

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Commerce and Tourism

BILL: SB 1540

INTRODUCER: Senator Torres

SUBJECT: Workforce Retention

DATE: January 22, 2024

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	McMillan	McKay	CM	Pre-meeting
2.			AEG	
3.			FP	

I. Summary:

SB 1540 creates the “Florida Jobs Retention Act of 2024,” which provides that employers will be required to notify the Department of Business and Professional Regulation (DBPR) if they intend to relocate a Florida business or cease operation of such business. The DBPR must compile and publish on its website a semiannual list of all employers that relocate or cease operation.

An employer that intends to relocate a Florida business or cease operation of such business is ineligible for any direct or indirect state grant, state-guaranteed loan, or state tax benefit for 5 years after the publication of the list.

The bill requires the head of each state agency to ensure that all state-business-related customer service work is performed by state contractors or their agents or subcontractors entirely within Florida.

The bill takes effect 240 days after becoming a law.

II. Present Situation:

The Department of Business and Professional Regulation

The DBPR is charged with licensing and regulating businesses and professionals in Florida.¹ Section 20.165, F.S., establishes the organizational structure of the DBPR, which has the following 11 divisions:

- Administration;
- Alcoholic Beverages and Tobacco;

¹ The Department of Business and Professional Regulation, *Department Overview*, available at <http://www.myfloridalicense.com/DBPR/about-us/department-overview/> (last visited Jan. 22, 2024).

- Drugs, Devices, and Cosmetics;
- Florida Condominiums, Timeshares, and Mobile Homes;
- Hotels and Restaurants;
- Professions;
- Real Estate;
- Regulation;
- Service Operations; and
- Technology.

Economic Development Programs

The Division of Economic Development within the Department of Commerce (DCM) provides tools for attracting out-of-state businesses to Florida, promoting the creation and expansion of Florida businesses, and facilitating economic development.²

Currently the DCM provides economic development grant programs, tax credits, tax refunds, tax exemptions, and loan programs, which includes but are not limited to the following:

- High Impact Performance Incentive;³
- Capital Investment Tax Credit;⁴
- Research and Development Tax Credit;⁵
- Renewable Energy Technologies Investment Tax Credit;⁶
- Rural Job Tax Credit Program;⁷
- Urban Job Tax Credit Program;⁸
- Brownfield Redevelopment Bonus Refunds;⁹
- Manufacturing Machinery and Equipment Sales Tax Exemption;¹⁰
- Florida Entertainment Industry Sales Tax Exemption;¹¹
- Microfinance Guarantee Program; and ¹²

² The Department of Commerce, *Division of Economic Development*, available at <https://www.floridajobs.org/office-directory/division-of-economic-development/division-of-economic-development> (last visited Jan. 22, 2024).

³ This program provides grants to spur capital investment and job creation. *See* s. 220.196, F.S.

⁴ This program is used to attract and grow capital-intensive industries. *See* s. 220.191, F.S.

⁵ This program provides a corporate income tax credit for qualified research expenses in Florida for eligible businesses in targeted industries. *See* s. 220.196, F.S.

⁶ This is credit against the corporate income tax for 75 percent of all capital costs, operation and maintenance costs, and research and development costs in connection with an investment in the production, storage, and distribution of biodiesel, ethanol, and other renewable fuel in Florida. *See* s. 220.193, F.S.,

⁷ This program is a tax credit for eligible businesses located within one of 36 designated Qualified Rural Areas to create new jobs. *See* s. 212.098, F.S.

⁸ Offers a tax credit for eligible businesses located within one of 13 designated urban areas to create new jobs. *See* s. 212.097, F.S.

⁹ This is to spur job creation and capital investment in designated brownfield areas eligible for bonus refunds, and approved applicants receive tax refunds up to \$2,500 for each job created. *See* s. 287.107, F.S.

¹⁰ This is available to facilities that burn boiler fuels, other than residual oil. *See* s. 212.08(5)(c), F.S.

¹¹ This is available to qualified purchases made by production companies for motion pictures. *See* s. 288.1258, F.S.

¹² This program stimulates access to credit for entrepreneurs and small businesses in Florida. *See* s. 288.9935, F.S.

- Rebuild Florida Business Loan Fund.¹³

III. Effect of Proposed Changes:

The Florida Jobs Retention Act of 2024

Section 1 of the bill creates s. 559.953, F.S., which provides that sections 559.953, 559.9531, 559.9532, 559.9532, 559.9534, and 559.9535, of the Florida Statutes, may be cited as the “Florida Jobs Retention Act of 2024.”

Section 2 of the bill creates s. 559.9531, F.S., to provide the following definitions:

- “Department” means the Department of Business and Professional Regulation (DBPR); and
- “Employer” means a business enterprise that:
 - Has been in operation in Florida for at least 6 months;
 - Employs 75 or more individuals who, in the aggregate, work at least 1,500 hours per week, not including hours of overtime, for the purpose of providing customer service or conducting back-office operations; and
 - Receives any direct or indirect state grant, state-guaranteed loan, or state tax benefit.

Section 3 of the bill creates s. 559.9532, F.S., to require an employer who intends to relocate out of state or cease operation to provide notice to the DBPR. The bill provides that an employer who intends to relocate a Florida business, or one or more facilities operating units within such business comprising at least 30 percent of the business’s or operating unit’s total volume when measured against the previous 12-month average volume of operations, out of Florida, or intends to cease operation of such business, facilities, or operating units must notify the DBPR at least 180 days before such relocation or cessation. Additionally, the DBPR is required to compile and publish on its website a semiannual list of all employers that relocate or cease operation.

Section 4 of the bill creates s. 559.9533, F.S., to provide that an employer included on the list described in s. 559.9532, F.S., is ineligible for any direct or indirect state grant, state-guaranteed loan, or state tax benefit for 5 years after the date that such list is published.

The bill requires an employer included on the list described in s. 559.9532, F.S., to remit to the DBPR the remaining prorated value of any state grant, state-guaranteed loan, state tax benefit, or other state governmental support received on or after the effective date of this bill.

The bill provides that the DBPR, in consultation with the appropriate state agency providing a grant, loan, or tax benefit, may waive the requirements of s. 559.9533, F.S., if the employer applying for such grant, loan, or benefit would result in substantial job loss in Florida, or harm to the environment.

Section 5 of the bill creates s. 559.9534, F.S., to require the head of each state agency to ensure that all state-business-related customer service work is performed by state contractors or their agents or subcontractors entirely within Florida. A state contractor who currently performs state-

¹³ This program addresses the current gap in available, affordable capital for businesses. See The Florida Department of Commerce, *Economic and Workforce Development Resources*, available at [summary-of-economic-and-workforce-development-resources.pdf \(floridajobs.org\)](https://www.floridajobs.org/summary-of-economic-and-workforce-development-resources.pdf) (last visited Jan. 22, 2024)

business-related customer service work outside of Florida must comply with the provisions of this bill within 2 years after the effective date of this bill. Additionally, if such a contractor hires additional customer service employees who will perform work on Florida agency contracts, those new employees must immediately be employed within Florida.

Section 6 of the bill creates s. 559.9535, F.S., to provide that the provisions of the bill may not be construed to allow withholding or denial of payments, compensation, or benefits under any other state law, including state unemployment compensation, disability payments, or worker retraining or readjustment funds, to workers employed by employers that relocate out of Florida or that cease operation.

Section 7 of the bill directs the Division of Law Revision to replace the phrase “the effective date of this act” wherever it occurs in the Florida Jobs Retention Act of 2024 with the date the act becomes effective.

Section 8 provides that the bill must take effect 240 days after becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None Identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Employers will be required to notify the DBPR if they intend to relocate a Florida business or cease operation of such business. Additionally, an employer that intends to

relocate a Florida business or cease operation of such business is ineligible for any direct or indirect state grant, state-guaranteed loan, or state tax benefit for 5 years after the date of such list is published.

C. Government Sector Impact:

The DBPR will be required to administer the Florida Jobs Retention Act of 2024, which includes compiling and publishing on its website a semiannual list of all employers that relocate or cease operation. Additionally, the head of each state agency will be required to ensure that all state-business-related customer service work is performed by state contractors or their agents or subcontractors entirely within Florida, which could impact the cost of those services.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates the following sections of the Florida Statutes: 559.953, 559.9531, 559.9532, 559.9533, 559.9534, 559.9535.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.