1984

Session Law 84-308

Florida Senate & House of Representatives

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**NARRATIVE/COMMENTS:**

This law adds references to educational facilities to the legislative intent section, the definition of "project" and adds a new subsection (22) to 159.27 defining an "educational facility." The language that exists in the current statutory sections was in both the original HB 1260 and similar SB 564.

**RECOMMENDATIONS FOR FURTHER RESEARCH:**

Review of committee and floor debate tapes: estimated 3 to 4 hours of additional research time required for such a review.
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 either that particular documentation does not apply or is non-existent.

* Florida Statutes: (see statute/law comparison)
* Prime Bill Version(s):
  Subject statutory language was in the original HB 1260, therefore not copied.
* Identical/Similar Bills: SB 564.
* House Journal: na
* Senate Journal: na
* Committee Staff Analyses and Reports:
  01. House Finance and Taxation Committee, Fiscal Note on PCB 21 (HB 1260), 4/26/84. (FSA, S. 18/1361).
  02. Senate Economic, Community and Consumer Affairs Committee, Staff Analysis of CS/SB 564, 6/28/84 (revised). (FSA, S. 18/1361).
* Committee Meeting Tapes: na
* Floor Debate Tapes: na
* Other Documentation: na
84-308/1-2
(159.26 + 159.27)

HB 1260 - in original bill

HFTX (mt. bill (PCB 21))

5B 564

SECA (5/16/84) 5/18/1361
A bill to be entitled

An act relating to the Florida Industrial
Development Financing Act; amending s. 159.27,
F.S.; expanding the definition of "project" to
include research and development facilities and
to permit the purchase from lending
institutions of first mortgages and other
securities for specified purposes; amending s.
159 28, F.S.; revising the general powers of
local agencies, providing an effective date.

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

Section 1. The Legislature again finds, declares and
restates its findings expressed in s. 159.26, Florida
Statutes, and in order to further implement the public
purposes expressed therein, does hereby amend part II of
chapter 159, Florida Statutes, as hereinafter provided.

Section 2. Subsection (5) of section 159 27, Florida
Statutes, is amended, and subsection (22) is added to said
section to read:

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

(5) "Project" means any capital project comprising an
industrial or manufacturing plant, a research and development
facility, a research and development park, an agricultural
processing or storage facility, a warehousing or distribution
facility, a headquarters facility, a tourism facility, a
convention or trade show facility, an urban parking facility,
a trade center, a health care facility, a motion picture
production facility, a preservation or rehabilitation of a
certified historic structure, an airport or port facility, a
commercial project in an enterprise zone, a pollution-control
facility, or a hazardous or solid waste facility, including
one or more buildings and other structures, whether or not on
the same site or sites; any rehabilitation, improvement,
renovation, or enlargement of, or any addition to, any
buildings or structures for use as a factory, a mill, a
processing plant, an assembly plant, a fabricating plant, an
industrial distribution center, a repair, overhaul, or service
facility, a test facility, an agricultural processing or
storage facility, a warehousing or distribution facility, a
headquarters facility, a tourism facility, a convention or
trade show facility, an urban parking facility, a trade
center, a health care facility, a motion picture production
facility, a preservation or rehabilitation of a certified
historic structure, an airport or port facility, a commercial
project in an enterprise zone, a pollution-control facility,
or a hazardous or solid waste facility, and other facilities,
including research and development facilities, for
manufacturing, processing, assembling, repairing, overhauling,
servicing, testing, or handling of any products or commodities
embraced in any industrial or manufacturing plant, in
connection with the purposes of a research and development
dpark, or other facilities for or used in connection with a
research and development facility, an agricultural processing
or storage facility, a warehousing or distribution facility, a
headquarters facility, a tourism facility, a convention or
trade show facility, an urban parking facility, a trade
center, a health care facility, a motion picture production
facility, a preservation or rehabilitation of a certified

CODING: Words in [ ] were deleted from the existing law, words underlined are additions.
historic structure, an airport or port facility, or a commercial project in an enterprise zone or for controlling air or water pollution or for the disposal, processing, conversion, or reclamation of hazardous or solid waste; 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, office or storage or training facilities, public lodging and restaurant facilities, dockage, wharfage, solar energy facilities, and other improvements necessary or convenient for any manufacturing or industrial plant, research and development facility, research and development park, agricultural processing or storage facility, warehousing or distribution facility, tourism facility, convention or trade show facility, urban parking facility, trade center, health care facility, motion picture production facility, preservation or rehabilitation of a certified historic structure, airport or port facility, commercial project in an enterprise zone, pollution-control facility, or hazardous or solid waste facility, and any one or more combinations of the foregoing, and the purchase from lending institutions of first mortgages and other securities for the purpose of providing funds to such lending institutions to be loaned to or invested in one or more enterprises owning or operating facilities consisting of one or more of such capital projects

(22) "Lending institution" means any trust company, mortgage banker, savings bank, credit union, national banking association, state banking corporation, savings and loan

CODING Words in eschew through type are deletions from existing law, words underlined are additions
association, building and loan association, insurance company,
or other financial institution authorized to transact business
in this state which customarily makes loans secured by first
mortgages against real property situated in the state.

Section 3. Subsections (3), (4), (5) and (6) of
section 159.28, Florida Statutes, are amended to read:

159.28 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 part,
including, but without limiting the generality of the
foregoing, the powers, with respect to any project or
projects:

(3) To make and execute financing agreements,
contracts, deeds, and other instruments necessary or
convenient in the exercise of the powers and functions of the
local agency under this part, including contracts with
persons, firms, corporations, lending institutions, 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, leasing, or
sale 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, tangible or intangible, improved or
unimproved, for the construction, operation, or maintenance or
furtherance of any project;

(5) To sell, lease, exchange, transfer, or otherwise
dispose of, or to grant options for any such purposes with
respect to any such real or personal property or interest
therein;

CODING: Words in wavy through type are deletions from existing law, words underlined are additions.
(6) To pledge or assign any such property or money, rents, charges, fees, or other revenues and any proceeds derived from sales of property, insurance, or condemnation awards or otherwise received under financing agreements;

Section 4. This act shall take effect upon becoming a law.

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HOUSE SUMMARY

Expands the definition of "project" under the Florida Industrial Development Financing Act to include research and development facilities and to permit the purchase from lending institutions of first mortgages and other securities for specified purposes. Revises the general powers of local agencies under said act.
CHAPTER 84-307  LAWS OF FLORIDA  CHAPTER 84-307

Every local governmental unit is authorized to expend funds for preemployment physical examinations and postemployment physical examinations.

Each county, municipality, school, board, local governmental unity-and-special-taxing-district, authorized to commingle in a common fund, plan, or program all payments for life, health, accident, hospitalization, or annuity insurance or all or any kinds of such insurance whether paid by the local governmental unity, officer or employee, or otherwise. The local governmental unit may determine the portion of the cost, if any, of such fund, plan, or program to be paid by officers or employees of the local governmental unit and fix the amounts to be paid by each such officer or employee as will best serve the public interest.

A local governmental unity, at its discretion, provide group insurance consistent with the provisions of this section for volunteer or auxiliary firefighters, volunteer or auxiliary law enforcement agents, or volunteer or auxiliary ambulance operators or service personnel within its jurisdiction. No insurance provided to volunteer personnel shall be used in the computation of workers' compensation benefits or in the determination of employee status for the purposes of collective bargaining.

Benefits provided under group insurance policies pursuant to subsection (4) shall not exceed benefits provided to employees under subsection (2) and ss. 112.19 and 112.191.

The Department of Administration shall initiate and supervise a group insurance program providing death and disability benefits for active members of the Florida Highway Patrol Auxiliary with coverage beginning July 1, 1978, and purchased from state funds appropriated for that purpose. The Department of Administration, in cooperation with the Department of Insurance and the Division of Purchasing of the Department of General Services, shall prepare specifications necessary to implement the program, and the Department of Administration shall receive bids and award the contract in accordance with general law.

Section 2. The Department of Insurance is authorized to promulgate rules to carry out the provisions of this act as they pertain to its duties.

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

Approved by the Governor June 24, 1984.

Filed in Office Secretary of State June 25, 1984.

CHAPTER 84-308  LAWS OF FLORIDA  CHAPTER 84-308

An act relating to industrial development financing; amending s. 159.26, F.S., changing legislative intent; amending s. 159.27, F.S., redefining "project" to include educational facilities; providing a definition; amending s. 159.30, F.S., authorizing governmental agencies to operate or lease industrial development-financed educational facilities; providing an effective date.

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

Section 1. Subsections (1) and (3) of section 159.26, Florida Statutes, are amended to read:

159.26 Legislative findings and purposes.--The Legislature finds and declares that:

(1) The agriculture, tourism, urban development, historic preservation, education, and health care industries, among others, are vital to the economy of the state and to the welfare of the people and need to be enhanced and expanded to improve the competitive position of the state;

(3) In order to improve the prosperity and welfare of the state and its inhabitants, to improve education, living conditions and health care, to promote the preservation of historic structures, to promote the rehabilitation of enterprise zones, to promote effective and efficient pollution control throughout the state, to promote the advancement of education and science and research in and the economic development of the state, and to increase purchasing power and opportunities for gainful employment, it is necessary and in the public interest to facilitate the financing of the projects provided for in this part and to facilitate and encourage the planning and development of these projects without regard to the boundaries between counties, municipalities, special districts, and other local governmental bodies or agencies in order to more effectively and efficiently serve the interests of the greatest number of people in the widest area practicable; and

Section 2. Subsection (5) of section 159.27, Florida Statutes, is amended, and subsection (22) is added to said section to read:

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

(5) "Project" means any capital project comprising an industrial or manufacturing plant, a research and development park, an agricultural processing or storage facility, a warehousing or distribution facility, a headquarters facility, a tourism facility, a convention or trade show facility, an urban parking facility, a trade center, a health care facility, an educational facility, a motion picture production facility, a preservation or rehabilitation of a certified historic structure, an airport or port facility, an industrial distribution center, a repair, overhaul, or service facility, a test facility, a research and development park, an agricultural processing or storage facility, a warehousing or distribution facility, a headquarters facility, a tourism facility, a convention or trade show facility, an urban parking facility, a trade center, a health care facility, an educational facility, a motion picture production facility, a preservation or rehabilitation of a certified historic

House Bill No. 1260

An act relating to industrial development financing; amending s. 159.26, F.S., changing legislative intent; amending s. 159.27, F.S., redefining "project" to include educational facilities; providing a definition; amending s. 159.30, F.S., authorizing governmental agencies to operate or lease industrial development-financed educational facilities; providing an effective date.

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(1) The agriculture, tourism, urban development, historic preservation, education, and health care industries, among others, are vital to the economy of the state and to the welfare of the people and need to be enhanced and expanded to improve the competitive position of the state;

(3) In order to improve the prosperity and welfare of the state and its inhabitants, to improve education, living conditions and health care, to promote the preservation of historic structures, to promote the rehabilitation of enterprise zones, to promote effective and efficient pollution control throughout the state, to promote the advancement of education and science and research in and the economic development of the state, and to increase purchasing power and opportunities for gainful employment, it is necessary and in the public interest to facilitate the financing of the projects provided for in this part and to facilitate and encourage the planning and development of these projects without regard to the boundaries between counties, municipalities, special districts, and other local governmental bodies or agencies in order to more effectively and efficiently serve the interests of the greatest number of people in the widest area practicable; and

Section 2. Subsection (5) of section 159.27, Florida Statutes, is amended, and subsection (22) is added to said section to read:

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

(5) "Project" means any capital project comprising an industrial or manufacturing plant, a research and development park, an agricultural processing or storage facility, a warehousing or distribution facility, a headquarters facility, a tourism facility, a convention or trade show facility, an urban parking facility, a trade center, a health care facility, an educational facility, a motion picture production facility, a preservation or rehabilitation of a certified historic structure, an airport or port facility, an industrial distribution center, a repair, overhaul, or service facility, a test facility, a research and development park, an agricultural processing or storage facility, a warehousing or distribution facility, a headquarters facility, a tourism facility, a convention or trade show facility, an urban parking facility, a trade center, a health care facility, an educational facility, a motion picture production facility, a preservation or rehabilitation of a certified historic

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An act relating to industrial development financing; amending s. 159.26, F.S., changing legislative intent; amending s. 159.27, F.S., redefining "project" to include educational facilities; providing a definition; amending s. 159.30, F.S., authorizing governmental agencies to operate or lease industrial development-financed educational facilities; providing an effective date.
structure, an airport or port facility, a commercial project in an enterprise zone, a pollution-control facility, or a hazardous or solid waste facility, and other facilities, and other improvements necessary or convenient for any manufacturing or industrial plant, in connection with the purposes of a research and development park, or other facilities for or used in connection with an agricultural processing or storage facility, a warehousing or distribution facility, and other facilities, including research and development facilities, for manufacturing, processing, assembling, repairing, overhauling, servicing, testing, or handling of any products or commodities embraced in any project or projects leased thereunder.

Section 3. Subsection (1) of section 159.30, Florida Statutes, is amended to read:

159.30 Agreements of lease.--

(1) No project financed under the provisions of this part shall be operated by the local agency or any other governmental agency, provided that the local agency may temporarily operate or cause to be operated any part of a project to protect its interest therein, pending any leasing or sale of such project in accordance with this part, and provided further, that no institution of higher education as defined in s. 243.201(8) and which offers the baccalaureate or higher degree, constructed in compliance with applicable codes as determined by appropriate state agencies, and limited to structures suitable for use as a dormitory or other housing facility or for a dining facility, shall be deposited in trust:

(a) The lessee shall at its own expense operate, repair, and maintain the project or projects leased thereunder.

(b) The rent payable under the lease shall in the aggregate be no less than an amount sufficient to pay all of the interest, principal, and redemption premiums, if any, on the bonds that shall be issued by the local agency to pay the cost of the project or projects leased thereunder.

(c) The lessee shall pay all other costs incurred by the local agency in connection with the financing, construction, and administration of the project or projects leased, except as may be paid out of the proceeds of bonds or otherwise, including, but without being limited to, insurance costs, the cost of administering the bond resolution authorizing the bonds and any trust agreement securing the bonds, and the fees and expenses of trustees, paying agents, attorneys, consultants, and others;

(d) The term of the lease shall terminate not earlier than the date on which all such bonds and all other obligations incurred by the local agency in connection with the project or projects leased thereunder shall be paid in full, including interest, principal, and redemption premiums, if any, or adequate funds for such payment shall be deposited in trust;

(e) The lessee's obligation to pay rent shall not be subject to cancellation, termination, or abatement by the lessee until such payment of the bonds or provision for such payment shall be made.

Section 4. This act shall take effect July 1, 1984.

Approved by the Governor June 24, 1984.

Filed in Office Secretary of State June 25, 1984.
III. COMMENTS:

A similar bill, HB 1260, was approved by the Governor on June 25, 1984.

IV. AMENDMENTS:

None.
STATE & LOCAL GOVERNMENT IMPACT

In compliance with Rule 7.16, there is hereby submitted a fiscal note on the above listed bill relative to the effect on revenues, expenditures, or fiscal liability of the State, and of Local Governments as a whole.

I. DESCRIPTION OF BILL
A. Fund or Tax Affected
   Industrial Development Bonds (IDB's)

B. Principal Agency Affected
   Counties, municipalities, or other local governing bodies with IDB financing capabilities

C. Sponsor's Statement of Purpose

D. Narrative Summary

Part II of Chapter 159 currently permits certain projects to be financed with industrial development bonds issued by local agencies on behalf of private developers. Educational facilities are not among those capital projects. Part II of Chapter 243 presently permits a County Higher Education Facilities Authority "to assist in higher education in the construction, financing, and refinancing of projects," including a housing facility, administration building, classroom, and other structures. When the bonds have been defeased, the authority conveys title to the project to the participating educational institution. This bill would permit dormitories and other educational facilities to be financed with IDB's, which would allow private investors to take advantage of certain federal tax savings that could then be passed on to the university leasing back such a project. Many dormitories in the state university system have been built at least in part with federal funds, which are shrinking. There is a provision requiring compliance with "applicable codes as determined by appropriate state agencies," intended to clarify any confusion as to who has jurisdiction for building inspection, fire and other code compliance, etc.

The bill also alters a restriction in s. 159.30 which undoubtedly addresses the Art. 7, Sec. 10 prohibition against joint ventures between government and the private sector. (One exception is revenue bonds to finance capital projects for certain industrial or manufacturing plants.) This restriction currently prohibits the operation by a governmental agency of any project financed under Part II of Ch. 159. The bill would permit such operation or leasing of educational facilities.
STATE & LOCAL GOVERNMENT IMPACT

In compliance with Rule 7.16, there is hereby submitted a fiscal note on the above listed bill relative to the effect on revenues, expenditures, or fiscal liability of the State, and of Local Governments as a whole.

II. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS
   A. Non-Recurring or First Year Start-up Effects
      Indeterminate

   B. Recurring or Annualized Continuation Effects
      Indeterminate

   C. Long Run Effects other than Normal Growth
      Unknown

   D. Appropriations Consequences/Source of Funds
      Could result in a savings to the state of an indeterminate amount if lower interest rates which may be obtained by private builders are passed on to the university system in the form of less expensive lease payments.

III. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE
   A. Non-Recurring or First Year Start-up Effects
      Unknown

   B. Recurring or Annualized Continuation Effects
      Unknown

   C. Long Run Effects other than Normal Growth
      Unknown

IV. COMMENTS: