title in 30 days as required by law. It focuses its resources only on those dealers with multiple title applications that are filed more than 75 days after the sale. DHSMV contacts the dealer to ask for an explanation and seeks compliance. If the explanation is not satisfactory, a notice of a failed records inspection is provided to the dealer. DHSMV then conducts a follow up inspection approximately 60 days later. If the problem persists, DHSMV can seek an administrative fine against the dealer. The fine is typically $250 to $500 per violation. However, DHSMV typically only fines dealers for applications that are filed more than 90 days from the sale date.[5]

In recent years, the number of dealer transactions that were not filed by the 30-day deadline were:[6]

Fiscal Year	Number of Transactions
2018-2019	373,515
2019-2020	337,355
2020-2021	493,141

Temporary Tags

Florida law authorizes DHSMV to design, issue, and regulate the use of temporary tags for the following purposes:

- Where a dealer license plate may not be lawfully used.
- For a casual or private sale.
- For certified companies who transport motor vehicles, mobile homes, or recreational vehicles from one place to another.
- For financial institutions for the purpose of demonstrating repossessions for sale.
- Where a motor vehicle is sold to a resident of another state.

[1] Department of Highway Safety and Motor Vehicles, *General Information,* https://www.flhsmv.gov/motor-vehicles-tags-titles/liens-and-titles/ (last visited Jan. 20, 2022).
[2] S. 319.23(1), F.S.
[3] S. 319.23(6)(a), F.S.
[4] S. 320.27(9)(b)6., F.S.
[5] E-mail from Kevin Jacobs, Legislative Affairs Director, Department of Highway Safety and Motor Vehicles, RE: HB 1517 Questions (Jan. 24, 2022).
[6] *Id.*

- Where a motor vehicle is required to be weighed or emission tested prior to registration or have a vehicle identification number verified.
- Where an out-of-state resident, subject to registration in this state, must secure ownership documentation from his or her home state.
- For a rental car company on vehicles offered for lease.
- In the resolution of a consumer complaint.
- While a personalized prestige or specialty license plate is being manufactured.
- In any case where a permanent license plate cannot legally be issued to an applicant.
- For use by licensed dealers to transport motor vehicles and recreational vehicles from the dealer's licensed location to and from an off-premise sale.[7]

Except otherwise specified in statute, a temporary tag is valid for 30 days, and no more than two temporary tags may be issued to the same person for the same vehicle.[8] For a registration that has been expired for less than six months, the violation is a noncriminal traffic infraction punishable as a nonmoving violation. The penalty moves to a second-degree misdemeanor for a second or subsequent offense of a motor vehicle registration that has been expired for greater than six months.[9]

Effect of the Bill

The bill increases the length of time in which a motor vehicle dealer or mobile home dealer must apply to DHSMV for a certificate of title for a motor vehicle or mobile home to 60 days after the delivery of the motor vehicle or consummation of the sale of the motor home to the purchaser.

The bill also increases the length of time that most temporary tags are valid to 60 days.

The bill has an effective date of July 1, 2022.

B. SECTION DIRECTORY:

Section 1 Amends s. 319.23, F.S., relating to application for and issuance of, certificate of title.

Section 2 Amends s. 320.21, F.S., relating to temporary tags.

Section 3 Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   None.

2. Expenditures:

   None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   None.

2. Expenditures:

[7] S. 320.131(1), F.S.
[8] S. 320.131(2), F.S.
[9] Ss. 320.07(3)(a)-(c), F.S.

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to impact county or municipal governments.

2. Other:

Not applicable.

B. RULE-MAKING AUTHORITY:

This bill does not require or authorize rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

Not applicable.

A bill to be entitled

An act relating to motor vehicles; amending s. 319.23, F.S.; revising the length of time that motor vehicle dealers and mobile home dealers have to obtain certificates of title in the name of a purchaser; amending s. 320.131, F.S.; increasing the length of time that a temporary tag must be valid; providing an effective date.

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

Section 1. Paragraph (a) of subsection (6) of section 319.23, Florida Statutes, is amended to read:

319.23 Application for, and issuance of, certificate of title.—

(6)(a) In the case of the sale of a motor vehicle or mobile home by a licensed dealer to a general purchaser, the certificate of title must be obtained in the name of the purchaser by the dealer upon application signed by the purchaser, and in each other case the certificate must be obtained by the purchaser. In each case of transfer of a motor vehicle or mobile home, the application for a certificate of title, a corrected certificate, or an assignment or reassignment must be filed within 60 ~~30~~ days after the delivery of the motor vehicle or after consummation of the sale of the mobile home to

the purchaser. An applicant must pay a fee of $20, in addition to all other fees and penalties required by law, for failing to file such application within the specified time. In the case of the sale of a motor vehicle by a licensed motor vehicle dealer to a general purchaser who resides in another state or country, the dealer is not required to apply for a certificate of title for the motor vehicle; however, the dealer must transfer ownership and reassign the certificate of title or manufacturer's certificate of origin to the purchaser, and the purchaser must sign an affidavit, as approved by the department, that the purchaser will title and register the motor vehicle in another state or country.

Section 2. Subsection (2) of section 320.131, Florida Statutes, is amended to read:

320.131 Temporary tags.—

(2) The department is authorized to sell temporary tags, in addition to those listed above, to their agents and where need is demonstrated by a consumer complainant. The fee shall be $2 each. One dollar from each tag sold shall be deposited into the Brain and Spinal Cord Injury Program Trust Fund, with the remaining proceeds being deposited into the Highway Safety Operating Trust Fund. Agents of the department shall sell temporary tags for $2 each and shall charge the service charge authorized by s. 320.04 per transaction, regardless of the quantity sold. Requests for purchase of temporary tags to the

department or its agents shall be made, where applicable, on letterhead stationery and notarized. Except as specifically provided otherwise, a temporary tag shall be valid for 60 ~~30~~ days, and no more than two shall be issued to the same person for the same vehicle.

Section 3. This act shall take effect July 1, 2022.

TOURISM, INFRASTRUCTURE & ENERGY SUBCOMMITTEE

PCS for HB 1517 by Rep. D. Smith
Motor Vehicles

AMENDMENT SUMMARY
February 8, 2022

Amendment 1 by Rep. D. Smith (Line 38):

- Removes the provision authorizing a temporary tag to be valid for 60 days.

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___ (Y/N)
ADOPTED AS AMENDED	___ (Y/N)
ADOPTED W/O OBJECTION	___ (Y/N)
FAILED TO ADOPT	___ (Y/N)
WITHDRAWN	___ (Y/N)
OTHER	_____

Committee/Subcommittee hearing bill: Tourism, Infrastructure & Energy Subcommittee

Representative Smith, D. offered the following:

Amendment (with title amendment)

Remove lines 38-55

T I T L E A M E N D M E N T

Remove lines 6-7 and insert:

providing an