



Finance and Tax Subcommittee

Thursday, March 28, 2013

4:00 p.m.

Morris Hall

MEETING PACKET

The Florida House of Representatives

Finance and Tax Subcommittee



Will Weatherford
Speaker

Ritch Workman
Chair

AGENDA

March 28, 2013

4:00 p.m.

Morris Hall

I. Call to Order/Roll Call

II. Chair's Opening Remarks

III. Consideration of the following bill(s):

CS/CS/HB 203 Agricultural Lands by Local & Federal Affairs Committee, Agriculture & Natural Resources Subcommittee, Beshears

HB 279 Rental of Homestead Property by Hood

HB 437 Community Development by Davis

HB 853 Public Retirement Plans by Taylor, McBurney

PCS for HB 277 -- Ad Valorem Taxation

IV. Consideration of the following proposed committee bill(s):

PCB FTSC 13-07



V. Closing Remarks and Adjournment

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/CS/HB 203 Agricultural Lands

SPONSOR(S): Local and Federal Affairs Committee, Agriculture & Natural Resources Subcommittee, Beshears and others

TIED BILLS: IDEN./SIM. BILLS: SB 1190

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Agriculture & Natural Resources Subcommittee	12 Y, 0 N, As CS	Kaiser	Blalock
2) Local & Federal Affairs Committee	14 Y, 0 N, As CS	Lukis	Rojas
3) Finance & Tax Subcommittee		Aldridge 	Langston 
4) State Affairs Committee			

SUMMARY ANALYSIS

In 2003, the Legislature passed the Agricultural Lands and Practices Act, which in part, prohibits counties from adopting or enforcing any duplicative policy that limits activity of a bona fide farm or farm operation on agricultural land if such activity is already regulated through or by any of the following:

- Best management practices (BMPs);
- Interim measures, or regulations adopted as rules under ch. 120, F.S., by the Department of Environmental Protection (DEP), the Department of Agriculture and Consumer Services (DACCS), or a water management district (WMD) as part of a statewide or regional program; or
- The United States Department of Agriculture, United States Army Corps of Engineers, or the United States Environmental Protection Agency.

CS/CS/HB 203 expands the prohibition described above to include not just counties, but any "governmental entity," as defined in law. The bill also prohibits any governmental entity from charging a fee on a specific agricultural activity of such farms or farm operations. Lastly, the bill amends the definition of "governmental entity" to exclude water management districts.

The bill does not appear to have a revenue impact on state government. In addition, the Revenue Estimating Conference estimated that there would be an insignificant negative recurring impact on local government revenues.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

In 2003, the Legislature passed the Agricultural Lands and Practices Act (Act),¹ which is codified in s. 163.3162, F.S. The Act prohibits counties from adopting or enforcing any duplicative ordinance, resolution, regulation, rule, or policy that limits activity of a bona fide farm or farm operation² on agricultural land if such activity is already regulated through or by any of the following:

- best management practices (BMPs);
- interim measures, or regulations adopted as rules under ch. 120, F.S., by the Department of Environmental Protection (DEP), the Department of Agriculture and Consumer Services (DACS), or a water management district (WMD) as part of a statewide or regional program; or
- United States Department of Agriculture, the United States Army Corps of Engineers, or the United States Environmental Protection Agency.

Prior to the passage of this legislation, some counties enacted measures to regulate various agricultural operations in the state that were duplicative and in some cases more restrictive than those already implemented through BMPs or an existing governmental regulatory program.

In 2010, the legislature further amended s. 163.3162, F.S., because while the Act banned the adoption of future county restrictive measures, it did not explicitly prohibit the enforcement of existing county measures. Therefore, legislation was passed³ to prohibit the enforcement of existing county measures. Currently, this prohibition applies only to counties.

Section 163.3162(2)(d), F.S., provides that “governmental entity” has the same meaning as provided in s. 164.1031, F.S. The term does not include a water control district established under ch. 298, F.S., or a special district created by a special act for water management purposes.

Effect of Proposed Changes

The bill amends the definition of “governmental entity” in s. 163.3162(2)(d), F.S, to exclude water management districts.

The bill also amends s. 163.3162(3)(a), F.S., to prohibit any “governmental entity,”⁴ instead of just counties, from adopting or enforcing any ordinance, resolution, rule, or policy to prohibit, restrict,

¹ CS/CS/SB 1660, Ch. 2003-162, L.O.F.

² Bona fide farm or farm operation is defined in s. 193.461.F.S., as good faith commercial agricultural use of the land based on the length of time the land has been so used, whether the use has been continuous, indication that an effort has been made to care sufficiently and adequately for the land in accordance with accepted commercial agricultural practices, and size as it relates to the specific agricultural use, among other things.

³ CS/HB 7103, Ch. 2011-7, L.O.F. (CS/HB 7103 was vetoed by the Governor; overridden during the 2011 legislative session and became law, the Governor’s veto notwithstanding.)

⁴ “Governmental entity” is defined in s. 163.3162(2)(d), F.S., as having the same meaning as provided in s. 164.1031, F.S., except that the term does not include a water control district established under chapter 298, F.S., or a special district created by a special act for water management purposes. Section 164.1031, F.S., defines “governmental entity” as including any local and regional governmental entities. “Local governmental entities” includes municipalities, counties, school boards, special districts, and other local entities within the jurisdiction of one county created by general or special law or local ordinance. “Regional governmental entities” includes regional planning councils, metropolitan planning organizations, water supply authorities that include more than one county, local health councils, water management districts, and other regional entities that are authorized and created by general or special law that have duties or responsibilities extending beyond the jurisdiction of a single county.

regulate, or otherwise limit an activity of a bona fide farm operation on land classified as agricultural, if such activity is regulated through or by any of the following:

- Implemented BMPs;
- Interim measures, or regulations adopted as rules under ch. 120, F.S., by DEP, DACS, or a WMD as part of a statewide or regional program; or
- The United States Department of Agriculture, the United States Army Corps of Engineers, or the United States Environmental Protection Agency.

Lastly, the bill creates a new paragraph (b) in s. 163.3162,(3), F.S., which prohibits any governmental entity from charging a fee on a specific agricultural activity of a bona fide farm operation on land classified as agricultural, if such activity is regulated through or by any of the above mentioned entities.

B. SECTION DIRECTORY:

Section 1: Amends s. 163.3162, F.S.; amending the definition of “governmental entity;” prohibiting governmental entities under certain conditions from adopting or enforcing prohibitions, restrictions, regulations, or other limitations on an activity of a bona fide farm operation on land classified as agricultural; and, prohibiting governmental entities under certain conditions from charging a fee on an activity of a bona fide farm operation on land classified as agricultural.

Section 2: Provides an effective date of July 1, 2013.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The Revenue Estimating Conference estimated that there would be an insignificant negative recurring impact on local government revenues.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Certain agricultural producers may be spared the expense associated with adhering to duplicative regulations or paying certain fees or assessments imposed by governmental entities in the state.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The county/municipality mandates provision of Art. VII, section 18, of the Florida Constitution may apply because the bill may have a negative fiscal impact on local government revenues. However, an exemption may apply because the fiscal impact on local governments appears to be insignificant.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On February 12, 2013, the Agriculture & Natural Resources Subcommittee adopted two amendments to HB 203.

- The first amendment specifies that, for purposes of section 163.3162, F.S., water management districts are not included in the definition of a governmental entity.
- The second amendment removes the phrase "or charge an assessment or fee upon such activity" from s. 163.3162(3)(a), F.S., in the bill, and creates a new paragraph (b) in s. 163.3162(3), F.S., specifying that a governmental entity, as defined in this section of law, may not charge an assessment or fee upon any activity of a bona fide farm operation if such activity is already regulated by a state or federal agency.

On March 22, 2013, the Local and Federal Affairs Committee adopted one amendment to CS/HB 203.

- The amendment removes the prohibition on governmental entities from charging an assessment on any activity of a bona fide farm operation if such activity is already regulated by a state or federal agency.

This analysis has been updated to reflect these amendments.

1 A bill to be entitled
 2 An act relating to agricultural lands; amending s.
 3 163.3162, F.S.; revising a definition; prohibiting a
 4 governmental entity from adopting or enforcing any
 5 prohibition, restriction, regulation, or other
 6 limitation or from charging a fee on a specific
 7 activity of a bona fide farm operation on land
 8 classified as agricultural land under certain
 9 circumstances; providing an effective date.

10
 11 Be It Enacted by the Legislature of the State of Florida:

12
 13 Section 1. Paragraphs (b) through (j) of subsection (3) of
 14 section 163.3162, Florida Statutes, are redesignated as
 15 paragraphs (c) through (k), respectively, paragraph (d) of
 16 subsection (2) and paragraph (a) of subsection (3) are amended,
 17 and a new paragraph (b) is added to subsection (3) of that
 18 section, to read:

19 163.3162 Agricultural Lands and Practices.—
 20 (2) DEFINITIONS.—As used in this section, the term:
 21 (d) "Governmental entity" has the same meaning as provided
 22 in s. 164.1031. The term does not include a water management
 23 district, a water control district established under chapter
 24 298, or a special district created by special act for water
 25 management purposes.

26 (3) DUPLICATION OF REGULATION.—Except as otherwise
 27 provided in this section and s. 487.051(2), and notwithstanding
 28 any other law, including any provision of chapter 125 or this

CS/CS/HB 203

2013

29 chapter:

30 (a) A governmental entity ~~county~~ may not exercise any of
31 its powers to adopt or enforce any ordinance, resolution,
32 regulation, rule, or policy to prohibit, restrict, regulate, or
33 otherwise limit an activity of a bona fide farm operation on
34 land classified as agricultural land pursuant to s. 193.461, if
35 such activity is regulated through implemented best management
36 practices, interim measures, or regulations adopted as rules
37 under chapter 120 by the Department of Environmental Protection,
38 the Department of Agriculture and Consumer Services, or a water
39 management district as part of a statewide or regional program;
40 or if such activity is expressly regulated by the United States
41 Department of Agriculture, the United States Army Corps of
42 Engineers, or the United States Environmental Protection Agency.

43 (b) A governmental entity may not charge a fee on a
44 specific agricultural activity of a bona fide farm operation on
45 land classified as agricultural land pursuant to s. 193.461, if
46 such agricultural activity is regulated through implemented best
47 management practices, interim measures, or regulations adopted
48 as rules under chapter 120 by the Department of Environmental
49 Protection, the Department of Agriculture and Consumer Services,
50 or a water management district as part of a statewide or
51 regional program; or if such agricultural activity is expressly
52 regulated by the United States Department of Agriculture, the
53 United States Army Corps of Engineers, or the United States
54 Environmental Protection Agency.

55 Section 2. This act shall take effect July 1, 2013.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCS for HB 277 Ad Valorem Taxation
SPONSOR(S): Finance & Tax Subcommittee
TIED BILLS: IDEN./SIM. BILLS:

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Finance & Tax Subcommittee		Aldridge <i>W</i>	Langston <i>AS</i>

SUMMARY ANALYSIS

In the November 2008 General Election, Florida voters approved a constitutional amendment relating to property taxes that authorized the Legislature, by general law, to prohibit consideration of the following in the determination of the assessed value of real property used for residential purposes:

- Any change or improvement made for the purpose of improving the property’s resistance to wind damage.
- The installation of a renewable energy source device.

This bill provides for partial implementation of the 2008 constitutional amendment. Specifically, the bill defines “renewable energy source device” and provides that a property appraiser may not consider the increase in the just value attributed to the installation of a renewable energy source device when determining the assessed value of real property used for residential purposes..

The bill specifies that the provision applies to new and existing property. Specifically, the provision applies to changes or improvements made to properties on or after January 1, 2013.

The bill takes effect on July 1, 2013, and applies to assessments beginning January 1, 2014.

The Revenue Estimating Conference (REC) has estimated that this bill will have no impact on state revenues.

The REC estimated, **assuming current millage rates**, that the provisions of the bill will have no impact on local government revenues in FY 2013-14, but will increase each year thereafter reaching an annual impact of -\$12.6 million in FY 2017-18, which is the recurring impact.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Renewable Energy Property Tax Exemptions and Constitutional Amendment #3 (2008)

In 1980, Florida voters added the following authorization to Article VII, section 3(d), Florida Constitution:

By general law and subject to conditions specified therein, there may be granted an ad valorem tax exemption to a renewable energy source device and to real property on which such device is installed and operated, to the value fixed by general law not to exceed the original cost of the device, and for the period of time fixed by general law not to exceed ten years.

During the same year, based on the new constitutional authority, the Legislature approved a property tax exemption for real property on which a renewable energy source device is installed and is being operated.¹ However, the exemption expired after 10 years, as provided in the constitution. Specifically, the exemption period authorized in statute was from January 1, 1980, through December 31, 1990. Therefore, if an exemption was granted in December 1990, the exemption terminated in December 2000. The law required that the exemption could be no more than the lesser of the following:

- The assessed value of the property less any other exemptions applicable under the chapter;
- The original cost of the device, including the installation costs, but excluding the cost of replacing previously existing property removed or improved in the course of the installation; or
- Eight percent of the assessed value of the property immediately following the installation.

In December of 2000, the last of the exemptions expired.

During the 2008 Legislative Session, HB 7135 (ch. 2008-227, L.O.F.) was enacted, removing the expiration date of the property tax exemption, thereby allowing property owners to once again apply for the exemption, effective January 1, 2009. The period of each exemption, however, remained at 10 years. The bill also revised the options for calculating the amount of the exemption for properties with renewable energy source devices by limiting the exemption to the amount of the original cost of the device, including the installation cost, but not including the cost of replacing previously existing property.

In the November 2008 General Election, Florida voters approved a constitutional amendment placed on the ballot by the Taxation and Budget Reform Commission adding the following language to Article VII, section 4, of the Florida Constitution:

(i) The legislature, by general law and subject to conditions specified therein, may prohibit the consideration of the following in the determination of the assessed value of real property used for residential purposes:²

(1) Any change or improvement made for the purpose of improving the property's resistance to wind damage.

(2) The installation of a renewable energy source device.

¹ Sections 196.175 and 196.012(14), F.S.

² The 2008 constitutional amendment is permissive and does not *require* the Legislature to enact legislation.

The amendment also repealed the constitutional authority for the Legislature to grant an *ad valorem* tax exemption to a renewable energy source device and to real property on which such device is installed and operated. This repealed language had provided the constitutional basis for legislation passed in 1980 and in 2008. Although the constitutional provision that the *ad valorem* tax exemption was based on has been repealed, the statutory language has not yet been repealed by the Legislature. On March 10, 2010, the House passed HB 7005, repealing the obsolete language [ss. 196.175 and 196.012(14), F.S.]. The bill, however, was not heard in the Senate and died in Messages. In 2011 and 2012, the House, again, passed the provision that repealed the obsolete language within bills implementing the constitutional amendment, but the bills died in the Senate.

Since the 2009 Session, a bill addressing implementation of the constitutional amendment has been filed in the House. In 2009, 2011, and 2012, the measure passed the House,³ but was not heard in the Senate.

Property Valuation and Property Appraisals

Article VII, section 4, of the Florida Constitution, provides that all property, with some exceptions, is to be assessed at “just value.” Florida courts define “just value” as the estimated fair market value of the property. The constitution requires property appraisers to establish the just value of every parcel of real property as of January 1 each year.

“Assessed value of property”⁴ is defined as an annual determination of the just or fair market value of an item or property or the value of a homestead property after application of the “Save Our Homes” assessment limitation⁵ and the 10 percent cap on non-homestead property.⁶ In addition, “assessed value” is also the classified use value of agricultural or other special classes of property that are valued based on their current “classified” use rather than on market value.

Section 193.011, F.S., lists the following factors to be taken into consideration when a property appraiser is determining just valuation:

- (1) The present cash value of the property, which is the amount a willing purchaser would pay a willing seller, exclusive of reasonable fees and costs of purchase, in cash or the immediate equivalent thereof in a transaction at arm's length;
- (2) The highest and best use to which the property can be expected to be put in the immediate future and the present use of the property, taking into consideration the legally permissible use of the property, including any applicable judicial limitation, local or state land use regulation, or historic preservation ordinance, and any zoning changes, concurrency requirements, and permits necessary to achieve the highest and best use, and considering any moratorium imposed by executive order, law, ordinance, regulation, resolution, or proclamation adopted by any governmental body or agency or the Governor when the moratorium or judicial limitation prohibits or restricts the development or improvement of property as otherwise authorized by applicable law. The applicable governmental body or agency or the Governor shall notify the property appraiser in writing of any executive order, ordinance, regulation, resolution, or proclamation it adopts imposing any such limitation, regulation, or moratorium;

³ The bills that passed the House are as follows: CS/HB 7113 (2009), CS/CS/HB 531 (2011), and CS/HB 133 (2012). In 2010, CS/HB 151 died in the House Finance & Taxation Committee.

⁴ Section 192.001(2), F.S.

⁵ The “Save Our Homes” amendment to the Florida Constitution was approved by voters in 1992. This amendment limits annual assessment increases to the lower of: 3 percent of the assessment for the prior year or the change in the Consumer Price Index (CPI) for all urban consumers. See Art. VII, s. 4(d)(1), Fla. Const.

⁶ On January 29, 2008, Florida voters approved a constitutional amendment changing property taxation provisions. Some of the changes provided that the property tax assessment of certain non-homestead property cannot increase by more than 10 percent per year, so long as ownership of the property does not change. The limitation does not apply to taxes levied by school districts.

- (3) The location of said property;
- (4) The quantity or size of said property;
- (5) The cost of said property and the present replacement value of any improvements thereon;
- (6) The condition of said property;
- (7) The income from said property; and
- (8) The net proceeds of the sale of the property, as received by the seller, after deduction of all of the usual and reasonable fees and costs of the sale, including the costs and expenses of financing, and allowance for unconventional or atypical terms of financing arrangements. When the net proceeds of the sale of any property are utilized, directly or indirectly, in the determination of just valuation of realty of the sold parcel or any other parcel under the provisions of this section, the property appraiser, for the purposes of such determination, shall exclude any portion of such net proceeds attributable to payments for household furnishings or other items of personal property.

Effect of Proposed Changes

The bill provides that, in determining the assessed value of real property used for residential purposes, for both new and existing property, a property appraiser may not consider the increase in the just value attributed to the installation of a renewable energy source device.

- The installation of a renewable energy source device means any of the following equipment that collects, transmits, stores, or uses solar energy, wind energy, or energy derived from geothermal deposits:
 - Solar energy collectors, photovoltaic modules, and inverters.
 - Storage tanks and other storage systems, excluding swimming pools used as storage tanks.
 - Rockbeds.
 - Thermostats and other control devices.
 - Heat exchange devices.
 - Pumps and fans.
 - Roof ponds.
 - Freestanding thermal containers.
 - Pipes, ducts, refrigerant handling systems, and other equipment used to interconnect such systems; however, such equipment does not include conventional backup systems of any type.
 - Windmills and wind turbines.
 - Wind-driven generators.
 - Power conditioning and storage devices that use wind energy to generate electricity or mechanical forms of energy.
 - Pipes and other equipment used to transmit hot geothermal water to a dwelling or structure from a geothermal deposit.

The bill provides that when residential real property is being assessed, any increase in the just value of the property attributable to the installation of a renewable energy source device may not be considered if an application is filed with the property appraiser on or before March 1 of the first year the property owner requests the assessment. The provision applies to changes or improvements to properties made on or after January 1, 2013, and applies to assessments beginning January 1, 2014.

The property appraiser may require the taxpayer or the taxpayer's representative to furnish the property appraiser such information as may reasonably be required to establish the increase in just value attributable to the renewable energy source device.

Similar to provisions in s. 196.011, F.S., the language provides the opportunity to file a late application with the property appraiser within 25 days following the mailing of the Truth in Millage notice and authorizes the applicant to file a petition with the Value Adjustment Board (VAB), pursuant to s. 194.011(3), F.S. The applicant must pay a non-refundable fee of \$15.00 upon filing the petition. Upon review of the petition by the property appraiser or the VAB, if the property is qualified to be assessed under the provisions of the bill and the property owner demonstrates particular extenuating circumstances to warrant granting assessment under this section, the property appraiser must recalculate the assessment in accordance with the new provision.

The bill deletes the existing definition of renewable energy source device in s. 196.012(14), F.S., and repeals the obsolete exemption (s. 196.175, F.S.), based on the repeal of the constitutional provision by the voters in 2008. Several cross-references are amended.

B. SECTION DIRECTORY:

Section 1. Creates s. 193.624, F.S., providing definitions; excluding the value of certain installations, changes, or improvements made after a specified date from the assessed value of residential real property; providing for application; requiring the filing of applications by specified times in order for such installations, changes, or improvements to be excluded from the assessed value of residential real property; providing procedural requirements and limitations; requiring a nonrefundable filing fee for a petition to the value adjustment board.

Section 2. Amends s. 193.155, F.S., specifying additional exceptions to the assessment of homestead property at just value.

Section 3. Amends s. 193.1554, F.S., specifying additional exceptions to assessment of nonhomestead property at just value.

Section 4. Amends s. 196.012, F.S., deleting the definition of the terms "renewable energy source device" and "device".

Section 5. Amends s. 196.121, F.S., amending a cross-reference.

Section 6. Amends s. 196.1995, F.S., amending cross-references.

Section 7. Repeals s. 196.175, F.S., relating to the renewable energy source device property tax exemption.

Section 8. Provides an effective date of July 1, 2013, and applies to assessments beginning on January 1, 2014.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The Revenue Estimating Conference estimated, **assuming current millage rates**, that the provisions of the bill will have no impact on local government revenues in FY 2013-14, but will increase each year thereafter reaching an annual impact of -\$12.6 million in FY 2017-18, which is the recurring impact.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The provisions in the bill may result in lower property tax expenses and lower energy costs for taxpayers who make qualifying improvements to residential real property on or after January 1, 2013.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The county/municipality mandates provision of Article VII, section 18, of the Florida Constitution, may apply because this bill reduces local government authority to raise revenue by reducing *ad valorem* tax bases compared to that which would exist under current law. This bill does not appear to qualify under any exemption or exception. If the bill does qualify as a mandate, final passage must be approved by two-thirds of the membership of each house of the Legislature.

Although this bill is implementing a constitutional amendment adopted by Florida voters, the constitutional language is permissive and only authorizes, not requires, the Legislature to act.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

1 A bill to be entitled
 2 An act relating to the assessment of residential and
 3 nonhomestead real property; creating s. 193.624, F.S.;
 4 providing definitions; excluding the value of certain
 5 installations, changes, or improvements made after a
 6 specified date from the assessed value of residential
 7 real property; providing for application; requiring
 8 the filing of applications by specified times in order
 9 for such installations, changes, or improvements to be
 10 excluded from the assessed value of residential real
 11 property; providing procedural requirements and
 12 limitations; requiring a nonrefundable filing fee for
 13 a petition to the value adjustment board; amending s.
 14 193.155, F.S.; specifying additional exceptions to the
 15 assessment of homestead property at just value;
 16 amending s. 193.1554, F.S.; specifying additional
 17 exceptions to assessment of nonhomestead property at
 18 just value; amending s. 196.012, F.S.; deleting the
 19 definition of the terms "renewable energy source
 20 device" and "device"; conforming a cross-reference;
 21 amending ss. 196.121 and 196.1995, F.S.; conforming
 22 cross-references; repealing s. 196.175, F.S., relating
 23 to the property tax exemption for renewable energy
 24 source devices; providing for applicability; providing
 25 an effective date.

26
 27 Be It Enacted by the Legislature of the State of Florida:
 28

29 Section 1. Section 193.624, Florida Statutes, is created
 30 to read:

31 193.624 Assessment of residential property.-

32 (1) As used in this section, the term "Renewable energy
 33 source device" means any of the following equipment that
 34 collects, transmits, stores, or uses solar energy, wind energy,
 35 or energy derived from geothermal deposits:

36 (a) Solar energy collectors, photovoltaic modules, and
 37 inverters.

38 (b) Storage tanks and other storage systems, excluding
 39 swimming pools used as storage tanks.

40 (c) Rockbeds.

41 (d) Thermostats and other control devices.

42 (e) Heat exchange devices.

43 (f) Pumps and fans.

44 (g) Roof ponds.

45 (h) Freestanding thermal containers.

46 (i) Pipes, ducts, refrigerant handling systems, and other
 47 equipment used to interconnect such systems; however, such
 48 equipment does not include conventional backup systems of any
 49 type.

50 (j) Windmills and wind turbines.

51 (k) Wind-driven generators.

52 (l) Power conditioning and storage devices that use wind
 53 energy to generate electricity or mechanical forms of energy.

54 (m) Pipes and other equipment used to transmit hot
 55 geothermal water to a dwelling or structure from a geothermal
 56 deposit.

57 (2) In determining the assessed value of real property
 58 used for residential purposes, any increase in the just value of
 59 the property attributable to the installation of a renewable
 60 energy source device may not be considered.

61 (3) This section applies to the installation of a
 62 renewable energy source device installed on, or after, January
 63 1, 2013, to new and existing residential real property.

64 (4) For a parcel of residential property to be assessed
 65 pursuant to this section, the owner of such property must file
 66 with the county property appraiser an application on or before
 67 March 1 of the first year such treatment is requested. The
 68 property appraiser may require the taxpayer or the taxpayer's
 69 representative to furnish the property appraiser such
 70 information as may reasonably be required to establish the
 71 increase in just value attributable to the renewable energy
 72 source device. Failure to make timely application by March 1
 73 constitutes a waiver of the property owner to have his or her
 74 assessment calculated for that year under this section. However,
 75 an applicant who fails to file an application by March 1 may
 76 file a late application and may file, pursuant to s. 194.011(3),
 77 a petition with the value adjustment board requesting assessment
 78 under this section. The petition must be filed on or before the
 79 25th day after the mailing of the notice by the property
 80 appraiser as provided in s. 194.011(1). Notwithstanding s.
 81 194.013, the applicant must pay a nonrefundable fee of \$15 upon
 82 filing the petition. Upon reviewing the petition, if the
 83 property is qualified to be assessed under this section and the
 84 property owner demonstrates particular extenuating circumstances

85 judged by the property appraiser or the value adjustment board
 86 to warrant granting assessment under this section, the property
 87 appraiser shall calculate the assessment pursuant to this
 88 section.

89 Section 2. Paragraph (a) of subsection (4) of section
 90 193.155, Florida Statutes, is amended to read:

91 193.155 Homestead assessments.—Homestead property shall be
 92 assessed at just value as of January 1, 1994. Property receiving
 93 the homestead exemption after January 1, 1994, shall be assessed
 94 at just value as of January 1 of the year in which the property
 95 receives the exemption unless the provisions of subsection (8)
 96 apply.

97 (4) (a) Except as provided in paragraph (b) and s. 193.624,
 98 changes, additions, or improvements to homestead property shall
 99 be assessed at just value as of the first January 1 after the
 100 changes, additions, or improvements are substantially completed.

101 Section 3. Paragraph (a) of subsection (6) of section
 102 193.1554, Florida Statutes, is amended to read:

103 193.1554 Assessment of nonhomestead residential property.—

104 (6) (a) Except as provided in paragraph (b) and s. 193.624,
 105 changes, additions, or improvements to nonhomestead residential
 106 property shall be assessed at just value as of the first January
 107 1 after the changes, additions, or improvements are
 108 substantially completed.

109 Section 4. Subsections (14) through (20) of section
 110 196.012, Florida Statutes, are amended to read:

111 196.012 Definitions.—For the purpose of this chapter, the
 112 following terms are defined as follows, except where the context

113 clearly indicates otherwise:

114 ~~(14) "Renewable energy source device" or "device" means~~
 115 ~~any of the following equipment which, when installed in~~
 116 ~~connection with a dwelling unit or other structure, collects,~~
 117 ~~transmits, stores, or uses solar energy, wind energy, or energy~~
 118 ~~derived from geothermal deposits.~~

119 ~~(a) Solar energy collectors.~~

120 ~~(b) Storage tanks and other storage systems, excluding~~
 121 ~~swimming pools used as storage tanks.~~

122 ~~(c) Rockbeds.~~

123 ~~(d) Thermostats and other control devices.~~

124 ~~(e) Heat exchange devices.~~

125 ~~(f) Pumps and fans.~~

126 ~~(g) Roof ponds.~~

127 ~~(h) Freestanding thermal containers.~~

128 ~~(i) Pipes, ducts, refrigerant handling systems, and other~~
 129 ~~equipment used to interconnect such systems; however,~~
 130 ~~conventional backup systems of any type are not included in this~~
 131 ~~definition.~~

132 ~~(j) Windmills.~~

133 ~~(k) Wind driven generators.~~

134 ~~(l) Power conditioning and storage devices that use wind~~
 135 ~~energy to generate electricity or mechanical forms of energy.~~

136 ~~(m) Pipes and other equipment used to transmit hot~~
 137 ~~geothermal water to a dwelling or structure from a geothermal~~
 138 ~~deposit.~~

139 (14) ~~(15)~~ "New business" means:

140 (a)1. A business or organization establishing 10 or more

141 new jobs to employ 10 or more full-time employees in this state,
 142 paying an average wage for such new jobs that is above the
 143 average wage in the area, which principally engages in any one
 144 or more of the following operations:

145 a. Manufactures, processes, compounds, fabricates, or
 146 produces for sale items of tangible personal property at a fixed
 147 location and which comprises an industrial or manufacturing
 148 plant; or

149 b. Is a target industry business as defined in s.
 150 288.106(2)(q);

151 2. A business or organization establishing 25 or more new
 152 jobs to employ 25 or more full-time employees in this state, the
 153 sales factor of which, as defined by s. 220.15(5), for the
 154 facility with respect to which it requests an economic
 155 development ad valorem tax exemption is less than 0.50 for each
 156 year the exemption is claimed; or

157 3. An office space in this state owned and used by a
 158 business or organization newly domiciled in this state; provided
 159 such office space houses 50 or more full-time employees of such
 160 business or organization; provided that such business or
 161 organization office first begins operation on a site clearly
 162 separate from any other commercial or industrial operation owned
 163 by the same business or organization.

164 (b) Any business or organization located in an enterprise
 165 zone or brownfield area that first begins operation on a site
 166 clearly separate from any other commercial or industrial
 167 operation owned by the same business or organization.

168 (c) A business or organization that is situated on

169 property annexed into a municipality and that, at the time of
 170 the annexation, is receiving an economic development ad valorem
 171 tax exemption from the county under s. 196.1995.

172 (15)~~(16)~~ "Expansion of an existing business" means:

173 (a)1. A business or organization establishing 10 or more
 174 new jobs to employ 10 or more full-time employees in this state,
 175 paying an average wage for such new jobs that is above the
 176 average wage in the area, which principally engages in any of
 177 the operations referred to in subparagraph (15) (a)1.; or

178 2. A business or organization establishing 25 or more new
 179 jobs to employ 25 or more full-time employees in this state, the
 180 sales factor of which, as defined by s. 220.15(5), for the
 181 facility with respect to which it requests an economic
 182 development ad valorem tax exemption is less than 0.50 for each
 183 year the exemption is claimed; provided that such business
 184 increases operations on a site located within the same county,
 185 municipality, or both colocated with a commercial or industrial
 186 operation owned by the same business or organization under
 187 common control with the same business or organization, resulting
 188 in a net increase in employment of not less than 10 percent or
 189 an increase in productive output or sales of not less than 10
 190 percent.

191 (b) Any business or organization located in an enterprise
 192 zone or brownfield area that increases operations on a site
 193 located within the same zone or area colocated with a commercial
 194 or industrial operation owned by the same business or
 195 organization under common control with the same business or
 196 organization.

197 (16)~~(17)~~ "Permanent resident" means a person who has
 198 established a permanent residence as defined in subsection (17)
 199 ~~(18)~~.

200 (17)~~(18)~~ "Permanent residence" means that place where a
 201 person has his or her true, fixed, and permanent home and
 202 principal establishment to which, whenever absent, he or she has
 203 the intention of returning. A person may have only one permanent
 204 residence at a time; and, once a permanent residence is
 205 established in a foreign state or country, it is presumed to
 206 continue until the person shows that a change has occurred.

207 (18)~~(19)~~ "Enterprise zone" means an area designated as an
 208 enterprise zone pursuant to s. 290.0065. This subsection expires
 209 on the date specified in s. 290.016 for the expiration of the
 210 Florida Enterprise Zone Act.

211 (19)~~(20)~~ "Ex-servicemember" means any person who has
 212 served as a member of the United States Armed Forces on active
 213 duty or state active duty, a member of the Florida National
 214 Guard, or a member of the United States Reserve Forces.

215 Section 5. Subsection (2) of section 196.121, Florida
 216 Statutes, is amended to read:

217 196.121 Homestead exemptions; forms.—

218 (2) The forms shall require the taxpayer to furnish
 219 certain information to the property appraiser for the purpose of
 220 determining that the taxpayer is a permanent resident as defined
 221 in s. 196.012(16) ~~196.012(17)~~. Such information may include, but
 222 need not be limited to, the factors enumerated in s. 196.015.

223 Section 6. Subsections (6) and (8), paragraph (d) of
 224 subsection (9), and paragraph (d) of subsection (11) of section

225 196.1995, Florida Statutes, are amended to read:

226 196.1995 Economic development ad valorem tax exemption.—

227 (6) With respect to a new business as defined by s.

228 196.012(14)(c) ~~196.012(15)(e)~~, the municipality annexing the
 229 property on which the business is situated may grant an economic
 230 development ad valorem tax exemption under this section to that
 231 business for a period that will expire upon the expiration of
 232 the exemption granted by the county. If the county renews the
 233 exemption under subsection (7), the municipality may also extend
 234 its exemption. A municipal economic development ad valorem tax
 235 exemption granted under this subsection may not extend beyond
 236 the duration of the county exemption.

237 (8) Any person, firm, or corporation which desires an
 238 economic development ad valorem tax exemption shall, in the year
 239 the exemption is desired to take effect, file a written
 240 application on a form prescribed by the department with the
 241 board of county commissioners or the governing authority of the
 242 municipality, or both. The application shall request the
 243 adoption of an ordinance granting the applicant an exemption
 244 pursuant to this section and shall include the following
 245 information:

246 (a) The name and location of the new business or the
 247 expansion of an existing business;

248 (b) A description of the improvements to real property for
 249 which an exemption is requested and the date of commencement of
 250 construction of such improvements;

251 (c) A description of the tangible personal property for
 252 which an exemption is requested and the dates when such property

253 was or is to be purchased;

254 (d) Proof, to the satisfaction of the board of county
 255 commissioners or the governing authority of the municipality,
 256 that the applicant is a new business or an expansion of an
 257 existing business, as defined in s. 196.012~~(15)~~ ~~or~~ ~~(16)~~;

258 (e) The number of jobs the applicant expects to create
 259 along with the average wage of the jobs and whether the jobs are
 260 full-time or part-time;

261 (f) The expected time schedule for job creation; and

262 (g) Other information deemed necessary or appropriate by
 263 the department, county, or municipality.

264 (9) Before it takes action on the application, the board
 265 of county commissioners or the governing authority of the
 266 municipality shall deliver a copy of the application to the
 267 property appraiser of the county. After careful consideration,
 268 the property appraiser shall report the following information to
 269 the board of county commissioners or the governing authority of
 270 the municipality:

271 (d) A determination as to whether the property for which
 272 an exemption is requested is to be incorporated into a new
 273 business or the expansion of an existing business, as defined in
 274 s. 196.012~~(15)~~ ~~or~~ ~~(16)~~, or into neither, which determination the
 275 property appraiser shall also affix to the face of the
 276 application. Upon the request of the property appraiser, the
 277 department shall provide to him or her such information as it
 278 may have available to assist in making such determination.

279 (11) An ordinance granting an exemption under this section
 280 shall be adopted in the same manner as any other ordinance of

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281 the county or municipality and shall include the following:

282 (d) A finding that the business named in the ordinance
 283 meets the requirements of s. 196.012(14) or (15) ~~196.012 (15) or~~
 284 ~~(16)~~.

285 Section 7. Section 196.175, Florida Statutes, is repealed.

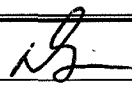
286 Section 8. This act shall take effect July 1, 2013, and
 287 applies to assessments beginning January 1, 2014.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 279 Rental of Homestead Property

SPONSOR(S): Hood, Jr. and others

TIED BILLS: IDEN./SIM. BILLS: SB 342

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Finance & Tax Subcommittee		Tarich	Langston 
2) Local & Federal Affairs Committee			
3) Appropriations Committee			

SUMMARY ANALYSIS

HB 277 allows the rental of homestead property, for up to 30 days per calendar year, without the property being considered abandoned as a homestead, for ad valorem tax purposes, or otherwise negatively affecting the homestead status of the property. However, if homestead property is rented for more than 30 days for two consecutive years, the property is considered abandoned as a homestead, and homestead-related ad valorem tax benefits will be lost.

The Revenue Estimating Conference estimates that this bill will reduce local government, including school district, property tax revenues by at least \$0.1 million annually.

This bill substantially amends section 196.061, Florida Statutes.

This bill has an effective date of July 1, 2013.

FULL ANALYSIS

I. PRESENT SITUATION

A. Exemptions and Property Classifications

The Florida Constitution requires that all property be assessed at just value (i.e., market value) for ad valorem tax purposes.¹ However, sections 3, 4, and 6, Article VII of the Florida Constitution, provide for specific assessment limitations, property classifications and exemptions. After the property appraiser has considered any assessment limitation or use classification affecting the just value of a property, the assessed value is determined. The assessed value is then reduced by any applicable exemptions to produce the taxable value.² Available exemptions include homestead exemptions and exemptions for property used for education, religious, or charitable purposes.³

B. Homestead Exemption

Every person who maintains his or her permanent residence⁴ on property to which he or she holds legal and equitable title is eligible for a \$25,000 homestead tax exemption applicable to all ad valorem tax levies, including school districts.⁵ An additional \$25,000 homestead exemption applies to homesteads that have an assessed value greater than \$50,000 and up to \$75,000, excluding ad valorem taxes levied by schools.⁶

C. Changes Affecting Save Our Homes

After any change in ownership, as provided by general law, homestead property must be assessed at just value as of January 1 of the following year. Changes, additions, reductions, and improvements to homestead property are assessed as provided by general law, but after the initial assessment, these items are subject to the Save Our Homes assessment limitation. If the homestead use of the property is terminated, the property is assessed at just value.

D. Loss of Homestead Status through Rental

Section 196.061, F.S., provides guidance on homestead status, rentals of the homestead and its abandonment as follows:

- Rental of all or substantially all of a dwelling previously claimed to be a homestead for tax purposes constitutes abandonment of the dwelling as a homestead.⁷
- Abandonment continues until the dwelling is physically occupied by the owner.
- The abandonment of the homestead after January 1 of any year shall not affect the homestead exemption for tax purposes for that particular year so long as the property was not rented in two consecutive years.
- The provisions of s. 196.061, F.S., do not apply to a member of the Armed Forces of the United States whose service in such forces is the result of a mandatory obligation imposed by the federal Selective Service Act, or who volunteers for service as a member of the Armed Forces of the United States.

¹ Fla. Const. Art. VII, s. 4.

² See s. 196.031, F.S.

³ Fla. Const. Art. VII, ss. 3 and 6.

⁴ Pursuant to s. 196.012(18), F.S., "permanent residence" means that place where a person has his or her true, fixed, and permanent home and principal establishment to which, whenever absent, he or she has the intention of returning. Intention to establish a permanent residence in Florida is a factual determination to be made, in the first instance, by the property appraiser.

⁵ Fla. Const. Art. VII, s. 6.

⁶ *Id.*

⁷ Ch. 2012-193, s. 18, Laws of Fla., introduced the "all or substantially all of a" dwelling language. Owners sometimes rented the majority of a dwelling but retained possession of a closet or similar limited space in an effort to retain a homestead exemption.

Florida courts have traditionally emphasized that a determination of homestead abandonment is made on a case-by-case basis.⁸ In particular, courts conduct a factual inquiry as to whether the owner's rental activity constituted abandonment of the homestead.⁹

A 2010 Florida Bar Journal article summarized many of the issues related to homesteads and rentals.¹⁰ The authors trace the historical understanding that property owners who rent their entire dwelling for long periods of time forfeit the homestead tax exemption.

The underlying rationale for the termination of homestead due to long-term rentals is that the owner's long-term rental activity, coupled with his or her implied absence from the property, signifies the owner's *intent* to reside elsewhere. Therefore, the owner's departure and residence elsewhere, coupled with the conversion of his or her home into a commercially oriented use (a rental), reveals an "intent" to abandon the homestead.¹¹ (emphasis added)

The Bar Journal article continues on to contemplate an alternative rental circumstance:

By contrast, there are occasions when property owners do not intend to abandon their residence through rental. For example, numerous Floridians rent out their homes for short periods of time and may even remain on the premises during the course of these rentals.¹²

Examples of these types of short term rentals include those associated with annual sporting events, arts festivals, college graduations, or business-related symposiums and conventions.

E. Tax Liens Imposed for Persons Improperly Claiming a Homestead Exemption

If a property appraiser determines that a person who was not entitled to a homestead exemption was granted the exemption for any year within the prior 10 years, the property appraiser is required to serve a notice of tax lien against property owned by the person.¹³ The tax lien subjects the property to back taxes, a penalty of 50 percent of the unpaid taxes for each year, plus 15 percent interest per year. However, if the exemption was granted as the result of a clerical error, the person receiving the exemption is not assessed penalties or interest. Before a lien is filed, the owner is given 30 days to pay the taxes, penalties, and interest.¹⁴

II. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Section 1 amends s. 196.061, F.S., to allow the rental of homestead property for up to 30 days per calendar year without the property being considered abandoned or affecting the homestead status of the property. However, if the property is rented for more than 30 days, for two consecutive years, the

⁸ Mark A. Rothberg and Kara L. Cannizzaro, *The Loss of Homestead Through Rental*, The Florida Bar (January, 2010, Volume 84, No.1) available at <http://www.floridabar.org/DIVCOM/JN/JNJournal01.nsf/c0d731e03de9828d852574580042ae7a/bd15816cc01b9b018525769b00679e0a!OpenDocument>.

⁹ See generally *Poppell v. Padrick*, 117 So. 2d 435 (Fla. 2d DCA 1959); *Jacksonville v. Bailey*, 30 So. 2d 529 (Fla. 1947).

¹⁰ Mark A. Rothberg and Kara L. Cannizzaro, *The Loss of Homestead Through Rental*, The Florida Bar Journal (January, 2010, Volume 84, No.1) available at <http://www.floridabar.org/DIVCOM/JN/JNJournal01.nsf/c0d731e03de9828d852574580042ae7a/bd15816cc01b9b018525769b00679e0a!OpenDocument>.

¹¹ *Id.* Section 196.012(13), F.S., defines "real estate used and owned as a homestead" to mean real property to the extent provided in s. 6(a), Art. VII of the State Constitution, but less any portion used for commercial purposes. Property rented for more than 6 months is presumed to be used for commercial purposes.

¹² *Id.*

¹³ Section 196.161(1)(b), F.S.

¹⁴ See s. 196.161(1)(b), F.S.

property is considered abandoned as a homestead and the property will not retain homestead status for the second year. For example: If a homestead property is rented for 31 days in Year 1 and 31 days in Year 2, the property will have homestead status for Year 1, but not Year 2, as it was abandoned when the property was rented for more than 30 days in Year 2. The status of the property in Year 3 will be determined as of January 1, Year 3, subject to the rental limitation of s. 196.061.

B. SECTION DIRECTORY:

Section 1 amends s. 196.061, F.S., by making some minor technical and grammatical changes and replacing the clause "if this provision is not used" with "unless the property is rented for more than 30 days per calendar year."

Section 2 provides an effective date of July 1, 2013.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The Revenue Estimating Conference estimates that this bill will reduce local government, including school district, property tax revenues by at least \$0.1 million annually.¹⁵

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Property owners who have a homestead exemption will be able to rent their dwellings for up to 30 days a year and retain the homestead status of their property and any applicable Save our Homes assessment limitation. As a result, an indeterminate number of additional short-term rental opportunities may become available to homestead owners who decide to rent their properties up to 30 days.

D. FISCAL COMMENTS:

None

¹⁵ <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2013/pdf/Impact0308.pdf>
STORAGE NAME: h0279.FTSC.DOCX
DATE: 3/21/2013

IV. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The county/municipality mandates provision of Article VII, section 18, of the Florida Constitution, may apply because this bill reduces local government authority to raise revenue by reducing *ad valorem* tax bases compared to that which would exist under current law. However, this bill appears to qualify under the exception for bills that have an “insignificant fiscal impact” and therefore a two-thirds vote is not required.¹⁶

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

V. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

¹⁶ Fla. Const. Art. VII, s. 18(d).
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A bill to be entitled
An act relating to the rental of homestead property;
amending s. 196.061, F.S.; revising criteria under
which rental of such property is allowed for tax
exemption purposes and not considered abandoned;
providing an effective date.

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

Section 1. Section 196.061, Florida Statutes, is amended
to read:

196.061 Rental of homestead to constitute abandonment.—

(1) The rental of all or substantially all of a dwelling
previously claimed to be a homestead for tax purposes shall
constitute the abandonment of such dwelling as a homestead, and
the abandonment continues ~~shall continue~~ until the ~~such~~ dwelling
is physically occupied by the owner. However, such abandonment
of the ~~such~~ homestead after January 1 of any year does not
affect the homestead exemption for tax purposes for that
particular year unless the property is rented for more than 30
days per calendar year ~~if this provision is not used~~ for 2
consecutive years. ~~The provisions of~~

(2) This section does ~~do~~ not apply to a member of the
Armed Forces of the United States whose service ~~in such forces~~
is the result of a mandatory obligation imposed by the federal
Selective Service Act or who volunteers for service as a member
of the Armed Forces of the United States. Moreover, valid
military orders transferring such member are sufficient to

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29 | maintain permanent residence~~7~~ for the purpose of s. 196.015~~7~~ for
30 | the member and his or her spouse.

31 | Section 2. This act shall take effect July 1, 2013.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 437 Community Development
SPONSOR(S): Davis and others
TIED BILLS: IDEN./SIM. **BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Economic Development & Tourism Subcommittee	12 Y, 0 N	Duncan	West
2) Finance & Tax Subcommittee		Pewitt <i>JP</i>	Langston <i>SL</i>
3) Economic Affairs Committee			

SUMMARY ANALYSIS

In 1980, the Florida Legislature established the Community Contribution Tax Credit Program (program) to encourage private sector participation in revitalization and housing projects. The program offers tax credits, in the form of a refund, to persons who donate to sponsors who have been approved to participate in the program. Eligible project sponsors under the program include a wide variety of community organizations, housing organizations, historic preservation organizations, units of state and local government, and regional workforce boards. Eligible projects include the construction, improvement or rehabilitation of housing, commercial, industrial or public facilities, and projects that promote entrepreneurial or job development opportunities for low-income persons.

The bill extends the expiration date of the Community Contribution Tax Credit to June 30, 2025.

The Florida Housing Finance Corporation (FHFC) is the state entity primarily responsible for encouraging the investment of private capital in residential housing and stimulating the construction and rehabilitation of affordable housing in Florida.

House Bill 437 clarifies the process used by the Florida Housing Finance Corporation to allocate low-income housing tax credits and other federal and state resources. The bill modifies the annual reporting requirements, clarifies the information and reports included in the FHFC's audited financial statements, and removes obsolete terms and provisions.

The Revenue Estimating Conference met on February 15, 2013 and estimated that, beginning in FY 2015-16, the bill would have a -\$12.7 million annual impact to state general revenues, a negative insignificant impact to state trust funds, and a -\$1.3 million annual impact to local revenues.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Community Contribution Tax Credit Program

In 1980, the Florida Legislature established the Community Contribution Tax Credit Program (program) to encourage private sector participation in revitalization and housing projects.¹ The program offers tax credits, in the form of a refund, to persons who donate to sponsors who have been approved to participate in the program. Eligible project sponsors² under the program include a wide variety of community organizations, housing organizations, historic preservation organizations, units of state and local government, and regional workforce boards. Eligible projects³ include the construction, improvement or rehabilitation of housing, commercial, industrial or public facilities, and projects that promote entrepreneurial or job development opportunities for low-income persons. A community contribution must be in the form of cash or other liquid assets; real property; goods or inventory; or other physical resources as identified by the Department of Economic Opportunity (DEO).⁴

DEO is responsible for marketing the program in consultation with the Florida Housing Finance Corporation and other statewide and regional housing and financial intermediaries.⁵ DEO is also responsible for administering the program by reviewing sponsor project proposals and tax credit applications. To date, 131 sponsors have been approved to participate in the program.⁶ After the taxpayer receives approval for community contribution tax credits, it must claim the credit from the Department of Revenue (DOR).

The tax credits are equal to 50 percent of the amount donated up to \$200,000 annually.⁷ The tax credit may be applied toward the donor's sales and use, corporate, or insurance premium tax obligations.⁸ The taxpayer may only apply the credits toward one tax obligation. Unused credits against corporate income taxes and insurance premium taxes may be carried forward for five years.⁹ Unused credits against sales taxes may be carried forward for three years.¹⁰

The total amount of tax credits which may be granted for the Community Contribution Tax Credit Program is \$10.5 million annually for projects that provide homeownership opportunities for low-income and very-low-income households and \$3.5 million for all other projects.¹¹ During FY 2011-2012, 333 tax credit applications in 63 local governments were approved by DEO.¹²

The Florida Legislature has amended the dollar cap and the expiration date of the program on numerous occasions. The Program began with an annual \$3 million cap and it is currently \$14 million and has reached the cap every fiscal year. The Community Contribution Tax Credit Program expires June 30, 2015.

¹ Chapter 80-249, L.O.F.

² See ss. 212.08(5)(p)2.c., F.S.; 220.183(2)(c), F.S.; and 624.5105(2), F.S.

³ See ss. 212.08(5)(p)2.b.; and 220.183(2)(d), F.S. See also s. 220.03(1)(t), F.S.

⁴ Sections 212.08(5)(p)2.a., F.S.; 220.183(2)(a), F.S.; and 624.5105(5)(a), F.S.

⁵ Section 220.183(4), F.S.

⁶ Florida Department of Economic Opportunity, Community Contribution Program Staff, Document on file in the House Economic Development & Tourism Subcommittee, February 4, 2013.

⁷ Sections 220.183 (1)(a) and (b), F.S.; 212.08(5)(p),

⁸ See ss. 212.08(5)(p), F.S.; 220.183, F.S.; and 624.5105, F.S.

⁹ Sections 220.183(1)(e), F.S.; and 624.5105, F.S.

¹⁰ Section 212.08(5)(p)1.b., F.S.

¹¹ Sections 212.08(5)(p)1.e., F.S.; 220.183(1)(c), F.S.; and 624.5105(1)(c), F.S.

¹² See supra note 6.

Florida Housing Finance Corporation

The Florida Housing Finance Corporation (FHFC)¹³ is the state entity primarily responsible for encouraging the investment of private capital in residential housing and stimulating the construction and rehabilitation of affordable housing in Florida.¹⁴ Originally, federal funds were the only resources that funded housing programs administered by the FHFC. To leverage these federal funds, in the late 1980s the Legislature appropriated funding for state programs. The FHFC administers a number of multifamily and single family housing programs, such as the State Apartment Incentive Loan Program, Florida Affordable Housing Guarantee Program, and the First Time Homebuyer Program, that assist Floridians in obtaining safe, decent affordable housing.

Chapter 2012-127, Law of Florida – Audit and Review of the FHFC

In 2012, the Legislature directed the Auditor General and the Office of Program Policy Analysis and Government Accountability (OPPAGA) to conduct a joint audit and review of the programs and operations of the FHFC and to submit written reports to the Legislature no later than December 1, 2012.¹⁵ Both reports were issued November 2012. The Auditor General's report addressed the FHFC's internal management and financial and operational controls and included recommendations. OPPAGA's report examined the corporation's governance structure, decision-making, and performance and identified areas for improvement.

Included in the Auditor General's report was the recommendation that the FHFC revise its travel policy to conform to the requirements of state law. The report also recommended that s. 420.511(4), F.S., relating to the annual financial audit, be revised to identify the specific programs that should be subject to an annual compliance audit.¹⁶ Additional findings recommended the FHFC modify internal operations and/or procedures and did not require statutory modifications. The FHFC has either further explained the rationale for its operating procedures or has agreed with and adopted the Auditor General's recommendations.¹⁷

OPPAGA's report examined the FHFC's governance structure, decision-making, and performance and identifies areas for improvement.¹⁸ OPPAGA's report summary stated:

The Florida Housing Finance Corporation's board and executive director, the Governor, and the Legislature have roles in overseeing and directing corporation programs and staff. We found no compelling reason to change the current governance structure. However, to expand its role and enhance communication with the corporation, the Legislature could consider amending state law to provide for board appointments by the President of the Senate and the Speaker of the House of Representatives.

A major focus of the corporation's decision making is distributing federal low-income housing tax credits for affordable rental housing developments. To address concerns about the process, we suggest that the corporation consider reducing the frequency of rule development workshops; revising the time allowed

¹³ The Florida Housing Finance Corporation (FHFC) was created as a public corporation within the Department of Economic Opportunity (DEO). However, the FHFC is a separate budget entity and is not subject to the control, supervision, or direction of DEO. Section 420.504, F.S.

¹⁴ Section 420.502(7), F.S.

¹⁵ Section 3, ch. 2012-127, L.O.F.

¹⁶ State of Florida, Auditor General, *Florida Housing Finance Corporation – Audit Performed Pursuant to Chapter 2012-127, L.O.F.*, Report No. 2013-047, November 2012, available at http://www.myflorida.com/audgen/pages/pdf_files/2013-047.pdf.

¹⁷ *Id.*

¹⁸ The Florida Legislature, Office of Program Policy Analysis and Government Accountability, *The Florida Housing Finance Corporation Could Improve Its Tax Credit Allocation Process and Develop Better Performance Measures*, November 2012, Report No. 2012-10, available at <http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1210rpt.pdf>.

for applicants to identify problems with each other's projects; and increasing the emphasis on considering market feasibility and project costs.

Most of the corporation's performance measures provide information on program outputs rather than program outcomes or cost-effectiveness. To enhance the quality and utility of the data the corporation reports, the Legislature could consider expanding the statutorily required performance measures.¹⁹

FHFC Powers Related to the Allocation of Low-income Housing Tax Credits, the State Apartment Incentive Loan Program, and Other Federal or State Resources

Florida law grants the FHFC with specific powers necessary to carry out activities or implement programs to provide affordable housing.²⁰ Included in such authority is the FHFC's power to use up to 10 percent of its annual allocation of low-income housing tax credits, nontaxable revenue bonds, and State Apartment Incentive Loan Program (SAIL)²¹ funds appropriated by the Legislature. FHFC may allocate available funds by requests for proposals or other competitive solicitation for high-priority affordable housing projects, such as housing to support economic development and job-creation initiatives, housing for veterans and their families, and other special needs populations as determined by the FHFC on an annual basis.²²

Additionally, the Legislature has granted authority to the FHFC to establish, by rule, the procedure for evaluating, scoring, and competitively ranking all applications based on the criteria established under the SAIL Program.²³

Process for Awarding Low-Income Housing Tax Credits and Other Funds

Currently, the FHFC allocates tax credits through a Universal Application Cycle that includes the allocation of other federal and state resources, depending on the availability of funds. In recent years, tax credits have provided the bulk of resources for rental housing developments.²⁴ In an effort to achieve transparency in the awarding of the federal low-income housing tax credits, the FHFC's process has become cumbersome and lengthy. According to the FHFC and documented by OPPAGA, the FHFC's process to allocate low-income housing tax credits occurs in four stages: rulemaking, application, underwriting, and construction and closing. For the last two cycles (2009 and 2011), the time taken to complete the process from the first rule development workshop hearing to the approval of final project rankings ranged from 12 to 14 months.²⁵ After the FHFC's Board of Directors approves final project rankings, developers are invited to credit underwriting, which can take an additional nine months.²⁶ The lengthy process increases the costs for both the FHFC and developers. Additionally, some stakeholders like the FHFC's open and transparent rulemaking and application process. However, others are concerned about the complexity of the process.²⁷

FHFC Reporting Requirements: Business Plan, Strategic Plan, and Annual Report

The FHFC is required to develop a business plan for the provision of affordable housing in the state. The business plan must be consistent with the strategic plan²⁸ and must contain certain performance

¹⁹ *Id.* at 1.

²⁰ See ss. 159.608 and 420.507, F.S.

²¹ The SAIL Program annually provides low interest loans on a competitive basis to for-profit, nonprofit, and public entities to provide affordable housing to very-low-income persons. Program funds provide gap financing to allow developers to obtain the full financing needed to construct multifamily units. Special consideration is given to properties that target specific demographic groups such as the elderly, the homeless, families, and commercial fishing workers and farmworkers. Section 420.5087, F.S.; Florida Housing Finance Corporation, *A Summary of Florida Housing's Programs*, available at <http://www.floridahousing.org/FH-ImageWebDocs/AboutUS/ProgramSummaries.pdf>.

²² Section 420.507(48), F.S.

²³ Section 420.507(22), F.S.

²⁴ *Supra* note 18 at 5.

²⁵ *Id.* at 6

²⁶ *Id.*

²⁷ *Id.* at 7.

²⁸ "Strategic plans" in ch. 186, F.S., were renamed "long-range program plans" pursuant to ch. 2000-371, L.O.F. Each state agency is required to develop a long-range program plan on an annual basis. The plan must provide the framework

measures and specific performance targets.²⁹ A strategic plan for the provision of affordable housing relating to the state and regional planning requirements in chapter 186, F.S., is required to be developed annually, in equal partnership with DEO.

The FHFC is also required to submit to the Governor and the Legislature, within 2 months after the end of its fiscal year, a complete and detailed report, which provides the following information:³⁰

- Operations and accomplishments;
- Receipts and expenditures during its fiscal year in accordance with the categories or classifications established by the FHFC for its operating and capital outlay purposes;
- Assets and liabilities at the end of its fiscal year and the status of reserve, special, or other funds;
- A schedule of its bonds outstanding at the end of its fiscal year, together with a statement of the principal amounts of bonds issued and redeemed during the fiscal year; and
- Information relating to the FHFC's activities in implementing the SAIL Program, the Florida Homeownership Assistance Program (HAP),³¹ and the Community Workforce Housing Innovation Pilot Program.³²

The report must include, but not be limited to:³³

- The number of people served, delineated by income, age, family size, and racial characteristics;
- The number of units produced under each program;
- The average cost of producing units under each program;
- The average sales price of single-family units financed under the Florida Homeownership Assistance Program;
- The average amount of rent charged based on unit size on units financed under the SAIL Program;
- The number of persons in rural communities served under each program;
- The number of farmworkers served under each program;
- The number of homeless persons served under each program;
- The number of elderly persons served under each program;
- The extent to which geographic distribution has been achieved in accordance with the provisions of the SAIL Program;
- The success of the Community Workforce Housing Innovation Pilot Program in meeting the housing needs of eligible areas; and
- Any other information the FHFC deems appropriate.

The FHFC must also submit a copy of an annual financial audit of its accounts and records and an annual compliance audit of its programs conducted by an independent certified public accountant performed in accordance with generally accepted auditing standards and government auditing standards.³⁴ Both FHFC's business plan and annual report must recognize the different fiscal periods under which the FHFC, the state, the Federal Government, and local governments operate.³⁵

and context for designing and interpreting the agency budget request. The plan will be developed through careful examination and justification of agency functions and their associated costs. It must be used by the agency to implement the state's goals and objectives. Indicators must be developed to measure service and activity performance. See s. 186.021, F.S.

²⁹ Section 420.511(1), F.S.

³⁰ Section 420.511(3)(a), F.S.

³¹ See s. 420.5088, F.S.

³² See s. 420.5095, F.S.

³³ Section 420.511(3)(b), F.S.

³⁴ Section 420.511(4), F.S.

³⁵ Section 420.511(5), F.S.

Effect of Proposed Changes

Community Contribution Tax Credit Program

The bill extends the expiration date of the Community Contribution Tax Credit from June 30, 2015 to June 30, 2025.

Florida Housing Finance Corporation

The bill removes the FHFC's authority to establish a procedure for evaluating, scoring and competitively ranking applications for funding. Thus, the FHFC would have the flexibility to modify its process of competitively evaluating and selecting applications for funding.

Current law authorizes the FHFC to use up to 10 percent of its annual allocation of low-income housing tax credits, nontaxable revenue bonds, and SAIL funds appropriated by the Legislature for high-priority affordable housing projects. However, the FHFC does not always receive an annual allocation of these funds. For example, the most recent appropriation of SAIL funds occurred in FY 2008-09. Therefore, the bill modifies this provision to clarify that the FHFC has the authority to reserve up to 10 percent of each allocation of low-income housing tax credits, nontaxable revenue bonds, and SAIL funds for high-priority affordable housing projects.

Business Plan and Long-Range Program Plan

The business plan is renamed strategic business plan, which must be consistent with the long-range program plan. Currently, as part of the business plan, the FHFC must compile data on the stimulus of economic activity created by the affordable housing finance programs administered by the FHFC. This information is removed from the business plan and included in the annual report.

Annual Report

The annual report is revised to require the following tenant characteristics for existing rental units financed through all programs administered by the FHFC be included in the annual report:

- The number of households served, delineated by income and age of the head of the household. However, the tenant characteristic data captured would no longer include race.
- The number of households served in large, medium, and small counties as defined pursuant to the SAIL Program³⁶ and the extent to which geographic distribution has been achieved.
- The number of farmworkers and commercial-fishing worker households served.
- The number of homeless households served.
- The number of special needs households served.
- By county, the average rent charged based on unit size. Currently, this information is required to be reported by county.

The required tenant characteristics are required to be captured by household than by persons. According to the FHFC, housing need and supply data is collected on the national level by household and collecting such data by household would permit the FHFC to conduct a more accurate comparison and analysis of its programs and activities.

The annual report must also include:

- The estimated average cost of producing units under each rental or homeownership unit financed under each program in the last fiscal year. Currently, this information is only provided for the SAIL and HAP Programs.
- The number of rental units to which resources have been allocated in the last fiscal year, including income and demographic restrictions.
- By county, the average sales of homeownership units financed in the last fiscal year. Currently, this information is only provided for the HAP Program.

³⁶ The SAIL Program defines counties as follows: counties that have a population of 825,000 or more; counties that have a population of more than 100,000 but less than 825,000; and counties that have a population of 100,000 or less. See s. 420.4087, F.S.

- The number of households served by homeownership programs in the last fiscal year, including the income and age of the homeowner of each household.
- The amount of economic stimulus created by the affordable housing finance programs administered by the FHFC for the most recent year available. This information was originally included the FHFC's business plan.
- For the SAIL Program, a comprehensive list of all closed loans outstanding at the end of the most recent fiscal year, including, but not limited to, the development's name and location, developer's name, set-aside type, set-aside percentage, affordability term, total number of units, number of set-aside units, lien position, original loan amount, loan maturity date, loan balance at the close of the year, loan status, rate of interest, and interest paid.
- For the Affordable Housing Guarantee Program, a list of all guaranteed loans through the close of the most recent fiscal year, including, but limited to, the development's name and location, developer's name, total number of units, issuer of the bonds, loan maturity date, participation in the U.S. Department of Housing and Urban Development Risk-Sharing Program, original guarantee amount, guarantee amount at the close of fiscal year, status of the guaranteed loans, and the total outstanding FHFC Affordable Housing Guarantee Revenue Bonds at the close of the most recent fiscal year.
- Any other information the FHFC deems appropriate.

The bill removes a requirement that the annual report include information relating to the success of the Community Workforce Housing Innovation Pilot (CWHIP) Program in meeting the housing needs of eligible areas. This pilot program is no longer funded.

Audited Financial Statements

The bill modifies provisions related to the FHFC's audited financial statements to require the FHFC to submit, within six months after the end of its fiscal year, audited financial statements prepared in accordance with generally accepted accounting principles, which include all assets, liabilities, revenues, and expenses of the FHFC, and a list of all bonds outstanding at the end of its fiscal year. As required in current law, the audit must be conducted by an independent certified public accountant and performed in accordance with generally accepted auditing standards and government auditing standards. However, the bill requires the audit to incorporate all reports, including compliance reports, as required by such auditing standards.

Additional provisions are revised to conform cross-references.

B. SECTION DIRECTORY:

Section 1: Amends s. 212.08, F.S., to extend the expiration date of the application of the community contribution tax credit against the sales and use tax to June 30, 2025.

Section 2: Amends s. 220.183, F.S., to extend the expiration date of the application of the community contribution tax credit against the corporate income tax to June 30, 2025.

Section 3: Amends s. 624.5105, F.S., to extend the expiration date of the application of the community contribution tax credit against the insurance premium tax to June 30, 2025

Section 4: Amends s. 420.507(22)(h), F.S., relating to the powers of the corporation, to clarify the procedure for competitively evaluating and selecting all applications for funding.

Section 5: Amends s. 420.5087(6), F.S., relating to the SAIL Program, to clarify the procedure for competitively evaluating and selecting all applications for funding.

Section 6: Amends s. 420.511, F.S., relating to the FHFC's annual reporting and auditing requirements, to require additional information for inclusion in the FHFC's annual report to the Governor and the Legislature; revise the provisions relating to the annual financial audit to specify what information must be included in the audited financial statements; and remove obsolete language.

Section 7: Amends s. 420.003(4)(b), F.S., relating to the implementation of the housing strategy, to conform cross-references.

Section 8: Amends s. 420.0006, F.S., relating to the authority to contract with the corporation; contract requirements; and nonperformance, to conform cross-references.

Section 9: Amends s. 420.504(1), F.S., relating to public corporation; creation; membership; terms; and expenses to conform cross-references.

Section 10: Provides an effective date of July 1, 2013.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Revenue Estimating Conference met on February 15, 2013 and estimated that, beginning in FY 2015-16, the bill would have a -\$12.7 million annual impact to state general revenues, a negative insignificant impact to state trust funds.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The Revenue Estimating Conference met on February 15, 2013 and estimated that, beginning in FY 2015-16, the bill would have a -\$1.3 million annual impact to local revenues.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

With respect to the Community Contribution Tax Credit Program, the bill may have a positive impact on the number of homeownership opportunities for low-income or very-low-income households and other projects such as those which provide job-development opportunities for low-income persons.

To the extent that the Florida Housing Finance Corporation modifies its process for issuing requests for proposals or competitive solicitation in order to allocate funds and low-income housing tax credits, the private sector and the public may benefit.

D. FISCAL COMMENTS:

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to: require counties or municipalities to spend funds or take an action requiring the expenditure of funds; reduce the authority that counties or municipalities have

to raise revenues in the aggregate; or reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill does not grant any additional rule-making authority for the Department of Economic Opportunity or the Florida Housing Finance Corporation.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

N/A.

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A bill to be entitled
 An act relating to community development; amending ss. 212.08, 220.183, and 624.5105 F.S.; extending the expiration date applicable to the granting of community contribution tax credits against the sales and use tax, corporate income tax, and insurance premium tax for contributions to eligible sponsors of community projects approved by the Department of Economic Opportunity; amending s. 420.507, F.S.; revising the powers of the Florida Housing Finance Corporation; amending s. 420.5087, F.S.; revising provisions relating to state apartment incentive loans to provide for a competitive evaluation and selection process with respect to loan applications; amending s. 420.511, F.S.; requiring the corporation to develop a strategic business plan that is not inconsistent with a long-range program plan relating to affordable housing; requiring the corporation to develop such long-range plan in coordination with the department; revising provisions relating to the required contents and information to be included in the corporation's annual report; requiring the corporation to submit separate audited financial statements that include specified information and incorporate certain reports; amending ss. 420.0003, 420.0006, and 420.504, F.S.; conforming provisions to changes made by this act; providing an effective date.

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29 Be It Enacted by the Legislature of the State of Florida:
30

31 Section 1. Paragraph (p) of subsection (5) of section
32 212.08, Florida Statutes, is amended to read:

33 212.08 Sales, rental, use, consumption, distribution, and
34 storage tax; specified exemptions.—The sale at retail, the
35 rental, the use, the consumption, the distribution, and the
36 storage to be used or consumed in this state of the following
37 are hereby specifically exempt from the tax imposed by this
38 chapter.

39 (5) EXEMPTIONS; ACCOUNT OF USE.—

40 (p) Community contribution tax credit for donations.—

41 1. Authorization.—Persons who are registered with the
42 department under s. 212.18 to collect or remit sales or use tax
43 and who make donations to eligible sponsors are eligible for tax
44 credits against their state sales and use tax liabilities as
45 provided in this paragraph:

46 a. The credit shall be computed as 50 percent of the
47 person's approved annual community contribution.

48 b. The credit shall be granted as a refund against state
49 sales and use taxes reported on returns and remitted in the 12
50 months preceding the date of application to the department for
51 the credit as required in sub-subparagraph 3.c. If the annual
52 credit is not fully used through such refund because of
53 insufficient tax payments during the applicable 12-month period,
54 the unused amount may be included in an application for a refund
55 made pursuant to sub-subparagraph 3.c. in subsequent years
56 against the total tax payments made for such year. Carryover

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57 credits may be applied for a 3-year period without regard to any
58 time limitation that would otherwise apply under s. 215.26.

59 c. A person may not receive more than \$200,000 in annual
60 tax credits for all approved community contributions made in any
61 one year.

62 d. All proposals for the granting of the tax credit
63 require the prior approval of the Department of Economic
64 Opportunity.

65 e. The total amount of tax credits which may be granted
66 for all programs approved under this paragraph, s. 220.183, and
67 s. 624.5105 is \$10.5 million annually for projects that provide
68 homeownership opportunities for low-income or very-low-income
69 households as defined in s. 420.9071(19) and (28) and \$3.5
70 million annually for all other projects.

71 f. A person who is eligible to receive the credit provided
72 for in this paragraph, s. 220.183, or s. 624.5105 may receive
73 the credit only under the one section of the person's choice.

74 2. Eligibility requirements.—

75 a. A community contribution by a person must be in the
76 following form:

77 (I) Cash or other liquid assets;

78 (II) Real property;

79 (III) Goods or inventory; or

80 (IV) Other physical resources as identified by the
81 Department of Economic Opportunity.

82 b. All community contributions must be reserved
83 exclusively for use in a project. As used in this sub-
84 subparagraph, the term "project" means any activity undertaken

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85 | by an eligible sponsor which is designed to construct, improve,
86 | or substantially rehabilitate housing that is affordable to low-
87 | income or very-low-income households as defined in s.
88 | 420.9071(19) and (28); designed to provide commercial,
89 | industrial, or public resources and facilities; or designed to
90 | improve entrepreneurial and job-development opportunities for
91 | low-income persons. A project may be the investment necessary to
92 | increase access to high-speed broadband capability in rural
93 | communities with enterprise zones, including projects that
94 | result in improvements to communications assets that are owned
95 | by a business. A project may include the provision of museum
96 | educational programs and materials that are directly related to
97 | any project approved between January 1, 1996, and December 31,
98 | 1999, and located in an enterprise zone designated pursuant to
99 | s. 290.0065. This paragraph does not preclude projects that
100 | propose to construct or rehabilitate housing for low-income or
101 | very-low-income households on scattered sites. With respect to
102 | housing, contributions may be used to pay the following eligible
103 | low-income and very-low-income housing-related activities:
104 | (I) Project development impact and management fees for
105 | low-income or very-low-income housing projects;
106 | (II) Down payment and closing costs for eligible persons,
107 | as defined in s. 420.9071(19) and (28);
108 | (III) Administrative costs, including housing counseling
109 | and marketing fees, not to exceed 10 percent of the community
110 | contribution, directly related to low-income or very-low-income
111 | projects; and
112 | (IV) Removal of liens recorded against residential

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113 property by municipal, county, or special district local
114 governments when satisfaction of the lien is a necessary
115 precedent to the transfer of the property to an eligible person,
116 as defined in s. 420.9071(19) and (28), for the purpose of
117 promoting home ownership. Contributions for lien removal must be
118 received from a nonrelated third party.

119 c. The project must be undertaken by an "eligible
120 sponsor," which includes:

121 (I) A community action program;

122 (II) A nonprofit community-based development organization
123 whose mission is the provision of housing for low-income or
124 very-low-income households or increasing entrepreneurial and
125 job-development opportunities for low-income persons;

126 (III) A neighborhood housing services corporation;

127 (IV) A local housing authority created under chapter 421;

128 (V) A community redevelopment agency created under s.
129 163.356;

130 (VI) A historic preservation district agency or
131 organization;

132 (VII) A regional workforce board;

133 (VIII) A direct-support organization as provided in s.
134 1009.983;

135 (IX) An enterprise zone development agency created under
136 s. 290.0056;

137 (X) A community-based organization incorporated under
138 chapter 617 which is recognized as educational, charitable, or
139 scientific pursuant to s. 501(c)(3) of the Internal Revenue Code
140 and whose bylaws and articles of incorporation include

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141 affordable housing, economic development, or community
142 development as the primary mission of the corporation;

143 (XI) Units of local government;

144 (XII) Units of state government; or

145 (XIII) Any other agency that the Department of Economic
146 Opportunity designates by rule.

147

148 In no event may a contributing person have a financial interest
149 in the eligible sponsor.

150 d. The project must be located in an area designated an
151 enterprise zone or a Front Porch Florida Community, unless the
152 project increases access to high-speed broadband capability for
153 rural communities with enterprise zones but is physically
154 located outside the designated rural zone boundaries. Any
155 project designed to construct or rehabilitate housing for low-
156 income or very-low-income households as defined in s.

157 420.9071(19) and (28) is exempt from the area requirement of
158 this sub-subparagraph.

159 e.(I) If, during the first 10 business days of the state
160 fiscal year, eligible tax credit applications for projects that
161 provide homeownership opportunities for low-income or very-low-
162 income households as defined in s. 420.9071(19) and (28) are
163 received for less than the annual tax credits available for
164 those projects, the Department of Economic Opportunity shall
165 grant tax credits for those applications and shall grant
166 remaining tax credits on a first-come, first-served basis for
167 any subsequent eligible applications received before the end of
168 the state fiscal year. If, during the first 10 business days of

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169 the state fiscal year, eligible tax credit applications for
170 projects that provide homeownership opportunities for low-income
171 or very-low-income households as defined in s. 420.9071(19) and
172 (28) are received for more than the annual tax credits available
173 for those projects, the Department of Economic Opportunity shall
174 grant the tax credits for those applications as follows:

175 (A) If tax credit applications submitted for approved
176 projects of an eligible sponsor do not exceed \$200,000 in total,
177 the credits shall be granted in full if the tax credit
178 applications are approved.

179 (B) If tax credit applications submitted for approved
180 projects of an eligible sponsor exceed \$200,000 in total, the
181 amount of tax credits granted pursuant to sub-sub-sub-
182 subparagraph (A) shall be subtracted from the amount of
183 available tax credits, and the remaining credits shall be
184 granted to each approved tax credit application on a pro rata
185 basis.

186 (II) If, during the first 10 business days of the state
187 fiscal year, eligible tax credit applications for projects other
188 than those that provide homeownership opportunities for low-
189 income or very-low-income households as defined in s.
190 420.9071(19) and (28) are received for less than the annual tax
191 credits available for those projects, the Department of Economic
192 Opportunity shall grant tax credits for those applications and
193 shall grant remaining tax credits on a first-come, first-served
194 basis for any subsequent eligible applications received before
195 the end of the state fiscal year. If, during the first 10
196 business days of the state fiscal year, eligible tax credit

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197 applications for projects other than those that provide
198 homeownership opportunities for low-income or very-low-income
199 households as defined in s. 420.9071(19) and (28) are received
200 for more than the annual tax credits available for those
201 projects, the Department of Economic Opportunity shall grant the
202 tax credits for those applications on a pro rata basis.

203 3. Application requirements.—

204 a. Any eligible sponsor seeking to participate in this
205 program must submit a proposal to the Department of Economic
206 Opportunity which sets forth the name of the sponsor, a
207 description of the project, and the area in which the project is
208 located, together with such supporting information as is
209 prescribed by rule. The proposal must also contain a resolution
210 from the local governmental unit in which the project is located
211 certifying that the project is consistent with local plans and
212 regulations.

213 b. Any person seeking to participate in this program must
214 submit an application for tax credit to the Department of
215 Economic Opportunity which sets forth the name of the sponsor, a
216 description of the project, and the type, value, and purpose of
217 the contribution. The sponsor shall verify the terms of the
218 application and indicate its receipt of the contribution, which
219 verification must be in writing and accompany the application
220 for tax credit. The person must submit a separate tax credit
221 application to the Department of Economic Opportunity for each
222 individual contribution that it makes to each individual
223 project.

224 c. Any person who has received notification from the

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225 Department of Economic Opportunity that a tax credit has been
226 approved must apply to the department to receive the refund.
227 Application must be made on the form prescribed for claiming
228 refunds of sales and use taxes and be accompanied by a copy of
229 the notification. A person may submit only one application for
230 refund to the department within any 12-month period.

231 4. Administration.—

232 a. The Department of Economic Opportunity may adopt rules
233 pursuant to ss. 120.536(1) and 120.54 necessary to administer
234 this paragraph, including rules for the approval or disapproval
235 of proposals by a person.

236 b. The decision of the Department of Economic Opportunity
237 must be in writing, and, if approved, the notification shall
238 state the maximum credit allowable to the person. Upon approval,
239 the Department of Economic Opportunity shall transmit a copy of
240 the decision to the Department of Revenue.

241 c. The Department of Economic Opportunity shall
242 periodically monitor all projects in a manner consistent with
243 available resources to ensure that resources are used in
244 accordance with this paragraph; however, each project must be
245 reviewed at least once every 2 years.

246 d. The Department of Economic Opportunity shall, in
247 consultation with the statewide and regional housing and
248 financial intermediaries, market the availability of the
249 community contribution tax credit program to community-based
250 organizations.

251 5. Expiration.—This paragraph expires June 30, 2025 ~~2015~~;
252 however, any accrued credit carryover that is unused on that

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253 date may be used until the expiration of the 3-year carryover
 254 period for such credit.

255 Section 2. Subsection (5) of section 220.183, Florida
 256 Statutes, is amended to read:

257 220.183 Community contribution tax credit.—

258 (5) EXPIRATION.—The provisions of this section, except
 259 paragraph (1)(e), shall expire and be void on June 30, 2025
 260 ~~2015~~.

261 Section 3. Subsection (6) of section 624.5105, Florida
 262 Statutes, is amended to read:

263 624.5105 Community contribution tax credit; authorization;
 264 limitations; eligibility and application requirements;
 265 administration; definitions; expiration.—

266 (6) EXPIRATION.—The provisions of this section, except
 267 paragraph (1)(e), shall expire and be void on June 30, 2025
 268 ~~2015~~.

269 Section 4. Paragraph (h) of subsection (22) and subsection
 270 (48) of section 420.507, Florida Statutes, is amended to read:

271 420.507 Powers of the corporation.—The corporation shall
 272 have all the powers necessary or convenient to carry out and
 273 effectuate the purposes and provisions of this part, including
 274 the following powers which are in addition to all other powers
 275 granted by other provisions of this part:

276 (22) To develop and administer the State Apartment
 277 Incentive Loan Program. In developing and administering that
 278 program, the corporation may:

279 (h) Establish, by rule, the procedure for ~~evaluating,~~
 280 ~~scoring,~~ and competitively evaluating and selecting ~~ranking~~ all

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281 applications for funding based on the criteria set forth in s.
 282 420.5087(6)(c); determining actual loan amounts; making and
 283 servicing loans; and exercising the powers authorized in this
 284 subsection.

285 (48) To award ~~use up to 10 percent of~~ its annual
 286 allocation of low-income housing tax credits, nontaxable revenue
 287 bonds, and State Apartment Incentive Loan Program funds
 288 appropriated by the Legislature and available to allocate by
 289 request for proposals or other competitive solicitation and to
 290 reserve up to 10 percent of each allocation ~~funding~~ for high-
 291 priority affordable housing projects, such as housing to support
 292 economic development and job-creation initiatives, housing for
 293 veterans and their families, and other special needs populations
 294 in communities throughout the state as determined by the
 295 corporation on an annual basis.

296 Section 5. Paragraphs (c) and (f) of subsection (6) of
 297 section 420.5087, Florida Statutes, are amended to read:

298 420.5087 State Apartment Incentive Loan Program.—There is
 299 hereby created the State Apartment Incentive Loan Program for
 300 the purpose of providing first, second, or other subordinated
 301 mortgage loans or loan guarantees to sponsors, including for-
 302 profit, nonprofit, and public entities, to provide housing
 303 affordable to very-low-income persons.

304 (6) On all state apartment incentive loans, except loans
 305 made to housing communities for the elderly to provide for
 306 lifesafety, building preservation, health, sanitation, or
 307 security-related repairs or improvements, the following
 308 provisions shall apply:

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309 (c) The corporation shall provide by rule for the
310 establishment of a review committee ~~composed of the department~~
311 ~~and corporation staff and shall establish by rule a scoring~~
312 ~~system~~ for the competitive evaluation and selection ~~competitive~~
313 ~~ranking~~ of applications submitted in this program, including,
314 but not limited to, the following criteria:

315 1. Tenant income and demographic targeting objectives of
316 the corporation.

317 2. Targeting objectives of the corporation which will
318 ensure an equitable distribution of loans between rural and
319 urban areas.

320 3. Sponsor's agreement to reserve the units for persons or
321 families who have incomes below 50 percent of the state or local
322 median income, whichever is higher, for a time period to exceed
323 the minimum required by federal law or the provisions of this
324 part.

325 4. Sponsor's agreement to reserve more than:

326 a. Twenty percent of the units in the project for persons
327 or families who have incomes that do not exceed 50 percent of
328 the state or local median income, whichever is higher; or

329 b. Forty percent of the units in the project for persons
330 or families who have incomes that do not exceed 60 percent of
331 the state or local median income, whichever is higher, without
332 requiring a greater amount of the loans as provided in this
333 section.

334 5. Provision for tenant counseling.

335 6. Sponsor's agreement to accept rental assistance
336 certificates or vouchers as payment for rent.

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337 7. Projects requiring the least amount of a state
338 apartment incentive loan compared to overall project cost except
339 that the share of the loan attributable to units serving
340 extremely-low-income persons shall be excluded from this
341 requirement.

342 8. Local government contributions and local government
343 comprehensive planning and activities that promote affordable
344 housing.

345 9. Project feasibility.

346 10. Economic viability of the project.

347 11. Commitment of first mortgage financing.

348 12. Sponsor's prior experience.

349 13. Sponsor's ability to proceed with construction.

350 14. Projects that directly implement or assist welfare-to-
351 work transitioning.

352 15. Projects that reserve units for extremely-low-income
353 persons.

354 16. Projects that include green building principles,
355 storm-resistant construction, or other elements that reduce
356 long-term costs relating to maintenance, utilities, or
357 insurance.

358 17. Job-creation rate of the developer and general
359 contractor, as provided in s. 420.507(47).

360 (f) The review committee established by corporation rule
361 pursuant to this subsection shall make recommendations to the
362 board of directors of the corporation regarding program
363 participation under the State Apartment Incentive Loan Program.
364 The corporation board shall make the final ~~ranking and the~~

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365 decisions regarding which applicants shall become program
366 participants based on the scores received in the competitive
367 process ranking, further review of applications, and the
368 recommendations of the review committee. The corporation board
369 shall approve or reject applications for loans and shall
370 determine the tentative loan amount available to each applicant
371 selected for participation in the program. The actual loan
372 amount shall be determined pursuant to rule adopted pursuant to
373 s. 420.507(22)(h).

374 Section 6. Section 420.511, Florida Statutes, is amended
375 to read:

376 420.511 Strategic business plan; ~~strategic plan~~; annual
377 report; audited financial statements.—

378 (1) The corporation shall develop a strategic business
379 plan for the provision of affordable housing for the state. The
380 plan shall not be inconsistent with the long-range program
381 ~~strategie~~ plan prepared pursuant to subsection (2) and shall
382 contain performance measures and specific performance targets
383 for the following:

384 (a) The ability of low-income and moderate-income
385 Floridians to access housing that is decent and affordable.

386 (b) The continued availability and affordability of
387 housing financed by the corporation to target populations.

388 (c) The availability of affordable financing programs,
389 including equity and debt products, and programs that reduce
390 gaps in conventional financing, to increase individual access to
391 housing and stimulate private production of affordable housing.

392 (d) The establishment and maintenance of efficiencies in

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393 the delivery of affordable housing.

394 (e) Such other measures as directed by the corporation's
395 board of directors.

396

397 ~~The corporation shall also compile data on the stimulus of~~
398 ~~economic activity created by the affordable housing finance~~
399 ~~programs administered by the corporation.~~

400 (2) The corporation, in coordination ~~equal partnership~~
401 with the department, shall develop annually a long-range program
402 ~~strategie~~ plan for the provision of affordable housing in
403 Florida ~~as part of the department's agency strategic plan~~
404 required pursuant to chapter 186. In part, the plan shall
405 include provisions that maximize the abilities of the
406 corporation ~~and the department~~ to implement the state housing
407 strategy established under s. 420.0003, to respond to federal
408 housing initiatives, and to develop programs in a manner that is
409 more responsive to the needs of public and private partners. The
410 plan shall be developed on a schedule consistent with that
411 established by s. 186.021. For purposes of this act, the
412 executive director or his or her designee shall serve as the
413 corporation's representative to achieve a coordinated and
414 integrated planning relationship with the department.

415 (3) ~~(a)~~ The corporation shall submit to the Governor and
416 the presiding officers of each house of the Legislature, within
417 2 months after the end of its fiscal year, a complete and
418 detailed report setting forth the corporation's state and
419 federal program accomplishments. The report shall include, but
420 not be limited to:

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421 (a) The following tenant characteristics in the existing
422 rental units financed through corporation-administered programs:

423 1. The number of households served, delineated by income
424 and age of the head of household.

425 2. The number of households served in large, medium, and
426 small counties as defined by 420.5087 and the extent to which
427 geographic distribution has been achieved in accordance with s.
428 420.5087.

429 3. The number of farmworkers and commercial-fishing worker
430 households served.

431 4. The number of homeless households served.

432 5. The number of special needs households served.

433 6. By county, the average rent charged based on unit size.

434 (b) The number of rental units to which resources have
435 been allocated in the last fiscal year, including income and
436 demographic restrictions.

437 (c) The estimated average cost of producing units under
438 each rental or homeownership unit financed under each program in
439 the last fiscal year.

440 (d) By county, the average sales price of homeownership
441 units financed in the last fiscal year.

442 (e) The number of households served by homeownership
443 programs in the last fiscal year, including the income and age
444 of the homeowner of each household.

445 (f) The amount of economic stimulus created by the
446 affordable housing finance programs administered by the
447 corporation for the most recent year available.

448 (g) For the State Apartment Incentive Loan Program (SAIL),

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449 a comprehensive list of all closed loans outstanding at the end
 450 of the most recent fiscal year, including, but not limited to,
 451 development name, city, county, developer, set-aside type, set-
 452 aside percentage, affordability term, total number of units,
 453 number of set-aside units, lien position, original loan amount,
 454 loan maturity date, loan balance at close of year, status of
 455 loan, rate of interest, and interest paid.

456 (h) For the Florida Affordable Housing Guarantee Program,
 457 a list of all guaranteed loans through the close of the most
 458 recent fiscal year, including, but not limited to, development
 459 name, city, county, developer, total number of units, issuer of
 460 the bonds, loan maturity date, participation in the United
 461 States Department of Housing and Urban Development Risk-Sharing
 462 Program, original guarantee amount, guarantee amount at close of
 463 fiscal year, status of loan guaranteed, and total outstanding
 464 Florida Housing Finance Corporation Affordable Housing Guarantee
 465 Revenue Bonds at the close of the most recent fiscal year.

466 (i) Any other information the corporation deems
 467 appropriate.

- 468 ~~1. Its operations and accomplishments;~~
- 469 ~~2. Its receipts and expenditures during its fiscal year in~~
 470 ~~accordance with the categories or classifications established by~~
 471 ~~the corporation for its operating and capital outlay purposes;~~
- 472 ~~3. Its assets and liabilities at the end of its fiscal~~
 473 ~~year and the status of reserve, special, or other funds;~~
- 474 ~~4. A schedule of its bonds outstanding at the end of its~~
 475 ~~fiscal year, together with a statement of the principal amounts~~
 476 ~~of bonds issued and redeemed during the fiscal year; and~~

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477 ~~5. Information relating to the corporation's activities in~~
 478 ~~implementing the provisions of ss. 420.5087, 420.5088, and~~
 479 ~~420.5095.~~

480 ~~(b) The report shall include, but not be limited to:~~

481 ~~1. The number of people served, delineated by income, age,~~
 482 ~~family size, and racial characteristics.~~

483 ~~2. The number of units produced under each program.~~

484 ~~3. The average cost of producing units under each program.~~

485 ~~4. The average sales price of single family units financed~~
 486 ~~under s. 420.5088.~~

487 ~~5. The average amount of rent charged based on unit size~~
 488 ~~on units financed under s. 420.5087.~~

489 ~~6. The number of persons in rural communities served under~~
 490 ~~each program.~~

491 ~~7. The number of farmworkers served under each program.~~

492 ~~8. The number of homeless persons served under each~~
 493 ~~program.~~

494 ~~9. The number of elderly persons served under each~~
 495 ~~program.~~

496 ~~10. The extent to which geographic distribution has been~~
 497 ~~achieved in accordance with the provisions of s. 420.5087.~~

498 ~~11. The success of the Community Workforce Housing~~
 499 ~~Innovation Pilot Program in meeting the housing needs of~~
 500 ~~eligible areas.~~

501 ~~12. Any other information the corporation deems~~
 502 ~~appropriate.~~

503 (4) The corporation shall submit, within 6 months after
 504 the end of its fiscal year, audited financial statements

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505 prepared in accordance with generally accepted accounting
506 principles which include all assets, liabilities, revenues, and
507 expenses of the corporation, and a list of all bonds outstanding
508 at the end of its fiscal year. ~~with the annual report required~~
509 by this section, a copy of an annual financial audit of its
510 accounts and records and an annual compliance The audit must be
511 of its programs conducted by an independent certified public
512 accountant, performed in accordance with generally accepted
513 auditing standards and government auditing standards, and
514 incorporate all reports, including compliance reports, as
515 required by such auditing standards.

516 ~~(5) Both the corporation's business plan and annual report~~
517 ~~shall recognize the different fiscal periods under which the~~
518 ~~corporation, the state, the Federal Government, and local~~
519 ~~governments operate.~~

520 Section 7. Paragraph (b) of subsection (4) of section
521 420.0003, Florida Statutes, is amended to read:

522 420.0003 State housing strategy.—

523 (4) IMPLEMENTATION.—The Department of Economic Opportunity
524 and the Florida Housing Finance Corporation in carrying out the
525 strategy articulated herein shall have the following duties:

526 (b) The agency strategic plan of the Department of
527 Economic Opportunity shall include specific goals, objectives,
528 and strategies that implement the housing policies in this
529 section and shall include the strategic business plan for
530 housing production prepared by the corporation pursuant to s.
531 420.511.

532 Section 8. Section 420.0006, Florida Statutes, is amended

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533 to read:

534 420.0006 Authority to contract with corporation; contract
535 requirements; nonperformance.—The executive director of the
536 department shall contract, notwithstanding part I of chapter
537 287, with the Florida Housing Finance Corporation on a multiyear
538 basis to stimulate, provide, and foster affordable housing in
539 the state. The contract must incorporate the performance
540 measures required by s. 420.511 and must be consistent with the
541 provisions of the corporation's strategic business plan prepared
542 in accordance with s. 420.511. The contract must provide that,
543 in the event the corporation fails to comply with any of the
544 performance measures required by s. 420.511, the executive
545 director shall notify the Governor and shall refer the
546 nonperformance to the department's inspector general for review
547 and determination as to whether such failure is due to forces
548 beyond the corporation's control or whether such failure is due
549 to inadequate management of the corporation's resources.
550 Advances shall continue to be made pursuant to s. 420.0005
551 during the pendency of the review by the department's inspector
552 general. If such failure is due to outside forces, it shall not
553 be deemed a violation of the contract. If such failure is due to
554 inadequate management, the department's inspector general shall
555 provide recommendations regarding solutions. The Governor is
556 authorized to resolve any differences of opinion with respect to
557 performance under the contract and may request that advances
558 continue in the event of a failure under the contract due to
559 inadequate management. The Chief Financial Officer shall approve
560 the request absent a finding by the Chief Financial Officer that

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561 continuing such advances would adversely impact the state;
562 however, in any event the Chief Financial Officer shall provide
563 advances sufficient to meet the debt service requirements of the
564 corporation and sufficient to fund contracts committing funds
565 from the State Housing Trust Fund so long as such contracts are
566 in accordance with the laws of this state.

567 Section 9. Subsection (1) of section 420.504, Florida
568 Statutes, is amended to read:

569 420.504 Public corporation; creation, membership, terms,
570 expenses.—

571 (1) There is created within the Department of Economic
572 Opportunity a public corporation and a public body corporate and
573 politic, to be known as the "Florida Housing Finance
574 Corporation." It is declared to be the intent of and
575 constitutional construction by the Legislature that the Florida
576 Housing Finance Corporation constitutes an entrepreneurial
577 public corporation organized to provide and promote the public
578 welfare by administering the governmental function of financing
579 or refinancing housing and related facilities in Florida and
580 that the corporation is not a department of the executive branch
581 of state government within the scope and meaning of s. 6, Art.
582 IV of the State Constitution, but is functionally related to the
583 Department of Economic Opportunity in which it is placed. The
584 executive function of state government to be performed by the
585 executive director of the Department of Economic Opportunity in
586 the conduct of the business of the Florida Housing Finance
587 Corporation must be performed pursuant to a contract to monitor
588 and set performance standards for the implementation of the

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589 | business plan for the provision of housing approved for the
 590 | corporation as provided in s. 420.0006. This contract shall
 591 | include the performance standards for the provision of
 592 | affordable housing in Florida established in the strategic
 593 | business plan described in s. 420.511.

594 | Section 10. This act shall take effect July 1, 2013.

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COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED _____ (Y/N)
 ADOPTED AS AMENDED _____ (Y/N)
 ADOPTED W/O OBJECTION _____ (Y/N)
 FAILED TO ADOPT _____ (Y/N)
 WITHDRAWN _____ (Y/N)
 OTHER _____

1 Committee/Subcommittee hearing bill: Finance & Tax Subcommittee
 2 Representative Davis offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause and insert:

6 Section 1. Subsection (6) of section 159.603, Florida
 7 Statutes, is amended to read:

8 159.603 Definitions.—As used in this part, the following
 9 words and terms have the following meanings unless the context
 10 indicates another or different meaning or intent.

11 (6) "Qualifying housing development" means any work or
 12 improvement located or to be located in this the state,
 13 including real property, buildings, and any other real and
 14 personal property, designed or intended for the primary purpose
 15 of providing decent, safe, and sanitary residential housing for
 16 four or more families, at least 60 percent of whom are eligible
 17 persons, whether new construction, the acquisition of existing
 18 residential housing, or the remodeling, improvement,
 19 rehabilitation, or reconstruction of existing housing, together

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20 with such related nonhousing facilities as the authority
21 determines to be necessary, convenient, or desirable.

22 (a) The term includes a housing development that meets the
23 definition of a "qualified low-income housing project" under s.
24 42(g) of the Internal Revenue Code, regardless of whether such
25 development meets the 60-percent eligible persons requirement
26 under this subsection.

27 (b) The exception provided under paragraph (a) applies to
28 all housing developments meeting the federal definition for
29 "qualified low-income housing project" as well as all
30 developments that previously qualified under the state
31 definition for "qualifying housing development." Housing finance
32 authorities may enter into regulatory agreement amendments as
33 necessary to accommodate housing developments that qualify under
34 paragraph (a).

35 Section 2. Subsection (8) of section 159.608, Florida
36 Statutes, is amended to read:

37 159.608 Powers of housing finance authorities.—A housing
38 finance authority shall constitute a public body corporate and
39 politic, exercising the public and essential governmental
40 functions set forth in this act, and shall exercise its power to
41 borrow only for the purpose as provided herein:

42 (8) To make loans directly to eligible persons ~~or families~~
43 who otherwise cannot borrow from conventional lending sources
44 ~~and whose annual income does not exceed 80 percent of the median~~
45 ~~income based on a family of up to four persons for the county in~~
46 ~~which they seek to purchase a residence. The housing finance~~
47 ~~authority may adjust the annual income requirements for families~~

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48 ~~of greater than four persons.~~ Such loans must be secured by
49 ~~either first mortgages or subordinated mortgages and must be~~
50 ~~used to purchase, construct, rehabilitate, or refinance single-~~
51 ~~family residences that have purchase prices that do not exceed~~
52 ~~the purchase price limits of; however, the purchase price of any~~
53 ~~residence financed through such a loan may not exceed 90 percent~~
54 ~~of the median sales price for single family homes in the county~~
55 ~~where the borrower's residence is to be located, as mandated by~~
56 ~~federal law for tax-exempt single-family bond programs.~~

57 Section 3. Paragraph (h) of subsection (22) and subsection
58 (48) of section 420.507, Florida Statutes, are amended to read:

59 420.507 Powers of the corporation.—The corporation shall
60 have all the powers necessary or convenient to carry out and
61 effectuate the purposes and provisions of this part, including
62 the following powers, which are in addition to all other powers
63 granted by other provisions of this part:

64 (22) To develop and administer the State Apartment
65 Incentive Loan Program. In developing and administering that
66 program, the corporation may:

67 (h) Establish, by rule, the procedure for ~~evaluating,~~
68 ~~scoring, and competitively evaluating and selecting ranking~~ all
69 ~~applications for funding based on the criteria set forth in s.~~
70 ~~420.5087(6)(c), and determining actual loan amounts, and making and~~
71 ~~servicing loans, and exercising the powers authorized in this~~
72 ~~subsection.~~

73 (48) To ~~award use up to 10 percent of~~ its annual
74 allocation of low-income housing tax credits, nontaxable revenue
75 bonds, and State Apartment Incentive Loan Program funds

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76 appropriated by the Legislature and available to allocate by
77 request for proposals or other competitive solicitation. The
78 corporation shall reserve up to 5 percent of each allocation
79 funding for high-priority affordable housing projects, such as
80 housing to support economic development and job-creation
81 initiatives, housing for veterans and their families, and other
82 special needs populations in communities throughout the state as
83 determined by the corporation on an annual basis. The
84 corporation shall reserve an additional 5 percent of each
85 allocation for affordable housing projects that target persons
86 who have a disabling condition, as defined in s. 420.0004, and
87 their families. These allocations must prioritize projects or
88 initiatives piloting or demonstrating cost-effective best
89 practices that meet the housing needs and preferences of such
90 persons. Any tax credits or funds not allocated because of a
91 lack of eligible projects targeting persons who have a disabling
92 condition shall be distributed by the corporation for high-
93 priority housing projects.

94 Section 4. Paragraphs (c) and (f) of subsection (6) of
95 section 420.5087, Florida Statutes, are amended to read:

96 420.5087 State Apartment Incentive Loan Program.—There is
97 hereby created the State Apartment Incentive Loan Program for
98 the purpose of providing first, second, or other subordinated
99 mortgage loans or loan guarantees to sponsors, including for-
100 profit, nonprofit, and public entities, to provide housing
101 affordable to very-low-income persons.

102 (6) On all state apartment incentive loans, except loans
103 made to housing communities for the elderly to provide for

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104 | lifesafety, building preservation, health, sanitation, or
105 | security-related repairs or improvements, the following
106 | provisions shall apply:

107 | (c) The corporation shall provide by rule for the
108 | establishment of a review committee ~~composed of the department~~
109 | ~~and corporation staff and shall establish by rule a scoring~~
110 | ~~system~~ for the competitive evaluation and selection ~~competitive~~
111 | ~~ranking~~ of applications submitted in this program, including,
112 | but not limited to, the following criteria:

113 | 1. Tenant income and demographic targeting objectives of
114 | the corporation.

115 | 2. Targeting objectives of the corporation which will
116 | ensure an equitable distribution of loans between rural and
117 | urban areas.

118 | 3. Sponsor's agreement to reserve the units for persons or
119 | families who have incomes below 50 percent of the state or local
120 | median income, whichever is higher, for a time period that
121 | exceeds ~~to exceed~~ the minimum required by federal law or the
122 | ~~provisions of~~ this part.

123 | 4. Sponsor's agreement to reserve more than:

124 | a. Twenty percent of the units in the project for persons
125 | or families who have incomes that do not exceed 50 percent of
126 | the state or local median income, whichever is higher; or

127 | b. Forty percent of the units in the project for persons
128 | or families who have incomes that do not exceed 60 percent of
129 | the state or local median income, whichever is higher, without
130 | requiring a greater amount of the loans as provided in this
131 | section.

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- 132 5. Provision for tenant counseling.
- 133 6. Sponsor's agreement to accept rental assistance
134 certificates or vouchers as payment for rent.
- 135 7. Projects requiring the least amount of a state
136 apartment incentive loan compared to overall project cost,
137 except that the share of the loan attributable to units serving
138 extremely-low-income persons must ~~shall~~ be excluded from this
139 requirement.
- 140 8. Local government contributions and local government
141 comprehensive planning and activities that promote affordable
142 housing.
- 143 9. Project feasibility.
- 144 10. Economic viability of the project.
- 145 11. Commitment of first mortgage financing.
- 146 12. Sponsor's prior experience.
- 147 13. Sponsor's ability to proceed with construction.
- 148 14. Projects that directly implement or assist welfare-to-
149 work transitioning.
- 150 15. Projects that reserve units for extremely-low-income
151 persons.
- 152 16. Projects that include green building principles,
153 storm-resistant construction, or other elements that reduce
154 long-term costs relating to maintenance, utilities, or
155 insurance.
- 156 17. Job-creation rate of the developer and general
157 contractor, as provided in s. 420.507(47).
- 158 (f) The review committee established by corporation rule
159 pursuant to this subsection shall make recommendations to the

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160 board of directors of the corporation regarding program
161 participation under the State Apartment Incentive Loan Program.
162 The corporation board shall make the final ~~ranking and the~~
163 decisions regarding which applicants shall become program
164 participants based on the scores received in the competitive
165 process ranking, further review of applications, and the
166 recommendations of the review committee. The corporation board
167 shall approve or reject applications for loans and shall
168 determine the tentative loan amount available to each applicant
169 selected for participation in the program. The actual loan
170 amount shall be determined pursuant to rule adopted pursuant to
171 s. 420.507(22) (h).

172 Section 5. Section 420.511, Florida Statutes, is amended
173 to read:

174 420.511 Strategic business plan; long-range program
175 strategie plan; annual report; audited financial statements.-

176 (1) The corporation shall develop a strategie business
177 plan for the provision of affordable housing for the state. The
178 plan must be consistent ~~shall not be inconsistent~~ with the long-
179 range program strategie plan prepared pursuant to subsection (2)
180 and shall contain performance measures and specific performance
181 targets for the following:

182 (a) The ability of low-income and moderate-income
183 Floridians to access housing that is decent and affordable.

184 (b) The continued availability and affordability of
185 housing financed by the corporation to target populations.

186 (c) The availability of affordable financing programs,
187 including equity and debt products, and programs that reduce

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188 gaps in conventional financing in order to increase individual
189 access to housing and stimulate private production of affordable
190 housing.

191 (d) The establishment and maintenance of efficiencies in
192 the delivery of affordable housing.

193 (e) Such other measures as directed by the corporation's
194 board of directors.

195

196 ~~The corporation shall also compile data on the stimulus of~~
197 ~~economic activity created by the affordable housing finance~~
198 ~~programs administered by the corporation.~~

199 (2) The corporation, in coordination ~~equal partnership~~
200 with the department, shall ~~develop~~ annually develop a long-range
201 program ~~strategie~~ plan for the provision of affordable housing
202 in this state as Florida ~~as part of the department's agency~~
203 ~~strategie plan~~ required pursuant to chapter 186. In part, the
204 plan must ~~shall~~ include provisions that maximize the abilities
205 of the corporation ~~and the department~~ to implement the state
206 housing strategy established under s. 420.0003, to respond to
207 federal housing initiatives, and to develop programs in a manner
208 that is more responsive to the needs of public and private
209 partners. The plan shall be developed on a schedule consistent
210 with that established by s. 186.021. For purposes of this
211 section ~~aet~~, the executive director or his or her designee shall
212 serve as the corporation's representative to achieve a
213 coordinated and integrated planning relationship with the
214 department.

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215 (3) ~~(a)~~ The corporation shall submit to the Governor and
216 the presiding officers of each house of the Legislature, within
217 6 2 months after the end of its fiscal year, a complete and
218 detailed report setting forth the corporation's state and
219 federal program accomplishments using the most recent available
220 data. The report must include, but is not limited to:

221 (a) The following tenant characteristics in the existing
222 rental units financed through corporation-administered programs:

223 1. The number of households served, delineated by income,
224 race, ethnicity, and age of the head of household.

225 2. The number of households served in large, medium, and
226 small counties as described in s. 420.5087(1) and the extent to
227 which geographic distribution has been achieved in accordance
228 with s. 420.5087.

229 3. The number of farmworker and commercial fishing worker
230 households served.

231 4. The number of homeless households served.

232 5. The number of special needs households served.

233 6. By county, the average rent charged based on unit size.

234 (b) The number of rental units to which resources have
235 been allocated in the last fiscal year, including income and
236 demographic restrictions.

237 (c) The estimated average cost of producing units under
238 each rental or homeownership unit financed under each program in
239 the last fiscal year.

240 (d) By county, the average sales price of homeownership
241 units financed in the last fiscal year.

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242 (e) The number of households served by homeownership
243 programs in the last fiscal year, including the income, race,
244 ethnicity, and age of the homeowner of each household.

245 (f) The percentage of homeownership loans that are in
246 foreclosure.

247 (g) The percentage of properties in the corporation's
248 rental portfolio which have an occupancy rate below 90 percent.

249 (h) The amount of economic stimulus created by the
250 affordable housing finance programs administered by the
251 corporation for the most recent year available.

252 (i) For the State Apartment Incentive Loan Program (SAIL),
253 a comprehensive list of all closed loans outstanding at the end
254 of the most recent fiscal year, including, but not limited to,
255 development name, city, county, developer, set-aside type, set-
256 aside percentage, affordability term, total number of units,
257 number of set-aside units, lien position, original loan amount,
258 loan maturity date, loan balance at close of year, status of
259 loan, rate of interest, and interest paid.

260 (j) For the Florida Affordable Housing Guarantee Program,
261 a list of all guaranteed loans through the close of the most
262 recent fiscal year, including, but not limited to, development
263 name, city, county, developer, total number of units, issuer of
264 the bonds, loan maturity date, participation in the United
265 States Department of Housing and Urban Development Risk-Sharing
266 Program, original guarantee amount, guarantee amount at the
267 close of the fiscal year, status of guaranteed loans, and total
268 outstanding Florida Housing Finance Corporation Affordable

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269 Housing Guarantee Program revenue bonds at the close of the most
270 recent fiscal year.

271 (k) Any other information the corporation deems
272 appropriate.

273 ~~1. Its operations and accomplishments;~~

274 ~~2. Its receipts and expenditures during its fiscal year in~~
275 ~~accordance with the categories or classifications established by~~
276 ~~the corporation for its operating and capital outlay purposes;~~

277 ~~3. Its assets and liabilities at the end of its fiscal~~
278 ~~year and the status of reserve, special, or other funds;~~

279 ~~4. A schedule of its bonds outstanding at the end of its~~
280 ~~fiscal year, together with a statement of the principal amounts~~
281 ~~of bonds issued and redeemed during the fiscal year; and~~

282 ~~5. Information relating to the corporation's activities in~~
283 ~~implementing the provisions of ss. 420.5087, 420.5088, and~~
284 ~~420.5095.~~

285 ~~(b) The report shall include, but not be limited to:~~

286 ~~1. The number of people served, delineated by income, age,~~
287 ~~family size, and racial characteristics.~~

288 ~~2. The number of units produced under each program.~~

289 ~~3. The average cost of producing units under each program.~~

290 ~~4. The average sales price of single family units financed~~
291 ~~under s. 420.5088.~~

292 ~~5. The average amount of rent charged based on unit size~~
293 ~~on units financed under s. 420.5087.~~

294 ~~6. The number of persons in rural communities served under~~
295 ~~each program.~~

296 ~~7. The number of farmworkers served under each program.~~

Amendment No. 1

297 ~~8. The number of homeless persons served under each~~
298 ~~program.~~

299 ~~9. The number of elderly persons served under each~~
300 ~~program.~~

301 ~~10. The extent to which geographic distribution has been~~
302 ~~achieved in accordance with the provisions of s. 420.5087.~~

303 ~~11. The success of the Community Workforce Housing~~
304 ~~Innovation Pilot Program in meeting the housing needs of~~
305 ~~eligible areas.~~

306 ~~12. Any other information the corporation deems~~
307 ~~appropriate.~~

308 (4) Within 6 months after the end of its fiscal year, the
309 corporation shall submit audited financial statements, prepared
310 in accordance with generally accepted accounting principles,
311 which include all assets, liabilities, revenues, and expenses of
312 the corporation, and a list of all bonds outstanding at the end
313 of its fiscal year. The ~~with the annual report required by this~~
314 ~~section, a copy of an annual financial audit of its accounts and~~
315 ~~records and an annual compliance audit must be of its programs~~
316 ~~conducted by an independent certified public accountant,~~
317 ~~performed in accordance with generally accepted auditing~~
318 ~~standards and government auditing standards, and incorporate all~~
319 ~~reports, including compliance reports, as required by such~~
320 auditing standards.

321 (5) The Auditor General shall conduct an operational audit
322 of the accounts and records of the corporation and provide a
323 written report on the audit to the President of the Senate and
324 the Speaker of the House of Representatives by December 1, 2016.

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325 Both the corporation's business plan and annual report must
326 ~~shall~~ recognize the different fiscal periods under which the
327 corporation, the state, the Federal Government, and local
328 governments operate.

329 Section 6. Paragraph (b) of subsection (4) of section
330 420.0003, Florida Statutes, is amended to read:

331 420.0003 State housing strategy.—

332 (4) IMPLEMENTATION.—The Department of Economic Opportunity
333 and the Florida Housing Finance Corporation in carrying out the
334 strategy articulated herein shall have the following duties:

335 (b) The long-range program agency strategic plan of the
336 Department of Economic Opportunity must ~~shall~~ include specific
337 goals, objectives, and strategies that implement the housing
338 policies in this section and ~~shall include the strategic plan~~
339 ~~for housing production prepared by the corporation pursuant to~~
340 ~~s. 420.511.~~

341 Section 7. Section 420.0006, Florida Statutes, is amended
342 to read:

343 420.0006 Authority to contract with corporation; contract
344 requirements; nonperformance.—The executive director of the
345 department shall contract, notwithstanding part I of chapter
346 287, with the Florida Housing Finance Corporation on a multiyear
347 basis to stimulate, provide, and foster affordable housing in
348 the state. The contract must incorporate the performance
349 measures required by s. 420.511 and ~~must~~ be consistent with ~~the~~
350 ~~provisions of~~ the corporation's strategic business plan prepared
351 in accordance with s. 420.511. The contract must provide that
352 if, in the event the corporation fails to comply with ~~any of the~~

Amendment No. 1

353 | a performance measure ~~measures~~ required by s. 420.511, the
354 | executive director shall notify the Governor and ~~shall~~ refer the
355 | nonperformance to the department's inspector general for review
356 | and determination as to whether such failure is due to forces
357 | beyond the corporation's control or whether such failure is due
358 | to inadequate management of the corporation's resources.
359 | Advances shall continue to be made pursuant to s. 420.0005
360 | during the pendency of the review ~~by the department's inspector~~
361 | ~~general~~. If such failure is due to outside forces, it may ~~shall~~
362 | not be deemed a violation of the contract. If such failure is
363 | due to inadequate management, the department's inspector general
364 | shall provide recommendations regarding solutions. The Governor
365 | may ~~is authorized to~~ resolve any differences of opinion with
366 | respect to performance under the contract and may request that
367 | advances continue in the event of a failure under the contract
368 | due to inadequate management. The Chief Financial Officer shall
369 | approve the request absent a finding by the Chief Financial
370 | Officer that continuing such advances would adversely impact the
371 | state; however, ~~in any event~~ the Chief Financial Officer shall
372 | provide advances sufficient to meet the debt service
373 | requirements of the corporation and sufficient to fund contracts
374 | committing funds from the State Housing Trust Fund if ~~so long as~~
375 | such contracts are in accordance with the laws of this state.

376 | Section 8. Subsection (1) of section 420.504, Florida
377 | Statutes, is amended to read:

378 | 420.504 Public corporation; creation, membership, terms,
379 | expenses.—

Amendment No. 1

380 (1) ~~There is created within the Department of Economic~~
381 ~~Opportunity~~ A public corporation and a public body corporate and
382 politic, to be known as the "Florida Housing Finance
383 Corporation" is created within the Department of Economic
384 Opportunity. It is declared to be the intent of and
385 constitutional construction by the Legislature that the Florida
386 Housing Finance Corporation constitutes an entrepreneurial
387 public corporation organized to provide and promote the public
388 welfare by administering the governmental function of financing
389 or refinancing housing and related facilities in this state
390 ~~Florida~~ and that the corporation is not a department of the
391 executive branch of state government within the scope and
392 meaning of s. 6, Art. IV of the State Constitution, but is
393 functionally related to the Department of Economic Opportunity
394 in which it is placed. The executive function of state
395 government to be performed by the executive director of the
396 Department of Economic Opportunity in the conduct of the
397 business of the Florida Housing Finance Corporation must be
398 performed pursuant to a contract to monitor and set performance
399 standards for the implementation of the business plan for the
400 provision of housing approved for the corporation as provided in
401 s. 420.0006. This contract must ~~shall~~ include ~~the~~ performance
402 standards for the provision of affordable housing in this state
403 ~~Florida~~ established in the strategic business plan described in
404 s. 420.511.

405 Section 9. Subsection (1) of section 420.506, Florida
406 Statutes, is amended to read:

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407 420.506 Executive director; agents and employees;
408 inspector general.-

409 (1) The appointment and removal of an executive director
410 shall be by the executive director of the Department of Economic
411 Opportunity, with the advice and consent of the corporation's
412 board of directors. The executive director shall employ legal
413 and technical experts and such other agents and employees,
414 permanent and temporary, as the corporation may require, and
415 shall communicate with and provide information to the
416 Legislature with respect to the corporation's activities. The
417 ~~board is authorized,~~ Notwithstanding the ~~provisions of s.~~
418 216.262, the board may ~~to~~ develop and implement rules regarding
419 the employment of employees of the corporation and service
420 providers, including legal counsel. The ~~board of directors of~~
421 ~~the corporation~~ is entitled to establish travel procedures and
422 guidelines for employees of the corporation, subject to s.
423 112.061(6) and (7). The executive director's office and the
424 corporation's files and records must be located in Leon County.

425 Section 10. Section 420.5091, Florida Statutes, is
426 repealed.

427 Section 11. This act shall take effect July 1, 2013.

428

429 -----

430 T I T L E A M E N D M E N T

431 Remove everything before the enacting clause and insert:

432 A bill to be entitled

433 An act relating to community development; amending s.

434 159.603, F.S.; revising the definition of "qualifying

Amendment No. 1

435 housing development"; amending s. 159.608, F.S.;

436 revising the power of a housing finance authority to

437 make loans directly to eligible persons; amending s.

438 420.507, F.S.; revising the powers of the Florida

439 Housing Finance Corporation; specifying how the

440 corporation will allocate certain funds; amending s.

441 420.5087, F.S.; revising provisions relating to state

442 apartment incentive loans to provide for a competitive

443 evaluation and selection process with respect to loan

444 applications; amending s. 420.511, F.S.; providing

445 that the corporation's strategic business plan must be

446 consistent with a long-range program plan relating to

447 affordable housing; deleting a requirement that the

448 corporation compile certain data; revising provisions

449 relating to the corporation's development of its long-

450 range plan; revising the required contents and

451 information to be included in the corporation's annual

452 report; requiring the corporation to submit separate

453 audited financial statements that include specified

454 information and incorporate certain reports; requiring

455 the Auditor General to conduct an operational audit of

456 the corporation and provide a written report to the

457 Legislature; amending ss. 420.0003, 420.0006, 420.504,

458 and 420.506, F.S.; conforming provisions to changes

459 made by this act; repealing s. 420.5091, F.S.,

460 relating to the HOPE program; providing an effective

461 date.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 853 Public Retirement Plans
SPONSOR(S): Taylor and McBurney
TIED BILLS: IDEN./SIM. BILLS: SB 1246

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Government Operations Subcommittee	13 Y, 0 N	Harrington	Williamson
2) Finance & Tax Subcommittee		Pewitt <i>JP</i>	Langston <i>BJ</i>
3) State Affairs Committee			

SUMMARY ANALYSIS

Under current law, the Marvin B. Clayton Police Officers Pension Trust Fund Act (act) provides a uniform retirement system for the benefit of municipal police officers. All municipal police officer retirement trust fund systems or plans must be managed, administered, operated, and funded to maximize the protection of police officers' pension trust funds. The act provides an incentive – access to premium tax revenues – to encourage the establishment of police officer retirement plans by cities. The act only applies to municipalities organized and established by law, and the act does not apply to unincorporated areas of any county or counties.

The bill expands the applicability of the act. It provides that the act applies to municipalities organized as a single consolidated government consisting of a former county and one or more municipalities. The bill requires the consolidated government to notify the Florida Department of Management Services, Division of Retirement, when it enters into an interlocal agreement to provide police services to a municipality within its boundaries. It provides that the municipality may enact an ordinance to levy a premium tax as authorized in law, and the municipality may distribute any premium taxes reported for the municipality to the consolidated government as long as the interlocal agreement is in effect.

The bill provides an effective date of July 1, 2013.

The Revenue Estimating Conference estimates that that bill will have a negative, insignificant impact on state government revenues and a positive, insignificant impact on local government revenues.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Insurance Premium Tax

The state levies a tax on most insurance premiums. The rate is 1.75% for property and casualty, life, accident and health, and prepaid limited health policies; 1.6% for commercial self-insurance, group self-insurance, medical malpractice self-insurance, and assessable mutual insurance; and 1% for annuities. Companies are allowed to claim several credits against their insurance premium tax, including for a portion of their salary expenses, the Community Contribution Tax Credit, and several others. These funds, minus any funds distributed to local governments for police and firefighter pensions (discussed below) and funds deposited into the Insurance Regulatory Trust Fund, are deposited into general revenue. Insurance premium tax accounted for \$492.3 million in general revenue and \$38.8 million in trust fund revenues in fiscal year 2011-2012.

Municipal Police Officers' Retirement Trust Fund

Local police officer pension plans are governed by chapter 185, F.S., which is known as the Marvin B. Clayton Police Officers Pension Trust Fund Act (act).¹ The act declares it a legitimate state purpose to provide a uniform retirement system for the benefit of municipal police officers.² Chapter 185, F.S., was originally enacted in 1953 to provide an incentive – access to premium tax revenues – to encourage the establishment of police officer pension plans by cities.

All municipal police officer retirement trust fund systems or plans must be managed, administered, operated, and funded to maximize the protection of police officers' pension trust funds.³ The act sets forth the minimum benefits or minimum standards for pensions for municipal police officers. The benefits provided in the act may not be reduced by municipalities; however, the benefits provided in a local plan may vary from the provisions in that act so long as the minimum standards are met.

Funding for these pension plans comes from four sources:⁴

- Net proceeds from an excise tax levied by a city upon property insurance companies (known as the premium tax);
- Employee contributions;
- Other revenue sources; and
- Mandatory payments by the city of the normal cost of the plan.

Each municipality with a municipal police officers' retirement trust fund is authorized to assess an excise tax of 0.85 percent imposed on the gross premiums on casualty insurance policies covering property within the boundaries of the municipality.⁵ The excise tax is payable by the insurers to the Department of Revenue, and the net proceeds are transferred to the appropriate fund at the Department of Management Services, Division of Retirement (division).⁶ Companies may claim a credit against their state insurance premium tax bill for any amount paid as a result of a local tax levy, meaning that total insurance premium taxes owed do not increase if a local government opts to levy the tax. In 2011, premium tax distributions to municipalities from the Police Officers' Retirement Trust Fund

¹ See chapter 185, F.S.

² Section 185.01(1), F.S.

³ See s. 185.01(1), F.S.

⁴ Section 185.07(1), F.S.

⁵ Section 185.08, F.S.

⁶ A copy of the 2011 Premium Tax Distribution report is available online at:

http://www.dms.myflorida.com/human_resource_support/retirement/local_retirement_plans/municipal_police_and_fire_plans.

amounted to \$59.6 million. Under current law, a municipality may not receive another municipality's premium tax revenues when there is an interlocal agreement in place to provide police services.⁷

To qualify for insurance premium tax dollars, plans must meet requirements found in chapter 185, F.S. Responsibility for overseeing and monitoring these plans is assigned to the division; however, the day-to-day operational control rests with the local boards of trustees. The board of trustees must invest and reinvest the assets of the fund according to s. 185.06, F.S., as applicable, unless specifically authorized to vary from the law. If the division deems that a police officer pension plan created pursuant to chapter 185, F.S., is not in compliance, the sponsoring municipality could be denied its insurance premium tax revenues.

Consolidation

Consolidation involves combining city and county governments so that the boundaries of the county and affected city or cities become the same. Consolidation can be total or partial. Total consolidation occurs when all independent government units within a county are assimilated into the consolidated government. When some of the governments remain independent, the consolidation is partial.

Section 3, Art. VIII, of the State Constitution, provides:

Consolidation. – The government of a county and the government of one or more municipalities located therein may be consolidated into a single government which may exercise any and all powers of the county and the several municipalities. The consolidation plan may be proposed only by special law, which shall become effective if approved by vote of the electors of the county, or of the county and municipalities affected, as may be provided in the plan. Consolidation shall not extend the territorial scope of taxation for the payment of pre-existing debt except to areas whose residents receive a benefit from the facility or service from which the indebtedness was incurred.

The voters of the City of Jacksonville and Duval County adopted a municipal charter pursuant to this constitutional provision in 1967. Section 9, of Article VIII, of the Constitution of 1885 establishes the Jacksonville/Duval County consolidated charter. This is the only consolidated government in the state.

Effect of the Bill

The bill provides that chapter 185, F.S., applies to municipalities organized as a single consolidated government consisting of a former county and one or more municipalities, consolidated pursuant to s. 3 or s. 6(e), Art. VIII of the State Constitution. The bill requires the consolidated government to notify the division when it enters into an interlocal agreement to provide police services to a municipality within its boundaries. It authorizes the municipality to enact an ordinance levying the tax as provided in s. 185.08, F.S., and the municipality may distribute any premium taxes reported for the municipality to the consolidated government as long as the interlocal agreement is in effect.

The bill provides an effective date of July 1, 2013.

B. SECTION DIRECTORY:

Sections 1. and 2. amend ss. 185.03 and 185.08, F.S., specifying applicability of chapter 185, F.S., to certain consolidated governments; providing that a consolidated government that has entered into an interlocal agreement to provide police protection services to a municipality within its boundaries is eligible to receive the premium taxes reported for the municipality under certain circumstances; authorizing the municipality receiving the police protection services to enact an ordinance levying the tax as provided by law.

⁷ Chapter 175, F.S., authorizes a municipality to receive another municipality's premium tax revenues when there is an interlocal agreement in place to provide fire protection services. Section 175.041(3)(c), F.S.

Section 3. provides an effective date of July 1, 2013.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Revenue Estimating Conference met on March 22, 2013 and estimated that this bill would have an insignificant negative impact on state general revenues.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The Revenue Estimating Conference met on March 22, 2013 and estimated that this bill would have an insignificant positive cash and recurring impact on local revenues.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

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1 A bill to be entitled
2 An act relating to public retirement plans; amending
3 ss. 185.03 and 185.08, F.S.; specifying applicability
4 of ch. 185, F.S., to certain consolidated governments;
5 providing that a consolidated government that has
6 entered into an interlocal agreement to provide police
7 protection services to a municipality within its
8 boundaries is eligible to receive the premium taxes
9 reported for the municipality under certain
10 circumstances; authorizing the municipality receiving
11 the police protection services to enact an ordinance
12 levying the tax as provided by law; providing an
13 effective date.

14
15 Be It Enacted by the Legislature of the State of Florida:

16
17 Section 1. Subsection (2) of section 185.03, Florida
18 Statutes, is amended to read:

19 185.03 Municipal police officers' retirement trust funds;
20 creation; applicability of provisions; participation by public
21 safety officers.—For any municipality, chapter plan, local law
22 municipality, or local law plan under this chapter:

23 (2) (a) ~~The provisions of This chapter applies shall apply~~
24 only to municipalities organized and established pursuant to the
25 laws of the state, and does ~~said provisions shall~~ not apply to
26 the unincorporated areas of a ~~any~~ county or ~~counties nor shall~~
27 ~~the provisions hereof apply~~ to any governmental entity whose
28 police officers are eligible to participate in the Florida

29 Retirement System.

30 (b) With respect to the distribution of premium taxes, a
 31 single consolidated government consisting of a former county and
 32 one or more municipalities, consolidated pursuant to s. 3 or s.
 33 6(e), Art. VIII of the State Constitution, is also eligible to
 34 participate under this chapter. The consolidated government
 35 shall notify the division when it has entered into an interlocal
 36 agreement to provide police services to a municipality within
 37 its boundaries. The municipality may enact an ordinance levying
 38 the tax as provided in s. 185.08. Upon being provided copies of
 39 the interlocal agreement and the municipal ordinance levying the
 40 tax, the division may distribute any premium taxes reported for
 41 the municipality to the consolidated government as long as the
 42 interlocal agreement is in effect.

43 Section 2. Subsection (1) of section 185.08, Florida
 44 Statutes, is amended to read:

45 185.08 State excise tax on casualty insurance premiums
 46 authorized; procedure.—For any municipality, chapter plan, local
 47 law municipality, or local law plan under this chapter:

48 (1)(a) Each incorporated municipality in this state
 49 described and classified in s. 185.03, as well as each other
 50 city or town of this state which on July 31, 1953, had a
 51 lawfully established municipal police officers' retirement trust
 52 fund or city fund, by whatever name known, providing pension or
 53 relief benefits to police officers as provided under this
 54 chapter, may assess and impose on every insurance company,
 55 corporation, or other insurer now engaged in or carrying on, or
 56 who shall hereafter engage in or carry on, the business of

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57 | casualty insurance as shown by records of the Office of
58 | Insurance Regulation of the Financial Services Commission, an
59 | excise tax in addition to any lawful license or excise tax now
60 | levied by each of the ~~said~~ municipalities, respectively,
61 | amounting to .85 percent of the gross amount of receipts of
62 | premiums from policyholders on all premiums collected on
63 | casualty insurance policies covering property within the
64 | corporate limits of such municipalities, respectively.

65 | (b) With respect to the distribution of premium taxes, a
66 | single consolidated government consisting of a former county and
67 | one or more municipalities, consolidated pursuant to s. 3 or s.
68 | 6(e), Art. VIII of the State Constitution, is also eligible to
69 | participate under this chapter. The consolidated government
70 | shall notify the division when it has entered into an interlocal
71 | agreement to provide police services to a municipality within
72 | its boundaries. The municipality may enact an ordinance levying
73 | the tax as provided in this section. Upon being provided copies
74 | of the interlocal agreement and the municipal ordinance levying
75 | the tax, the division may distribute any premium taxes reported
76 | for the municipality to the consolidated government as long as
77 | the interlocal agreement is in effect.

78 | Section 3. This act shall take effect July 1, 2013.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB FTSC 13-07 Relating to Economic Development
SPONSOR(S): Finance & Tax Subcommittee
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Finance & Tax Subcommittee		Flieger <i>BF</i>	Langston <i>EL</i>

SUMMARY ANALYSIS

The proposed committee bill contains several provisions designed to encourage economic development within Florida:

Cigarette Tax Distribution

The bill delays the sunset date of the 1 percent cigarette tax distribution to the Sanford-Burnham Medical Research Institute from June 30, 2021, to June 30, 2033. This distribution will help to fund a biomedical research program at the Institute.

Rotary Wing Aircraft Sales Tax Exemption

The bill reduces the maximum takeoff weight threshold for rotary wing aircraft to qualify for an exemption from sales and use tax on the parts and labor used in repair and maintenance. The bill would reduce the threshold to 2,000 pounds, equalizing treatment between rotary and fixed-wing aircraft.

Spring Training Franchise Retention

The bill creates a sales tax distribution to local governments for the purpose of constructing or renovating Major League Baseball spring training facilities. The bill provides the Department of Economic Opportunity procedures to administer the certification of such local governments.

Qualified Target Industry and Qualified Defense and Space Contractor Tax Refunds

The bill removes the individual company total refund cap for both the Qualified Target Industry and Qualified Defense and Space Contractor tax refund programs.

New Markets Development Program

The bill increases by \$15 million the total amount of tax credits available for the New Markets Development Program, from \$163.8 million to \$178.8 million. The annual tax credit cap is increased by \$3 million, from \$33.6 million per fiscal year to \$36.6 million per fiscal year.

Florida Wine Manufacturers

The bill allows Florida wineries currently licensed as manufacturers of wine to also be licensed as distributors, under certain circumstances, for the limited purpose of distributing Florida wine and Florida wine products. Also, some funds are shifted from the Viticulture Trust Fund to the Plant Industry Trust Fund.

Sales Tax Holiday

The bill creates a three day sales tax holiday beginning August 2, exempting certain clothing and shoes valued at \$75 or less, school supplies valued at \$15 or less, and personal computers for non-commercial use valued at \$750 or less.

Several of the bill's component parts will produce impacts to state and local government revenue. See FISCAL ANALYSIS section for details.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Cigarette Tax Distribution

Current Situation

Chapter 210, F.S., provides for the taxation of tobacco products. Taxes are imposed on the sale of cigarettes and other non-cigar tobacco products in Florida. For cigarettes of a common size, the tax rate is \$0.339 per pack. Additionally, a \$1.00 surcharge per pack of common size cigarettes is imposed. For other tobacco products, the tax is at 25 percent of wholesale price, with an additional surcharge of 60 percent of wholesale price. The cigarette tax is collected by the Department of Business and Professional Regulation and deposited into Cigarette Tax Collection Trust Fund.

Section 210.20(2), F.S., provides for monthly distribution from the cigarette tax (not the surcharge) as follows:

Distribution from total collections:

- 8 percent to General Revenue Service Charge¹; and
- 0.9 percent to the Alcoholic Beverage and Tobacco Trust Fund².

Distribution from remaining collections (until June 30, 2013):

- 2.9 percent to Revenue Sharing Trust Fund for Counties;
- 29.3 percent to Public Medical Assistance Trust Fund;
- 1.47 percent to Board of Directors of the H. Lee Moffitt Cancer Center and Research Institute (Moffitt); and
- The remainder of funds to General Revenue.

Beginning July 1, 2013, the Moffitt distribution will be increased to 2.75 percent (through June 30, 2033), and an additional distribution of 1 percent will be made to the Biomedical Research Trust Fund, to be annually appropriated (up to \$3 million annually) for the Department of Health and the Sanford-Burnham Medical Research Institute to work in conjunction for the purpose of establishing activities and grant opportunities in relation to biomedical research (through June 30, 2021).

The Sanford Burnham Medical Research Institute, which has campuses in La Jolla, CA and Lake Nona, FL, performs research on the molecular causes of disease and develops treatments. Its main research programs focus on cancer, neurodegeneration, diabetes, and infectious, inflammatory, and childhood diseases. It is particularly well known for stem cell research. Its Diabetes and Obesity Research Center, which also studies cardiovascular disease, is based in Lake Nona.

Proposed Changes

The bill changes the end date for the distribution to the Biomedical Research Trust Fund from June 30, 2021 to June 30, 2033.

¹Section 215.20, F.S.

²Section 210.02, F.S.

Rotary Wing Aircraft Sales Tax Exemption

Current Situation

Rotary wing aircraft may be defined as any aircraft that is supported in flight by rotors on a substantially vertical axis.³ In general, rotary wing aircraft include helicopters, gyroplanes, and certain types of compound rotorcraft. Helicopters are considered high-value items because of their mobility, operational flexibility, and their capacity to provide rapid response.

Taxable Repair and Maintenance Work

Chapter 212, F.S., imposes a sales or use tax on the installation, repair, or maintenance of tangible personal property. This tax is applicable to the entire amount charged by the repairperson, which includes parts, equipment and labor. If the repair or maintenance of tangible personal property requires only labor, such charges are not taxable.⁴

Aircraft Repair and Maintenance Labor Charges

Section 212.08(7)(ee), F.S., provides a tax exemption for labor charges related to the maintenance and repair of qualified aircraft and aircraft with maximum takeoff weight of more than 2,000 pounds.⁵ With respect to rotary wing aircraft, current law limits the exemption to aircraft with maximum takeoff weight of 10,000 pounds or less.

Parts and Equipment used in Aircraft Repair and Maintenance

Section 212.08(7)(rr), F.S., provides a tax exemption for equipment, parts, and replacement engines installed on qualified aircraft and aircraft with more than 2,000 pounds maximum takeoff weight. In order to qualify for the exemption, the aircraft must be repaired or maintained in Florida. This exemption is not applicable to rotary wing aircraft with maximum certified takeoff weight of 10,300 pounds or less.

Proposed Changes

The bill expands tax exemptions available for rotary wing aircraft that are repaired or maintained in the state. Specifically, the bill will exempt rotary wing aircraft with maximum takeoff weight exceeding 2,000 pounds from the sales and use tax imposed on repair maintenance charges related to labor, parts, and installed equipment. This change will allow helicopters to qualify for exemptions in ss. 212.08(7)(ee) and 212.08(7)(rr), F.S., under the same maximum takeoff weight requirements as currently applied to airplanes.

Spring Training Franchise Retention

Current Situation

Section 288.11621, Florida Statutes, defines a process by which the Department of Economic Opportunity (the department) may certify local governments to receive a distribution from state sales tax of \$41,667 per month (\$500,000 per year) for a period of up to 30 years. The funds may be used to acquire, construct, reconstruct, or renovate a facility for a baseball spring training franchise, pay debt service on bonds issued for those purposes, or, in some instances, assist a spring training franchise in moving from one local government to another. Funds must be expended within 48 months of the receipt of the initial payment, and the acquisition, construction, reconstruction, or renovation must be completed within 24 months of starting.

³ As defined by the International Civil Aviation Organization, <http://www.icao.int/Pages/default.aspx>, last visited March 15, 2013.

⁴ Department of Revenue, Sales and Use Tax on Repair of Tangible Personal Property, <http://dor.myflorida.com/dor/forms/>, last visited March 14, 2013.

⁵ “Qualified Aircraft” means any aircraft having a maximum certified takeoff weight of less than 10,000 pounds and equipped with twin turbofan engines that meet Stage IV noise requirements that is used by a business operating as an on-demand air carrier under Federal Aviation Administration Regulation Title 14, chapter I, part 135, C.F.R., that owns or leases and operates a fleet of at least 25 of such aircraft in this state.

In order to be certified, the department must verify that:

- The local government applying owns or will own the facility or the land on which the facility is or will be located;
- The applicant has a certified copy of a signed agreement with a spring training franchise to use the facility for at least 20 years, and to reimburse the state for any state funds expended under this section if the franchise relocates prior to the end of the agreement;
- The applicant has made a commitment to pay for at least 50% of the cost of acquisition, construction, reconstruction, or renovation of the facility;
- The applicant has demonstrated that the facility will attract paid attendance of at least 50,000 annually; and
- The facility is located in a county that levies a tourist development tax.

The department is required to evaluate the applications on a competitive basis, using the following criteria:

- The projected impact on the local economy;
- The amount of local matching funds dedicated to the project;
- The potential for the facility to serve multiple purposes;
- The intended use of the funds;
- The length of time that a franchise has held spring training in the applicant's community;
- The amount of time the facility has been used by any team for spring training;
- The amount of time remaining in the agreement for the franchise to use the facility;
- The net increase in total recreational space that the facility would represent; and
- The location of the facility in a brownfield, enterprise zone, or community redevelopment area.

The department is authorized to certify up to 10 facilities at any given time. Upon certification, the applicant and the department must enter into an agreement specifying:

- The amount of state incentive funding to be distributed;
- The criteria that must be met in order for the applicant to remain certified;
- That the department may recover state incentive funds if the applicant is decertified;
- The information that the applicant must report to the department; and
- Any other provision deemed prudent by the department.

An applicant may not be certified for more than one spring training franchise at a time. Also specified are the contents to be included in an annual report by the applicant to the department, and a process by which an applicant may be decertified. Current law also authorizes the Auditor General to conduct audits to ensure that the funds are being used as required by law, and if an audit finds that this is not the case, the Department of Revenue may pursue recovery of the funds.

The applicants currently certified are as follows⁶:

Certified Applicant	Team	Date of First Payment	Total Distributed (as of 1/8/2013)
Clearwater	Philadelphia Phillies	Feb. 2001	\$6.0M
Dunedin	Toronto Bluejays	Feb. 2001	\$6.0M
Indian River County	Los Angeles Dodgers	Feb. 2001	\$6.0M
Osceola County	Houston Astros	Feb. 2001	\$6.0M
Lakeland	Detroit Tigers	Feb. 2001	\$5.6M
Charlotte County	Tampa Bay Rays	Mar. 2007	\$3.0M
Bradenton	Pittsburgh Pirates	Mar. 2007	\$3.0M
Sarasota	Cincinnati Red/ Baltimore Orioles	Mar. 2007	\$3.0M
St. Lucie County	New York Mets	Mar. 2007	\$1.6M
Lee County	Minnesota Twins	N/A	N/A

Proposed Changes

The bill creates s. 288.11631, F.S., which mostly mirrors the provisions of s. 288.11621. The differences between the sections include:

Certification Process

- The agreement must be for a minimum of the length of the term of the bonds issued for the construction or renovation of the facility, or if no such bonds are issued, at least 20 years;
- There is no limit to the number of applicants which may be certified;
- The net increase in recreational areas represented by the facility are not considered in the evaluation process; and
- The amount of state funding provided in the agreement between the applicant and the department may not exceed \$20 million, or if the applicant hosts 2 or more franchises, \$40 million.

Use of Funds

- Funds provided as a result of certification under this section may not be used to acquire or reconstruct a facility, or to assist a franchise in moving from one local government to another.

Upon certification under this new section, the bill amends s. 212.20, F.S., to direct the Department of Revenue to distribute \$55,555 monthly (\$666,660 annually) to the applicant from sales tax revenues. In the event the applicant hosts more than one franchise, the distribution will be \$111,110 monthly (\$1,333,320 annually). An applicant which has already been certified and receiving a distribution under current law may also be certified to receive funding under this new section.

The bill specifies that the distribution shall begin 60 days after certification, or July 1, 2016, whichever is later.

⁶ Department of Economic Opportunity, *Spring Training Baseball*
 STORAGE NAME: pcb07.FTSC.DOCX
 DATE: 3/21/2013

Qualified Target Industry and Qualified Defense and Space Contractor Tax Refunds

Current Situation

Qualified Target Industry Tax Refund

The Qualified Target Industry Tax Refund (QTI) was established in 1995. Tax refunds are made to qualifying, pre-approved businesses creating new jobs within Florida's target industries. All QTI projects include a performance-based contract with the state, which outlines specific milestones that must be achieved and verified by the state prior to payment of refunds.

This incentive requires that 20 percent of the award comes from the local city or county government, but that may be reduced by one-half for a qualified target industry business located in the counties of Bay, Escambia, Franklin, Gadsden, Gulf, Jefferson, Leon, Okaloosa, Santa Rosa, Wakulla or Walton. The reduction in local match is determined by the Department of Economic Opportunity and based on a determination that the project facilitates economic development, growth, or new employment within the previously referenced counties, and is in the best interest of the state.

The program also requires that a project must propose to create at least 10 new jobs, or in the case of a business expansion must result in a net increase in employment of at least 10 percent at that business. The jobs proposed to be created or retained must pay an average annual wage of at least 115% of the average private sector wage in the area where the business is located, or the statewide private sector average wage. The statewide private sector average wage being used currently is \$40,555⁷.

The amount of the refund is based on the average wages paid by the business, number of jobs created, and where in the state the eligible business chooses to locate or expand. The minimum tax refund is \$3,000 per employee, and the maximum amount is \$11,000 per employee over the term of the incentive agreement. Jobs created in rural communities and enterprise zones, as well as those paying higher annual average wages, are eligible for more incentives.

Since the inception of the QTI program, 1,134 applications have been approved, 967 contracts have been executed, and 97 agreements have been completed. Of those 967 projects, 335 remain active, meaning they are eligible to receive refunds through the QTI program. These 335 projects have committed to create 45,157 jobs cumulatively. The 97 completed agreements cumulatively created 19,694 new jobs, above the initial commitment to create 19,094. In fiscal year 2011-2012, \$58,063,500 in QTI incentives were awarded.⁸

Qualified Defense and Space Contractor Tax Refund

The Qualified Defense and Space Contractor Tax Refund (QDSC) was established in 1996. Tax refunds are made to qualifying, pre-approved businesses bidding on new competitive contracts or consolidating existing defense or space contracts. This incentive is a partnership between the State and local community—20 percent of the award comes from the local city or county government. All QDSC projects include a performance-based contract with the State of Florida, which outlines specific milestones that must be achieved and verified by the State prior to payment of refunds.

Like QTI, the program requires that jobs created by a QDSC project have an average annual wage of at least 115% of the average private sector wage in the area where the business is located, or the statewide private sector average wage.

The amount of the refund is based on the average wages paid by the business, number of jobs created, and where in the state the eligible business chooses to locate or expand. The minimum tax

⁷ Enterprise Florida Inc., *State of Florida Incentives Average Wage Requirements*; 2012

⁸ Enterprise Florida, Inc., *2012 Annual Incentive Report*; 2012

refund is \$3,000 per employee, and the maximum amount is \$8,000 per employee over the term of the incentive agreement.

Since the QDSC project's inception, 22 QDSC applications have been approved, 15 contracts, have been executed, and 5 projects have been completed. Of those 15 executed contracts, 6 remain active. These 6 projects have committed to create 418 cumulative jobs. The 5 completed projects cumulatively created 1,521 new jobs, exceeding their commitment to create 795 new jobs. In fiscal year 2011-2012, \$2,180,000 in QDSC incentives were awarded.⁹

QTI/QDSC Program Limits

Sections 288.106 and 288.1045, Florida Statutes, set the criteria for the QTI and QDSC programs. Included in these criteria are limits on awards for qualified projects under both programs. The limits include:

- The QTI and QDSC programs limit applicants to 25 percent of the total tax refunds in any given fiscal year;
- The QDSC program limits applicants to \$2.5 million in tax refunds in any given fiscal year;
- The QTI program limits applicants to \$1.5 million in tax refunds in any given fiscal year or \$2.5 million if the project is located within an enterprise zone;
- The QDSC program limits applicants to \$7 million in tax refunds over all fiscal years;
- The QTI program limits applicants to \$7 million in tax refunds over all fiscal years, or \$7.5 million if the project is located within an enterprise zone.

Proposed Changes

The bill eliminates the maximum amount of tax refunds a business could receive over all fiscal years for the QTI and QDSC programs. The limits imposed on the percentage of total awards and dollar amounts a qualified project could receive in a single fiscal year would remain in effect.

New Markets Development Program

Current Situation

*Federal New Markets Tax Credit*¹⁰

Created by Congress in 2000, the Federal New Markets Tax Credit (NMTC) Program¹¹ permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs). The CDE must in turn invest the qualified equity investments in low-income communities. The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year period. In each of the first three years, the investor receives a credit equal to five percent of the total amount paid for the stock or capital interest at the time of purchase. For the final four years, the value of the credit is six percent annually. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period.

An organization wishing to receive allocations under the federal NMTC Program must be certified as a CDE by the U. S. Department of Treasury.¹² To qualify as a CDE, an organization must:

⁹ Enterprise Florida, Inc, *2012 Annual Incentive Report*, 2012

¹⁰ Federal New Markets Tax Credit Program, Overview, http://cdfifund.gov/what_we_do/programs_id.asp?programID=5 (last visited February 14, 2013).

¹¹ The Federal New Markets Tax Credit Program was enacted as P.L. 106-554, Community Tax Relief Act of 2000 and signed into law on December 21, 2000.

¹² The Community Development Financial Institutions Fund is the entity within the U.S. Department of Treasury that administers the federal New Markets Tax Credit Program. The CDFI Fund was created for the purpose of promoting economic development through investment in and assistance to community development financial institutions. U.S. Department of Treasury, Community

- Be a domestic corporation or partnership at the time of the certification application;
- Demonstrate a primary mission of serving, or providing investment capital for low-income communities or low-income persons; and
- Maintain accountability to residents of low-income communities through representation on a governing board of or advisory board to the entity.

Since the Federal NMTC Program's inception, the CDFI Fund has made 664 awards allocating a total of \$33 billion in tax credit authority to CDEs through a competitive application process.¹³

How Florida's New Markets Development Program Works

Mirrored after the federal program, Florida's New Markets Development Program, established by the Legislature in 2009,¹⁴ encourages "capital investment in rural and urban low-income communities by allowing taxpayers to earn credits against specified taxes by investing in qualified community development entities that invest in qualified active low-income community businesses to create and retain jobs."¹⁵

Under the program, federally-certified Community Development Entities (CDEs), which have entered into allocation agreements with the U.S. Department of Treasury, have the ability to apply to the Department of Economic Opportunity (DEO) for a certification of Florida tax credits. The CDE must show that it is prepared to invest capital into qualified businesses in Florida's low-income communities. The certification process includes proof of the CDE's eligibility, identification of its investors, description of the investments to be raised by the CDE, information regarding how the investments will be used, and a description of the CDE's efforts to partner with local community-based groups.

DEO is also authorized to request additional information needed to verify continued certification. DEO certifies qualified applications on a first-come, first-served basis. Once DEO certifies a CDE's qualified equity investment, the CDE has 30 days to raise its investment capital (the qualified equity investment) and then 12 months to invest a minimum of 85 percent of the purchase price in qualified low-income investments. Thereafter, the CDE must annually report to DEO information including:¹⁶

- Audited financial statements;
- The industries for the investments;
- The counties investments were made in;
- The number of jobs created; and
- Verification that the average wages paid are at least equal to 115 percent of the federal poverty income guidelines for a family of four.

Any failure by a CDE to follow either Florida or federal law may result in the state recapturing tax credits claimed, together with interest and penalties.¹⁷

Tax Credits

The New Markets Tax Credit Program (NMTC) allows a tax credit to be taken against the corporate income tax found in s. 220.11, F. S. or the insurance premium tax found in s. 624.509, F.S. This credit may be claimed after the investment has been made and held for a minimum of two years. Therefore, no credit can be claimed in the first two years. In year three the credit is worth seven percent of the investment, and from the fourth year through the seventh year the credit is worth eight percent.

As in the federal program, over seven years this credit totals 39 percent of the total investment. Therefore, a qualified taxpayer with a qualified investment approved for both the federal and state

Development Financial Institutions Fund, About the CDFI Fund, http://cdfifund.gov/who_we_are/about_us.asp (last visited February 14, 2013).

¹³ See *supra* note 1.

¹⁴ Chapter 2009-50, L.O.F.

¹⁵ Section 288.912, F.S.

¹⁶ Section 288.9918, F.S.

¹⁷ Section 288.9920, F.S.

program could receive 78 percent of the purchase price of the investment in tax credits over seven years. In addition to the tax credits that are received, the investor also has the potential to receive benefit from the results of the investment and eventual return of their principal.

Any unused portion of the tax credit may be carried forward for future tax years; however, all tax credits expire on December 31, 2022.¹⁸ The program has a cap of \$163.8 million on the total of tax credits allowed to be allocated to all investments or \$33.6 million in tax credits in a single state fiscal year.¹⁹ The transfer or sale of tax credits is not permitted; however, a tax credit may travel with the purchase of an investment to a new owner.²⁰

Proposed Changes

The bill increases the total amount of tax credits available to be allocated for the New Markets Development Program from \$163.8 million to \$178.8 million and increases the amount of tax credits that the state may award in a single fiscal year from \$33.6 million to \$36.6 million.

Florida Wine Manufacturers

Current Situation

Chapters 561-565 and 567-568, F.S., provide for the regulation of sales of alcoholic beverages in Florida. The Division of Alcoholic Beverages and Tobacco in the Department of Business and Professional Regulation (DBPR) is responsible for regulating the conduct, management, and operation of the manufacturing, packaging, distribution, and sale within the state of alcoholic beverages.

Florida's alcoholic beverage law provides for a structured three-tiered distribution system: manufacturer, distributor, and retailer. Manufacturers may only sell to distributors, who in turn may only sell to retailers. The retailer makes the ultimate sale to the consumer. Alcoholic beverage excise taxes are collected at the wholesale level based on inventory depletions and the state sales tax is collected at the retail level.

Section 561.24, F.S., prohibits anyone licensed as a manufacturer of wine from also being licensed as a distributor. That prohibition does not apply to any winery that is certified as a Florida Farm Winery by the Department of Agriculture and Consumer Affairs pursuant to s. 599.004, F.S. To be certified as a Florida Farm Winery, a winery must satisfy the following requirements of that section:

- Produce or sell less than 250,000 gallons of wine annually of which 60 percent of the wine produced is made from state agricultural products.
- Maintain a minimum of 5 acres of owned or managed land in Florida which produces commodities used in the production of wine.
- Be open to the public for tours, tastings, and sales at least 30 hours each week.
- Make annual application to the department for recognition as a Florida Farm Winery, on forms provided by the department.
- Pay an annual application and registration fee of \$100.

Section 599.012, F.S., provides that fifty percent of the revenue collected on excise taxes on wine produced from products grown in this state will be deposited in the Viticulture Trust Fund for the purpose of developing and coordinating the implementation of the State Viticulture Plan, promotion of viticulture products grown in Florida, and providing grants for viticulture research.

Proposed Changes

The bill allows any manufacturer of Florida wine or Florida wine products that are made solely from agricultural products grown in this state to be licensed as distributors for the limited purpose of distributing Florida wine and Florida wine products.

¹⁸ Section 15, ch. 2009-50, L.O.F.

¹⁹ Section 288.914(3)(c), F.S. See s. 16, ch. 2012-32, L.O.F.

²⁰ Section 288.9916(2), F.S.

The bill also directs fifty percent of the revenue from excise taxes on wine or wine products made from agricultural products that are not grapes to the Plant Industry Trust Fund for disease research.

Sales Tax Holiday

Current Situation

Chapter 212, F.S, imposes a 6 percent tax on the retail sale of tangible personal property,²¹ which includes books, clothing, footwear, wallets, bags, school supplies, and computers.

In addition, county governments may impose discretionary sales surtaxes (e.g., indigent care and trauma center surtax, county public hospital surtax, school capital outlay surtax).²² County discretionary sales surtaxes (commonly called “local option sales taxes”) apply to all transactions in the county which are subject to the state sales tax.²³

History of Sales Tax Holidays:

Since 1998, the Legislature has enacted eleven temporary periods (commonly called “sales tax holidays”) during which certain clothing, footwear, books and school supply items were exempted from the state sales tax and county discretionary sales surtaxes.²⁴

The length of the exemption periods has varied from 3 to 10 days. The type and value of exempt items has also varied. Clothing and footwear has always been exempted. In seven holidays such items valued at \$50 or less were exempted. Twice, items valued at \$100 or less were exempt. Books valued at \$50 or less were exempt in five periods. School supplies were included in the most recent seven holidays, with the value threshold increasing from \$10 to \$15.

The following table summarizes the history of the “back to school” sales tax holidays:

Dates	Length	TAX EXEMPTION THRESHOLDS				Appropriation/ DOR
		Clothing/ Footwear	Wallets/ Bags	Books	School Supplies	
August 15-21, 1998	7 days	\$50 or less	N/A	N/A	N/A	\$200,000
July 31-August 8, 1999	9 days	\$100 or less	\$100 or less	N/A	N/A	\$200,000
July 29-August 6, 2000	9 days	\$100 or less	\$100 or less	N/A	N/A	\$215,000
July 28-August 5, 2001	9 days	\$50 or less	\$50 or less	N/A	\$10 or less	\$200,000
July 24-August 1, 2004	9 days	\$50 or less	\$50 or less	\$50 or less	\$10 or less	\$206,000
July 23-31, 2005	9 days	\$50 or less	\$50 or less	\$50 or less	\$10 or less	\$206,000
July 22-30, 2006	9 days	\$50 or less	\$50 or less	\$50 or less	\$10 or less	\$206,000
August 4-13, 2007	10 days	\$50 or less	\$50 or less	\$50 or less	\$10 or less	\$224,110
August 13-15, 2010	3 days	\$50 or less	\$50 or less	\$50 or less	\$10 or less	\$250,304
August 12-14, 2011	3 days	\$75 or less	\$75 or less	N/A	\$15 or less	\$218,905
August 3-5, 2012	3 days	\$75 or less	\$75 or less	N/A	\$15 or less	\$226,284

²¹ Sections 212.02(19) and 212.05(1)(a)1.a., F.S.

²² Section 212.055, F.S.

²³ Section 212.054(2)(a), F.S.

²⁴ Chapters 98-341, 99-229, 2000-175, 2001-148, 2004-73, 2005-271, 2006-63, 2007-144, and 2010-93, L.O.F.

Tax Information Publications:

Since 2004, the Department of Revenue has published a Tax Information Publication (TIP) for each sales tax holiday.²⁵ A TIP provides detailed information about the sales tax holiday, including instructions and specific examples, for dealers who collect the tax.

Proposed Changes

The bill provides for a 3 day sales tax holiday beginning August 2, 2013, at 12:01 a.m. and ending August 4, 2013, at 11:59 p.m. During the sales tax holiday, the following items that cost \$75 or less are exempt from the state sales tax and county discretionary sales surtaxes:

- Clothing (defined as an “article of wearing apparel intended to be worn on or about the human body,” but excluding watches, watchbands, jewelry, umbrellas, and handkerchiefs);
- Footwear (excluding skis, swim fins, roller blades, and skates);
- Wallets; and
- Bags (including handbags, backpacks, fanny packs, and diaper bags, but excluding briefcases, suitcases, and other garment bags).

During the sales tax holiday, the bill also exempts “school supplies” that cost \$15 or less per item. “School supplies” are defined as pens, pencils, erasers, crayons, notebooks, notebook filler paper, legal pads, binders, lunch boxes, construction paper, markers, folders, poster board, composition books, poster paper, scissors, cellophane tape, glue or paste, rulers, computer disks, protractors, compasses, and calculators.

The bill also exempts personal computers and related accessories purchased for noncommercial home or personal use with a sales price of \$750 or less. This would include tablets, laptops, monitors, input devices, and non-recreational software. Furniture and devices or software intended primarily for recreational use are not exempted.

The bill provides that the sales tax holiday does not apply to sales within a theme park, entertainment complex, public lodging establishment, or airport. Thus, sales in these locations will be subject to taxation during the sales tax holiday.

The bill also provides a nonrecurring General Revenue appropriation to offset the Department of Revenue's cost to administer the tax holiday.

B. SECTION DIRECTORY:

- Section 1. Amending s. 210.20, F.S., revising the sunset date for certain cigarette tax distributions
- Section 2. Amending s. 212.08, F.S., lowering the weight threshold for rotary wing aircraft
- Section 3. Amending s. 212.20, F.S., creating a monthly distribution to certain spring training facilities
- Section 4. Amending s. 288.1045, F.S., removing the cap on total refunds for the Qualified Defense and Space Contractor Tax Refund program
- Section 5. Amending s. 288.106, F.S., removing the cap on total refunds for the Qualified Target Industry program

²⁵ See, e.g. Florida Department of Revenue, *2004 Sales Tax Holiday*, TIP# 04A01-05 (June 10, 2004); *2005 Sales Tax Holiday*, TIP# 05A01-02 (June 1, 2005), *2006 Sales Tax Holiday*, TIP# 06A01-04 (June 9, 2006), and *2007 Sales Tax Holiday*, TIP# 07A01-07 (June 15, 2007).

Section 6. Creating s. 288.11631, F.S., providing requirements and procedures for the retention of spring training facilities program

Section 7. Amending s. 288.9914, F.S., increasing the total cumulative amount of credits that may be approved under the New Markets program

Section 8. Providing for a sales tax holiday on certain items, effective upon becoming law

Section 9. Appropriating funds to administer the sales tax holiday

Section 10. Amending s. 599.008, F.S., allowing certain Florida wine manufacturers to be licensed as distributors

Section 11. Amending s. 599.012, F.S., directing certain revenues to the Plant Industry Trust Fund to be used for plant disease research

Section 12. Providing an effective date of July 1, 2013, except where otherwise noted

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See FISCAL COMMENTS

2. Expenditures:

The Department of Revenue estimates it will cost \$235,695 to administer the sales tax holiday. These costs are due to the need to provide a Tax Information Publication to sales tax dealers throughout the state. The bill contains a nonrecurring appropriation to the department to offset this cost.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See FISCAL COMMENTS

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill is designed to encourage economic development throughout Florida.

D. FISCAL COMMENTS:

The Revenue Estimating Conference has adopted an estimate for the rotary wing aircraft exemption weight threshold change and for the Sales Tax holiday period. Other impacts in the table below are staff estimates. Estimates are in millions of dollars.

2013-14 Fiscal Year	General Revenue		State Trust Funds		Local		Total	
	Cash	Recur.	Cash	Recur.	Cash	Recur.	Cash	Recur.
Cigarette Tax Distribution (1)	-	-	-	-	-	-	-	-
Rotary Wing Aircraft	(1.1)	(1.0)	(*)	(*)	(0.2)	(0.2)	(1.3)	(1.2)
Spring Training (2)	-	(3.3)	-	-	-	-	-	(3.3)
Qualified Defense and Space Contractor	-	-	-	-	-	-	-	-
New Markets (3)	-	(3.0)	-	-	-	-	-	(3.0)
Florida Wine (4)	-	-	-	-	-	-	-	-
Sales Tax Holiday	(28.3)	-	(*)	-	(6.4)	-	(34.7)	-
TOTALS	(29.4)	(7.3)	(*)	(*)	(6.6)	(0.2)	(36.0)	(7.5)

- (1) Fiscal impact will begin in FY 2022-23. Approximately \$2.5 million will annually be shifted to State Trust Funds out of General Revenue.
- (2) Negative cash impact begins in FY 2015-16 and will increase over time as additional applicants are certified.
- (3) Negative cash impact begins in FY 2015-16.
- (4) Expanding the number of Florida wine manufacturers that can be distributors is expected to result in increased excise tax revenues by an unknown amount. This may or may not offset the negative effect on revenues to the Viticulture Trust Fund resulting from the shift in funds to Plant Industry Trust Fund directed by the bill.
- (*) An insignificant impact of less than \$50,000 annually

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The county/municipality mandates provision of Art. VII, section 18, of the Florida Constitution may apply because the bill is expected to result in a reduction in local option sales taxes on those items included in the sales tax holiday and the expansion of the rotary wing aircraft sales tax exemption. However, an exemption may apply because negative impact to local government taxing authority may be below the threshold for an insignificant fiscal impact on local governments

2. Other:

The provisions of the bill which exempt in-state Florida wine manufacturers from the prohibition on being licensed as both a manufacturer and a distributor of wine may raise the issue of the U.S. Constitution's limits on a state's ability to discriminate in favor of in-state businesses. The court has found that the Commerce Clause²⁶, with narrow exceptions, does not allow states to enact laws requiring "differential treatment of in-state and out-of-state economic interests that benefits the former and burdens the latter." Oregon Waste Systems, Inc. v. Department of Environmental Quality of Ore., 511 U.S. 93, 99 (1994).

In 2005, in Granholm v. Heald, 125 S.Ct. 1885 (2005), the Supreme Court held that Michigan and New York statutes which allowed some in-state wineries to ship directly to customers while out-of-state wineries were required to sell through distributors (Michigan and New York both used a three tier manufacturer-distributor-retailer system that is similar to Florida's) violated the Commerce Clause. Neither state was able to show that the differential treatment of in-state producers "advances a legitimate local purpose that cannot be adequately served by reasonable nondiscriminatory alternatives." New Energy Co. of Ind. v. Limbach, 486 U.S. 269, 278 (1988).

B. RULE-MAKING AUTHORITY:

The Department of Revenue is granted emergency rulemaking authority to administer the sales tax holiday.

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

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A bill to be entitled
 An act relating to economic development; amending s. 210.20, F.S.; revising the length of time that certain cigarette tax collections are dedicated as a funding source for the Department of Health to establish activities and grant opportunities in conjunction with the Sanford-Burnham Medical Research Institute for purposes relating to biomedical research; amending s. 212.08, F.S., relating to exemptions from the sales, rental, use, consumption, distribution, and storage tax; establishing a lower takeoff weight threshold for rotary wing aircraft qualifying for certain tax exemptions; amending s. 212.20, F.S.; requiring the Department of Revenue to distribute a specified amount of money to certain applicants if a spring training franchise uses the applicant's facility; specifying time periods and limitations on distributions; amending ss. 288.1045 and 288.106, F.S.; deleting caps on tax refunds for qualified defense contractors and space flight businesses and for qualified target industry businesses; creating s. 288.11631, F.S.; providing definitions; establishing a certification process to retain spring training baseball franchises; authorizing and prohibiting certain uses of the awarded funds; requiring a certified applicant to submit an annual report and requiring the Department of Economic Opportunity to publish such information; providing for decertification of a certified

29 applicant; requiring the department to adopt rules;
 30 authorizing the Auditor General to conduct audits;
 31 amending s. 288.9914, F.S.; revising limitations on
 32 qualified investments that may be approved by the
 33 Department of Economic Opportunity under the New
 34 Markets Development Program; specifying a period
 35 during which the sale of clothing, wallets, bags,
 36 school supplies, personal computers, and personal
 37 computer-related accessories are exempt from the sales
 38 tax; providing definitions; providing exceptions;
 39 authorizing the Department of Revenue to adopt
 40 emergency rules; providing an appropriation; creating
 41 s. 599.008, F.S.; authorizing certain manufacturers of
 42 Florida wine or products made from Florida wine to be
 43 licensed as distributors of such wine or products,
 44 notwithstanding s. 561.24, F.S.; amending s. 599.012,
 45 F.S.; requiring excise tax revenues derived from wine
 46 and wine products manufactured from Florida
 47 agricultural products other than grapes to be
 48 deposited in a specified trust fund for a specified
 49 purpose; providing effective dates.

50

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

52

53 Section 1. Paragraph (c) of subsection (2) of section
 54 210.20, Florida Statutes, is amended to read:

55 210.20 Employees and assistants; distribution of funds.—

56 (2) As collections are received by the division from such

57 cigarette taxes, it shall pay the same into a trust fund in the
 58 State Treasury designated "Cigarette Tax Collection Trust Fund"
 59 which shall be paid and distributed as follows:

60 (c) Beginning July 1, 2013, and continuing through June
 61 30, 2033 ~~2021~~, the division shall from month to month certify to
 62 the Chief Financial Officer the amount derived from the
 63 cigarette tax imposed by s. 210.02, less the service charges
 64 provided for in s. 215.20 and less 0.9 percent of the amount
 65 derived from the cigarette tax imposed by s. 210.02, which shall
 66 be deposited into the Alcoholic Beverage and Tobacco Trust Fund,
 67 specifying an amount equal to 1 percent of the net collections,
 68 and that amount shall be deposited into the Biomedical Research
 69 Trust Fund in the Department of Health. These funds are
 70 appropriated annually in an amount not to exceed \$3 million from
 71 the Biomedical Research Trust Fund for the Department of Health
 72 and the Sanford-Burnham Medical Research Institute to work in
 73 conjunction for the purpose of establishing activities and grant
 74 opportunities in relation to biomedical research.

75 Section 2. Paragraphs (ee) and (rr) of subsection (7) of
 76 section 212.08, Florida Statutes, are amended to read:

77 212.08 Sales, rental, use, consumption, distribution, and
 78 storage tax; specified exemptions.—The sale at retail, the
 79 rental, the use, the consumption, the distribution, and the
 80 storage to be used or consumed in this state of the following
 81 are hereby specifically exempt from the tax imposed by this
 82 chapter.

83 (7) MISCELLANEOUS EXEMPTIONS.—Exemptions provided to any
 84 entity by this chapter do not inure to any transaction that is

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85 otherwise taxable under this chapter when payment is made by a
86 representative or employee of the entity by any means,
87 including, but not limited to, cash, check, or credit card, even
88 when that representative or employee is subsequently reimbursed
89 by the entity. In addition, exemptions provided to any entity by
90 this subsection do not inure to any transaction that is
91 otherwise taxable under this chapter unless the entity has
92 obtained a sales tax exemption certificate from the department
93 or the entity obtains or provides other documentation as
94 required by the department. Eligible purchases or leases made
95 with such a certificate must be in strict compliance with this
96 subsection and departmental rules, and any person who makes an
97 exempt purchase with a certificate that is not in strict
98 compliance with this subsection and the rules is liable for and
99 shall pay the tax. The department may adopt rules to administer
100 this subsection.

101 (ee) Aircraft repair and maintenance labor charges.—~~There~~
102 ~~shall be exempt from the tax imposed by this chapter~~ All labor
103 charges for the repair and maintenance of qualified aircraft
104 and, aircraft of more than 2,000 pounds maximum certified
105 takeoff weight, including and rotary wing aircraft, are exempt
106 from the tax imposed under this chapter of more than 10,000
107 ~~pounds maximum certified takeoff weight~~. Except as otherwise
108 provided in this chapter, charges for parts and equipment
109 furnished in connection with such labor charges are taxable.

110 (rr) Equipment used in aircraft repair and maintenance.—
111 ~~There shall be exempt from the tax imposed by this chapter~~
112 Replacement engines, parts, and equipment used in the repair or

113 maintenance of qualified aircraft and, aircraft of more than
 114 2,000 pounds maximum certified takeoff weight, including and
 115 rotary wing aircraft, are exempt from the tax imposed under this
 116 chapter if ~~of more than 10,300 pounds maximum certified takeoff~~
 117 ~~weight, when~~ such parts or equipment are installed on such
 118 aircraft that is being repaired or maintained in this state.

119 Section 3. Paragraph (d) of subsection (6) of section
 120 212.20, Florida Statutes, is amended to read:

121 212.20 Funds collected, disposition; additional powers of
 122 department; operational expense; refund of taxes adjudicated
 123 unconstitutionally collected.—

124 (6) Distribution of all proceeds under this chapter and s.
 125 202.18(1)(b) and (2)(b) shall be as follows:

126 (d) The proceeds of all other taxes and fees imposed
 127 pursuant to this chapter or remitted pursuant to s. 202.18(1)(b)
 128 and (2)(b) shall be distributed as follows:

129 1. In any fiscal year, the greater of \$500 million, minus
 130 an amount equal to 4.6 percent of the proceeds of the taxes
 131 collected pursuant to chapter 201, or 5.2 percent of all other
 132 taxes and fees imposed pursuant to this chapter or remitted
 133 pursuant to s. 202.18(1)(b) and (2)(b) shall be deposited in
 134 monthly installments into the General Revenue Fund.

135 2. After the distribution under subparagraph 1., 8.814
 136 percent of the amount remitted by a sales tax dealer located
 137 within a participating county pursuant to s. 218.61 shall be
 138 transferred into the Local Government Half-cent Sales Tax
 139 Clearing Trust Fund. Beginning July 1, 2003, the amount to be
 140 transferred shall be reduced by 0.1 percent, and the department

141 shall distribute this amount to the Public Employees Relations
 142 Commission Trust Fund less \$5,000 each month, which shall be
 143 added to the amount calculated in subparagraph 3. and
 144 distributed accordingly.

145 3. After the distribution under subparagraphs 1. and 2.,
 146 0.095 percent shall be transferred to the Local Government Half-
 147 cent Sales Tax Clearing Trust Fund and distributed pursuant to
 148 s. 218.65.

149 4. After the distributions under subparagraphs 1., 2., and
 150 3., 2.0440 percent of the available proceeds shall be
 151 transferred monthly to the Revenue Sharing Trust Fund for
 152 Counties pursuant to s. 218.215.

153 5. After the distributions under subparagraphs 1., 2., and
 154 3., 1.3409 percent of the available proceeds shall be
 155 transferred monthly to the Revenue Sharing Trust Fund for
 156 Municipalities pursuant to s. 218.215. If the total revenue to
 157 be distributed pursuant to this subparagraph is at least as
 158 great as the amount due from the Revenue Sharing Trust Fund for
 159 Municipalities and the former Municipal Financial Assistance
 160 Trust Fund in state fiscal year 1999-2000, no municipality shall
 161 receive less than the amount due from the Revenue Sharing Trust
 162 Fund for Municipalities and the former Municipal Financial
 163 Assistance Trust Fund in state fiscal year 1999-2000. If the
 164 total proceeds to be distributed are less than the amount
 165 received in combination from the Revenue Sharing Trust Fund for
 166 Municipalities and the former Municipal Financial Assistance
 167 Trust Fund in state fiscal year 1999-2000, each municipality
 168 shall receive an amount proportionate to the amount it was due

169 in state fiscal year 1999-2000.

170 6. Of the remaining proceeds:

171 a. In each fiscal year, the sum of \$29,915,500 shall be
 172 divided into as many equal parts as there are counties in the
 173 state, and one part shall be distributed to each county. The
 174 distribution among the several counties must begin each fiscal
 175 year on or before January 5th and continue monthly for a total
 176 of 4 months. If a local or special law required that any moneys
 177 accruing to a county in fiscal year 1999-2000 under the then-
 178 existing provisions of s. 550.135 be paid directly to the
 179 district school board, special district, or a municipal
 180 government, such payment must continue until the local or
 181 special law is amended or repealed. The state covenants with
 182 holders of bonds or other instruments of indebtedness issued by
 183 local governments, special districts, or district school boards
 184 before July 1, 2000, that it is not the intent of this
 185 subparagraph to adversely affect the rights of those holders or
 186 relieve local governments, special districts, or district school
 187 boards of the duty to meet their obligations as a result of
 188 previous pledges or assignments or trusts entered into which
 189 obligated funds received from the distribution to county
 190 governments under then-existing s. 550.135. This distribution
 191 specifically is in lieu of funds distributed under s. 550.135
 192 before July 1, 2000.

193 b. The department shall distribute \$166,667 monthly
 194 pursuant to s. 288.1162 to each applicant certified as a
 195 facility for a new or retained professional sports franchise
 196 pursuant to s. 288.1162. Up to \$41,667 shall be distributed

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197 monthly by the department to each certified applicant as defined
198 in s. 288.11621 for a facility for a spring training franchise.
199 However, not more than \$416,670 may be distributed monthly in
200 the aggregate to all certified applicants for facilities for
201 spring training franchises. Distributions begin 60 days after
202 such certification and continue for not more than 30 years,
203 except as otherwise provided in s. 288.11621. A certified
204 applicant identified in this sub-subparagraph may not receive
205 more in distributions than expended by the applicant for the
206 public purposes provided for in s. 288.1162(5) or s.
207 288.11621(3).

208 c. Beginning 30 days after notice by the Department of
209 Economic Opportunity to the Department of Revenue that an
210 applicant has been certified as the professional golf hall of
211 fame pursuant to s. 288.1168 and is open to the public, \$166,667
212 shall be distributed monthly, for up to 300 months, to the
213 applicant.

214 d. Beginning 30 days after notice by the Department of
215 Economic Opportunity to the Department of Revenue that the
216 applicant has been certified as the International Game Fish
217 Association World Center facility pursuant to s. 288.1169, and
218 the facility is open to the public, \$83,333 shall be distributed
219 monthly, for up to 168 months, to the applicant. This
220 distribution is subject to reduction pursuant to s. 288.1169. A
221 lump sum payment of \$999,996 shall be made, after certification
222 and before July 1, 2000.

223 e. The department shall distribute up to \$55,555 monthly
224 to each certified applicant as defined in s. 288.11631 for a

225 facility used by a single spring training franchise, or up to
 226 \$111,110 monthly to each certified applicant as defined in s.
 227 288.11631 for a facility used by more than one spring training
 228 franchise. Monthly distributions begin 60 days after such
 229 certification or July 1, 2016, whichever is later, and continue
 230 for not more than 30 years, except as otherwise provided in s.
 231 288.11631. A certified applicant identified in this sub-
 232 subparagraph may not receive more in distributions than expended
 233 by the applicant for the public purposes provided in s.
 234 288.11631(3).

235 7. All other proceeds must remain in the General Revenue
 236 Fund.

237 Section 4. Present paragraphs (d) through (h) of
 238 subsection (2) of section 288.1045, Florida Statutes, are
 239 redesignated as paragraphs (c) through (g), respectively, and
 240 present paragraph (c) of that subsection is amended to read:

241 288.1045 Qualified defense contractor and space flight
 242 business tax refund program.—

243 (2) GRANTING OF A TAX REFUND; ELIGIBLE AMOUNTS.—

244 ~~(c) A qualified applicant may not receive more than \$7~~
 245 ~~million in tax refunds pursuant to this section in all fiscal~~
 246 ~~years.~~

247 Section 5. Paragraph (c) of subsection (3) of section
 248 288.106, Florida Statutes, is amended to read:

249 288.106 Tax refund program for qualified target industry
 250 businesses.—

251 (3) TAX REFUND; ELIGIBLE AMOUNTS.—

252 (c) A qualified target industry business may not receive

253 refund payments of more than 25 percent of the total tax refunds
 254 specified in the tax refund agreement under subparagraph
 255 (5)(a)1. in any fiscal year. Further, a qualified target
 256 industry business may not receive more than \$1.5 million in
 257 refunds under this section in any single fiscal year, or more
 258 than \$2.5 million in any single fiscal year if the project is
 259 located in an enterprise zone. ~~A qualified target industry~~
 260 ~~business may not receive more than \$7 million in refund payments~~
 261 ~~under this section in all fiscal years, or more than \$7.5~~
 262 ~~million if the project is located in an enterprise zone.~~

263 Section 6. Section 288.11631, Florida Statutes, is created
 264 to read:

265 288.11631 Retention of Major League Baseball spring
 266 training baseball franchises.-

267 (1) DEFINITIONS.-As used in this section, the term:

268 (a) "Agreement" means a certified, signed lease between an
 269 applicant that applies for certification on or after July 1,
 270 2013, and a spring training franchise for the use of a facility.

271 (b) "Applicant" means a unit of local government as
 272 defined in s. 218.369, including a local government located in
 273 the same county, which has partnered with a certified applicant
 274 before the effective date of this section or with an applicant
 275 for a new certification, for purposes of sharing in the
 276 responsibilities of a facility.

277 (c) "Certified applicant" means a facility for a spring
 278 training franchise or a unit of local government that is
 279 certified under this section.

280 (d) "Facility" means a spring training stadium, playing

281 fields, and appurtenances intended to support spring training
 282 activities.

283 (e) "Local funds" and "local matching funds" mean funds
 284 provided by a county, municipality, or other local government.

285 (2) CERTIFICATION PROCESS.—

286 (a) Before certifying an applicant to receive state
 287 funding for a facility for a spring training franchise, the
 288 department must verify that:

289 1. The applicant is responsible for the construction or
 290 renovation of the facility for a spring training franchise or
 291 holds title to the property on which the facility for a spring
 292 training franchise is located.

293 2. The applicant has a certified copy of a signed
 294 agreement with a spring training franchise. The signed agreement
 295 with a spring training franchise for the use of a facility must,
 296 at a minimum, be equal to the length of the term of the bonds
 297 issued for the public purpose of constructing or renovating a
 298 facility for a spring training franchise. If no such bonds are
 299 issued for the public purpose of constructing or renovating a
 300 facility for a spring training franchise, the signed agreement
 301 with a spring training franchise for the use of a facility must
 302 be for at least 20 years. Any such agreement with a spring
 303 training franchise for the use of a facility cannot be signed
 304 more than 3 years before the expiration of any existing
 305 agreement with a spring training franchise for the use of a
 306 facility. The agreement must also require the franchise to
 307 reimburse the state for state funds expended by an applicant
 308 under this section if the franchise relocates before the

309 agreement expires. The agreement may be contingent on an award
 310 of funds under this section and other conditions precedent.

311 3. The applicant has made a financial commitment to
 312 provide 50 percent or more of the funds required by an agreement
 313 for the construction or renovation of the facility for a spring
 314 training franchise. The commitment may be contingent upon an
 315 award of funds under this section and other conditions
 316 precedent.

317 4. The applicant demonstrates that the facility for a
 318 spring training franchise will attract a paid attendance of at
 319 least 50,000 persons annually to the spring training games.

320 5. The facility for a spring training franchise is located
 321 in a county that levies a tourist development tax under s.
 322 125.0104.

323 (b) The department shall evaluate applications for state
 324 funding of the construction or renovation of the facility for a
 325 spring training franchise. The evaluation criteria must include
 326 the following items:

327 1. The anticipated effect on the economy of the local
 328 community where the facility is to be constructed or renovated,
 329 including projections on paid attendance, local and state tax
 330 collections generated by spring training games, and direct and
 331 indirect job creation resulting from the spring training
 332 activities.

333 2. The amount of the local matching funds committed to a
 334 facility relative to the amount of state funding sought.

335 3. The potential for the facility to be used as a multiple
 336 purpose, year-round facility.

- 337 4. The intended use of the funds by the applicant.
- 338 5. The length of time that a spring training franchise has
- 339 been under an agreement to conduct spring training activities
- 340 within an applicant's geographic location or jurisdiction.
- 341 6. The length of time that an applicant's facility has
- 342 been used by one or more spring training franchises, including
- 343 continuous use as facilities for spring training.
- 344 7. The term remaining on a lease between an applicant and
- 345 a spring training franchise for a facility.
- 346 8. The length of time that a spring training franchise
- 347 agrees to use an applicant's facility if an application is
- 348 granted under this section.
- 349 9. The location of the facility in a brownfield, an
- 350 enterprise zone, a community redevelopment area, or other area
- 351 of targeted development or revitalization included in an urban
- 352 infill redevelopment plan.
- 353 (c) Each applicant certified on or after July 1, 2013,
- 354 shall enter into an agreement with the department which:
- 355 1. Specifies the amount of the state incentive funding to
- 356 be distributed. The amount of state incentive funding per
- 357 certified applicant may not exceed \$20 million. However, if a
- 358 certified applicant has more than one spring training franchise,
- 359 the maximum amount may not exceed \$40 million.
- 360 2. States the criteria that the certified applicant must
- 361 meet in order to remain certified. These criteria must include a
- 362 provision stating that the spring training franchise must
- 363 reimburse the state for any funds received if the franchise does
- 364 not comply with the terms of the contract.

365 3. States that the certified applicant is subject to
 366 decertification if the certified applicant fails to comply with
 367 this section or the agreement.

368 4. States that the department may recover state incentive
 369 funds if the certified applicant is decertified.

370 5. Specifies the information that the certified applicant
 371 must report to the department.

372 6. Includes any provision deemed prudent by the
 373 department.

374 (3) USE OF FUNDS.—

375 (a) A certified applicant may use funds provided under s.
 376 212.20(6)(d)6.e. only to:

377 1. Serve the public purpose of constructing or renovating
 378 a facility for a spring training franchise.

379 2. Pay or pledge for the payment of debt service on, or to
 380 fund debt service reserve funds, arbitrage rebate obligations,
 381 or other amounts payable with respect thereto, bonds issued for
 382 the construction or renovation of such facility, or for the
 383 reimbursement of such costs or the refinancing of bonds issued
 384 for such purposes.

385 (b) State funds awarded to a certified applicant for a
 386 facility for a spring training franchise may not be used to
 387 subsidize facilities that are privately owned by, maintained by,
 388 and used exclusively by a spring training franchise.

389 (c) The Department of Revenue may not distribute funds
 390 under 212.20(6)(d)6.e. until July 1, 2016. Further, the
 391 Department of Revenue may not distribute funds to an applicant
 392 certified on or after July 1, 2013, until it receives notice

393 from the department that:

394 1. The certified applicant has encumbered funds under
 395 either subparagraph (a)1. or 2.; and

396 2. If applicable, any existing agreement with a spring
 397 training franchise for the use of a facility has expired.

398 (d)1. All certified applicants shall place unexpended
 399 state funds received pursuant to s. 212.20(6)(d)6.e. in a trust
 400 fund or separate account for use only as authorized in this
 401 section.

402 2. A certified applicant may request that the Department
 403 of Revenue suspend further distributions of state funds made
 404 available under s. 212.20(6)(d)6.e. for 12 months after
 405 expiration of an existing agreement with a spring training
 406 franchise to provide the certified applicant with an opportunity
 407 to enter into a new agreement with a spring training franchise,
 408 at which time the distributions shall resume.

409 3. The expenditure of state funds distributed to an
 410 applicant certified after July 1, 2013, must begin within 48
 411 months after the initial receipt of the state funds. In
 412 addition, the construction or renovation of a spring training
 413 facility must be completed within 24 months after the project's
 414 commencement.

415 (4) ANNUAL REPORTS.—

416 (a) On or before September 1 of each year, a certified
 417 applicant shall submit to the department a report that includes,
 418 but is not limited to:

419 1. A detailed accounting of all local and state funds
 420 expended to date on the project financed under this section.

421 2. A copy of the contract between the certified local
 422 governmental entity and the spring training franchise.

423 3. A cost-benefit analysis of the team's impact on the
 424 community.

425 4. Evidence that the certified applicant continues to meet
 426 the criteria in effect when the applicant was certified.

427 (b) The department shall compile the information received
 428 from each certified applicant and publish the information
 429 annually by November 1.

430 (5) DECERTIFICATION.—

431 (a) The department shall decertify a certified applicant
 432 upon the request of the certified applicant.

433 (b) The department shall decertify a certified applicant
 434 if the certified applicant does not:

435 1. Have a valid agreement with a spring training
 436 franchise; or

437 2. Satisfy its commitment to provide local matching funds
 438 to the facility.

439
 440 However, decertification proceedings against a local government
 441 certified after July 1, 2013, shall be delayed until 12 months
 442 after the expiration of the local government's existing
 443 agreement with a spring training franchise, and without a new
 444 agreement being signed, if the certified local government can
 445 demonstrate to the department that it is in active negotiations
 446 with a major league spring training franchise, other than the
 447 franchise that was the basis for the original certification.

448 (c) A certified applicant has 60 days after it receives a

449 notice of intent to decertify from the department to petition
 450 for review of the decertification. Within 45 days after receipt
 451 of the request for review, the department must notify a
 452 certified applicant of the outcome of the review.

453 (d) The department shall notify the Department of Revenue
 454 that a certified applicant has been decertified within 10 days
 455 after the order of decertification becomes final. The Department
 456 of Revenue shall immediately stop the payment of any funds under
 457 this section which were not encumbered by the certified
 458 applicant under subparagraph (3)(a)2.

459 (e) The department shall order a decertified applicant to
 460 repay all of the unencumbered state funds that the applicant
 461 received under this section and any interest that accrued on
 462 those funds. The repayment must be made within 60 days after the
 463 decertification order becomes final. These funds shall be
 464 deposited into the General Revenue Fund.

465 (f) A local government as defined in s. 218.369 may not be
 466 decertified by the department if it has paid or pledged for the
 467 payment of debt service on, or to fund debt service reserve
 468 funds, arbitrage rebate obligations, or other amounts payable
 469 with respect thereto, bonds issued for the construction or
 470 renovation of the facility for which the local government was
 471 certified, or for the reimbursement of such costs or the
 472 refinancing of bonds issued for the construction or renovation
 473 of the facility for which the local government was certified, or
 474 for the reimbursement of such costs or the refinancing of bonds
 475 issued for such purpose. This subsection does not preclude or
 476 restrict the ability of a certified local government to

477 refinance, refund, or defease such bonds.

478 (6) RULEMAKING.—The department shall adopt rules to
 479 implement the certification, decertification, and
 480 decertification review processes required by this section.

481 (7) AUDITS.—The Auditor General may conduct audits as
 482 provided in s. 11.45 to verify that the distributions under this
 483 section are expended as required in this section. If the Auditor
 484 General determines that the distributions under this section are
 485 not expended as required by this section, the Auditor General
 486 shall notify the Department of Revenue, which may pursue
 487 recovery of the funds under the laws and rules governing the
 488 assessment of taxes.

489 Section 7. Paragraph (c) of subsection (3) of section
 490 288.9914, Florida Statutes, is amended to read:

491 288.9914 Certification of qualified investments;
 492 investment issuance reporting.—

493 (3) REVIEW.—

494 (c) The department may not approve a cumulative amount of
 495 qualified investments that may result in the claim of more than
 496 \$178.8 ~~\$163.8~~ million in tax credits during the existence of the
 497 program or more than \$36.6 ~~\$33.6~~ million in tax credits in a
 498 single state fiscal year. However, the potential for a taxpayer
 499 to carry forward an unused tax credit may not be considered in
 500 calculating the annual limit.

501 Section 8. Effective upon this act becoming a law:

502 (1) The tax levied under chapter 212, Florida Statutes,
 503 may not be collected during the period from 12:01 a.m. on August
 504 2, 2013, through 11:59 p.m. on August 4, 2013, on the sale of:

505 (a) Clothing, wallets, or bags, including handbags,
 506 backpacks, fanny packs, and diaper bags, but excluding
 507 briefcases, suitcases, and other garment bags, having a sales
 508 price of \$75 or less per item. As used in this paragraph, the
 509 term "clothing" means:

510 1. Any article of wearing apparel intended to be worn on
 511 or about the human body, excluding watches, watchbands, jewelry,
 512 umbrellas, and handkerchiefs; and

513 2. All footwear, excluding skis, swim fins, roller blades,
 514 and skates.

515 (b) School supplies having a sales price of \$15 or less
 516 per item. As used in this paragraph, the term "school supplies"
 517 means pens, pencils, erasers, crayons, notebooks, notebook
 518 filler paper, legal pads, binders, lunch boxes, construction
 519 paper, markers, folders, poster board, composition books, poster
 520 paper, scissors, cellophane tape, glue or paste, rulers,
 521 computer disks, protractors, compasses, and calculators.

522 (c) Personal computers and related accessories with a
 523 sales price of \$750 or less, purchased for noncommercial home or
 524 personal use. The term "personal computer" means an electronic
 525 device that accepts information in digital or similar form and
 526 manipulates such information for a result based on a sequence of
 527 instructions. The term includes any electronic book reader,
 528 laptop, desktop, handheld, tablet, or tower computer but does
 529 not include cellular telephones, video game consoles, digital
 530 media receivers, or devices that are not primarily designed to
 531 process data. The term "related accessories" includes keyboards,
 532 mice, personal digital assistants, monitors, other peripheral

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533 devices, modems, routers, and nonrecreational software,
534 regardless of whether the accessories are used in association
535 with a personal computer base unit; however, the term does not
536 include furniture or systems, devices, software, or peripherals
537 that are designed or intended primarily for recreational use.
538 The term "monitor" does not include a device that includes a
539 television tuner.

540 (2) The tax exemptions provided in this section do not
541 apply to sales within a theme park or entertainment complex as
542 defined in s. 509.013(9), Florida Statutes, within a public
543 lodging establishment as defined in s. 509.013(4), Florida
544 Statutes, or within an airport as defined in s. 330.27(2),
545 Florida Statutes.

546 (3) The Department of Revenue may, and all conditions are
547 deemed met to, adopt emergency rules pursuant to ss. 120.536(1)
548 and 120.54, Florida Statutes, to administer this section.

549 Section 9. For the 2012-2013 fiscal year, the sum of
550 \$235,695 in nonrecurring funds is appropriated from the General
551 Revenue Fund to the Department of Revenue for the purpose of
552 administering section 8 of this act. Funds remaining unexpended
553 or unencumbered from this appropriation as of June 30, 2013,
554 shall revert and be reappropriated for the same purpose in the
555 2013-2014 fiscal year.

556 Section 10. Section 599.008, Florida Statutes, is created
557 to read:

558 599.008 Florida Wine Distributors.—Notwithstanding s.
559 561.24, any manufacturer of Florida wine or products made from
560 Florida wine who is located in this state and whose wine or

561 products are made solely from agricultural products grown in
 562 this state may be licensed as a distributor for the limited
 563 purpose of distributing Florida wine and Florida wine products.

564 Section 11. Subsection (2) of section 599.012, Florida
 565 Statutes, is amended to read:

566 599.012 Viticulture Trust Fund; creation.—

567 (2) Fifty percent of the revenues collected from the
 568 excise taxes imposed under s. 564.06 on wine produced by
 569 manufacturers in this state from products grown in the state
 570 will be deposited in the Viticulture Trust Fund in accordance
 571 with that section, except that the portion of these revenues
 572 from wine and wine products manufactured in this state that are
 573 made from Florida agricultural products that are not grapes
 574 shall be deposited in the Plant Industry Trust Fund within the
 575 Department of Agriculture and Consumer Services to be used for
 576 disease research.

577 Section 12. Except as otherwise expressly provided in this
 578 act and except for this section, which shall take effect upon
 579 this act becoming a law, this act shall take effect July 1,
 580 2013.

Amendment No.1

21 from citrus wine and products made from citrus wine that are
22 made solely from Florida agricultural products shall be
23 deposited in the Plant Industry Trust Fund within the Department
24 of Agriculture and Consumer Services to be used for disease
25 research.

26

27

28

29

30

31

T I T L E A M E N D M E N T

32

Remove lines 42-47 and insert:

33

citrus wine or products made from citrus wine to be licensed as

34

distributors of such wine or products, notwithstanding s.

35

561.24, F.S.; amending s. 599.012, F.S.; requiring excise tax

36

revenues derived from citrus wine and products manufactured from

37

citrus wine to be

38

COMMITTEE/SUBCOMMITTEE AMENDMENT

PCB Name: PCB FTSC 13-07 (2013)

Amendment No. SA to A1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED ___ (Y/N)
ADOPTED AS AMENDED ___ (Y/N)
ADOPTED W/O OBJECTION ___ (Y/N)
FAILED TO ADOPT ___ (Y/N)
WITHDRAWN ___ (Y/N)
OTHER _____

1 Committee/Subcommittee hearing PCB: Finance & Tax Subcommittee
2 Representative Raulerson offered the following:

3
4 Substitute Amendment for Amendment (PCB FTSC 13-07 a2) by
5 Representative Caldwell (with title amendment)

6 Remove lines 556-576

7
8
9
10
11
12
13
14
15
16
17
18

T I T L E A M E N D M E N T

Remove lines 42-47 and insert:
citrus wine or products made from citrus wine to be licensed as
distributors of such wine or products, notwithstanding ch. 561,
F.S.; amending s. 599.012, F.S.; requiring excise tax revenues
derived from citrus wine and products manufactured from citrus
wine to be

Amendment No.2

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing PCB: Finance & Tax Subcommittee
 2 Representative Raulerson offered the following:

Amendment (with title amendment)

Remove lines 556-576

T I T L E A M E N D M E N T

Remove lines 42-47 and insert:

12 citrus wine or products made from citrus wine to be licensed as
 13 distributors of such wine or products, notwithstanding ch. 561,
 14 F.S.; amending s. 599.012, F.S.; requiring excise tax revenues
 15 derived from citrus wine and products manufactured from citrus
 16 wine to be