



Agriculture & Rural Affairs Committee

Agenda

- I. Call to Order
- II. Opening Remarks
- III. Sponsor Recognition and Remarks
- IV. Meeting Overview
- V. Meeting Process
- VI. Consent Agenda
 - a. Adopt
 - i. ARA-PP-06: Small County Surtax
 - ii. ARA-PP-07: Rural Enterprise Zones
 - b. Not Adopt; Covered by Guiding Principles
 - i. ARA-PP-01: Rural County Programs and Funding
 - ii. ARA-PP-02: State Funded Law Enforcement Salary Enhancement
 - iii. ARA-PP-03: Rural Infrastructure Funding
 - iv. ARA-PP-04: Small County Road Programs
 - c. Guiding Principles
- VII. Additional Action Items:
 - a. ARA-PP-05: Rural Economic and Community Development
- VIII. Guest Speaker: Jim Spratt, Magnolia Strategies
- IX. Other Business
- X. Adjournment



ARA-PP-01: RURAL COUNTY PROGRAMS AND FUNDING

COMMITTEE RECOMMENDATION: NOT ADOPT; COVERED BY GUIDING PRINCIPLES

PROPOSED POLICY: SUPPORT the protection of rural county programs, increase base-line funding, and revenue sharing programs beneficial to rural communities

BACKGROUND: The State of Florida provides a significant amount of funding through agency grant programs that are important to local communities. It is requested that the Legislature continue these programs and increase funding levels to high valued programs and revenue sharing programs that are beneficial to small counties and rural communities, including, but are not limited to, Revenue Sharing, Small County Road funding; Fiscally Constrained programs; State Aid for Local Libraries; Rural Transportation funding; Regional Planning Councils; Small County Solid Waste Grants; Housing funds; County Health Department Funding and Rural Health Initiatives; Aerial Photography; Small County Water Projects; Payment In Lieu of Taxes; Courthouse and infrastructure projects.

ANALYSIS: This statement is an ongoing priority and could be reflected in FAC Standing Policies or Guiding Principles. It is submitted for emphasis on the importance of these programs to the ability of counties, specifically small fiscally constrained counties, to provide services. It is understood if the FAC policy process recognizes these as part of a standing policy or a guiding principle.

FISCAL IMPACT: Revenue neutral at minimum and/or revenue positive for counties

FAC STAFF NOTES:

- **FAC 2022 Policy Conference:**
 - The Committee recommended to not adopt ARA-PP-01, as it is already covered by FAC Guiding Principles
- **FAC Guiding Principles:**
 - The proposed policy highlights several existing state programs beneficial to local governments. ARA Guiding Principles 1 and 2 recognize the unique challenges of fiscally constrained counties:
 - ARA 1. The Florida Association of Counties recognizes the unique fiscal challenges of Florida's rural counties and state-designated fiscally constrained counties. The Association is dedicated to preserving established programs that provide critical resources for essential programs and infrastructure needs of these counties.



- ARA 2. The Florida Association of Counties supports enhancing programs to increase funding for rural infrastructure, job growth, and workforce development policies and efforts to reduce the digital divide and expand internet access to underserved areas through industry partnerships, new technologies, and collaboration with local stakeholders.

SUBMITTING COUNTY AND CONTACT: Levy – John Meeks

ASSIGNED COMMITTEE: ARA

BOARD SUPPORT: N/A

UNFUNDED MANDATE: NO

PROTECTIVE OF HOME RULE: YES



ARA-PP-02: STATE-FUNDED LAW ENFORCEMENT SALARY ENHANCEMENTS

COMMITTEE RECOMMENDATION: NOT ADOPT; COVERED BY GUIDING PRINCIPLES

PROPOSED POLICY: SUPPORT recurring funding for law enforcement raises in fiscally constrained counties

BACKGROUND: The 2022 Legislature provided \$15,047,787 in recurring funds from the General Revenue Fund for salary increases for deputy sheriffs and correctional officers employed by sheriff's offices in fiscally constrained counties. It is requested that these funds be continued for this purpose and the formula for determining allotments be reviewed to assure county allotments are provided at the required amounts.

ANALYSIS: Language in General Appropriations Bill - From the funds in Specific Appropriation 1248, \$15,047,787 in recurring funds from the General Revenue Fund is provided for salary increases for deputy sheriffs and correctional officers employed by sheriff's offices in fiscally constrained counties, as defined in section 218.67(1), Florida Statutes, as follows:

Baker County Sheriff's Office.....	223,000
Bradford County Sheriff's Office.....	535,000
Calhoun County Sheriff's Office.....	330,773
Columbia County Sheriff's Office.....	1,047,014
Desoto County Sheriff's Office.....	397,000
Dixie County Sheriff's Office.....	525,000
Franklin County Sheriff's Office.....	410,000
Gadsden County Sheriff's Office.....	500,000
Gilchrist County Sheriff's Office.....	370,000
Glades County Sheriff's Office.....	293,000
Gulf County Sheriff's Office.....	188,000
Hamilton County Sheriff's Office.....	206,500
Hardee County Sheriff's Office.....	275,000



Hendry County Sheriff's Office.....	598,000
Highlands County Sheriff's Office.....	945,000
Holmes County Sheriff's Office.....	635,000
Jackson County Sheriff's Office.....	990,000
Jefferson County Sheriff's Office.....	261,000
Lafayette County Sheriff's Office.....	296,000
Levy County Sheriff's Office.....	825,000
Liberty County Sheriff's Office.....	476,000
Madison County Sheriff's Office.....	487,000
Okeechobee County Sheriff's Office.....	822,500
Putnam County Sheriff's Office.....	1,125,000
Suwannee County Sheriff's Office.....	604,000
Taylor County Sheriff's Office.....	289,000
Union County Sheriff's Office.....	295,800
Wakulla County Sheriff's Office.....	653,200
Washington County Sheriff's Office.....	445,000

Funds shall be distributed in quarterly advances and reconciled at the conclusion of each state fiscal year. By October 1, 2022, the sheriff's offices shall report to the Florida Sheriff's Association how funds were distributed to officers.

FISCAL IMPACT: The Proposed Policy maintains the funding allocated for law enforcement raises from the FY 2022-23 state budget.

FAC STAFF NOTES:

- FAC 2022 Policy Conference:
 - The Committee recommended to not adopt ARA-PP-02, as it is already covered by FAC Guiding Principles
- FAC Guiding Principles:



- The proposed policy highlights several existing state programs beneficial to local governments. ARA Guiding Principles 1 and 2 recognize the unique challenges of fiscally constrained counties:
- ARA 1. The Florida Association of Counties recognizes the unique fiscal challenges of Florida's rural counties and state-designated fiscally constrained counties. The Association is dedicated to preserving established programs that provide critical resources for essential programs and infrastructure needs of these counties.
- ARA 2. The Florida Association of Counties supports enhancing programs to increase funding for rural infrastructure, job growth, and workforce development policies and efforts to reduce the digital divide and expand internet access to underserved areas through industry partnerships, new technologies, and collaboration with local stakeholders.
- FY 2022-23 Budget Appropriations:
 - The FY 2022-23 budget Specific Appropriation 1248 indicates that the funding is from recurring funds. For funding to be provided for the subsequent fiscal year, the Legislature will need to re-appropriate the recurring funding or create another funding mechanism through statute.

SUBMITTING COUNTY AND CONTACT: Washington – Tray Hawkins

ASSIGNED COMMITTEE: ARA

BOARD SUPPORT: N/A

UNFUNDED MANDATE: No

PROTECTIVE OF HOME RULE: N/A



ARA-PP-03: RURAL INFRASTRUCTURE FUNDING

COMMITTEE RECOMMENDATION: NOT ADOPT; COVERED BY GUIDING PRINCIPLES

PROPOSED POLICY: SUPPORT additional financial support for infrastructure - Water Projects; Local Jail Improvements/Construction; Public Safety Improvements- Jail, Fire, EMS.

BACKGROUND: this proposal is based on the acknowledgement that local governments have significant backlog in infrastructure. The proposal does not specify what method the legislature should authorize (i.e. increase taxing authority, broadened use of existing revenue sources, or direct state funding for local infrastructure.) It is requested that the Legislature provide additional capacity for local governments to address infrastructure needs.

ANALYSIS: It may be that FAC has sufficient policies and principles to pursue this proposal. If so, that may be sufficient.

FISCAL IMPACT: Indeterminate

FAC STAFF NOTES:

- FAC 2022 Policy Conference:
 - The Committee recommended to not adopt ARA-PP-03, as it is already covered by FAC Guiding Principles
- FY 2022-23 Budget Appropriations:
 - Specific Appropriation 1665A provides for \$368,380,383 in grants and aid for local and nonstate water projects
 - Specific Appropriation 1667 provides grants and aid for local and nonstate drinking water capital projects
 - \$14,238,897 from General Revenue
 - \$188,370,575 from the state Drinking Water Revolving Loan Trust Fund
 - Specific Appropriation 1668 provides for grants and aid for local and nonstate wastewater treatment and stormwater management construction projects
 - \$15,403,617 from General Revenue
 - \$249,425,513 from the Wastewater Treatment and Stormwater Management Revolving Loan Trust Fund
 - Specific Appropriation 2431A provides for \$28,451,500 for local government fire services
 - Specific Appropriation 502 provides for \$2,696,675 in emergency medical services county grants
- FAC Guiding Principles:



- WES 2. The Florida Association of Counties supports state funding for water quality improvement projects designed to reduce nutrient pollution in Florida's impaired waterbodies, recognizing that multiple sources contribute to nutrient loading, including, but not limited to, wastewater and septic systems, industrial, agricultural, and residential water use.
- WES 3. The Florida Association of Counties supports policies that enhance regional and local financial capacity to address water supply development with allocation flexibility in all available funding sources.
- HSJ 35. The Florida Association of Counties supports funding for capital improvements to county courthouses and other court-related facilities, including jails.
- HSJ 39. The Florida Association of Counties supports policies and funding targeted at enhancing the quality of volunteer firefighting services in rural and unincorporated communities.
- HSJ 41. The Florida Association of Counties supports continued state funding for county EOCs to ensure each is able to meet the minimum structural survivability and operational space criteria established by the state and federal government.

SUBMITTING COUNTY AND CONTACT: Levy – John Meeks

ASSIGNED COMMITTEE: ARA

BOARD SUPPORT: N/A

UNFUNDED MANDATE: No

PROTECTIVE OF HOME RULE: N/A



ARA-PP-04: SMALL COUNTY ROAD PROGRAMS

COMMITTEE RECOMMENDATION: NOT ADOPT; COVERED BY GUIDING PRINCIPLES

PROPOSED POLICY: SUPPORT maintaining funding increases allocated to the Small County Road Assistance Program (SCRAP) and Small County Outreach Program (SCOP). Significant funding was provided in 2022.

BACKGROUND: The Small County Outreach Program (SCOP), Small County Road Assistance Program (SCRAP), and County Incentive Grant Program ([CIGP](#)) grant programs are of the highest priority for securing funding within the State Budget. The emphasis on funding these programs is critical, in that funding for these programs at times takes second place to special road projects or individual member projects.

SCRAP:

The purpose of the SCRAP program is to assist small county governments in resurfacing and reconstructing county roads. Beginning in FY 2000 until FY 2010, and beginning again with FY 2013, up to \$25 million annually is available to be allocated for the purposes of funding this program. Available funds are allocated to the districts based on the number of eligible counties. For example, if a district has 10 counties eligible for SCRAP, and there is a total of 31 eligible counties statewide, then the district's allocation would be approximately 32.26% of the total available funding. Per Section 339.2816, Florida Statutes, the term "small county" (specifically for the SCRAP) means any county that has a population of 75,000 or less according to the 1990 Federal census data. Small counties shall be eligible to compete for funds that have been designated for the SCRAP for resurfacing or reconstruction projects on county roads that were part of the county road system on June 10, 1995. Capacity improvement on county roads shall not be eligible for funding under the program.

(<https://www.fdot.gov/programmanagement/lp/scrap/default.shtm>)

SCOP:

The purpose of this program is to assist small county governments in repairing or rehabilitating county bridges, paving unpaved roads, addressing road-related drainage improvements, resurfacing or reconstructing county roads, or constructing capacity or safety improvements to county roads.

Small counties shall be eligible to compete for funds that have been designated for the small County Outreach Program (SCOP) for projects on county roads. Available funds are allocated to the districts based on the number of eligible counties. For example, if a district has 12 counties eligible for SCOP/Small County Economic Development (SCED) and Small County Growth Management (GRSC), and there is a total of 38 eligible counties statewide, then the district's allocation would be approximately 31.57% of the total available funding. The Florida Department



of Transportation (department) shall fund 75% of the cost of projects on county roads funded under the program. Any initial bid costs or project overruns after the letting that exceed the department's participation as stated, will be at the county's expense. This will help ensure that the funds are utilized on as many projects as possible.

ANALYSIS: On March 14th 2021, the Florida House of Representatives and the Florida Senate agreed to the budget for the State Fiscal Year (SFY) 2022-2023. The following budget allocations are as follows:

- **Small County Outreach Program (SCOP):** The SFY 2022-23 budget allocated \$114.9 million
- **Small County Road Assistance Program (SCRAP):** The SFY 2022-23 budget allocates \$47.7 million

FISCAL IMPACT: There are roughly 271,000 lane miles of roadway in Florida, only 44,000 of which are located on the State Highway System. The remaining 84% of roadways fall under local jurisdiction for operation and maintenance. In rural counties, limited budgets often mean reduced or no roadway maintenance, unfortunately resulting in an increased rate of deterioration. SCOP and SCRAP funds will provide financial assistance for counties to address vital infrastructure needs.

<https://www.fhwa.dot.gov/policyinformation/statistics/2008/hm60.cfm>

<https://johnsonengineering.com/small-county-outreach-assistance-programs-scop-scrap-2/>

FAC STAFF NOTES:

- FAC 2022 Policy Conference:
 - The Committee recommended to not adopt ARA-PP-04, as it is already covered by FAC Guiding Principles
- Statutes:
 - [s. 339.2816, F.S.](#) - *Small County Road Assistance Program*
 - [s. 339.2818, F.S.](#) - *Small County Outreach Program*
- FAC Guiding Principles:
 - CUA 13. The Florida Association of Counties supports increased critical state funding for the Small County Road Assistance program (SCRAP).
 - CUA 14. The Florida Association of Counties supports increased state funding for the Small County Outreach Program (SCOP).
 - CUA 13 and 14 have been included in the ARA Guiding Principles document for consideration during the 2022-23 Policy Development Process

SUBMITTING COUNTY AND CONTACT: Walton – Danny Glidewell



ASSIGNED COMMITTEE: ARA

BOARD SUPPORT: N/A

UNFUNDED MANDATE: N/A

PROTECTIVE OF HOME RULE: N/A



ARA-PP-05: RURAL ECONOMIC & COMMUNITY DEVELOPMENT

COMMITTEE RECOMMENDATION: DEFER TO LEGISLATIVE CONFERENCE

PROPOSED POLICY: FAC SUPPORTS a comprehensive rural economic & community development package to include:

- Increase funding for rural infrastructure projects to the Florida Job Growth Grant Fund
- Increase operational funding and regulatory flexibility for Rural Areas of Opportunity and local entities to promote job creation and economic expansion;
- Rural Qualified Targeted Industries Tax Refund Reauthorization for 10 years;
- Modify match requirements and provide flexibility to the following programs:
 - Regional Rural Development Grants Program;
 - Rural Community Development Revolving Loan Fund;
 - Rural Infrastructure Fund.

BACKGROUND AND ANALYSIS:

This proposal embodies several significant economic development tools that have helped rural communities pursue projects enabling economic growth in their communities and regions. The proposal includes the following concepts:

Request – Support Increased funding for Florida Job Growth Grant Fund

The program is currently funded at \$50,000,000 with non-recurring funding

The Florida Job Growth Grant Fund is authorized pursuant to F.S. 288.101 - The Florida Job Growth Grant Fund allows the State to make strategic investments in a dynamic fashion by funding of public infrastructure and enhancing workforce training. The program enables the State to:

- Promote economic recovery in specific regions of the state, economic diversification, or economic enhancement in a targeted industry.
- Accelerate the rehabilitation of the Herbert Hoover Dike. The department or the South Florida Water Management District may enter into agreements, as necessary, with the United States Army Corps of Engineers to implement this paragraph.
- Provided workforce training grants to support programs at state colleges and state technical centers that provide participants with transferable, sustainable workforce skills applicable to more than a single employer, and for equipment associated with these programs.



Request - increase operational funding and regulatory flexibility for each of the three Rural Areas of Opportunity and local entities promoting job creation and economic expansion in Florida's rural areas

The Rural Area of Opportunity program is authorized in F.S. 288.0656. By definition "Rural area of opportunity" means a rural community, or a region composed of rural communities, designated by the Governor, which has been adversely affected by an extraordinary economic event, severe or chronic distress, or a natural disaster or that presents a unique economic development opportunity of regional impact. There are currently three R.A.O.'s designation by the State of Florida.

- Opportunity Florida the Northwest Rural Area of Opportunity: Calhoun, Franklin, Gadsden, Gulf, Holmes, Jackson, Liberty, Wakulla, and Washington counties, and the area within the city limits of Freeport and Walton County north of the Choctawhatchee Bay and intercoastal waterway.
- Florida's Heartland Regional Economic Development Initiative, Inc. the South Central Rural Area of Opportunity: DeSoto, Glades, Hardee, Hendry, Highlands, and Okeechobee counties, and the cities of Pahokee, Belle Glade, and South Bay (Palm Beach County), and Immokalee (Collier County).
- North Florida Economic Development Partnership the North Central Rural Area of Opportunity: Baker, Bradford, Columbia, Dixie, Gilchrist, Hamilton, Jefferson, Lafayette, Levy, Madison, Putnam, Suwannee, Taylor, and Union counties.

R.A.O.'s may receive up to \$300,000 from funding appropriated to the Rural Infrastructure fund with a match requirement of 33 percent with local funds. The funding is provided through a grant administered by the Dept. of Economic Opportunity. R.A.O.'s are a priority assignment for Rural and Economic Development Initiative (REDI) agencies and allows for the waiver of criteria of any economic development incentive including, but not limited to: the Qualified Target Industry Tax Refund Program under section 288.106, Florida Statutes (F.S.), the Quick Response Training Program and the Quick Response Training Program for participants in the welfare transition program under section 288.047, F.S., transportation projects under section 339.2821, F.S., the brownfield redevelopment bonus refund under section 288.107, F.S., and the rural job tax credit program under section 212.098, F.S. and section 220.1895, F.S.

Request - Support the reauthorization of the Qualified Targeted Industries Tax Refund, specifically for rural areas, for 10 years

The Qualified Targeted Industries Tax Refund program, previously authorized in 288.106 was allowed to expire in June of 2020. The program provided an important economic development tool for retaining and expanding existing businesses in the state. The program provided state tax refunds to qualified target industry businesses that originate or expand in the state or that



relocate to the state. The program was used to encourage the creation of new businesses in the state, attract new businesses from outside the state, and generally providing conditions favorable for the growth of target industries creates high-quality, high-wage employment opportunities for residents of the state and strengthens the state's economic foundation. The program provided an incentive program that was narrowly focused in application and scope allowing for targeted incentives to qualified industries that were consistent with the state's economic development goals. The QTI program encouraged the policy of the state to encouraged a focus higher-wage jobs and a diverse economic base. The QTI program allowed for the following tax refund payments – An amount equal to \$3,000 multiplied by the number of jobs specified in the tax refund agreement or equal to \$6,000 multiplied by the number of jobs if the project is located in a rural community or an enterprise zone. In addition to the other tax refund payments authorized, the program could provide:

- An additional amount equal to \$1,000 multiplied by the number of jobs specified in the tax refund agreement, if such jobs pay an annual average wage of at least 150 percent of the average private sector wage in the area, or equal to \$2,000 multiplied by the number of jobs if such jobs pay an annual average wage of at least 200 percent of the average private sector wage in the area.
- An additional payment equal to \$1,000 multiplied by the number of jobs specified in the tax refund agreement, if the local financial support is equal to that of the state's incentive award.

An additional amount shall be allowed a tax refund payment equal to \$2,000 multiplied by the number of jobs specified in the tax refund agreement if the business: Falls within one of the high-impact sectors designated under s. 288.108; or b. Increases exports of its goods through a seaport or airport in the state by at least 10 percent in value or tonnage in each of the years that the business receives a tax refund under this program.

Amend the Regional Rural Development Grants Program

- Grant funds received by a regional economic development organization must be matched each year by nonstate resources in an amount equal to 15 25 percent of the state contribution.
- Evaluation criteria and scoring procedures must recognize the disparity of available fiscal resources for an equal level of financial support from an urban county and a rural county.
- In-kind match should be allowed and applied as financial match

Amend the Rural Community Development Revolving Loan Fund

- All Repayments of principal and interest currently are required to be returned to the loan fund and made available for loans to other applicants. However, counties designate as



a rural area of opportunity designated by the governor, and upon approval by the department, repayments of principal and interest may be retained by the applicant if they are dedicated to fund regionally based economic development organizations representing the rural area of opportunity.

- Remove the match requirement to retain repaid funds for future loans.

Amend the Rural Infrastructure Fund

This fund was created to facilitate the planning, preparing and financing of infrastructure in rural counties which encourages job creation, capital investment and the strengthening of rural economies. The following changes are being requested:

- Remove the requirement to have a project prospect to receive funding.
- Raise the total state contribution available for a grant from 50 percent to 75 percent.
- Remove the requirement for an employment project prospect to be in place to receive funding for infrastructure feasibility studies, design and engineering activities, or other infrastructure planning and preparation activities and remove the cap on the amount of funding available for this assistance.
- Remove the local match requirement for grants for surveys, feasibility studies, and other activities related to the identification and preclearance review of land which is suitable for preclearance review.

FISCAL IMPACT:

The SFY 2022-23 budget allocates \$31.6 million to support local rural infrastructure projects such as broadband, roads, storm and wastewater systems, and telecommunications facilities. The eligible uses of these funds include roads or other remedies to transportation impediments; storm water systems; water or wastewater facilities; and telecommunications facilities and broadband facilities. Of this appropriation, \$5 million is specifically appropriated to the Hurricane Michael impacted counties. \$25 million is appropriated from the federal Coronavirus State Fiscal Recovery Fund.

The SFY 2022-2023 budget allocates \$50 million to the Job Growth Grant Fund.

FAC STAFF NOTES:

FAC 2022 Policy Conference:

- The Committee recommended to defer ARA-PP-05 for further discussion at Legislative Conference.

The purpose of the Rural Infrastructure Fund Grant is to facilitate the planning, preparing and financing of infrastructure projects in rural communities which will encourage job creation,



capital investment and the strengthening and diversification of rural economies. The RIF program is intended to facilitate access of rural communities to infrastructure funding programs. Grants may be awarded for up to 50 percent of the total infrastructure project costs related to specific job-creating or job-retention opportunities. Eligible uses of funds include:

- Improvements to public infrastructure for industrial or commercial sites
- Upgrades to or development of public tourism infrastructure;
- Improvements to access and availability of broadband Internet service; and
- Improvements to inadequate infrastructure that has resulted in regulatory action.

The 2020 Florida Legislature passed legislation amending certain sections of the RIF statute (Section 288.0655, F.S.) and appropriating funds for the FY 2020-2021 RIF program. The legislation also directed DEO to reevaluate existing RIF guidelines and criteria governing submission of applications for funding, review/evaluation of applications, and approval of funding by September 2021.

- Statutes:
 - [s. 288.101, F.S.](#) *Florida Job Growth Grant Fund*
 - [s. 288.0655, F.S.](#) *Rural Infrastructure Fund*
 - [s. 288.0656, F.S.](#) *Rural Economic Development Initiative (Defines Rural Areas of Opportunity)*
 - [s. 288.106, F.S.](#) *Tax refund program for qualified target industry businesses*
 - [s. 288.018, F.S.](#) *Regional Rural Development Grants Program*
 - [s. 288.065, F.S.](#) *Rural Community Development Revolving Loan (RCDRL) Program*
- Past FAC Statements:
 - ARA-PP-01 (2021-22): RURAL INFRASTRUCTURE FUND RESTORATION-
 - SUPPORT Rural Infrastructure Fund base-level funding restoration.
 - ARA-PP-02 (2021-22): RURAL JOBS TAX CREDIT
 - SUPPORT a revised Rural Jobs Tax Credit to provide the following:
 - Not require a minimum number of jobs be created at a new eligible business;
 - Up to a \$2,500 tax credit for a new eligible business;
 - At an existing business with less than 50 employees, for a 10 percent increase in the number of employees, allow up to a \$2,000 tax credit per job created;
 - At an existing business with 50 or more employees, allow a \$1,500 tax credit per job created if the business adds at least 5 new employees.
 - ARA-PP-03 (2021-22) – RURAL OPPORTUNITY TAX REBATE
 - SUPPORT the enactment of a Rural Opportunity Tax Rebate (ROTR) to provide projects in a rural community a tax refund of \$6000 for each new job where the business has a net increase in employment. SUPPORT streamlined reporting requirements for eligible businesses.



- ARA-PP-04(2021-22) – RURAL ECONOMIC DEVELOPMENT ENHANCEMENTS
SUPPORT rural economic development enhancements including:
 - SUPPORT extending the sales tax exemption on building materials for new construction in Rural Areas of Opportunity (RAO) to include the building materials used in rehabilitation of property. SUPPORT increasing the amount of exemption available when the property is within an Opportunity Zone.
 - SUPPORT reinstating the 50% Sales Tax Exemption for Electrical Energy to qualified businesses located in an opportunity zone within an RAO on the purchase of electrical energy. The exemption is only available if the municipality in which the business is located has passed an ordinance to exempt a qualified opportunity zone businesses from 50% of the municipality utility tax.
- FAC Guiding Principles
 - CUA 1. The Florida Association of Counties supports measures that empower local governments and provides resources to work with community partners towards the creation of quality jobs, more vibrant Florida communities, as well as an enhanced level of national and global competitiveness.
 - CUA 2. The Florida Association of Counties supports legislation and appropriation that enhances the efficiency and effectiveness of the state and local government partnership in economic development through the greater use of targeted strategic investments in infrastructure and programmatic enhancements designed to induce sustainable economic activity resulting in a consistent positive return on investment for both state and local governments.
 - CUA 11. The Florida Association of Counties supports funding for all modes of the state and local transportation infrastructure network.
 - ARA 2. The Florida Association of Counties supports enhancing programs to increase funding for rural infrastructure, job growth, and workforce development policies and efforts to reduce the digital divide and expand internet access to underserved areas through industry partnerships, new technologies, and collaboration with local stakeholders.
 - 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.

SUBMITTING COUNTY AND CONTACT: Okeechobee and Walton – Terry Burroughs and Danny Glidewell

ASSIGNED COMMITTEE: ARA

BOARD SUPPORT: N/A

UNFUNDED MANDATE: No

PROTECTIVE OF HOME RULE: N/A



ARA-PP-06: SMALL COUNTY SURTAX

COMMITTEE RECOMMENDATION: AMEND AND ADOPT

RECOMMENDED AMENDED PROPOSED POLICY: SUPPORT legislation that allows fiscally constrained counties to place a referendum on the ballot for voters to determine whether or not that County can levy the Small County Surtax at a combined rate up to 2% in combination with the levy of the Local Government Infrastructure Surtax.

PROPOSED POLICY: SUPPORT legislation that allows fiscally constrained counties to place a referendum on the ballot for voters to determine whether or not that County can levy the Small County Surtax at a combined rate up to 2% in combination with the levy of another discretionary sales surtax.

BACKGROUND: Counties that levy the Small County Surtax cannot levy the Local Government Infrastructure Surtax, Indigent Care and Trauma Center Surtax, and County Public Hospital Surtax in excess of a combined rate of 1%. With slow population growth and slow economic development in Florida's small counties, gains in ad valorem tax revenue have been minimal. Allowing more flexibility in the mix of sales tax options available to small counties would allow them to use the existing revenue for existing expenses, but to raise additional funds for dedicated programs or projects. If approved by voters, proceeds from the levy of the tax may be used to service bonded indebtedness, to finance, plan and construct infrastructure and acquiring land for public recreation, conservation, or protection of natural resources.

Infrastructure means any fixed capital expenditure associated with the construction, reconstruction, or improvement of public facilities having a life expectancy of more 5 years or more, and any related land acquisition, land improvement, design, and engineering costs.

ANALYSIS: All authorized counties currently levy the Small County Surtax at the maximum rate of 1%, except Flagler at .5%. Levying this surtax at 1% prevents the county from levying other surtaxes and, thus, from accessing the full capacity to apply surtax under the law.

Of the currently discretionary sales taxes authorized by Florida law, the small county surtax is the only tax whose use is not limited to designated purposes and may be used for "any public purpose" authorized by an ordinance adopted by the county. However, under current law, counties sacrifice tax capacity that could be accessed if other taxes could be levied in conjunction with the small county tax.

FISCAL IMPACT: In Okeechobee County, an additional 1% allocated to local government infrastructure surtax would equal an estimated \$3-4M a year. Okeechobee County is in the process of building the replacement of our aging jail of over 30 years due to the facility not meeting the needs of the public. We would use this money to service bonded indebtedness to lessen



the burden on the ad valorem taxpayers and spread the tax burden across the overall residential population.

FAC STAFF NOTES:

- FAC 2022 Policy Conference:
 - The Committee recommended to adopt ARA-PP-06 as amended
- Statutes
 - [s. 212.055](#), F.S. provides the framework for local governments to levy discretionary sales tax
 - Subsection (3) specifically refers to the small county sales tax
 - Authorizes small counties (population of 50,000 or less as of April 1, 1992) to levy a discretionary sales tax of 0.5 or 1 percent
 - Levy of the surtax to fund county operating expenses shall be pursuant to county ordinance
 - Levy of the surtax for purposes of debt service shall be subject to a county referendum
 - Per subsection (3)(f), a county shall not levy the small county sales tax concurrently with the following taxes in excess of 1 percent:
 - Local Government Infrastructure Surtax
 - Indigent Care and Trauma Center Surtax (only available to Counties with a population greater than 800,000 – not including Duval or Miami-Dade)
 - County Public Hospital Surtax
 - A small county shall not levy the Small County Surtax concurrently with the Voter-approved Indigent Care Surtax in excess of 1.5 percent
- Previous FAC Statements & Guiding Principles:
 - FTA-PP-01 (2021) Small County Surtax
 - SUPPORT legislation that allows counties that levy the Small County Surtax to exceed a combined rate of more than 1% in combination with the levy of the Local Government Infrastructure Surtax
 - Guiding Principle ARA 1. The Florida Association of Counties recognizes the unique fiscal challenges of Florida’s rural counties and state-designated fiscally constrained counties. The Association is dedicated to preserving established programs that provide critical resources for essential programs and infrastructure needs of these counties.

SUBMITTING COUNTY AND CONTACT: Okeechobee – Terry Burroughs
tburroughs@co.okeechobee.fl.us (863) 697 6325

ASSIGNED COMMITTEE: ARA

BOARD SUPPORT: Yes

UNFUNDED MANDATE: N/A



PROTECTIVE OF HOME RULE: N/A



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.

SUBMITTING COUNTY AND CONTACT: Okeechobee – Terry Burroughs
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ASSIGNED COMMITTEE: ARA

BOARD SUPPORT: Yes

UNFUNDED MANDATE: No

PROTECTIVE OF HOME RULE: N/A



AGRICULTURE & RURAL AFFAIRS

- ARA 1. The Florida Association of Counties recognizes the unique fiscal challenges of Florida's rural counties and state-designated fiscally constrained counties. The Association is dedicated to preserving established programs that provide critical resources for essential programs and infrastructure needs of these counties.
- ARA 2. The Florida Association of Counties supports enhancing programs to increase funding for rural infrastructure, job growth, and workforce development policies and efforts to reduce the digital divide and expand internet access to underserved areas through industry partnerships, new technologies, and collaboration with local stakeholders.
- 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.
- ARA 4. The Florida Association of Counties supports the development and maintenance of dedicated funding the Rural and Family Lands Protection Act to allow for the purchase of rural easements to prevent the subdivision and conversion of such land into other uses.
- ARA 5. The Florida Association of Counties supports increased state funding and policies that reduce food insecurity among Floridians, in order to: 1) increase the health and productivity of those currently without consistent access to healthy food, 2) consequently reduce the demand for public health and human services, 3) improve the financial security of those in need, and 4) accelerate the recovery and increase the resiliency of Florida's economy in the aftermath of the COVID-19 pandemic.
- ARA 6. The Florida Association of Counties supports increased critical state funding for the Small County Road Assistance program (SCRAP).
- ARA 7. The Florida Association of Counties supports increased state funding for the Small County Outreach Program (SCOP).