4-21-1969

Session Law 69-104

Florida Senate & House of Representatives

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FLORIDA SESSION LAW HISTORY/DOCUMENTATION ABSTRACT,

FIA RESEARCH PROJECT NO. L88-020
SESSION LAW/SECTION NO(S). 69-104, Sections 2-3
AFFECTED STATUTE(S) 159.26, 159.27
PRIME BILL NO. CS/SB 628
PRIME BILL SPONSOR Edmond J. Gong, et.al.
IDENTICAL/SIMILAR BILL NOS. HB 1343 (Dubbin)

NARRATIVE/COMMENTS:

This law implements the local government bond finance provisions of Article VII of the Florida Constitution that went into effect in 1969. There is almost no documentation on the legislative intent of this law as legislative committee records prior to the mid-1970's are incomplete where they exist at all. The prime bill, CS/SB 628 was considered by the Senate Governmental Organization Committee. The primary function of that committee in 1969 was to enact the massive governmental reorganization act of that year, and therefore little attention was given to other pending legislation. One document located that gives some insight into the bonding issue is by Francis W. Sams, "Hearings on Industrial Revenue Bonds," 3/19/69. (See next page). However, there is nothing in the file to formally link this document with SB 628.

RECOMMENDATIONS FOR FURTHER RESEARCH:

There are some extant records of the Senate Governmental Organization Committee in the Florida State Archives, but most appear to be related to the Governmental Organization Act of 1969. However, a closer review of these records could be accomplished in an additional 2 to 3 hours of research time.
DOCUMENTATION CHECKLIST:

NOTE: All documentation obtained from the Florida State Archives is cited by the series and box number, i.e., "FSA S.19/200." "na" indicates that this particular document either does not apply or is non-existent.

* Florida Statutes: (See statute/law comparison)
* Prime bill version(s): SB 628, Sections 2-3
* Identical/Similar Bills: na
* House Journal: na
* Senate Journal: na

* Committee Staff Analyses and Reports:

* Committee Meeting Tapes: na
* Floor Debate Tapes: na
REGULAR SESSION 1969

GENERAL
ACTS AND RESOLUTIONS

ADOPTED BY THE

FIRST LEGISLATURE OF FLORIDA
UNDER THE CONSTITUTION
AS REVISED IN 1968

At its First Regular Session
April 8th to June 6th, 1969

Published by Authority of Law
Under the Direction of
TOM ADAMS, SECRETARY OF STATE
Volume I, Part One
1969
193.301 Sale of tangible personal property after seizure. When tangible personal property shall be levied upon for any delinquent taxes as provided for in section 197.19, the tax collector or his deputy shall give public notice of the time and place of sale and of the property to be sold at least fifteen days previous to the sale by advertisement, to be posted in at least three public places in the county, one of which shall be at the court house door, and the property shall be sold at public auction at the court house door and the property sold shall be present if practical; but at any time previous to the sale the owner or claimant of such property may release the same by the payment of the taxes plus delinquency charges and interests and costs for which the same was liable to be sold. In case any sale shall be made as aforesaid, the tax collector shall be entitled to the same fees and charges as are allowed sheriffs upon execution sales.

Revisor's note: The preceding section, section 200.27, Florida Statutes, has been renumbered as section 197.19 in the revision, and, therefore, is no longer the preceding section.

Section 9. The revisor's notes are only explanatory of the changes made and are not intended to have, nor shall they have, the impact on effect of law.

Section 10. It is declared to be the legislative intent that, if any section, subsection, sentence, clause, or provision of this act is held invalid, the remainder of the act shall not be affected.

Section 11. This act shall become effective immediately upon becoming a law.

Became a law without the Governor's approval.

Filed in Office Secretary of State June 18, 1969.

CHAPTER 69-103

Senate Bill No. 541

AN ACT relating to education; directing the state department of education to initiate a study of school facility use; providing an effective date.

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

Section 1. The state department of education shall make a comprehensive study and evaluation of the maximum use of public school facilities on a twelve (12) month or extended basis, with particular emphasis on curriculum to be offered, administration of personnel, and financing of capital outlay projects.

Section 2. The state department of education shall prepare and submit to the members of the legislature sixty (60) days prior to the convening of the 1970 session of the legislature its report and recommendations together with drafts of laws necessary to effectuate such recommendations.

Section 3. This act shall take effect immediately upon becoming a law.

Approved by the Governor June 18, 1969.

Filed in Office Secretary of State June 19, 1969.

CHAPTER 69-104

Committee Substitute for Senate Bill No. 628

AN ACT authorizing the issuance and sale by any county, municipality, special district, or other local governmental body of revenue bonds to finance or refinance the cost of capital projects for industrial or manufacturing plants; providing that such revenue bonds shall be payable solely from revenue derived from the sale, operation, or lease of the projects; providing for the terms, security, and payment of such bonds; vesting powers in such local governmental bodies respecting such projects; exempting from taxation certain property, income, and bonds of such local governmental bodies; providing an effective date.

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

Section 1. Short title.—This act shall be known and may be cited as the “Florida industrial development financing act.”

Section 2. Legislative findings and purposes.—The Legislature finds and determines that in order to promote the industrial economy of the state, increase opportunities for gainful employment and purchasing power, improve living conditions, and
otherwise contribute to the prosperity and welfare of the state and its inhabitants, it is necessary and in the public interest to facilitate the financing and provision of capital projects for industrial or manufacturing plants in the state and otherwise effectuate the purposes of Section 10(c), Article VII, of the State Constitution through the authorization of the issuance of revenue bonds by counties, municipalities, special districts, and other local governmental bodies for industrial or manufacturing plants to the extent that the interest on such bonds is exempt from income taxes under the then-existing laws of the United States.

Section 3. Definitions.—The following words and terms, unless the context clearly indicates a different meaning, shall have the following meanings:

(1) “Bonds” or “revenue bonds” means the bonds authorized to be issued by any local agency under this act, which may consist of a single bond. The term “bonds” or “revenue bonds” shall also include a single bond, a promissory note or notes or other debt obligations evidencing an obligation to repay borrowed money together with any security instruments or agreements securing repayment of such borrowed money and payable solely from the revenue derived from the sale, operation or leasing of any project.

(2) “Cost” as applied to any project shall embrace the cost of construction; the cost of acquisition of property, including rights in land and other property, both real and personal and improved and unimproved; the cost of demolishing, removing or relocating any buildings or structures on lands so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved or relocated; the cost of all machinery and equipment, financing charges, interest prior to and during construction and, if deemed advisable by the local agency, for a period not exceeding one (1) year after completion of construction, the cost of engineering and architectural surveys, plans and specifications; and the cost of consultants’ and legal services, other expenses necessary or incident to determining the feasibility or practicability of constructing such project, administrative and other expenses necessary or incident to the construction of such project, and the financing of the construction thereof, including reimbursement to any state or other governmental agency or any lessee of such project for such expenditures made with the approval of the local agency that would be costs of the project hereunder had they been made directly by the local agency.

(3) “Governing body” means the board, commission, or other governing body of any local agency in which the general legislative powers of such local agency are vested.

(4) “Local agency” means any county or municipality existing or hereafter created pursuant to the laws of the state or any special district or other local governmental body existing or hereafter created pursuant to the laws of the state, the purpose for the creation of which could reasonably be interpreted to be consistent with the issuance of revenue bonds to finance the cost of projects within the meaning of this act.

(5) “Project” means any capital project comprising an industrial or manufacturing plant, including one (1) or more buildings and other structures, whether or not on the same site or sites, and any rehabilitation, improvement, renovation, or enlargement of, or any addition to, any buildings or structures for use as a factory; mill; processing plant; assembly plant; fabricating plant; industrial distribution center; repair, overhaul or service facility; test facility; and other facilities, including research and development, for manufacturing, processing, assembling, repairing, overhauling, servicing, testing, or handling of any products or commodities embraced in any industrial or manufacturing plant; and including also the sites thereof and other rights in land therefor whether improved or unimproved, machinery, equipment, site preparation and landscaping, and all appurtenances and facilities incidental thereto, such as warehouses, utilities, access roads, railroad sidings, truck docking and similar facilities, parking facilities, dockage, wharfage, and other improvements necessary or convenient for any manufacturing or industrial plant.

(6) “State” means the state of Florida.

Section 4. General powers.—Every local agency shall have all of the powers necessary or convenient to carry out and effectuate the purposes and provisions of this act, including, but without limiting the generality of the foregoing, the powers with respect to any project or projects:
SB 627
GENERAL BILL, BY CHILES AND OTHERS
RELATING TO THE MUNICIPAL FIREMEN'S PENSION TRUST FUND; AMENDING SEC. 175.162, F.S.

4/21 SENATE- INTRODUCED, REFERRED TO GOVERNMENTAL ORGANIZATION, WAYS AND MEANS - SJ 0119
4/22 SENATE- WITHDRAWN FROM GOVERNMENTAL ORGANIZATION - SJ 0132
4/25 SENATE- SUBREFERRED TO APPROPRIATIONS - SJ 0152
5/15 SENATE- EXTENSION OF TIME GRANTED COMMITTEE
5/27 SENATE- EXTENSION OF TIME GRANTED COMMITTEE
5/29 SENATE- WITHDRAWN FROM COMMITTEE, PLACED ON CALENDAR - SJ 0642
6/02 SENATE- PASSED; YEAS 034 NAYS 000 - SJ 0760
6/02 HOUSE- RECEIVED, REFERRED TO RETIREMENT AND PERSONNEL, APPROPRIATIONS
5/20 HOUSE- RECOMMENDED FAVORABLE WITH AMENDMENTS, GOVERNMENTAL ORGANIZATION - SJ 0173
5/26 HOUSE- RECOMMENDED FAVORABLE, APPROPRIATIONS - SJ 0426
5/27 HOUSE- RECOMMENDED FAVORABLE, PLACED ON CALENDAR - SJ 0426
5/28 HOUSE- CONCURRED, ORDRED ENGROSSED - SJ 0643
6/03 SENATE- DIED IN COMMITTEE

5/15 SENATE- EXTENSION OF TIME GRANTED COMMITTEE
5/27 SENATE- EXTENSION OF TIME GRANTED COMMITTEE
6/06 SENATE- DIED IN COMMITTEE

SB 628
GENERAL BILL, BY GONG AND OTHERS (COMPANION HB 1343)
AUTHORIZING ISSUANCE AND SALE BY ANY COUNTY, MUNICIPALITY, SPECIAL DISTRICT, OR OTHER LOCAL GOVERNMENTAL BODY OF REVENUE BONDS TO FINANCE OR REFINANCE COST OF CAPITAL PROJECTS FOR INDUSTRIAL OR MANUFACTURING PLANTS.

4/21 SENATE- INTRODUCED, REFERRED TO GOVERNMENTAL ORGANIZATION, WAYS AND MEANS - SJ 0120; SUBREFERRED TO LOCAL GOVERNMENT - SJ 0118

CONTINUED ON NEXT PAGE
HB 1340 GENERAL BILL, BY WOLFSOHN AND OTHERS (SIMILAR SB 0583)
SUMMER HORSE RACING, AMENDS SECS. 350.084(1) AND (3), 350.085(1), (2), AND (3),
500.086, ETC., F.S., PERTAINING TO SUMMER THOROUGHBRED HORSE RACING.
5/01 HOUSE- INTRODUCED, REFERRED TO GENERAL LEGISLATION, FINANCE AND
TAXATION, APPROPRIATIONS -HJ 0305
5/07 HOUSE- EXTENSION OF TIME GRANTED COMMITTEE
5/21 HOUSE- EXTENSION OF TIME GRANTED COMMITTEE
6/02 HOUSE- EXTENSION OF TIME GRANTED COMMITTEE
6/06 HOUSE- DIED IN COMMITTEE

HB 1341 GENERAL BILL, BY GILLESPIE
BANK INVESTMENTS, AMENDS SEC. 660.02, F.S., PROHIBITS INVESTMENT OF FIDUCIARY
FUNDS IN STOCK OF BANK OR TRUST COMPANY OR IN CORPORATION HOLDING MORE THAN 5
PER CENT OF ITS VOTING STOCK.
5/01 HOUSE- INTRODUCED, REFERRED TO BANKS AND LOANS -HJ 0305
5/15 HOUSE- RECOMMENDED FAVORABLE, PLACED ON CALENDAR -HJ 0548
6/06 HOUSE- PREFILED

HB 1342 GENERAL BILL, BY MATTHEWS (COMPANION SB 0964) (SIMILAR HB 1418)
INSURANCE RATES, ADDS SEC. 627.331(4), F.S., RELATING TO INSURANCE RATES AND
RATING ORGANIZATIONS BY REQUIRING RATING INFORMATION TO BE FURNISHED INSURANCE
COMMISSIONER AND AVAILABLE TO PUBLIC.
5/01 HOUSE- INTRODUCED, REFERRED TO INSURANCE -HJ 0305
5/16 HOUSE- EXTENSION OF TIME GRANTED COMMITTEE
5/20 HOUSE- RECOMMENDED FAVORABLE, PLACED ON CALENDAR -HJ 0633
6/06 HOUSE- PREFILED

HB 1343 GENERAL BILL, BY DUBBIN AND OTHERS (COMPANION SB 0628)
FLORIDA INDUSTRIAL DEVELOPMENT FINANCING ACT, AUTHORIZES ISSUANCE AND SALE BY
ANY COUNTY, MUNICIPALITY, SPECIAL DISTRICT, OR OTHER LOCAL GOVERNMENTAL BODY OF
REVENUE BONDS TO FINANCE OR REFINANCE COST OF CAPITAL PROJECTS FOR INDUSTRIAL
OR MANUFACTURING PLANTS.
5/01 HOUSE- INTRODUCED, REFERRED TO GENERAL LEGISLATION -HJ 0305
5/28 HOUSE- EXTENSION OF TIME GRANTED COMMITTEE
6/06 HOUSE- INDEFINITELY POSTPONED, COMPANION OR SIMILAR BILL PASSED

HB 1344 GENERAL BILL, BY WOLFSOHN (COMPANION SB 0869)
MOTOR BOATS/TITLE CERTIFICATES, ADDS SEC. 371.792, F.S., TO DESIGNATE TAX
COLLECTORS AS AGENTS FOR THE BOARD OF CONSERVATION IN THE ISSUANCE OF
CERTIFICATES OF TITLES TO BOATS.
5/01 HOUSE- INTRODUCED, REFERRED TO CONSERVATION, FINANCE AND TAXATION,
APPROPRIATIONS -HJ 0305
5/07 HOUSE- RECOMMENDED FAVORABLE, CONSERVATION -HJ 0400; EXTENSION OF TIME
GRANTED COMMITTEE
5/21 HOUSE- EXTENSION OF TIME GRANTED COMMITTEE
6/02 HOUSE- EXTENSION OF TIME GRANTED COMMITTEE
6/06 HOUSE- DIED IN COMMITTEE

HB 1345 GENERAL BILL, BY WOLFSOHN (COMPANION SB 1018)
REGULATION OF MOTOR BOATS, AMENDS SECS. 371.021(2) AND 371.041, F.S., BY
DELETING REFERENCE TO MOTORBOATS PROPELLED BY MACHINERY IN EXCESS OF TEN
HORSEPOWER.
5/01 HOUSE- INTRODUCED, REFERRED TO CONSERVATION, APPROPRIATIONS -HJ 0305
5/07 HOUSE- EXTENSION OF TIME GRANTED COMMITTEE
5/21 HOUSE- EXTENSION OF TIME GRANTED COMMITTEE
CONTINUED ON NEXT PAGE
By Senators Gong, Chiles, and Poston

April 21, 1969

1

A bill to be entitled

AN ACT authorizing the issuance and sale by
any county, municipality, special district,
or other local governmental body of revenue
bonds to finance or refinance the cost of
capital projects for industrial or manuf-

facturing plants; providing that such
revenue bonds shall be payable solely from
revenue derived from the sale, operation,
or lease of the projects; providing for
the terms, security, and payment of such
bonds; vesting powers in such local govern-
mental bodies respecting such projects;
exempting from taxation certain property,
income, and bonds of such local govern-
mental bodies; providing an effective date.

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

Section 1. Short title.—This act shall
be known and may be cited as the “Florida industrial
development financing act.”

Section 2. Legislative findings and
purposes.—The legislature finds and determines that
in order to promote the industrial economy of the
state, increase opportunities for gainful employment
and purchasing power, improve living conditions,
and otherwise contribute to the prosperity and
welfare of the state and its inhabitants, it is
necessary and in the public interest to facilitate
the financing and provision of capital projects
for industrial or manufacturing plants in the state
and otherwise effectuate the purposes of sec-
tion 10(c), Article VII, of the State constitution
through the authorization of the issuance of revenue
bonds by counties, municipalities, special districts,
and other local governmental bodies for industrial
or manufacturing plants to the extent that the
interest on such bonds is exempt from income taxes
under the then-existing laws of the United States.

Section 3. Definitions.—The following words
and terms, unless the context clearly indicates a
different meaning, shall have the following meanings:

(1) "Bonds" or "revenue bonds" means the
bonds authorized to be issued by any local agency
under this act.

(2) "Cost" as applied to any project shall
embrace the cost of construction; the cost of
acquisition of property, including rights in land
and other property, both real and personal and
improved and unimproved; the cost of demolishing,
removing or relocating any buildings or structures
on lands so acquired, including the cost of
acquiring any lands to which such buildings or
structures may be moved or relocated; the cost of
all machinery and equipment, financing charges,
interest prior to and during construction and, if
deemed advisable by the local agency, for a period
not exceeding one (1) year after completion of
construction, the cost of engineering and archi-
tectural surveys, plans and specifications; and the
cost of consultants' and legal services, other
expenses necessary or incident to determining the
feasibility or practicability of constructing such
project, administrative and other expenses necessary
or incident to the construction of such project, and
the financing of the construction thereof, including
reimbursement to any state or other governmental
agency or any lessee of such project for such
expenditures made with the prior approval of the
local agency that would be costs of the project
hereunder had they been made directly by the local
agency.

(3) "Governing body" means the board,
commission, or other governing body of any local
agency in which the general legislative powers of
such local agency are vested.

(4) "Local agency" means any county or
municipality existing or hereafter created pursuant
to the laws of the state or any special district or
other local governmental body existing or hereafter
created pursuant to the laws of the state, the
purpose for the creation of which could reasonably

be interpreted to be consistent with the issuance of revenue bonds to finance the cost of projects within the meaning of this act.

(5) "Project" means any capital project comprising an industrial or manufacturing plant, including one (1) or more buildings and other structures, whether or not on the same site or sites, and any rehabilitation, improvement, renovation, or enlargement of, or any addition to, any buildings or structures for use as a factory; mill; processing plant; assembly plant; fabricating plant; industrial distribution center; repair, overhaul or service facility; test facility; and other facilities, including research and development, for manufacturing, processing, assembling, repairing, overhauling, servicing, testing, or handling of any products or commodities embraced in any industrial or manufacturing plant; and including also the sites thereof and other rights in land therefor whether improved or unimproved, machinery, equipment, site preparation and landscaping, and all appurtenances and facilities incidental thereto, such as warehouses, utilities, access roads, railroad sidings, truck docking and similar facilities, parking facilities, dockage, wharfage, and other improvements necessary or convenient for any manufacturing or industrial plant.

(6) "State" means the state of Florida.

Section 4. General powers.—Every local agency shall have all of the powers necessary or convenient to carry out and effectuate the purposes and provisions of this act, including, but without limiting the generality of the foregoing, the powers with respect to any project or projects:

(1) To prescribe rules, regulations, and policies in connection with the performance of its functions and duties under this act;

(2) To receive, administer, and comply with conditions and requirements respecting any gift, grant, or donation of any property or money from any source, whether federal, state, or private;

(3) To make and execute agreements of lease, contracts, deeds, and other instruments necessary or convenient in the exercise of the powers and functions of the local agency under this act, including contracts with persons, firms, corporations, federal and state agencies, and other local agencies, which state agencies and other local agencies are hereby authorized to enter into contracts and otherwise cooperate with any local agency to facilitate the financing, construction, and leasing of any project;

(4) To acquire by purchase, lease, gift, or otherwise, or to obtain options for the acquisition of any property, real or personal, improved or unimproved, for the construction, operation, or maintenance of any project; provided that no project
Committee Substitute For Senate Bill No. 628

A bill to be entitled

AN ACT authorizing the issuance and sale
by any county, municipality, special
district, or other local governmental
body of revenue bonds to finance or
refinance the cost of capital projects
for industrial or manufacturing plants;
providing that such revenue bonds shall
be payable solely from revenue derived
from the sale, operation, or lease of
the projects; providing for the terms,
security, and payment of such bonds;
vesting powers in such local governmental
bodies respecting such projects; exempt-
ing from taxation certain property, in-
come, and bonds of such local govern-
mental bodies; providing an effective
date.

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

Section 1. Short title.—This act shall be
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Section 2. Legislative findings and pur-
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state, increase opportunities for gainful employment
and purchasing power, improve living conditions, and otherwise contribute to the prosperity and welfare of the state and its inhabitants, it is necessary and in the public interest to facilitate the financing and provision of capital projects for industrial or manufacturing plants in the state and otherwise effectuate the purposes of Section 10(c), Article VII, of the State Constitution through the authorization of the issuance of revenue bonds by counties, municipalities, special districts, and other local governmental bodies for industrial or manufacturing plants to the extent that the interest on such bonds is exempt from income taxes under the then-existing laws of the United States.

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(1) "Bonds" or "revenue bonds" means the bonds authorized to be issued by any local agency under this act, which may consist of a single bond. The term "bonds" or "revenue bonds" shall also include a single bond, a promissory note or notes or other debt obligations evidencing an obligation to repay borrowed money together with any security instruments or agreements securing repayment of such borrowed money and payable solely from the revenue derived from the sale, operation or leasing of any project.

(2) "Cost" as applied to any project shall embrace the cost of construction; the cost of acquisition of property, including rights in land and other property, both real and personal and improved and unimproved; the cost of demolishing, removing or relocating any buildings or structures on lands so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved or relocated; the cost of all machinery and equipment, financing charges, interest prior to and during construction and, if deemed advisable by the local agency, for a period not exceeding one (1) year after completion of construction, the cost of engineering and architectural surveys, plans and specifications; and the cost of consultants' and legal services, other expenses necessary or incident to determining the feasibility or practicability of constructing such project, administrative and other expenses necessary or incident to the construction of such project, and the financing of the construction thereof, including reimbursement to any state or other governmental agency or any lessee of such project for such expenditures made with the approval of the local agency that would be costs of the project hereunder had they been made directly by the local agency.

(3) "Governing body" means the board, commission, or other governing body of any local agency in which the general legislative powers of such local agency are vested.

(4) "Local agency" means any county or
municipality existing or hereafter created pursuant to the laws of the state or any special district or other local governmental body existing or hereafter created pursuant to the laws of the state, the purpose for the creation of which could reasonably be interpreted to be consistent with the issuance of revenue bonds to finance the cost of projects within the meaning of this act.

(5) "Project" means any capital project comprising an industrial or manufacturing plant, including one (1) or more buildings and other structures, whether or not on the same site or sites, and any rehabilitation, improvement, renovation, or enlargement of, or any addition to, any buildings or structures for use as a factory; mill; processing plant; assembly plant; fabricating plant; industrial distribution center; repair, overhaul or service facility; test facility; and other facilities, including research and development, for manufacturing, processing, assembling, repairing, overhauling, servicing, testing, or handling of any products or commodities embraced in any industrial or manufacturing plant; and including also the sites thereof and other rights in land therefor whether improved or unimproved, machinery, equipment, site preparation and landscaping, and all appurtenances and facilities incidental thereto, such as warehouses, utilities, access roads, railroad sidings, truck docking and similar facilities, parking facilities, dockage, wharfage, and other improvements necessary or convenient for any manufacturing or industrial plant.

(6) "State" means the state of Florida.

Section 4. General powers.—Every local agency shall have all of the powers necessary or convenient to carry out and effectuate the purposes and provisions of this act, including, but without limiting the generality of the foregoing, the powers with respect to any project or projects:

(1) To prescribe rules, regulations, and policies in connection with the performance of its functions and duties under this act;

(2) To receive, administer, and comply with conditions and requirements respecting any gift, grant, or donation of any property or money from any source, whether federal, state, or private;

(3) To make and execute agreements or lease, contracts, deeds, and other instruments necessary or convenient in the exercise of the powers and functions of the local agency under this act, including contracts with persons, firms, corporations, federal and state agencies, and other local agencies, which state agencies and other local agencies are hereby authorized to enter into contracts and otherwise cooperate with any local agency to facilitate the financing, construction, and leasing of any project;

(4) To acquire by purchase, lease, gift, or otherwise, or to obtain options for the acquisition of any property, real or personal, improved or
March 14, 1969

Senator C. Welborn Daniel
P. O. Drawer 189
Clermont, Florida 32711

Dear Senator Daniel:

Enclosed are materials prepared for the Local Government Subcommittee in connection with the hearings to be held March 19 in Tallahassee by the Committee on Governmental Organization on legislative implementation of the industrial revenue bond financing provisions of the new Constitution. I trust they will prove of assistance to you.

Sincerely,

FWS/eg

Enclosures
Materials Prepared

For

Senator C. Welborn Daniel

Hearings On Industrial Revenue Bond Legislation

Senate Room 31, The Capitol

Tallahassee, Florida

March 19, 1969
Memorandum for Local Government Subcommittee Members

Re: Industrial Revenue Bond Hearings
Tallahassee, Florida
March 19, 1969

The Local Government Subcommittee in conjunction with the Committee on Governmental Organization has scheduled a hearing on legislative implementation of the industrial revenue bond financing provisions of Section 10 (c) (2), Article VII of the new Florida Constitution.

It might be of assistance to Committee members in preparing for this hearing to review briefly the history of industrial development bond financings in the United States, the Federal income tax provisions relating to such financings and some of the problems which the Subcommittee may wish to consider in drafting legislation in the area.

I. The history of industrial bond financings

Industrial development bond financings as they are understood today were initiated by Mississippi in 1936 under its "Balance Agriculture With Industry" plan. The purpose was to create industrial jobs for workers displaced by a declining agricultural economy. There was relatively little use of industrial development bonds as a method of financing until the 1960's, however. The cumulative total of industrial development bond issues from 1936 through 1959 was only $96,953,000, whereas from 1960 through the first half of 1965 issues totaled an additional $632,049,000.

As with Mississippi other states have adopted industrial development bond financing programs to help alleviate economic problems characterized by a surplus of labor and a deficit of capital investment funds. This was true with numerous southern states where the objective was to find jobs for displaced agricultural workers. It was also true with certain industrial states where the motivation was to provide jobs for chronically unemployed industrial workers.

Characteristic of these areas of substantial unemployment was the absence of property investment through which people could be productively employed. Rural areas were found to be deficient in credit facilities and in leaseable industrial structures of substantial size. In both rural and industrial areas, the capital required by business was not readily available from conventional sources. Thus, the advent of
industrial development bond financing.

The use of industrial development bonds as an adjunct to the economic rejuvenation of depressed areas soon took on the added role of encouraging industries to expand or relocate in areas, which although economically healthy, were growing and wished to consolidate and solidify their growth with a sound industrial base. Legislation authorizing industrial development bonds was enacted by some states to meet the competition of their sisters and counter raids on their industry. This is the posture in which we find industrial development bond financing today.

There are basically two types of industrial development bonds. General obligation bonds which are guaranteed as to payment by a pledge of the taxing power and the full faith and credit of the issuing agency and revenue bonds which are payable solely from income derived from the sale, operation or leasing of the project for which the bonds are issued. Florida permits the issuance only of revenue bonds.

Typically, in the case of industrial revenue bonds, a local agency issues bonds to purchase a site and build a plant for an industrial concern, usually to the company's plans and specifications. The plant is then leased to the company for a period of years sufficient to provide revenues to amortize the principal and interest payments on the bonds. The company may have an option to purchase the facility at the end of the lease period or to renew the lease. In the event of default the tenant is subject to eviction and another tenant is sought for the plant. Any loss is absorbed by the bondholders, although the credit of the issuing agency may be adversely affected. The transaction takes on many of the aspects of a sale-leaseback arrangement.

There are many arguments both for and against the use of industrial development bonds to foster economic growth. Briefly, those who favor the use of industrial development bonds maintain that they attract new industry, create new jobs, stimulate local business, encourage the development of natural resources and create new taxable values. Those opposed claim that the use of industrial development bonds to aid private business results in an inequality of benefits among industries, permits the use of public credit for private purposes, competes with private capital, is socialistic, contributes to the flight of industry from union to non-union labor areas and encourages the piracy of industry from other communities with resultant economic disruption.
3.

There are said to be at least three major areas of misuse of industrial development bond financings. The first occurs when the firm for whom the facility is constructed has access to adequate financing through conventional channels. Another results when projects are undertaken beyond the community's needs with a concomitant necessity to import labor, a disturbance of the local economy and a strain on community facilities. The final example of abuse cited is the piracy of industrial facilities from established locations.

II. The Internal Revenue Code provisions relating to industrial development bonds

Section 10 (c) (2) of the Florida Constitution provides that revenue bonds may be issued to finance capital projects for industrial plants only "to the extent that the interest thereon is exempt from income taxes under the then existing laws of the United States". Therefore, some brief comment on the provisions of the Internal Revenue Code applicable to industrial development bonds is pertinent.

The Code defines an industrial development bond as part of an issue all or a major portion of the proceeds of which are to be used directly or indirectly in the trade or business of a private concern and which issue is secured as to payment by an interest in the property used by the private concern or by the payments derived with respect to the use of such property.

The Code provides that the interest on industrial development bonds shall not be exempt from income tax unless the aggregate amount of the issue is $5,000,000 or less. In determining the aggregate amount of the issue capital expenditures with respect to a facility made within three years before or three years after the date of the issue, regardless of by whom the expenditures are made, are to be included. This limitation, however, does not apply to the issuance of industrial development bonds substantially all of the proceeds of which are to be used to acquire and develop land as the site for an industrial park.

III. Some Areas of Policy Consideration In Industrial Revenue Bond Financing Legislation

There are several areas in which the Subcommittee must make policy determinations regarding legislation to be proposed to implement the industrial revenue bond financing provisions of Section 10 (c) (2) of
4. the Florida Constitution. To assist the Subcommittee in making these determinations the following are some of the topics which it might wish to consider and have the witnesses who appear at the hearing comment upon:

1. The definition of "special district or other local government body". The Florida Constitution grants the right to counties, municipalities, special districts and other local governmental bodies to issue revenue bonds. The grant of this right to counties and municipalities creates no problems. However, there are many governmental units which might qualify as "special districts" or "other local governmental bodies" which it is questionable whether the framers of the Constitution intended should engage in industrial revenue bond financing. For example, special road, bridge and drainage districts and local water and sewer boards. Further the Advisory Commission on Intergovernmental Relations in its report entitled "Industrial Development Bond Financing" has suggested that the right to issue industrial development bonds should be limited to governmental units whose representatives are responsive to public control, namely, who are subject to the ballot. This type of restriction on the right to issue industrial development bonds, however, would seem to exclude port and development authorities whose governing members are appointed rather than elected and it is questionable whether this result was intended by the framers of the Constitution. It is clear, therefore, that the definition to be given "special district" and "other local governmental body" poses difficult policy considerations.

2. Public hearings as a condition of the issuance of industrial development bonds and the right of referendum. The Advisory Commission on Intergovernmental Relations further recommends in its report that before any public body issue industrial development bonds that the public be fully informed of the facts and considerations underlying such issuance and be granted an opportunity to voice its objections and doubts at public hearings, if necessary. The Commission further suggests that if a sufficient number of the public are opposed to the issue that it have the right by petition to have it submitted to the affected voters for their approval or disapproval on a referendum. The Subcommittee may therefore wish to consider whether it wishes to require some public disclosure or public hearings as a condition to the issuance of industrial revenue bonds and whether the public should be granted the right of referendum.

3. Limitations on types of industries for which industrial revenue bond financing available. The Constitution provides that
5.

industrial revenue bonds may be issued to finance "the cost of capital projects for industrial or manufacturing plants". The Subcommittee must consider whether it wishes to place any limitation on the types of industry for which industrial revenue bond financing may be made available, keeping in mind a desire to avoid industrial pollution in the state and to attract clean industry but not inhibit orderly industrial growth.

4. Factors to be considered and conditions to be met by local agencies before issuance of industrial revenue bonds. The Subcommittee should look into the factors which a local agency should consider before undertaking the issuance of industrial revenue bonds to finance industrial development programs. For example, should the agency consider only employment and economic benefits to the community or should it also take into account the need for the proposed industrial facility; the financial responsibility of the proposed lessee, and the impact of the project upon the community in terms of pollution, water, sewer, traffic, recreation, fire, school and related community problems. Moreover, should the satisfaction of these various factors be made an unconditional pre-requisite to the issuance of bonds and how should it be determined if they have been met.

5. State agency to approve issuance of the sale of bonds. The Advisory Commission on Intergovernmental Relations in its report "Industrial Development Bond Financing" has recommended that states require that all such bonds be approved by an appropriate state agency as a condition of issuance. The Commission felt that review of all the bond issues by a state agency experienced in the administration of local government problems was required to insure uniformity and compliance with prescribed minimum standards. The Commission was of the opinion that complicated findings of fact and questions of law, such as may be involved in industrial bond questions where private advantage and public policy might conflict, are most expeditiously handled by state administrative bodies with some sophistication in the field of industrial development bond financing whose determination would be subject to judicial appeal.

The Subcommittee should, therefore, consider whether the issuance of industrial revenue bonds by local agencies should be subject to supervision or review by a state agency and if so, whether a new agency should be created to undertake this responsibility or an existing agency be so designated. The Subcommittee should also consider what the powers of this agency are to be over the issuance of bonds and what procedure
should be established for review of the agency's determinations.

6. State agency to render administrative and technical assistance. Apart from the creation or designation of a state agency to review the issuance of bonds by local agencies, the Subcommittee should consider whether a state agency should be created or designated to provide administrative and technical assistance and guidance to local agencies in seeking out, attracting and screening prospective industries and in arranging, working out and co-ordinating their financings and underwritings. Many local agencies may lack the necessary expertise to deal effectively with these problems.

7. Limitations on relocation of industrial plants. As pointed out hereinbefore one of the criticisms of industrial development bond financing is that it has been utilized to pirate going concerns from established locations. The Advisory Commission on Intergovernmental Relations points out, however, that its evidence is that such acts of piracy are exceptions rather than the rule and that it is not a problem of major proportions at present. Although safeguards against the inter-state piracy of industrial plants may be desirable, it would not seem advisable for Florida to restrict itself in this area in the absence of similar commitments from other states. The Subcommittee may wish to consider, however, whether any legislation it may propose should contain provisions discouraging the intra-state relocation of industrial or manufacturing plants except upon a showing of a clear and justifiable reason for doing so.

8. Construction and operation of industrial facilities by local agencies. Section 10 (c) (2) of the Florida Constitution contains at least an implication that local agencies are authorized to issue industrial revenue bonds not only to construct industrial facilities to be operated by private concerns but also facilities to be operated by the local agency. It would appear that the provision relating to the operation of facilities was in fact meant to apply only to airport or port facilities. The Subcommittee must consider therefore whether any legislation it may propose should limit local agencies in the issuance of industrial revenue bonds for the construction of industrial facilities which the agency will operate. If local agencies were permitted to operate such facilities, this might raise serious questions as to the use of public funds to engage in private enterprises in direct competition with private industry.

9. The issuance of bonds for industrial park sites. Section 10 (c) (2) of the Florida Constitution does not explicitly authorize the issuance of industrial revenue bonds to finance the acquisition and development of industrial parks, but it is at least arguable that the issuance and
sale of bonds for such purposes by local agencies is permissible. Because the Internal Revenue Code places no limit on the amount of bonds which may be issued to finance the acquisition and development of land into industrial park sites, the Subcommittee may wish to consider granting to local agencies the right to issue industrial revenue bonds to acquire and develop industrial parks.

10. The right of local agencies to condemn property in connection with industrial revenue bond financing. The Subcommittee may wish to consider whether it wishes to grant to local agencies the right to condemn property upon which to construct an industrial or manufacturing plant to be financed by industrial revenue bonds. To grant such a right may raise serious questions of public policy. In effect it would authorize the taking of privately owned property for the use and benefit of another private owner, notwithstanding the public benefits that might be derived. Moreover, experience has indicated that the nature of the undertaking involved does not make the eminent domain power an essential requirement. The property can generally be acquired by purchase with no great difficulty and frequently, in fact, the intended industrial user has acquired an option to purchase the site of the project.
Synopsis of Areas of Policy Consideration

The following is a synopsis of the areas of policy consideration which have been treated more fully in the preceding memorandum. It is included as a more convenient reference for Subcommittee members. It may be used to note areas of possible inquiry at the hearing.

I. Definition of "special district" and "other local governmental body".

II. Requirement of public disclosure of financing arrangements, public hearing and referendum on petition.

III. Factors to be considered in industrial revenue bond issues.

1. Economic benefits to community
2. Need of community for economic stimulation
3. Pollution problems
4. Ability of community to provide services
5. Financial responsibility of tenant.
IV. Creation or designation of state agency to review and approve industrial revenue bond issues.

V. Creation or designation of state agency to render administrative and technical assistance to local agencies in issuance of industrial revenue bonds.

VI. Restrictions against intra-state relocation of industrial plants.

VII. Right of local agencies to operate industrial facilities.
VIII. Issuance of bonds for acquisition and development of industrial parks.

IX. Power of local agencies to condemn property for industrial projects.
58 628

Sec. 2 (159.26) Existing Text of Law in Original Bill

5th, Gov. Orig. 5/18/206  mtg. 5/21/69

\[ 69 - 104 (cs/58628) \]

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ABSTRACT OF LEGISLATIVE HISTORY DOCUMENTATION

Session Law: 69-104/2-3  Affected Statute: 159, 26, 159, 27
Prime Bill No.: CS/58 628  Sponsor: Edmund J. Gong et al.
Other Bill Nos.: HB 1343 (Dubbin)

The following is a checklist of documentation located pertaining to the above referenced legislation. Copies reproduced and supplemental to this report are indicated by * for items copied in whole and ** for copies of selected pages only. A more detailed report of findings is available upon request.

(**) Original Session Law: 69-104, sections 2-3
(*) Florida Statutes: see statute/law comparison
(*) Bill Histories: CS/58 628, HB 1343
(**) Prime Bill Versions: 58 628, sections 2-3

( ) Similar/Companion Bills: 

( ) Journal Pages: 

( ) Committee Staff Summaries and Analyses: No Senate Governmental Organization Comm. Bill Files Available for the 1969 Regular Session


continued on reverse
Florida Information Associates
Abstract of Legislative History

Session Law: 69-104

( ) Other Committee Documentation: ________________________________________

( ) Floor Debate Recordings: ________________________________________________

( ) Miscellaneous Documentation: ____________________________________________

RECOMMENDATIONS FOR FURTHER RESEARCH

As the Sen. Gen. Org. Cmt. was primarily concerned with the Govt. Recov. Act of 1969 (69-104), most of the files kept by that cmt. are on that subject, and therefore it is doubtful that any further documentation on SB 628 exists.

COMMENTS

The same article cited on reverse was located in an unlabeled file (S.18/Box 206, FIA) and there is no formal documentation linking this document with SB 628.

FIA Researcher ___________________________ Date ____________________________
June 5, 1969

The Honorable John E. Mathews, Jr
President of the Senate

Sir

I am directed to inform the Senate that the House of Representatives has passed—

By Representative Roberts and others—

HB 2993—A bill to be entitled An act relating to Taylor County; amending section 11 of chapter 59-1927, Laws of Florida, as amended, providing that annual audit of the county development authority be at the expense of the state auditor; providing an effective date.

Proof of Publication attached.

—and requests the concurrence of the Senate therein.

Respectfully,
ALLEN MORRIS
Clerk, House of Representatives

The Honorable John E. Mathews, Jr
President of the Senate

Sir

I am directed to inform the Senate that the House of Representatives has passed—

By Representative Lancaster—

HB 2997—A bill to be entitled An act relating to all counties in the state having a population of not less than three thousand four hundred (3,400) nor more than four thousand five hundred (4,500), according to the latest official decennial census. ratifying and confirming compensation paid to the supervisor of elections November 1961 through September 1965; providing an effective date.

Proof of Publication attached.

—and requests the concurrence of the Senate therein.

Respectfully,
ALLEN MORRIS
Clerk, House of Representatives

June 5, 1969

The Honorable John E. Mathews, Jr
President of the Senate

Sir

I am directed to inform the Senate that the House of Representatives has passed—

By Representative Culbreath and others—

HB 2988—A bill to be entitled An act relating to Hernando county; relating to the jurisdiction of the small claims court; amending section 1 of chapter 67-854 Laws of Florida 1967; providing for the jurisdiction of the court exclusive of interest and attorneys' fees and of matters not within the exclusive jurisdiction of the circuit court; providing an effective date.

Proof of Publication attached.

—and requests the concurrence of the Senate therein.

Respectfully,
ALLEN MORRIS
Clerk, House of Representatives
Booz Allen Hamilton Study, 1969
Conceputal Plan, 1969
Senate Plan + computer analyses
SB 850 (original)
Implementation of operating plan
Working papers & conf. com. discussion
SB 850 reports
Senate floor action
SB 850 engrossed
Statements of being on Exec Reorg Dec 1968

18/208
reports, working papers, conf. notes 1969-70

19/89
Bill drafts, concepts, plans, studies 1965-1970
94*
91*
98*
99*
104*
Pettigrew's notebook, background info