



ARA-PP-07: RURAL ENTERPRISE ZONES

COMMITTEE RECOMMENDATION: ADOPT

PROPOSED POLICY: SUPPORT re-establishment of rural enterprise zone programs in fiscally constrained counties.

BACKGROUND: A few years ago, the legislature eliminated the Enterprise Zone program. Enterprise zones are geographic regions that are granted special status by a government to encourage development and economic growth. The zones may be granted favorable tax rates, regulatory exemptions, or other incentives to encourage businesses to stay in the area or locate in it. This program was very helpful to rural counties, however, the legislature felt urban counties were taking advantage of the program. The proposed change is to re-establish the program, however, only make it available for fiscally constrained counties.

It is the policy of this state to provide the necessary means to assist local communities, their residents, and the private sector in creating the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas and to provide jobs for residents of such areas. In achieving this objective, the state will seek to provide appropriate investments, tax benefits, and regulatory relief of sufficient importance to encourage the business community to commit its financial participation. The purpose of ss. [290.001-290.016](#) was to establish a process that clearly identifies such severely distressed areas and provides incentives by both the state and local government to induce private investment in such areas. The Legislature, therefore, declares the revitalization of enterprise zones, through the concerted efforts of government and the private sector, to be a public purpose. As previously, stated the legislature in 2016 (I believe) voted to eliminate the enterprise zone program.

ANALYSIS: With the elimination of the program by the legislature, this action eliminated a very useful and important program used by economic development organizations in fiscally constrained counties.

FISCAL IMPACT: I will use Okeechobee County as an example. The last year this program was available for usage, our business located in our enterprise zones within our County received \$1.8M in benefits. For new businesses re-locating in a rural county, this is a significant benefit.

FAC STAFF NOTES:

- FAC 2022 Policy Conference
 - ARA-PP-07 was recommended for adoption by the committee.
- Statutes:
 - [S. 290.001](#) - [290.016](#), F.S. are collectively titled the *Florida Enterprise Zone Act*



- The program provides the statutory framework for enterprise zone development agencies and was created to induce private investment into designated economically distressed areas, through state and local tax incentives
- S. 290.016 - *Repeal* provided for the scheduled repeal of the *Florida Enterprise Zone Act* as of December 31, 2015
- [S. 218.67](#), F.S. establishes the criteria for designation as a fiscally constrained county
- Bills:
 - HB 285 and SB 892 – *Enterprise Zone Boundaries* (2021) – Failed
 - Preserved the enterprise zone boundaries that were in effect before December 31, 2015, through December 31, 2025
- FAC Guiding Principles:
 - ARA 3. The Florida Association of Counties supports enhancing the ability for Rural Areas of Opportunity (RAOs) to advance local rural economic development initiatives through allocation of additional resources.

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ASSIGNED COMMITTEE: ARA

BOARD SUPPORT: Yes

UNFUNDED MANDATE: No

PROTECTIVE OF HOME RULE: N/A