


# Regulatory Reform & Economic Development Subcommittee

**Thursday, November 16, 2023**
**9:00 AM – 11:30 AM**
**Webster Hall (212 Knott)**

## Meeting Packet

**Paul Renner**
**Speaker**

**Tyler Sirois**
**Chair**

# The Florida House of Representatives

**Commerce Committee**

**Regulatory Reform & Economic Development Subcommittee**

**Paul Renner**
**Speaker**

**Tyler Sirois**
**Chair**

## Meeting Agenda

Thursday, November 16, 2023
9:00 am – 11:30 am
Webster Hall (212 Knott)

I. Call to Order

II. Roll Call

III. Welcome and Opening Remarks

IV. Consideration of the following bill(s):

- HB 95 Yacht and Ship Brokers' Act by LaMarca

Update on Space Florida

Panel Discussion on Commercial Aerospace Industry in Florida

V. Closing Remarks

VI. Adjournment

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

**HB 95**

# HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 95 Yacht and Ship Brokers' Act
**SPONSOR(S):** LaMarca
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 92

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR or BUDGET/POLICY CHIEF |
|---|---|---|---|
| 1) Regulatory Reform & Economic Development Subcommittee | | Wright | Anstead |
| 2) State Administration & Technology Appropriations Subcommittee | | | |
| 3) Commerce Committee | | | |

## SUMMARY ANALYSIS

The Florida Department of Business and Professional Regulation, Division of Florida Condominiums, Timeshares, and Mobile Homes (division), regulates yacht and ship brokers and salespersons. For the purposes of the practice act, "yacht" means any vessel which is propelled by sail or machinery in the water which exceeds 32 feet in length, and which weighs less than 300 gross tons.

A yacht and ship "broker" is a person who, for or in expectation of compensation: sells, offers, or negotiates to sell; buys, offers, or negotiates to buy; solicits or obtains listings of; or negotiates the purchase, sale, or exchange of, yachts for other persons. A person may not be licensed as a broker unless they have been a salesperson for at least 2 consecutive years.

A license is not required for:
- A person who sells his or her own yacht,
- An attorney at law for services rendered in his or her professional capacity,
- A receiver, trustee, or other person acting under a court order,
- A transaction involving the sale of a new yacht, or
- A transaction involving the foreclosure of a security interest in a yacht.

The bill expands the definition of "yacht" by:
- Increasing the number of vessels included by removing the vessel weight limit, and
- Requiring that the vessel be:
  - Manufactured or operated primarily for pleasure; or
  - Leased, rented, or chartered to someone other than the owner for the other person's pleasure.

The bill provides that a license is not required for a person who regularly conducts business as a yacht or ship broker or salesperson in another state who engages in the purchase or sale of a yacht in Florida, if the transaction is executed with a Florida broker or salesperson.

The bill amends the requirements to become a broker by:
- Removing the requirement that the applicant be licensed as a salesperson for two years, and
- Requiring that the applicant has been a salesperson and can either:
  - Demonstrate direct involvement in at least four transactions that resulted in the sale of a yacht, or
  - Certify that he or she has obtained at least 20 continuing education credits.

The bill may have a minimal fiscal impact on state government, and no fiscal impact on local governments.

The effective date of the bill is October 1, 2024.

## FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

**Yacht and Ship Brokers**

The Florida Department of Business and Professional Regulation (DBPR) regulates and licenses various businesses and professionals in Florida through 12 divisions, including the Division of Florida Condominiums, Timeshares, and Mobile Homes (division).[1]

The division provides consumer protection for Florida residents through education, complaint resolution, mediation and arbitration, and developer disclosure.[2] The division has limited regulatory authority over the following business entities and individuals:

- Condominium Associations;
- Cooperative Associations;
- Florida Mobile Home Parks and related associations;
- Vacation Units and Timeshares;
- Yacht and Ship Brokers and related business entities; and
- Homeowners' Associations.[3]

For the purposes of the practice act, "yacht" means any vessel which is propelled by sail or machinery in the water which exceeds 32 feet in length, and which weighs less than 300 gross tons.[4]

A yacht and ship "broker" is a person who, for or in expectation of compensation: sells, offers, or negotiates to sell; buys, offers, or negotiates to buy; solicits or obtains listings of; or negotiates the purchase, sale, or exchange of, yachts for other persons.[5] A person may not be licensed as a broker unless they have been a salesperson for at least 2 consecutive years.[6]

A yacht and ship "salesperson" is a person who, for or in expectation of compensation, is employed by a broker to perform any acts of a broker.[7]

Yacht and ship brokers, salespersons, and related business organizations are regulated under ch. 326, F.S., and by the division.[8] A person may not act as a broker or salesperson in Florida unless they are licensed by the division.[9]

An applicant for a license as a broker or salesperson must demonstrate or provide the following to the division:[10]

- Proof of good moral character.
- Proof that they have never been convicted of a felony.
- A $25,000 bond for broker or a $10,000 bond for salespersons to the division.
- Proof that they are a resident of Florida or that they conduct business in Florida.
- A full set of fingerprints taken within the 6 months immediately preceding the submission of the application.
- Proof that they have not operated as a broker or salesperson without a license.

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[1] S. 20.165, F.S.
[2] Department of Business and Professional Regulation, *Division of Florida Condominiums, Timeshares, and Mobile Homes*, http://www.myfloridalicense.com/DBPR/condos-timeshares-mobile-homes/ (last visited Nov. 12, 2022).
[3] *Id*.
[4] S. 326.002(4), F.S.
[5] S. 326.002(1), F.S.
[6] S. 326.004(8), F.S.
[7] S. 326.002(3), F.S.
[8] Ch. 326, F.S.
[9] S. 326.004(1), F.S.
[10] S. 326.004(6), F.S.

A license is not required for:[11]

- A person who sells his or her own yacht,
- An attorney at law for services rendered in his or her professional capacity,
- A receiver, trustee, or other person acting under a court order,
- A transaction involving the sale of a new yacht, or
- A transaction involving the foreclosure of a security interest in a yacht.

Currently, there are 2,818 licensed salespersons and 1,270[12] licensed brokers. Last fiscal year, there were 29 yacht and ship broker complaints to the division, and there was one[13] disciplinary action.[14]

There are no provisions for a license by endorsement, or licensure for persons who are licensed in another jurisdiction.

**Effect of the Bill**

The bill expands the definition of "yacht" by:

- Increasing the number of vessels included by removing the vessel weight limit, and
- Requiring that the vessel be:
  - Manufactured or operated primarily for pleasure; or
  - Leased, rented, or chartered to someone other than the owner for the other person's pleasure.

The bill provides that a license is not required for a person who regularly conducts business as a yacht or ship broker or salesperson in another state who engages in the purchase or sale of a yacht in Florida, if the transaction is executed with a broker or salesperson licensed in this state.

The bill amends the requirements to become a broker by:

- Removing the requirement that the applicant first be licensed as a salesperson for at least two consecutive years, and
- Requiring that the applicant has been a salesperson and can either:
  - Demonstrate that he or she has been directly involved in at least four transactions that resulted in the sale of a yacht, or
  - Certify that he or she has obtained at least 20 continuing education credits approved by the division.

The effective date of the bill is October 1, 2024.

B. SECTION DIRECTORY:

**Section 1:** Amends s. 326.002, F.S.; relating to a definition.
**Section 2:** Amends s. 326.004, F.S.; relating to a licensing exception and a licensing requirement.
**Section 3:** Provides an effective date.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

[11] S. 362.004(3), F.S.
[12] There are 938 employing brokers and 332 yacht and ship brokers.
[13] The division issued one warning letter.
[14] Email from Chris Kingry, Deputy Director of Legislative Affairs, Department of Business and Professional Regulation, RE: Yachts (Nov. 14, 2023).

The bill may have an insignificant negative fiscal impact related to licensing fees collected by the division due to less out-of-state yacht and ship brokers needing to have a Florida license to do business in Florida in certain circumstances.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill will bring very large and heavy yachts under the regulatory practice act. The bill may allow more out-of-state yacht and ship brokers to do business in Florida. Applicants for a broker license who opt to qualify for a license by completing 20 hours of education will incur costs related to completing those education hours.

D. FISCAL COMMENTS:

None.

## III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The division will need to adopt rules to approve continuing education credits.

C. DRAFTING ISSUES OR OTHER COMMENTS:

In the agency analysis for a similar bill last year, DBPR notes that "[t]he term "pleasure" is undefined, and thus rulemaking authority is required to define such a term. Moreover, "primarily" would need to be defined by either statute or rule relative to the scope of use. Otherwise, there is no standard by which to discern whether the yacht in question is a yacht for which the division has regulatory authority."[15]

Additionally, using the term "continuing education" to describe initial education for a broker may cause confusion.

## IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

[15] Department of Business and Professional Regulation, *2023 Agency Legislative Bill Analysis for HB 83* at 3 (Feb. 17, 2023).

A bill to be entitled

An act relating to the Yacht and Ship Brokers' Act; amending s. 326.002, F.S.; revising the definition of the term "yacht"; amending s. 326.004, F.S.; exempting a person who conducts business as a broker or salesperson in another state from licensure in this state for specified transactions; requiring, rather than authorizing, the Division of Florida Condominiums, Timeshares, and Mobile Homes of the Department of Business and Professional Regulation to deny licenses for applicants who fail to meet certain requirements; revising requirements for licensure as a broker; providing an effective date.

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

Section 1. Subsection (4) of section 326.002, Florida Statutes, is amended to read:

326.002 Definitions.—As used in ss. 326.001-326.006, the term:

(4) "Yacht" means any vessel that ~~which~~ is propelled by sail or machinery in the water, ~~which~~ exceeds 32 feet in length, and is:

(a) Manufactured or operated primarily for pleasure; or

(b) Leased, rented, or chartered to someone other than the



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

owner for the other person's pleasure ~~which weighs less than 300 gross tons~~.

Section 2. Subsections (6) and (8) of section 326.004, Florida Statutes, are amended, and paragraph (f) is added to subsection (3) of that section, to read:

326.004 Licensing.—

(3) A license is not required for:

(f) A person who conducts business as a broker or salesperson in another state as his or her primary profession and engages in the purchase or sale of a yacht under this act if the transaction is executed in its entirety with a broker or salesperson licensed in this state.

(6) The division must ~~may~~ deny a license to any applicant who does not meet all of the following requirements:

(a) Furnish proof satisfactory to the division that he or she is of good moral character.

(b) Certify that he or she has never been convicted of a felony.

(c) Post the bond required by the Yacht and Ship Brokers' Act.

(d) Demonstrate that he or she is a resident of this state or that he or she conducts business in this state.

(e) Furnish a full set of fingerprints taken within the 6 months immediately preceding the submission of the application.

(f) Have a current license and has operated as a broker or

salesperson without a license.

(8) A person may not be licensed as a broker unless he or she has been licensed as a salesperson and can demonstrate that he or she has been directly involved in at least four transactions that resulted in the sale of a yacht or can certify that he or she has obtained at least 20 continuing education credits approved by the division ~~for at least 2 consecutive years, and may not be licensed as a broker unless he or she has been licensed as a salesperson for at least 2 consecutive years~~.

Section 3. This act shall take effect October 1, 2024.



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

**REGULATORY REFORM AND ECONOMIC DEVELOPMENT SUBCOMMITTEE**

**HB 95 by Rep. LaMarca**
**Yacht and Ship Brokers' Act**

**AMENDMENT SUMMARY**
**November 16, 2024**

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**Amendment 1 by Rep. LaMarca (line 56):**

- Clarifies that pre-licensure education is not “continuing” education.

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: Regulatory Reform & Economic Development Subcommittee

Representative LaMarca offered the following:

**Amendment**

Remove line 56 and insert:

that he or she has obtained at least 20 education

# Space Florida


SPACE FLORIDA
SPACE FLORIDA
BE WHERE NEW IDEAS TAKE OFF™
HOUSE REGULATORY REFORM & ECONOMIC DEVELOPMENT SUBCOMMITTEE
Nov. 16, 2023

# BACKGROUND

- Served as Commander for Space Launch Delta 30 and Western Launch and Test Range, Vandenberg Space Force Base.
- Managed $8.4 billion in assets, a $280 million annual budget, installations spanning more than 118,000 acres, and oversaw 11,000 military, civilian, and contractor personnel.
- Proven leader with more than 25 years of experience overseeing large organizations across the aerospace spectrum from launch operations and mobility to logistics and spaceport operations.
- Career focused on improving and enhancing the transportation to, from, and in space, managing complex aerospace programs, leveraging innovative, and developing new business models and operating concepts
- Key roles advising the Defense Department's Chief Technology Officer and senior Defense Department space leaders.
- Track record of building partnerships across and within government & industry toward mutually beneficial outcomes.



Rob Long, President and CEO

SPACE FLORIDA

We pursue **growth**.
We embrace **new thinking**.
We champion **collaboration**.
We strive for **excellence**.
We encourage **balance**.

# WHO WE ARE + WHAT WE DO

Space Florida is the state's aerospace finance and development authority. In 2006 a unique state statute was enacted that would open the door to more creative financing options and infrastructure access – making aerospace ventures much easier to launch. This attracted even more aerospace activity to the state. And every new deal brought new ideas and broader experience to the Space Florida community.

Today, Space Florida offers leading aerospace companies unrivaled experience, unmatched financial tools, and an unbeatable location for their new initiatives.

Space Florida: Be Where New Ideas Take Off ™





# OUR ECONOMIC IMPACT

**$5.9 BILLION**

TOTAL SPACE FLORIDA ECONOMIC IMPACT
SINCE 2007

**$1.1 BILLION**

SPACE FLORIDA PROJECTED YEARLY ECONOMIC IMPACT

**20% OF WORKFORCE**

SPACE FLORIDA IS RESPONSIBLE FOR NEARLY 20% OF FLORIDA'S AEROSPACE WORKFORCE

# PORTFOLIO + BUSINESS AREAS

From spaceport authority operations and business development roles, **Space Florida brings finance, business, and industry experts** who have proven they know exactly what it takes to launch successful, groundbreaking aerospace initiatives.



## SPACEPORT AUTHORITY

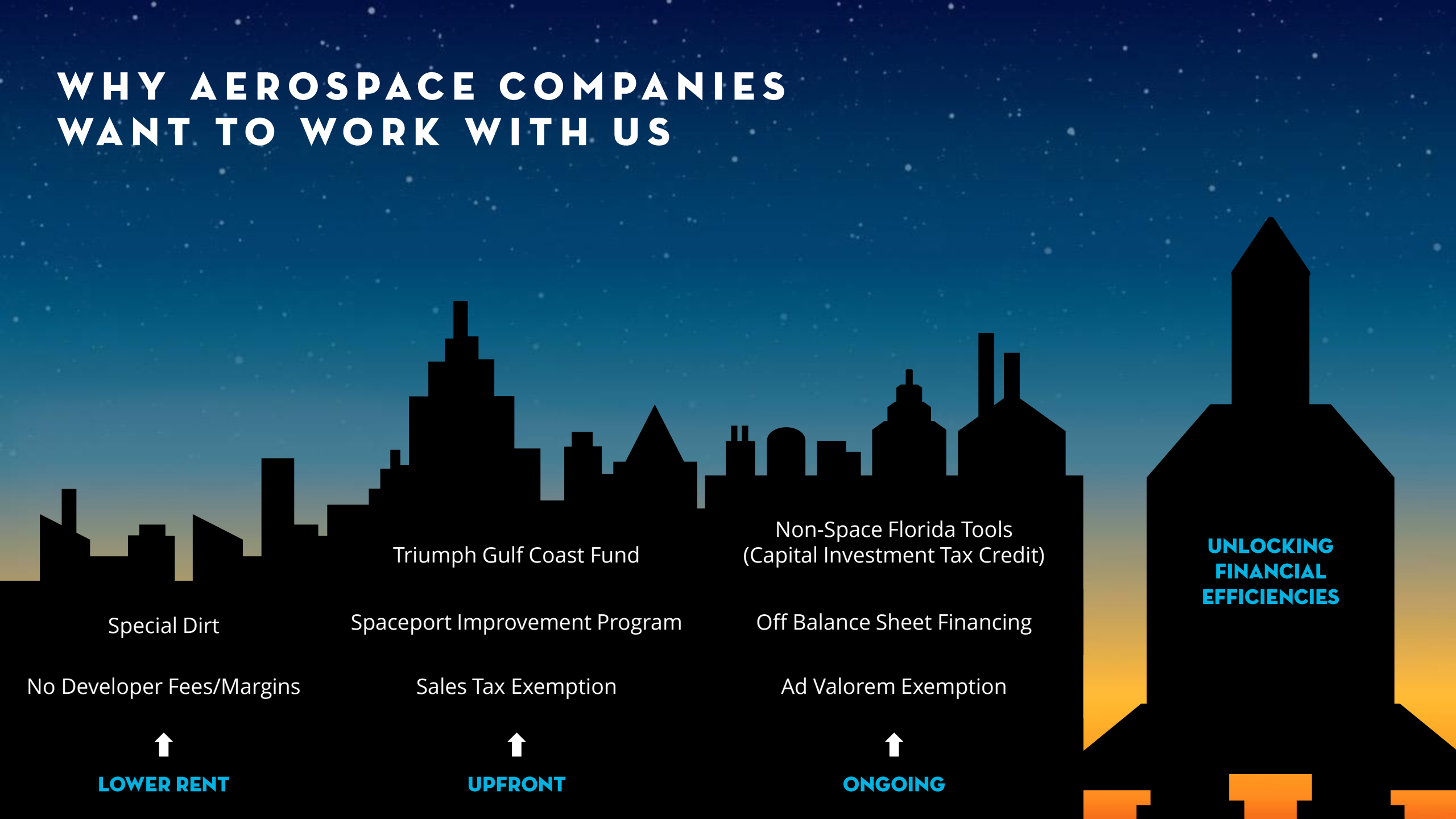
- Develop Infrastructure
- Statewide Planning
- Build, Own, Lease, & Operate
- Launch Complex 46 and 20
- Exploration Park
- Launch & Landing Facility



## BUSINESS DEVELOPMENT

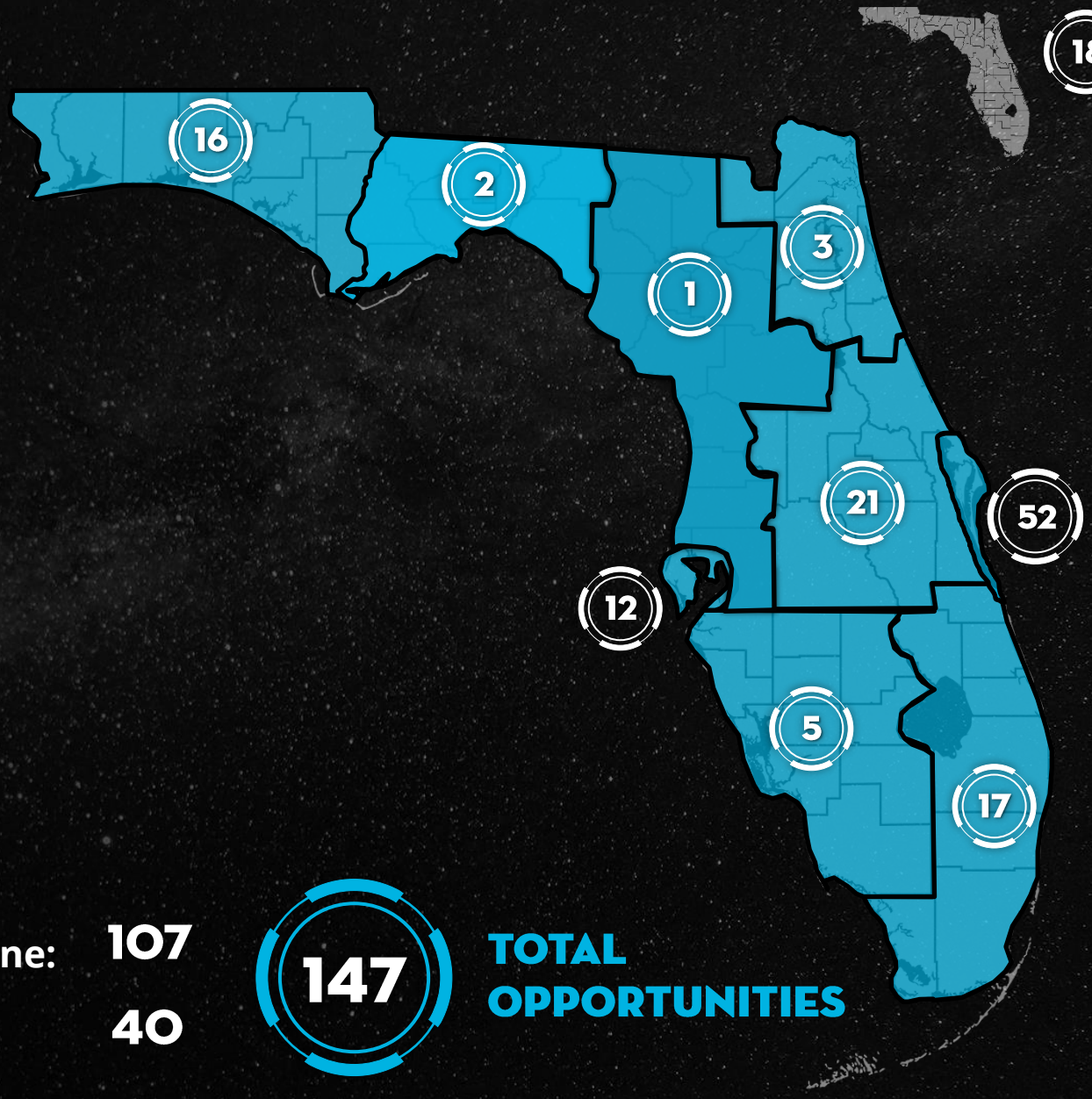
- Statewide aerospace projects in both spaceport and non-spaceport territory
- Diverse financial toolkit of capital programs, structure providing financial and tax efficiencies, infrastructure investment, conduit financing
- Simplify treasury, tax, and intercompany issues

# WHY AEROSPACE COMPANIES WANT TO WORK WITH US



# OUR CAPITAL PROJECTS PIPELINE

Southeast: 17 Projects
Southwest: 5 Projects
Central Florida: 21 Projects
Space Coast: 52 Projects
Tampa Bay: 12 Projects
Northeast: 3 Projects
West Central: 1 Project
Big Bend: 2 Projects
Northwest: 16 Projects
No Specific Region Selected: 18 Projects




**93 Leads, 45 Opportunities, 9 Closing**

**Total Non-Spaceport Opportunities in Current Pipeline:** 107

**Total Spaceport Opportunities in Current Pipeline:** 40

147 TOTAL OPPORTUNITIES



## Aerospace Defined in Florida Statute

“Aerospace” means the technology and industry related to the design, manufacture, maintenance, repair, and operation of aircraft or any other device intended to be used or designed for flight or reentry, including rockets, missiles, spacecraft, satellites, space vehicles, space stations, space and aircraft facilities or components thereof, and related equipment, systems, facilities, simulators, programs, and activities, including, but not limited to, the application of aerospace and aviation technologies in air-based, land-based, space-based, and sea-based platforms for commercial, civil, and defense purposes.

# REPRESENTATIVE DEALS

**PROJECT UPGRADE I & II**
CAE USA Inc. - $70 Million + $12 Million
Training/HQ (Tampa Bay)

**PROJECT BEVERLY**
SIMCOM - $110 Million
Flight Simulator Leasing
$35 Million Add-on (Central Florida)

**PROJECT POSEIDON**
BAE Systems - $200 Million
Shiplift Installation (Northeast)

**PROJECT CONSTITUTION**
Airbus US Space And Defense - $75 Million
Satellite Manufacturing Facility (Space Coast)

**PROJECT MAGELLAN**
Northrop Grumman - $250 Million
Tooling & Equipment (Space Coast)

**PROJECT REDLINE**
Embraer S.A. - $18 Million
Engineering And Technology Center
Tax-Exempt Issuance (Space Coast)

**AMAZON'S PROJECT KUIPER**
$120 million satellite processing facility
Launch and Landing Facility (Space Coast)

# FUTURE GROWTH AREAS

## ADVANCED AIR MOBILITY

- Infrastructure
- Manufacturing & Maintenance
- Repair
- Overhaul

## NON-TERRESTRIAL INFRASTRUCTURE

- In-Space Manufacturing
- Satellites
- Logistics & Servicing Hubs

## TAX EXEMPT FINANCING OPPORTUNITIES

- Spaceports
- Multimodal Transportation Facilities
- R&D Center
- Link to Non-Terrestrial Infrastructure



**FLORIDA** is the global gateway for the aerospace industry.

# QUESTIONS + CONTACT

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