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S 429 GENERAL BILL by Commerce (Identical H 1188) Foreign Offices/Commence Dept.; specifies certain requirements from which said dept. is exempt in establishing, operating, & managing its foreign offices; revises repeal date & provides for prior legislative review. Amends/readopts 288.012. Effective Date: 06/27/89. 03/09/89 SENATE Prefiled 03/24/89 SENATE Referred to Commerce; Appropriations 04/04/89 SENATE Introduced, referred to Commerce; Appropriations -SJ 43; В On Committee agenda—Commerce, 04/05/89, 3:15 pm, Ι Room-A-(LL-37)—No meeting, lack of quorum 04/06/89 SENATE On Committee agenda—Commerce, 04/10/89, 2:00 pm, L Room-A-(LL-37) L 04/10/89 SENATE Comm. Report: Favorable by Commerce -SJ 116 04/11/89 SENATE Now in Appropriations -SJ 116 05/03/89 SENATE H Extension of time granted Committee Appropriations 05/09/89 SENATE Ι Withdrawn from Appropriations -SJ 277; Placed on Calen-S 05/30/89 SENATE Placed on Special Order Calendar -SJ 560; Passed; T YEAS 37 NAYS 0 -SJ 608 0 05/30/89 HOUSE In Messages 05/31/89 HOUSE Received, placed on Calendar -HJ 944; Substituted for HB R 1188; Read second time; Read third time; Passed; Y YEAS 116 NAYS 0 -HJ 945 05/31/89 Ordered enrolled -SJ 624 06/12/89 Signed by Officers and presented to Governor 06/27/89 Approved by Governor; Chapter No. 89-150

NOTES: Above bill history from Division of Legislative Information's FINAL LEGISLATIVE BILL INFORMATION, 1989 SESSIONS. Staff Analyses for bills amended beyond final committee action may not be in accordance with the enacted law. Journal page numbers (HJ & SJ) refer to daily Journals and may not be the same as final bound Journals.

| REVISED: | BILL NO. SB 429 |
|---------------------|-----------------|
| DATE: March 1, 1989 | Page <u>1</u> |

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

| ANALYST 1. Jones TI 2. 3. 4. SUBJECT: | STAFF DIRECTOR Wilkes | 1. 2. 3. 4. | REFERENCE COM AP BILL NO. AND | ACTION Favorable Withdrawn SPONSOR: |
|--|-----------------------|----------------------|-------------------------------|-------------------------------------|
| Department of Foreign Offic | Commerce's es | • | SB 429 by Commerce Com | mittee |

I. SUMMARY:

A. Present Situation:

With the passage of ch. 80-401, Laws of Florida in 1980, the Legislature authorized the Department of Commerce (department) to establish and operate offices in foreign countries for the promotion of tourism and economic development. Section 288.012, F.S., allows the department to enter into agreements to establish and operate an office in a foreign country which may contain provisions which conflict with the general laws of Florida.

Due to the existence of s. 288.012, F.S., the department is exempt from certain provisions of Florida law relating to the leasing of buildings, bids for printing, and other provisions relating to purchasing, motor vehicles, communications, and state employment. However, these exemptions are only applicable when the department establishes, operates, or manages an office in a foreign country and only if the laws, administrative code, or business practice or customs of the foreign country in which the foreign office is located are in conflict with such provisions of Florida law. In order to exercise this exemption, the department must have the prior approval of the Governor. Upon final action by the Governor regarding the request to exercise the exemption, the department must report such actions to the President of the Senate and the Speaker of the House of Representatives within 30 days.

In 1983, the Legislature mandated a review and repeal of the entire Act creating ch. 83-252, L.O.F. This act relates to public printing and creates a new ch. 283, F.S. However, ch. 83-252, L.O.F., is basically a revamped version of the public printing law as it existed in 1982. The amendment to s. 288.012(2), F.S., was made necessary because with the creation of a new ch. 283, F.S., the references to the public printing law contained within s. 288.012(2), F.S., were no longer accurate. The change to s. 288.012(2), F.S., generally reflected a movement of substantive material from a section repealed to a section created by ch. 83-252, L.O.F. There was basically no substantive effect caused by ch. 83-252, L.O.F., upon the exemption from the public printing law contained within s. 288.012(2), F.S.

In 1988, ch. 88-201, L.O.F., re-established and delayed the repeal date for the exemption granted to the department for foreign offices from January 1, 1989, to October 1, 1989.

B. Effect of Proposed Changes:

The bill re-establishes the provisions of s. 288.012(2), F.S., which exempts the department from certain requirements relating to establishing, operating, and managing the department's foreign offices. The bill also clarifies the nature of the

DATE:

March 1, 1989

Page 2

foreign offices exemption by updating certain antiquated cross references within s. 288.012(2), F.S. Finally, the bill repeals s. 288.012, F.S., on October 1, 1999 and mandates a review by the Legislature prior to the date of repeal.

II. ECONOMIC IMPACT AND FISCAL NOTE:

A. Public:

According to information provided by the department, Florida receives nearly 4 million visitors from other nations, who spend some \$4.5 billion here annually. In an attempt to sustain and improve the state's tourism market share, the department maintains an office for tourism promotion in Toronto, Canada and London, England. Additionally a warehouse is maintained in Frankfurt for literature distribution in the Federal Republic of Germany. The cost to maintain these offices is \$745,433. This cost reflects salaries as well as operational and promotional requirements.

Florida also has over 91 major investors from the Pacific who offer job opportunities to over 4,800 persons in Florida. According to the department's figures, the United Kingdom and continental Europe account for over 348 investors who employ over 19,500 persons. To encourage such investment activity, the department maintains offices in Japan, Korea, Belgium and England. The maintenance cost of the investment and trade offices is approximately \$475,000 annually. This figure includes total expenses of salary, operational expenses and promotion.

B. Government:

See above.

III. COMMENTS:

None.

IV. AMENDMENTS:

None.

AS PASSED BY THE 1989 LEGISLATURE

STORAGE NAME: \$429-f.com

DATE: 06/28/89

HOUSE OF REPRESENTATIVES

COMMITTEE ON COMMERCE

FINAL STAFF ANALYSIS & ECONOMIC IMPACT STATEMENT

BILL #: SB 429

RELATING TO: Department of Commerce/Foreign Offices

SPONSOR(S): Commerce Committee

EFFECTIVE DATE: Upon becoming a law

DATE BECAME LAW: June 27, 1989

CHAPTER #: 89-150, Laws of Florida

COMPANION BILL(S): HB 1188

OTHER COMMITTEES OF REFERENCE: (1) Appropriations

(2)

I. SUMMARY:

Updates the current exemptions of Department of Commerce foreign offices from certain requirements for purchase or lease of buildings, printing, motor vehicles, and communications equipment. Cancels the imminent repeal of those exemptions, and provides for their Sunset repeal and review in ten years.

A. PRESENT SITUATION:

Given the importance of foreign markets to Florida tourism and exports, the Florida Department of Commerce has maintained since 1977 a series of overseas offices and facilities to aid in its overseas promotion efforts. The Department currently maintains offices in Toronto and London, a warehouse in Germany, and has an answering service arrangement in Taiwan. These and other foreign activities require the Department to enter into agreements for leasing or purchasing which would ordinarily be subject to various bidding requirements contained in Florida Statutes (see, for example, s. 255.21, F.S., regarding building leases). There are other requirements, such as those for compliance with Florida fire codes, s. 255.25(2), F.S., which are in direct conflict with those of foreign jurisdictions.

In 1980, the Department received an exemption from these requirements for operations in connection with its foreign offices. That exemption applies only when there is a conflict with the law, practices, and customs of the foreign country and the Governor gives prior approval to the exemption. Since that time, the Department has used the exemption in association with its former and present foreign offices in Germany, England, and

STORAGE NAME: s429-f.com

DATE: 06/28/89

PAGE: 2

Canada. Exemptions have been exercised for all of the categories authorized by the statute. The exemptions are scheduled for Sunset review on October 1, 1989.

B. EFFECT OF PROPOSED CHANGES:

The bill saves from sunset repeal provisions which exempt from general state agency communications, purchasing and printing requirements contracts of the Department of Commerce in connection with the establishment, operation, and management of its foreign offices. The exemption only applies if those general state agency requirements conflict with the laws, practices and customs of the foreign country and if the Governor gives prior approval to the exemption. The bill updates references to the laws to which the exemption applies. The exemption is scheduled for additional legislative review and repeal in 10 years.

C. SECTION-BY-SECTION ANALYSIS:

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

- A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:
 - Non-recurring or First Year Start-Up Effects:
 None
 - 2. Recurring or Annualized Continuation Effects:
 Indeterminate
 - 3. Long Run Effects Other Than Normal Growth:
 Indeterminate
 - 4. Appropriations Consequences:
- B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:
 - Non-recurring or First Year Start-Up Effects:
 None
 - Recurring or Annualized Continuation Effects:
 None
 - 3. Long Run Effects Other Than Normal Growth:
 None

STORAGE NAME: s429-f.com

DATE: 06/28/89

PAGE: 3

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None

2. Direct Private Sector Benefits:

None

3. Effects on Competition, Private Enterprise, and Employment Markets:

Exemption from competitive bid requirements may well have some effect on competition. Effects in this country are unknown.

D. FISCAL COMMENTS:

III. LONG RANGE CONSEQUENCES:

This bill positively addresses the requirements of increased governmental efficiency, enhancement of state efforts to attract foreign investment, strenthening of Florida's position in the world economy, and promotion of tourism as prescribed by s. 187.201(21), 22(b)1. and 4., and (24)(b)1., F.S.

IV. COMMENTS:

This bill affects Florida's efforts to enhance the marketing of tourism and export goods, as addressed in the Business Growth section of the House Policy Statement for 1989-1990.

V. LEGISLATIVE HISTORY:

ENACTED BILL:

Senate Bill 429 by the Committee on Commerce was introduced on April 4, 1989, and referred to the Committees on Commerce and Appropriations (SJ 00043). The Committee on Commerce reported the bill favorably on April 10 (SJ 00116). On May 9 the bill was withdrawn from the Committee on Appropriations (SJ 00277) and Placed on the Senate Calendar. On May 30 SB 429 was placed on the Special Order Calendar (SJ 00560) and passed 37-0 (SJ 00608), and the next day was received by the House (HJ 00944), substituted for its House companion and passed 116-0 (HJ 00945). After being enrolled (SJ 00624), SB 429 was signed by the officers and presented to the Governor on June 12, and became Chapter 89-150 on June 27.

STORAGE NAME: s429-f.com

DATE: 06/28/89

PAGE: 4

DISPOSITION OF COMPANION:

House Bill 1188 by Representative Sanderson was introduced on April 4, 1989 and referred to the Committees on Commerce and Appropriations (HJ 00112). It was reported favorably by the Committee on Commerce on April 28 (HJ 00310), and on May 17 was withdrawn from the Committee on Appropriations (HJ 00514) and placed on the Calendar. On May 31 House Bill 1188 was passed by the House 111-0 (HJ 00932), then reconsidered and laid on the table in favor of the Senate companion (HJ 00945).

VI. SIGNATURES:

| SUBSTANTIVE COMMITTEE: Prepared by: Todd Kocourek | Staff Director: William Leary Milliam |
|---|---------------------------------------|
| SECOND COMMITTEE OF REFERENCE: Prepared by: | Staff Director: |
| APPROPRIATIONS: Prepared by: | Staff Director: |