



Appropriations Committee

**Tuesday, February 25, 2020
3:30 PM – 6:00 PM
Webster Hall (212 Knott Building)**

Committee Meeting Packet



The Florida House of Representatives

Appropriations Committee

Jose Oliva
Speaker

W. Travis Cummings
Chair

AGENDA

Tuesday, February 25, 2020
212 Knott Building (Webster Hall)
3:30 PM – 6:00 PM


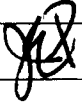
- I. Call to Order/Roll Call
- II. Opening Remarks by Chair Cummings
- III. Consideration of the following bills:
 - CS/HB 865** Emergency Reporting by Oversight, Transparency & Public Management Subcommittee, Rodriguez, A.
 - CS/HB 903** Fines and Fees by Civil Justice Subcommittee, Donalds
 - HJR 7061** Duties of the Chief Financial Officer by State Affairs Committee, Ingoglia
 - HB 7067** School Choice by Education Committee, Sullivan
 - HB 7069** Local Government Reporting by State Affairs Committee, Ingoglia
 - HB 7097** Taxation by Ways & Means Committee, Avila
 - HB 7101** State Advisory Bodies by State Affairs Committee, Zika
- IV. Consideration of the following proposed committee Substitute:
 - PCS for HB 7087** -- Higher Education
- V. Closing Remarks and Adjournment

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 865 Emergency Reporting

SPONSOR(S): Oversight, Transparency & Public Management Subcommittee, Rodriguez, A.

TIED BILLS: IDEN./SIM. **BILLS:** CS/CS/SB 538

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Oversight, Transparency & Public Management Subcommittee	14 Y, 0 N, As CS	Villa	Smith
2) Appropriations Committee		Cobb 	Pridgeon 
3) State Affairs Committee			

SUMMARY ANALYSIS

The Division of Emergency Management (Division) is responsible for all professional, technical, and administrative support functions necessary to carry out the State's Emergency Management Act. Within the Division, is the State Watch Office (SWO) whose primary purpose is to record, analyze, and share information with federal, state, and county entities for appropriate response to emergencies.

The SWO is a watch center, manned 24 hours a day, seven days a week, that monitors an array of incidents across the state and serves as a clearinghouse of information for emergency response.

Currently, the SWO maintains and provides to counties and municipalities a list of reportable incidents divided into the following categories:

- Fire or search and rescue;
- Law enforcement incidents and suspicious activity;
- Natural hazards;
- Population protective actions;
- Technical hazards or environmental concerns;
- Transportation incidents;
- Utilities or infrastructure; and
- Military events.

Counties and municipalities are asked to notify the SWO of an incident after the initial response is handled at the local level by first responders.

The bill requires the SWO to create and maintain a list of reportable incidents. The SWO must annually provide the list of reportable incidents to each political subdivision. The bill requires political subdivisions to provide notification to the SWO that an incident specified on the list of reportable incidents has occurred within its jurisdiction as soon as practicable following its initial response to the incident. The bill authorizes the SWO to establish guidelines specifying the method and format a political subdivision must use when reporting an incident.

According to the Division, the bill does not have a fiscal impact to its operations. The bill may have an insignificant fiscal impact on local governments.

The bill has an effective date of July 1, 2020.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

The State Watch Office within the Division of Emergency Management

The Division of Emergency Management (Division) is responsible for all professional, technical, and administrative support functions necessary to carry out the State's Emergency Management Act.^{1,2} Within the Division is the State Watch Office (SWO) whose primary purpose is to record, analyze, and share information with federal, state, and county entities for appropriate response to emergencies.³

The SWO is not a dispatch center, but a clearinghouse of information to be shared with other governmental entities that can independently act within their own authority and protocols.⁴ The SWO is a watch center manned by Division personnel 24 hours a day, seven days a week, monitoring an array of incidents including fuel spills, damages from severe weather, and rocket launches from Cape Canaveral.

Reportable Incidents

For National Emergency Accreditation purposes, the SWO maintains and disseminates a list of "Reportable Incidents" to counties and municipalities.⁵ The document also contains information on statewide communication systems, important contact information, the SWO Incident Tracker, and emergency resources. The "Reportable Incidents" list is divided into the following categories:

- Fire or search and rescue;
- Law enforcement incidents and suspicious activity;
- Natural hazards;
- Population protective actions;
- Technical hazards or environmental concerns;
- Transportation incidents;
- Utilities or infrastructure; and
- Military events.

Counties and municipalities are asked to notify the SWO of an incident after the initial response is handled at the local level by first responders. Initial response action takes precedence. The information for these incidents is generally given to the SWO from a county Public Safety Answering Point. Guidelines of what information is to be conveyed to the SWO when reporting an incident is provided as part of the "Reportable Incidents" list. The collected information is logged into an incident tracking system and then disseminated to local, state, tribal, federal, and private partners to aid in response actions.⁶

¹ Section 14.2016(1), F.S.

² Sections 252.31 – 252.63, F.S., are cited as the State Emergency Management Act. Section 252.31, F.S.

³ Section 14.2016(2), F.S.

⁴ *Id.*

⁵ Florida Division of Emergency Management, *State Watch Office Guide for Florida County Warning Points and PSAPs*, <https://www.floridadisaster.org/globalassets/dem/response/operations/state-watch-office-reportable-incidents-list.pdf> (last visited January 21, 2020).

⁶ *Id.*

Although wastewater and chemical spills are the only incidents required by law to be reported to the SWO,⁷ counties and municipalities regularly share information concerning reportable incidents with the SWO.

Effect of the Bill

The bill provides for mandatory reporting of certain incidents by counties and municipalities. Specifically, the bill requires the SWO, by December 1, 2020, to create and maintain a list of reportable incidents to include:

- Major fires, including wildfires, commercial or multi-unit residential fires, and industrial fires.
- Search and rescue operations, including structure collapse or urban search and rescue response.
- Bomb threat or threat to inflict harm on a large number of people or significant infrastructure, a suspicious device or device detonation.
- Natural hazards and severe weather, including earthquake, landslide, or ground subsidence or sinkholes.
- Public health and population protective actions, including public health hazards, evacuation orders, or emergency shelter openings.
- Animal or agricultural events, including suspected or confirmed animal disease, suspected or confirmed agricultural disease, crop failure, or food supply contamination.
- Environmental concerns, including an incident of reportable pollution release as required in s. 403.077(2).
- Nuclear power plant events, including events in process or that have occurred that indicate a potential degradation of the level of safety of the plant or that indicate a security threat to facility protection.
- Major transportation events, including aircraft or airport incidents, passenger or commercial railroad incidents, major road or bridge closures, or marine incidents involving a blocked navigable channel of a major waterway.
- Major utility or infrastructure events, including dam failure or overtopping, drinking water facility breach, or major utility outages or disruptions involving transmission lines or substations.
- Military events, when information regarding such activity is provided to a political subdivision.

The SWO must annually provide the list of reportable incidents to each political subdivision. The bill requires political subdivisions to provide notification to the SWO that an incident specified on the list of reportable incidents has occurred within its jurisdiction as soon as practicable following its initial response to the incident.

The bill authorizes the SWO to establish guidelines specifying the method and format a political subdivision must use when reporting an incident.

B. SECTION DIRECTORY:

Section 1 creates s. 252.351, F.S., relating to mandatory reporting of certain incidents by counties and municipalities.

Section 2 provides an effective date of July 1, 2020.

⁷ Section 403.077(2), F.S.; see also Rules 62-762.411, 62-761.405, 62-780.210, 62S-6.022, and 62S-6.033, F.A.C.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

According to the Division, the bill does not have a fiscal impact on its operations.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

There may be an insignificant fiscal impact on local governments due to the potential increased workload relating to the mandatory reporting requirements of the bill. Currently, only wastewater and chemical spills are required in statute to be reported to the SWO. However, counties and municipalities provide the information required by the bill regularly as part of the list of "Reportable Incidents" that is provided to them by the Division.⁸

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The municipality/county mandates provision of Art. VII, section 18, of the Florida Constitution may apply because of the mandatory reporting requirements of the bill; however, an exemption may apply due to an insignificant fiscal impact.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill does not confer rulemaking authority.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

⁸ Florida Division of Emergency Management, *FDEM Legislative Priorities 2019-2020 (Fla. Stat. § 252)*, on file with the Florida House of Representatives Oversight, Transparency & Public Management Subcommittee.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 29, 2020, the Oversight, Transparency & Public Management Subcommittee adopted a strike-all amendment and reported the bill favorably as a committee substitute. The strike-all amendment provides for the following:

- The SWO, by December 1, 2020, shall create and maintain a list of reportable incidents;
- The SWO shall annually provide the list of reportable incidents to each political subdivision;
- The SWO may establish guidelines specifying the method and format a political subdivision must use when reporting an incident; and
- As soon as practicable following its initial response to an incident, a political subdivision must notify the SWO that an incident specified on the list of reportable incidents has occurred within its jurisdiction.

This analysis is drafted to the committee substitute as passed by the Oversight, Transparency & Public Management Subcommittee.

1 A bill to be entitled
 2 An act relating to emergency reporting; creating s.
 3 252.351, F.S.; requiring the State Watch Office within
 4 the Division of Emergency Management to create a list
 5 of reportable incidents; requiring a political
 6 subdivision to report incidents contained on the list
 7 to the State Watch Office; authorizing the State Watch
 8 Office to establish guidelines a political subdivision
 9 must follow to report an incident; requiring the State
 10 Watch Office to annually provide the list of
 11 reportable incidents to each political subdivision;
 12 providing an effective date.

13
 14 Be It Enacted by the Legislature of the State of Florida:

15
 16 Section 1. Section 252.351, Florida Statutes, is created
 17 to read:

18 252.351 Mandatory reporting of certain incidents by
 19 political subdivisions.-

20 (1) For purposes of this section, the term "office" means
 21 the State Watch Office established within the division pursuant
 22 to s. 14.2016.

23 (2) The office, to aid in its mission of serving as a
 24 clearinghouse for emergency-related information across all
 25 levels of government, shall create and maintain a list of

26 reportable incidents. The list shall include, but is not limited
 27 to, the following events:

28 (a) Major fires, including wildfires, commercial or multi-
 29 unit residential fires, and industrial fires.

30 (b) Search and rescue operations, including structure
 31 collapse or urban search and rescue response.

32 (c) Bomb threat or threat to inflict harm on a large
 33 number of people or significant infrastructure, a suspicious
 34 device or device detonation.

35 (d) Natural hazards and severe weather, including
 36 earthquake, landslide, or ground subsidence or sinkholes.

37 (e) Public health and population protective actions,
 38 including public health hazards, evacuation orders, or emergency
 39 shelter openings.

40 (f) Animal or agricultural events, including suspected or
 41 confirmed animal disease, suspected or confirmed agricultural
 42 disease, crop failure, or food supply contamination.

43 (g) Environmental concerns, including an incident of
 44 reportable pollution release as required in s. 403.077(2).

45 (h) Nuclear power plant events, including events in
 46 process or that have occurred that indicate a potential
 47 degradation of the level of safety of the plant or that indicate
 48 a security threat to facility protection.

49 (i) Major transportation events, including aircraft or
 50 airport incidents, passenger or commercial railroad incidents,

51 major road or bridge closures, or marine incident involving a
 52 blocked navigable channel of a major waterway.

53 (j) Major utility or infrastructure events, including dam
 54 failure or overtopping, drinking water facility breach, or major
 55 utility outages or disruptions involving transmission lines or
 56 substations.

57 (k) Military events, when information regarding such
 58 activity is provided to a political subdivision.

59 (2) As soon as practicable following its initial response
 60 to an incident, a political subdivision shall provide
 61 notification to the office that an incident specified on the
 62 list of reportable incidents has occurred within its
 63 geographical boundaries. The office may establish guidelines
 64 specifying the method and format a political subdivision must
 65 use when reporting an incident.

66 (3) Beginning December 1, 2020, and by December 1 every
 67 year thereafter, the office must provide the list of reportable
 68 incidents to each political subdivision.

69 Section 2. This act shall take effect July 1, 2020.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 903 Fines and Fees
SPONSOR(S): Civil Justice Subcommittee, Donalds and others
TIED BILLS: IDEN./SIM. **BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Civil Justice Subcommittee	13 Y, 0 N, As CS	Jones	Luczynski
2) Appropriations Committee		Smith	Pridgeon
3) Judiciary Committee			

SUMMARY ANALYSIS

Each of the 67 Florida counties has a clerk of court, an elected constitutional officer who oversees judiciary functions as the clerk of the county and circuit courts. The clerks are authorized to charge fees for performing various functions. Moreover, clerks collect court costs and fines related to a court disposition.

An indigent person may ask the clerk of court to allow him or her to enter into a payment plan for outstanding financial obligations owed to the clerk. If a fee, service charge, fine, or court cost remains unpaid for 90 days, and the clerk has attempted to collect the unpaid amount through an internal process, the clerk may forward the unpaid accounts to an attorney or collection agent.

Under current law, a person's driver license can be suspended for various reasons, including:

- Failure to pay a court fee or fine.
- Failure to comply with or appear at a traffic summons.
- Having unpaid citations in another state.

CS/HB 903 requires clerks of court to establish uniform payment plans for court-related fees, service charges, costs, and fines for persons who apply for a payment plan. If the person is unable to comply with the payment plan terms, a court may modify the plan or convert the outstanding amount to community service. The bill provides a 30-day grace period for certain payments prior to the Department of Highway Safety and Motor Vehicles being notified to suspend a person's driver license.

The bill also removes the clerk's authority to suspend a driver license based on a failure to pay fines or fees if the underlying offense is not driving-related. The bill allows a person whose driver license is suspended for nonpayment of such fines and fees to reinstate his or her license upon payment of a reinstatement fee.

The bill also allows clerks to enter into a multi-county intergovernmental agreement with each other to administer payment plans in various counties. When a person seeks to be enrolled in a payment plan, the clerk must require the person to set up automatic withdrawals if the person has such capability.

The bill may have a significant negative fiscal impact on state and local governments.

The bill provides an effective date of July 1, 2020.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Clerks of the Circuit Court

Each of the 67 Florida counties has a clerk of court, an elected constitutional officer who oversees judiciary functions as the clerk of the county and circuit courts.¹ The clerk may also serve as the ex-officio clerk of the board of county commissioners, as well as the auditor, recorder, and custodian of county funds.

The State Constitution requires the clerks of court to be funded from revenue generated from charges for service, court costs, filing fees, and fines from civil and criminal proceedings.² The revenue is used for court-related functions as well as select costs, expenses, and salaries as provided by law.³ Court-related functions include:

- Case maintenance;
- Records management;
- Court preparation and attendance;
- Collection and distribution of fines, fees, service charges, and court costs;
- Processing for the assignment, reopening, reassignment, and appeal of cases;
- Reasonable administrative support costs;
- Data collection and reporting;
- Determinations of indigent status; and
- Collection and distribution of fines, fees, service charges, and court costs.⁴

The clerk of courts statewide operating budgets vary each year depending on the amount of revenues generated. For fiscal year 2013-2014, clerks had an operating budget of \$472.3 million for court-related functions. The 2017-2018 budget was \$409.04 million, and the latest 2018-2019 budget was \$424.8 million.⁵

Between October 1, 2017, and September 30, 2018, the clerks, statewide:

- Assessed \$1,163,151,976 in fines and fees; and
- Collected \$863,594,314, for a collection rate of 74.25 percent statewide.⁶

Revenue collected from fines and fees are not solely budgeted to the clerks of court. For example, the Legislature has provided that a 5 percent surcharge for certain non-criminal traffic citations is deposited into the Crimes Compensation Trust Fund.⁷ Additionally, that same trust fund collects \$49 from every \$50 collected as a fine from every adjudication for a felony, misdemeanor, delinquent act, or criminal traffic offense.⁸ During fiscal year 2018-2019, the Crime Compensation Trust Fund received nearly \$13.8 million of revenue generated from fines and fees collected by clerks of court.⁹

¹ Art. V, s. 16, Fla. Const.

² Art. V, s. 14, Fla. Const.

³ *Id.*

⁴ S. 28.35(3)(a), F.S.

⁵ Gary Blankenship, *Court Clerks Get a Bit of the Budget Help they Need*, Fla. Bar News (May 13, 2019), <https://www.floridabar.org/the-florida-bar-news/court-clerks-get-a-bit-of-the-budget-help-they-need/> (last visited Feb. 4, 2020).

⁶ Florida Court Clerks and Comptrollers, *2018 Annual Assessments and Collections Report*,

https://cdn.ymaws.com/www.flclerks.com/resource/resmgr/public_documents/11_final_front_matter_cover_s.pdf (last visited Feb. 4, 2020).

⁷ S. 938.04, F.S. The Crimes Compensation Trust Fund was created to compensate crime victims. S. 960.21, F.S.

⁸ S. 938.03, F.S.

⁹ Florida Clerks of Court Operations Corporation, *Agency Analysis of 2020 SB 1328* (Jan. 2020).

If a fee, service charge, fine, or court cost remains unpaid for 90 days, and the clerk has attempted to collect the unpaid amount through an internal process, the clerk may forward the unpaid accounts to an attorney or collection agent.¹⁰ Some counties have unpaid fines and fees totaling hundreds of millions of dollars from decades ago.¹¹

Payment Plans

Court costs, fees, and other fines related to a court disposition are enforced by court order and collected by the clerks of court. A person may apply to the clerk of court to enter into a payment plan if that person is "indigent," which means he or she:

- Has an income equal to or below 200 percent of the federal poverty guidelines;¹² or
- Is receiving:
 - Temporary Assistance for Needy Families-Cash Assistance;
 - Poverty-related veterans' benefits; or
 - Supplemental Security Income.¹³

A monthly payment that does not exceed 2 percent of an indigent person's average monthly pay is presumed to correspond to the indigent person's ability to pay.¹⁴

The Clerk is required to charge a fee of up to \$5 per month for receipt or disbursement of all partial payments, with the exception of restitution, that are not subject to the administrative processing service charge pursuant to s. 28.246, F.S.¹⁵ A one-time administrative processing charge of an amount not exceeding \$25 is assessed for setting up a payment plan, in lieu of a per month charge.¹⁶ ¹⁷ The collected monthly and payment plan fees are retained by the Clerk. Additionally, county tax collectors are required to charge a service fee of \$6.25 when providing services in chapter 322, F.S.

Fines and Fees for Traffic Infractions and Criminal Offenses

Florida law imposes a schedule of fees for various noncriminal traffic offenses, including the following monetary penalties:

- For infractions of pedestrian regulations, \$15.
- For nonmoving traffic violations, \$30.
- For moving violations involving an unlawful speed not within a school zone, up to \$250, depending on the egregiousness of the violation.¹⁸

Some traffic infractions are classified as criminal traffic infractions, including:

- Fleeing or attempting to elude a police officer.
- Leaving the scene of a crash.
- Driving under the influence.

¹⁰ S. 28.246(6), F.S.

¹¹ Broward County has \$735.6 million in outstanding fees and fines from felony, misdemeanor, and traffic dispositions. Similarly, Palm Beach County has \$277.5 million outstanding, and Miami-Dade County has \$278 million from felony adjudications alone. Dan Sweeney, *South Florida felons owe a billion dollars in fines - and that will affect their ability to vote*, South Florida Sun Sentinel (May 31, 2019), <https://www.sun-sentinel.com/news/politics/fl-ne-felony-fines-broward-palm-beach-20190531-5hxf7mveyree5cjhk4xr7b73v4-story.html> (last visited Feb. 4, 2020).

¹² Currently, the federal poverty level is \$12,490 for individuals, with an additional \$4,420 for each additional family member in the individual's household. See U.S. Department of Health and Human Services, *U.S. Federal Poverty Guidelines Used to Determine Financial Eligibility for Certain Federal Programs*, <https://aspe.hhs.gov/2019-poverty-guidelines> (last visited Feb. 4, 2020).

¹³ S. 27.52(1), F.S.

¹⁴ S. 28.246(4), F.S.

¹⁵ S. 28.24(26)(b), F.S.

¹⁶ S. 28.24(26)(c), F.S.

¹⁷ The Florida Court Clerks and Comptrollers 2019 Distribution Schedule lists maximum amounts of \$5 and \$25 as static service charge amounts.

¹⁸ See s. 318.18, F.S.

- Reckless driving.
- Making a false crash report.¹⁹

Certain crimes in Florida have significant mandatory minimum fines. A person convicted of trafficking cocaine, for example, must pay a fine of:

- \$50,000 if the amount trafficked is at least 28 grams; or
- \$250,000 if the amount trafficked is more than 400 grams.²⁰

Depending on the person's income and ability to pay, such a fine or fee may take years or even decades to pay. For example, one Miami-Dade County resident who was convicted of grand theft agreed to a payment plan for \$190,000. She pays \$100 per month and is scheduled to complete her payment plan in 190 years.²¹

Driver's License Suspension in Florida

A license can be suspended for various reasons, including:

- Failure to pay a fine.
- Failure to comply with or appear at a traffic summons.
- Unpaid citations reported by another state.²²

Under certain conditions, if a person fails to enter into a payment plan with a clerk of court for unpaid obligations, the clerk of court may notify the Department of Highway Safety and Motor Vehicles, which may in turn suspend the person's driver license.²³ Nearly 2 million of the more than 14 million driver licenses issued in Florida are suspended for unpaid fines.²⁴

Effect of Proposed Changes

CS/HB 903 requires clerks of courts to establish uniform payment plans for court-related fees, service charges, costs, and fines for persons who apply for a payment plan. These payment plans must be available electronically, by mail, or in person. The clerk must enroll a person seeking deferment of payment into a monthly payment plan within 30 calendar days of the court's entering the order. If the person is incarcerated, he or she must apply to the clerk for enrollment in a payment plan within 30 calendar days after release.

If the person is determined by the court to be indigent, a monthly payment amount is presumed to correspond to his or her ability to pay if it is not more than 2 percent of the person's average monthly income or \$10, whichever is greater. If the person is unable to comply with the payment plan terms, the court may modify the payment plan or convert the outstanding amount to community service. The bill removes the provision in s. 28.24(26)(b), F.S., that allows for a \$5 fee per month for partial payments. The clerk must charge a one-time administrative processing charge not to exceed \$25 to implement a payment plan. The fee may be paid in up to five equal monthly payments.

The clerk may notify a person of upcoming or past due payments. If a person on a payment plan fails to make a payment within 30 days of the due date, the clerk must transmit notice to the Department of Highway Safety and Motor Vehicles (DHSMV), unless the person:

¹⁹ See s. 318.17, F.S.

²⁰ S. 893.135(1)(b)1., F.S.

²¹ Lawrence Mower, *Should a felon who owes \$59 million be allowed to vote? How about \$190,000?*, Miami Herald (Mar. 29, 2019), <https://www.miamiherald.com/news/politics-government/state-politics/article228399999.html> (last visited Feb. 4, 2020).

²² Florida Department of Highway Safety and Motor Vehicles, *Traffic Citations or Court Suspensions*, <https://www.flhsmv.gov/driver-licenses-id-cards/driver-license-suspensions-revocations/traffic-citations-court-suspensions/> (last visited Feb. 4, 2020).

²³ See, e.g., ss. 318.15 and 322.245, F.S.

²⁴ Monivette Cordeiro, *Nearly 2 Million Florida Drivers Have License Suspended for Unpaid Fines, Study Finds*, Orlando Sentinel (Dec. 19, 2019), <http://www.orlandosentinel.com/news/crime/os-ne-drivers-license-suspensions-report-20191219-xazyr2cdkff7xfljivgkcz6tum-story.html> (last visited Feb. 4, 2020).

- Brings the account current;
- Makes alternate payment arrangements; or
- Enters into a revised payment plan with the clerk.

Similarly, if a person fails to comply with specified civil penalties, fails to enter into or comply with the terms of a penalty payment plan, fails to attend driver improvement school, or fails to attend a scheduled hearing, the clerk generally must notify DHSMV within 30 days, not within 10 days as current law requires.

The bill also requires a court and a clerk to develop a process for referring persons owing fines and fees to the clerk soon after the disposition of a case. If the person has a deposit or credit card account, or other means of setting up automatic withdrawals, the clerk must enroll the person on an automatic withdrawal plan.

The bill requires the clerks of courts, by October 1, 2020, to develop a uniform payment plan form, which must inform the user of:

- The minimum payment due each month;
- The term of the payment plan;
- Acceptable payment methods; and
- The circumstances under which a case may be referred to collections for nonpayment.

The bill requires a uniform traffic citation to include a notice informing the person to whom it is given that the person may contact the clerk to establish a payment plan.

The bill also removes the authority for the Department of Highway Safety and Motor Vehicles to suspend a person's driver license for failure to pay certain fines and fees based on a non-driving-related offense. The bill allows a person whose driver license was suspended pursuant to s. 322.245, F.S., before July 1, 2020, solely for nonpayment of such fines and fees, to reinstate his or her license upon payment of a reinstatement fee.²⁵ The bill does not require that the person must agree to a payment plan to be eligible for reinstatement.

The bill also allows a clerk to enter into a multi-county intergovernmental agreement with other clerks to administer payment plans in various counties.

The bill provides an effective date of July 1, 2020.

B. SECTION DIRECTORY:

Section 1: Amends s. 27.52, F.S., relating to determination of indigent status.

Section 2: Amends s. 28.24, F.S., relating to service charges.

Section 3: Amends s. 28.246, F.S., relating to payment of court-related fines or other monetary penalties, fees, charges, and costs; distribution of funds.

Section 4: Amends s. 28.42, F.S., relating to manual of filing fees, charges, costs, and fines.

Section 5: Amends s. 57.082, F.S., relating to determination of civil indigent status.

Section 6: Amends s. 318.15, F.S., relating to failure to comply with civil penalty or to appear; penalty.

Section 7: Amends s. 318.20, F.S., relating to notification; duties of department.

Section 8: Amends s. 322.245, F.S., relating to suspension of license upon failure of person charged with specified offense under chapter 316, chapter 320, or this chapter to comply with directives ordered by traffic court or upon failure to pay child support in non-IV-D cases as provided in chapter 61 or failure to pay any financial obligation in any other criminal case.

Section 9: Provides an effective date of July 1, 2020.

²⁵ The bill does not specify the amount of the reinstatement fee. However, it appears such fee would be \$60 under current law. See s. 322.29(2), F.S.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Revenue Estimating Conference estimated the bill would reduce state revenues by an indeterminate amount.

The bill standardizes language associated with court related payment plans, and allows the court to waive or modify financial obligations. Due to a lack of data regarding the status of court related payment plans, outstanding balances to be waived and discretion of the courts to waive or modify amounts, the impact to fee related revenues is negative indeterminate.²⁶

The bill amends s. 322.245, F.S., relating to the suspension of drivers licenses for failure to pay fines related to a criminal charge, limiting suspensions under the section to criminal offenses involving the operation of a motor vehicle. The change would reduce the number of driver's license suspensions, which would reduce the pool of potential applicants for reinstatement by an indeterminate amount. The removal of non-driving infractions from s. 322.245, F.S., is estimated to reduce license reinstatement fee revenue by \$638,450 to the General Revenue Fund, and by \$302,423 to the Highway Safety Operating Trust Fund.²⁷

The Clerk of Court charges a \$60 fee to apply for license reinstatement. Of that \$60 fee, \$22.50 is remitted to the Department of Revenue to be deposited into the Highway Safety Trust Fund. An additional \$25 fee is charged to applicants with delinquent fees, of which \$10 is remitted to the Department of Revenue for deposit into the General Revenue Fund. A reduction in the number of license reinstatement applications would result in the loss of \$32.50 of revenue per application for the state.

The bill may have an indeterminate impact to fines and fees collected from the courts if there is no longer the threat of driver license suspension for nonpayment. Without the punitive threat of license suspension, it is possible that unpaid criminal obligations could increase. There is also the possibility that not suspending the driver license of individuals who owe delinquent fines could result in more collections which would have either not occurred or occurred at a later date. The large degree of uncertainty causes the negative adjustment to the criminal obligations collections by the court to be indeterminate.²⁸

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The bill would reduce Clerk of the Court revenues by an indeterminate amount.

The bill amends s. 28.24(26), F.S., removing the \$5 per month for the receipt and disbursement of partial payments. The change will have an indeterminate impact to revenue for Clerks that do not currently charge the one-time \$25 payment plan fee in lieu of the monthly \$5 charge.^{29 30}

²⁶ Revenue Estimating Conference: Impact Conference, CS/HB 903 Impact, February 7, 2020, http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2020/_pdf/page366-372.pdf

²⁷ Id.

²⁸ Id.

²⁹ Id.

³⁰ Florida Clerks of Court Operations Corporation, *CCOC Bill Analysis: CS/HB 903*, February 12, 2020, On file with the House Appropriations Committee.

The bill amends s. 322.245, F.S., relating to the suspension of drivers licenses for failure to pay fines related to a criminal charge, limiting suspension under the section to criminal offenses involving the operation of a motor vehicle. The change would reduce the number of driver's license suspension, which would reduce the pool of potential applicants for reinstatement by an indeterminate amount. The removal of non-driving infractions from s. 322.245, F.S., is estimated to reduce license reinstatement fee revenue by \$201,616 to the Clerks of the Court Fines and Forfeiture Fund, and by \$84,007 to the local tax collectors.³¹

The Clerk of Court charges a \$60 fee to apply for license reinstatement. Of that \$60 fee, \$37.50 is retained by the Clerk. An additional \$25 fee is charged to applicants with delinquent fees, of which \$15 is retained by the Clerk. Additionally, county tax collectors are required to charge a service fee of \$6.25 when providing services in chapter 322, F.S. A reduction in the number of license reinstatement applications would result in the loss of \$52.50 of revenue per application for the Clerks, and the loss of \$6.25 of revenue per application for the local tax collectors.

2. Expenditures:

The bill requires the clerks of court to develop a uniform payment plan form, which may have an insignificant negative fiscal impact on the clerks of court.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill limits the authority of the clerks of court to suspend driver licenses solely for failure to pay fines or fees in certain cases, which may benefit persons who would otherwise be unable to drive to work and earn money to pay debts.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The county mandates provision of Art. VII, section 18, of the Florida Constitution may apply because this bill requires the clerks of court to create a new payment plan form, and because the bill may reduce the amount of revenues a clerk of court can generate by eliminating a monthly partial payment fee; however, an exemption may apply because the bill may have only an insignificant fiscal impact.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Not applicable.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

³¹ Revenue Estimating Conference: Impact Conference, CS/HB 903 Impact, February 7, 2020, http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2020/_pdf/page366-372.pdf.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On February 4, 2020, the Civil Justice Subcommittee adopted a strike-all amendment and reported the bill favorably as a committee substitute. The strike-all amendment:

- Required a person seeking to enter into a payment plan agreement to apply for such plan within 30 days after the court orders payment, or within 30 days of being released from incarceration.
- Required the clerk and court to develop a process ensuring a person who owes fines or fees is referred to the clerk to establish a payment plan.
- Required clerks to use automatic withdrawals for payment plans.
- Allowed a 30-day grace period between the time certain obligations are due and the time DHSMV is notified to suspend a driver license.
- Allowed a clerk to enter into a multi-county agreement with other clerks to administer payment plans.
- Allowed suspension of a driver license for nonpayment in a criminal case only if the underlying crime involved a motor vehicle.
- Allowed reinstatement of a license suspended for nonpayment in a criminal case not involving a motor vehicle.

This analysis is drafted to the committee substitute as passed by the Civil Justice Subcommittee.

1 A bill to be entitled
 2 An act relating to fines and fees; amending s. 27.52,
 3 F.S.; conforming a cross-reference; amending s. 28.24,
 4 F.S.; providing procedures for payment plans; amending
 5 s. 28.246, F.S.; revising the methods by which clerks
 6 of the circuit court must accept payments for certain
 7 fees, charges, costs, and fines; providing
 8 requirements for entering into payment plans;
 9 authorizing a court to convert certain fines and fees
 10 into community service under specified circumstances;
 11 amending s. 28.42, F.S.; requiring the Office of the
 12 State Courts Administrator to develop a uniform
 13 payment plan form by a specified date; providing
 14 minimum criteria for the form; amending s. 57.082,
 15 F.S.; conforming a cross-reference; amending s.
 16 318.15, F.S.; extending the timeframe for issuing
 17 certain notices; amending s. 318.20, F.S.; requiring
 18 certain notifications within the uniform traffic
 19 citations; amending s. 322.245, F.S.; authorizing
 20 certain persons to apply for reinstatement of their
 21 suspended licenses under certain circumstances;
 22 providing an effective date.

23
 24 Be It Enacted by the Legislature of the State of Florida:
 25

26 Section 1. Paragraph (i) of subsection (5) of section
 27 27.52, Florida Statutes, is amended to read:

28 27.52 Determination of indigent status.-

29 (5) INDIGENT FOR COSTS.-A person who is eligible to be
 30 represented by a public defender under s. 27.51 but who is
 31 represented by private counsel not appointed by the court for a
 32 reasonable fee as approved by the court or on a pro bono basis,
 33 or who is proceeding pro se, may move the court for a
 34 determination that he or she is indigent for costs and eligible
 35 for the provision of due process services, as prescribed by ss.
 36 29.006 and 29.007, funded by the state.

37 (i) A defendant who is found guilty of a criminal act by a
 38 court or jury or enters a plea of guilty or nolo contendere and
 39 who received due process services after being found indigent for
 40 costs under this subsection is liable for payment of due process
 41 costs expended by the state.

42 1. The attorney representing the defendant, or the
 43 defendant if he or she is proceeding pro se, shall provide an
 44 accounting to the court delineating all costs paid or to be paid
 45 by the state within 90 days after disposition of the case
 46 notwithstanding any appeals.

47 2. The court shall issue an order determining the amount
 48 of all costs paid by the state and any costs for which
 49 prepayment was waived under this section or s. 57.081. The clerk
 50 shall cause a certified copy of the order to be recorded in the

51 | official records of the county, at no cost. The recording
 52 | constitutes a lien against the person in favor of the state in
 53 | the county in which the order is recorded. The lien may be
 54 | enforced in the same manner prescribed in s. 938.29.

55 | 3. If the attorney or the pro se defendant fails to
 56 | provide a complete accounting of costs expended by the state and
 57 | consequently costs are omitted from the lien, the attorney or
 58 | pro se defendant may not receive reimbursement or any other form
 59 | of direct or indirect payment for those costs if the state has
 60 | not paid the costs. The attorney or pro se defendant shall repay
 61 | the state for those costs if the state has already paid the
 62 | costs. The clerk of the court may establish a payment plan under
 63 | s. 28.246 and may charge the attorney or pro se defendant a one-
 64 | time administrative processing charge under s. 28.24(26)(b) ~~or~~
 65 | ~~28.24(26)(e)~~.

66 | Section 2. Subsection (26) of section 28.24, Florida
 67 | Statutes, is amended to read:

68 | 28.24 Service charges.—The clerk of the circuit court
 69 | shall charge for services rendered manually or electronically by
 70 | the clerk's office in recording documents and instruments and in
 71 | performing other specified duties. These charges may not exceed
 72 | those specified in this section, except as provided in s.
 73 | 28.345.

74 | (26)(a) For receiving and disbursing all restitution
 75 | payments, per payment: 3.50, from which the clerk shall remit

76 0.50 per payment to the Department of Revenue for deposit into
77 the General Revenue Fund.

78 ~~(b) For receiving and disbursing all partial payments,~~
79 ~~other than restitution payments, for which an administrative~~
80 ~~processing service charge is not imposed pursuant to s. 28.246,~~
81 ~~per month 5.00~~

82 ~~(e) For setting up a payment plan, a one-time~~
83 ~~administrative processing charge of in lieu of a per month~~
84 ~~charge under paragraph (b) 25.00~~

85 (c) A person may pay the one-time administrative
86 processing charge in paragraph (b) in no more than five equal
87 monthly payments.

88 Section 3. Subsections (4) and (5) of section 28.246,
89 Florida Statutes, are amended, and subsection (7) is added to
90 that section, to read:

91 28.246 Payment of court-related fines or other monetary
92 penalties, fees, charges, and costs; partial payments;
93 distribution of funds.—

94 (4) Each ~~The~~ clerk of the circuit court shall accept
95 scheduled partial payments for court-related fees, service
96 charges, costs, and fines electronically, by mail, or in person,
97 in accordance with the terms of an established payment plan and
98 enroll— an individual seeking to defer payment of fees, service
99 charges, costs, or fines imposed by operation of law or order of
100 the court under any provision of general law no later than 30

101 calendar days after the date the court enters the order
 102 assessing fines, fees, and costs. If the individual is
 103 incarcerated, the individual shall apply to the clerk for
 104 enrollment in a payment plan within 30 calendar days after
 105 release. The clerk shall enroll individuals with a deposit or
 106 credit card account, or with other means of automatic
 107 withdrawal, in an automatic payment plan arrangement to ensure
 108 timely payment under the plan. Each clerk shall work with the
 109 court to develop a process in which the individual will meet
 110 with the clerk upon disposition or as soon thereafter as
 111 practicable. If the clerk enters ~~shall enter~~ into a payment plan
 112 with an individual who the court determines is indigent for
 113 costs, the ~~—~~ A monthly payment amount, calculated based upon all
 114 fees and all anticipated fines, fees, costs, and service
 115 charges, is presumed to correspond to the person's ability to
 116 pay if the amount does not exceed 2 percent of the person's
 117 annual net income, as defined in s. 27.52(1), divided by 12 or
 118 \$10, whichever is greater. The court may review the
 119 reasonableness of the payment plan and may, on its own motion or
 120 by petition, waive, modify, or convert the outstanding fines,
 121 fees, costs, or service charges to community service if the
 122 court determines that the individual is indigent or due to
 123 compelling circumstances, is unable to comply with the terms of
 124 the payment plan.

125 (5) (a) The clerk shall transmit notice to the Department

126 of Highway Safety and Motor Vehicles if any payment due under a
 127 payment plan is not received within 30 days after the due date
 128 unless the individual brings the account current, makes
 129 alternate payment arrangements, or enters into a revised payment
 130 plan with the clerk before the due date. The clerk may send
 131 notices, electronically or by mail, to remind an individual of
 132 an upcoming or missed payment.

133 (b) When receiving partial payment of fees, service
 134 charges, court costs, and fines, clerks shall distribute funds
 135 according to the following order of priority:

136 1. ~~(a)~~ That portion of fees, service charges, court costs,
 137 and fines to be remitted to the state for deposit into the
 138 General Revenue Fund.

139 2. ~~(b)~~ That portion of fees, service charges, court costs,
 140 and fines required to be retained by the clerk of the court or
 141 deposited into the Clerks of the Court Trust Fund within the
 142 Department of Revenue.

143 3. ~~(c)~~ That portion of fees, service charges, court costs,
 144 and fines payable to state trust funds, allocated on a pro rata
 145 basis among the various authorized funds if the total collection
 146 amount is insufficient to fully fund all such funds as provided
 147 by law.

148 4. ~~(d)~~ That portion of fees, service charges, court costs,
 149 and fines payable to counties, municipalities, or other local
 150 entities, allocated on a pro rata basis among the various

151 authorized recipients if the total collection amount is
 152 insufficient to fully fund all such recipients as provided by
 153 law.

154
 155 To offset processing costs, clerks shall ~~may~~ impose ~~either a~~
 156 ~~per-month service charge pursuant to s. 28.24(26)(b) or a one-~~
 157 time administrative processing service charge at the inception
 158 of the payment plan pursuant to s. 28.24(26)(b) ~~s. 28.24(26)(c)~~.

159 (7) Clerks may establish multi-county intergovernmental
 160 authorities pursuant to chapter 163 to administer payment plans
 161 in the participating counties.

162 Section 4. Section 28.42, Florida Statutes, is amended to
 163 read:

164 28.42 Manual of filing fees, charges, costs, and fines;
 165 uniform payment plan forms.-

166 (1) The clerks of court, through their association and in
 167 consultation with the Office of the State Courts Administrator,
 168 shall prepare and disseminate a manual of filing fees, service
 169 charges, costs, and fines imposed pursuant to state law, for
 170 each type of action and offense, and classified as mandatory or
 171 discretionary. The manual also shall classify the fee, charge,
 172 cost, or fine as court-related revenue or noncourt-related
 173 revenue. The clerks, through their association, shall
 174 disseminate this manual to the chief judge, state attorney,
 175 public defender, and court administrator in each circuit and to

176 the clerk of the court in each county. The clerks, through their
 177 association and in consultation with the Office of the State
 178 Courts Administrator, shall at a minimum update and disseminate
 179 this manual on July 1 of each year.

180 (2) By October 1, 2020, the clerks of court, through their
 181 association, in consultation with the Florida Clerks of Court
 182 Operations Corporation, shall develop a uniform payment plan
 183 form for use by individuals seeking to establish a payment plan
 184 in accordance with s. 28.246. The form shall inform the
 185 individual about the minimum payment due each month, the term of
 186 the plan, acceptable payment methods, and the circumstances
 187 under which a case may be sent to collections for nonpayment.

188 (3) By January 1, 2021, each clerk of the court shall use
 189 the uniform payment plan form described in subsection (2) when
 190 establishing payment plans.

191 Section 5. Subsection (6) of section 57.082, Florida
 192 Statutes, is amended to read:

193 57.082 Determination of civil indigent status.-

194 (6) PROCESSING CHARGE; PAYMENT PLANS.-A person who the
 195 clerk or the court determines is indigent for civil proceedings
 196 under this section shall be enrolled in a payment plan under s.
 197 28.246 and shall be charged a one-time administrative processing
 198 charge under s. 28.24(26)(b) ~~s. 28.24(26)(c)~~. A monthly payment
 199 amount, calculated based upon all fees and all anticipated
 200 costs, is presumed to correspond to the person's ability to pay

201 | if it does not exceed 2 percent of the person's annual net
 202 | income, as defined in subsection (1), divided by 12. The person
 203 | may seek review of the clerk's decisions regarding a payment
 204 | plan established under s. 28.246 in the court having
 205 | jurisdiction over the matter. A case may not be impeded in any
 206 | way, delayed in filing, or delayed in its progress, including
 207 | the final hearing and order, due to nonpayment of any fees or
 208 | costs by an indigent person. Filing fees waived from payment
 209 | under s. 57.081 may not be included in the calculation related
 210 | to a payment plan established under this section.

211 | Section 6. Paragraph (a) of subsection (1) of section
 212 | 318.15, Florida Statutes, is amended to read:

213 | 318.15 Failure to comply with civil penalty or to appear;
 214 | penalty.—

215 | (1)(a) If a person fails to comply with the civil
 216 | penalties provided in s. 318.18 within the time period specified
 217 | in s. 318.14(4), fails to enter into or comply with the terms of
 218 | a penalty payment plan with the clerk of the court in accordance
 219 | with ss. 318.14 and 28.246, fails to attend driver improvement
 220 | school, or fails to appear at a scheduled hearing, the clerk of
 221 | the court shall notify the Department of Highway Safety and
 222 | Motor Vehicles of such failure within 30 ~~10~~ days after such
 223 | failure, except as provided herein. Upon receipt of such notice,
 224 | the department shall immediately issue an order suspending the
 225 | driver license and privilege to drive of such person effective

226 20 days after the date the order of suspension is mailed in
 227 accordance with s. 322.251(1), (2), and (6). Any such suspension
 228 of the driving privilege which has not been reinstated,
 229 including a similar suspension imposed outside Florida, shall
 230 remain on the records of the department for a period of 7 years
 231 from the date imposed and shall be removed from the records
 232 after the expiration of 7 years from the date it is imposed. The
 233 department may not accept the resubmission of such suspension.

234 Section 7. Section 318.20, Florida Statutes, is amended to
 235 read:

236 318.20 Notification; duties of department.—The department
 237 shall prepare a notification form to be appended to, or
 238 incorporated as a part of, the Florida uniform traffic citation
 239 issued in accordance with s. 316.650. The notification form
 240 shall contain language informing persons charged with
 241 infractions to which this chapter applies of the procedures
 242 available to them under this chapter. Such notification shall
 243 contain a statement that, if the official determines that no
 244 infraction has been committed, no costs or penalties shall be
 245 imposed and any costs or penalties which have been paid shall be
 246 returned. A uniform traffic citation that is produced
 247 electronically must also include the information required by
 248 this section. The notification and the uniform traffic citation
 249 shall include information on paying the civil penalty to the
 250 clerk of the court and information that the person may contact

251 the clerk of the court to establish a payment plan pursuant to
 252 s. 28.246(4) to make partial payments for court-related fines,
 253 fees, costs, and service charges.

254 Section 8. Subsections (1) and (5) of section 322.245,
 255 Florida Statutes, are amended to read:

256 322.245 Suspension of license upon failure of person
 257 charged with specified offense under chapter 316, chapter 320,
 258 or this chapter to comply with directives ordered by traffic
 259 court or upon failure to pay child support in non-IV-D cases as
 260 provided in chapter 61 or failure to pay any financial
 261 obligation in any other criminal case.-

262 (1) If a person charged with a violation of any driving-
 263 related ~~of the~~ criminal offenses enumerated in s. 318.17 or
 264 with the commission of any driving-related offense constituting
 265 a misdemeanor under chapter 320 or this chapter fails to comply
 266 with all of the directives of the court, within the time
 267 allotted by the court, the clerk of the traffic court shall mail
 268 to the person, at the address specified on the uniform traffic
 269 citation, a notice of such failure, notifying him or her that,
 270 if he or she does not comply with the directives of the court
 271 within 30 days after the date of the notice and pay a
 272 delinquency fee of up to \$25 to the clerk, from which the clerk
 273 shall remit \$10 to the Department of Revenue for deposit into
 274 the General Revenue Fund, his or her driver license will be
 275 suspended. The notice shall be mailed no later than 5 days after

276 such failure. The delinquency fee may be retained by the office
 277 of the clerk to defray the operating costs of the office.

278 (5) (a) A person whose driver license was suspended before
 279 July 1, 2020, pursuant to this section solely for the non-
 280 payment of fines, fees, or costs in a criminal case not
 281 involving operation of a motor vehicle, may, if otherwise
 282 eligible, apply to have his or her license reinstated upon
 283 payment of a reinstatement fee.

284 (b) When the department receives notice from a clerk of
 285 the court that a person licensed to operate a motor vehicle in
 286 this state under the provisions of this chapter has failed to
 287 pay financial obligations, in full or in part under a payment
 288 plan pursuant to s. 28.246(4), for any criminal offense
 289 involving operation of a motor vehicle by the person licensed
 290 ~~other than those specified in subsection (1), in full or in part~~
 291 ~~under a payment plan pursuant to s. 28.246(4),~~ the department
 292 shall suspend the license of the person named in the notice.

293 (c) ~~(b)~~ The department must reinstate the driving privilege
 294 when the clerk of the court provides an affidavit to the
 295 department stating that:

296 1. The person has satisfied the financial obligation in
 297 full or made all payments currently due under a payment plan;

298 2. The person has entered into a written agreement for
 299 payment of the financial obligation if not presently enrolled in
 300 a payment plan; or

301 3. A court has entered an order granting relief to the
302 person ordering the reinstatement of the license.

303 (d) ~~(e)~~ The department shall not be held liable for any
304 license suspension resulting from the discharge of its duties
305 under this section.

306 Section 9. This act shall take effect July 1, 2020.

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 903 (2020)

Amendment No. 1

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: Appropriations Committee
2 Representative Donalds offered the following:

3
4 **Amendment (with title amendment)**

5 Remove everything after the enacting clause and insert:

6 Section 1. Paragraph (i) of subsection (5) of section
7 27.52, Florida Statutes, is amended to read:

8 27.52 Determination of indigent status.—

9 (5) INDIGENT FOR COSTS.—A person who is eligible to be
10 represented by a public defender under s. 27.51 but who is
11 represented by private counsel not appointed by the court for a
12 reasonable fee as approved by the court or on a pro bono basis,
13 or who is proceeding pro se, may move the court for a
14 determination that he or she is indigent for costs and eligible
15 for the provision of due process services, as prescribed by ss.
16 29.006 and 29.007, funded by the state.

104817 - h0903-StrikeAll-Donalds1.docx

Published On: 2/24/2020 6:58:55 PM

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 903 (2020)

Amendment No. 1

17 (i) A defendant who is found guilty of a criminal act by a
18 court or jury or enters a plea of guilty or nolo contendere and
19 who received due process services after being found indigent for
20 costs under this subsection is liable for payment of due process
21 costs expended by the state.

22 1. The attorney representing the defendant, or the
23 defendant if he or she is proceeding pro se, shall provide an
24 accounting to the court delineating all costs paid or to be paid
25 by the state within 90 days after disposition of the case
26 notwithstanding any appeals.

27 2. The court shall issue an order determining the amount
28 of all costs paid by the state and any costs for which
29 prepayment was waived under this section or s. 57.081. The clerk
30 shall cause a certified copy of the order to be recorded in the
31 official records of the county, at no cost. The recording
32 constitutes a lien against the person in favor of the state in
33 the county in which the order is recorded. The lien may be
34 enforced in the same manner prescribed in s. 938.29.

35 3. If the attorney or the pro se defendant fails to
36 provide a complete accounting of costs expended by the state and
37 consequently costs are omitted from the lien, the attorney or
38 pro se defendant may not receive reimbursement or any other form
39 of direct or indirect payment for those costs if the state has
40 not paid the costs. The attorney or pro se defendant shall repay
41 the state for those costs if the state has already paid the

104817 - h0903-StrikeAll-Donalds1.docx

Published On: 2/24/2020 6:58:55 PM

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 903 (2020)

Amendment No. 1

42 costs. The clerk of the court may establish a payment plan under
43 s. 28.246 and may charge the attorney or pro se defendant a one-
44 time administrative processing charge under s. 28.24(26)(b) ~~s.~~
45 ~~28.24(26)(c)~~.

46 Section 2. Subsection (26) of section 28.24, Florida
47 Statutes, is amended to read:

48 28.24 Service charges.—The clerk of the circuit court
49 shall charge for services rendered manually or electronically by
50 the clerk's office in recording documents and instruments and in
51 performing other specified duties. These charges may not exceed
52 those specified in this section, except as provided in s.
53 28.345.

54 (26)(a) For receiving and disbursing all restitution
55 payments, per payment: 3.50, from which the clerk shall remit
56 0.50 per payment to the Department of Revenue for deposit into
57 the General Revenue Fund.

58 ~~(b) For receiving and disbursing all partial payments,~~
59 ~~other than restitution payments, for which an administrative~~
60 ~~processing service charge is not imposed pursuant to s. 28.246,~~
61 ~~per month 5.00~~

62 ~~(c) For setting up a payment plan, a one-time~~
63 ~~administrative processing charge of in lieu of a per month~~
64 ~~charge under paragraph (b) 25.00.~~

Amendment No. 1

65 (c) A person may pay the one-time administrative
66 processing charge in paragraph (b) in no more than five equal
67 monthly payments.

68 Section 3. Subsections (4) and (5) of section 28.246,
69 Florida Statutes, are amended to read:

70 28.246 Payment of court-related fines or other monetary
71 penalties, fees, charges, and costs; partial payments;
72 distribution of funds.—

73 (4) Each ~~The~~ clerk of the circuit court shall accept
74 scheduled partial payments for court-related fees, service
75 charges, costs, and fines electronically, by mail, or in person,
76 in accordance with the terms of an established payment plan and
77 enroll— an individual seeking to defer payment of fees, service
78 charges, costs, or fines imposed by operation of law or order of
79 the court under any provision of general law no later than 30
80 calendar days after the date the court enters the order
81 assessing fines, fees, and costs. If the individual is
82 incarcerated, the individual shall apply to the clerk for
83 enrollment in a payment plan within 30 calendar days after
84 release. The clerk of court may not refer a case to collection
85 or send notice to the department to suspend an individual's
86 driver license for nonpayment or failure to comply with the
87 terms of a payment plan if the individual is still incarcerated.
88 The clerk shall enroll individuals with a deposit or credit card
89 account, or with other means of automatic withdrawal, in an

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 903 (2020)

Amendment No. 1

90 automatic payment plan arrangement to ensure timely payment
91 under the plan. Each clerk shall work with the court to develop
92 a process in which the individual will meet with the clerk upon
93 disposition or as soon thereafter as practicable. If the clerk
94 enters ~~shall enter~~ into a payment plan with an individual who
95 the court determines is indigent for costs, the. ~~A monthly~~
96 payment amount shall be, ~~calculated based upon all fees and all~~
97 anticipated fines, fees, costs, and service charges owed within
98 the county, and is presumed to correspond to the person's
99 ability to pay if the amount does not exceed 2 percent of the
100 person's annual net income, as defined in s. 27.52(1), divided
101 by 12 or \$10, whichever is greater. ~~The court may review the~~
102 reasonableness of the payment plan and may, on its own motion or
103 by petition, waive, modify, or convert the outstanding fines,
104 fees, costs, or service charges to community service if the
105 court determines that the individual is indigent or, due to
106 compelling circumstances, is unable to comply with the terms of
107 the payment plan.

108 (5) (a) The clerk may transmit notice to the Department of
109 Highway Safety and Motor Vehicles if any payment due under a
110 payment plan is not received within 30 days after the due date
111 unless the individual is incarcerated, brings the account
112 current, makes alternate payment arrangements, or enters into a
113 revised payment plan with the clerk before the due date. The

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 903 (2020)

Amendment No. 1

114 clerk may send notices, electronically or by mail, to remind an
115 individual of an upcoming or missed payment.

116 (b) When receiving partial payment of fees, service
117 charges, court costs, and fines, clerks shall distribute funds
118 according to the following order of priority:

119 1.(a) That portion of fees, service charges, court costs,
120 and fines to be remitted to the state for deposit into the
121 General Revenue Fund.

122 2.(b) That portion of fees, service charges, court costs,
123 and fines required to be retained by the clerk of the court or
124 deposited into the Clerks of the Court Trust Fund within the
125 Department of Revenue.

126 3.(e) That portion of fees, service charges, court costs,
127 and fines payable to state trust funds, allocated on a pro rata
128 basis among the various authorized funds if the total collection
129 amount is insufficient to fully fund all such funds as provided
130 by law.

131 4.(d) That portion of fees, service charges, court costs,
132 and fines payable to counties, municipalities, or other local
133 entities, allocated on a pro rata basis among the various
134 authorized recipients if the total collection amount is
135 insufficient to fully fund all such recipients as provided by
136 law.

137

104817 - h0903-StrikeAll-Donalds1.docx

Published On: 2/24/2020 6:58:55 PM

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 903 (2020)

Amendment No. 1

138 To offset processing costs, clerks may impose either ~~a per-month~~
139 ~~service charge pursuant to s. 28.24(26)(b) or~~ a one-time
140 administrative processing service charge at the inception of the
141 payment plan pursuant to s. 28.24(26)(b) ~~s. 28.24(26)(c)~~. The
142 clerk of court may waive this fee for any individual who enrolls
143 in an automatic electronic debit payment plan.

144 Section 4. Section 28.42, Florida Statutes, is amended to
145 read:

146 28.42 Manual of filing fees, charges, costs, and fines;
147 uniform payment plan forms.-

148 (1) The clerks of court, through their association and in
149 consultation with the Office of the State Courts Administrator,
150 shall prepare and disseminate a manual of filing fees, service
151 charges, costs, and fines imposed pursuant to state law, for
152 each type of action and offense, and classified as mandatory or
153 discretionary. The manual also shall classify the fee, charge,
154 cost, or fine as court-related revenue or noncourt-related
155 revenue. The clerks, through their association, shall
156 disseminate this manual to the chief judge, state attorney,
157 public defender, and court administrator in each circuit and to
158 the clerk of the court in each county. The clerks, through their
159 association and in consultation with the Office of the State
160 Courts Administrator, shall at a minimum update and disseminate
161 this manual on July 1 of each year.

104817 - h0903-StrikeAll-Donalds1.docx

Published On: 2/24/2020 6:58:55 PM

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 903 (2020)

Amendment No. 1

162 (2) By October 1, 2020, the clerks of court, through their
163 association, in consultation with the Florida Clerks of Court
164 Operations Corporation, shall develop a uniform payment plan
165 form for use by individuals seeking to establish a payment plan
166 in accordance with s. 28.246. The form shall inform the
167 individual about the minimum payment due each month, the term of
168 the plan, acceptable payment methods, and the circumstances
169 under which a case may be sent to collections for nonpayment.

170 (3) By January 1, 2021, each clerk of the court shall use
171 the uniform payment plan form described in subsection (2) when
172 establishing payment plans.

173 Section 5. Subsection (6) of section 57.082, Florida
174 Statutes, is amended to read:

175 57.082 Determination of civil indigent status.—

176 (6) PROCESSING CHARGE; PAYMENT PLANS.—A person who the
177 clerk or the court determines is indigent for civil proceedings
178 under this section shall be enrolled in a payment plan under s.
179 28.246 and shall be charged a one-time administrative processing
180 charge under s. 28.24(26)(b) ~~s. 28.24(26)(c)~~. A monthly payment
181 amount must be calculated based upon all fines, fees, and all
182 anticipated costs owed within that county and, ~~is presumed to~~
183 correspond to the person's ability to pay. The monthly payment
184 plan amount shall be the greater of \$10 or if it does not exceed
185 2 percent of the person's annual net income, as defined in
186 subsection (1), divided by 12. The person may seek review of the

104817 - h0903-StrikeAll-Donalds1.docx

Published On: 2/24/2020 6:58:55 PM

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 903 (2020)

Amendment No. 1

187 clerk's decisions regarding a payment plan established under s.
188 28.246 in the court having jurisdiction over the matter. A case
189 may not be impeded in any way, delayed in filing, or delayed in
190 its progress, including the final hearing and order, due to
191 nonpayment of any fees or costs by an indigent person. Filing
192 fees waived from payment under s. 57.081 may not be included in
193 the calculation related to a payment plan established under this
194 section.

195 Section 6. Paragraph (a) of subsection (1) of section
196 318.15, Florida Statutes, is amended to read:

197 318.15 Failure to comply with civil penalty or to appear;
198 penalty.-

199 (1)(a) If a person who is not incarcerated fails to comply
200 with the civil penalties provided in s. 318.18 within the time
201 period specified in s. 318.14(4), fails to enter into or comply
202 with the terms of a penalty payment plan with the clerk of the
203 court in accordance with ss. 318.14 and 28.246, fails to attend
204 driver improvement school, or fails to appear at a scheduled
205 hearing, the clerk of the court may ~~shall~~ notify the Department
206 of Highway Safety and Motor Vehicles of such failure within 30
207 ~~10~~ days after such failure, except as provided herein. Upon
208 receipt of such notice, the department shall immediately issue
209 an order suspending the driver license and privilege to drive of
210 such person effective 20 days after the date the order of
211 suspension is mailed in accordance with s. 322.251(1), (2), and

104817 - h0903-StrikeAll-Donalds1.docx

Published On: 2/24/2020 6:58:55 PM

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 903 (2020)

Amendment No. 1

212 (6). Any such suspension of the driving privilege which has not
213 been reinstated, including a similar suspension imposed outside
214 Florida, shall remain on the records of the department for a
215 period of 7 years from the date imposed and shall be removed
216 from the records after the expiration of 7 years from the date
217 it is imposed. The department may not accept the resubmission of
218 such suspension.

219 Section 7. Section 318.20, Florida Statutes, is amended to
220 read:

221 318.20 Notification; duties of department.—The department
222 shall prepare a notification form to be appended to, or
223 incorporated as a part of, the Florida uniform traffic citation
224 issued in accordance with s. 316.650. The notification form
225 shall contain language informing persons charged with
226 infractions to which this chapter applies of the procedures
227 available to them under this chapter. Such notification shall
228 contain a statement that, if the official determines that no
229 infraction has been committed, no costs or penalties shall be
230 imposed and any costs or penalties which have been paid shall be
231 returned. A uniform traffic citation that is produced
232 electronically must also include the information required by
233 this section. The notification and the uniform traffic citation
234 must include information on paying the civil penalty to the
235 clerk of the court and information that the person may contact
236 the clerk of the court to establish a payment plan pursuant to

104817 - h0903-StrikeAll-Donalds1.docx

Published On: 2/24/2020 6:58:55 PM

Amendment No. 1

237 s. 28.246(4) to make partial payments for court-related fines,
238 fees, costs, and service charges.

239 Section 8. Subsections (1) and (5) of section 322.245,
240 Florida Statutes, are amended to read:

241 322.245 Suspension of license upon failure of person
242 charged with specified offense under chapter 316, chapter 320,
243 or this chapter to comply with directives ordered by traffic
244 court or upon failure to pay child support in non-IV-D cases as
245 provided in chapter 61 or failure to pay any financial
246 obligation in any other driving-related criminal case.-

247 (1) If a person charged with a violation of any driving-
248 related ~~of the~~ criminal offenses enumerated in s. 318.17 or with
249 the commission of any driving-related offense constituting a
250 misdemeanor under chapter 320 or this chapter fails to comply
251 with all of the directives of the court, within the time
252 allotted by the court, the clerk of the traffic court shall mail
253 to the person, at the address specified on the uniform traffic
254 citation, a notice of such failure, notifying him or her that,
255 if he or she does not comply with the directives of the court
256 within 30 days after the date of the notice and pay a
257 delinquency fee of up to \$25 to the clerk, from which the clerk
258 shall remit \$10 to the Department of Revenue for deposit into
259 the General Revenue Fund, his or her driver license will be
260 suspended. The notice shall be mailed no later than 5 days after

Amendment No. 1

261 such failure. The delinquency fee may be retained by the office
262 of the clerk to defray the operating costs of the office.

263 (5) (a) A person whose driver license was suspended before
264 July 1, 2020, pursuant to this section solely for the nonpayment
265 of fines, fees, or costs in a criminal case not involving
266 operation of a motor vehicle, if otherwise eligible, may apply
267 to have his or her license reinstated upon payment of a
268 reinstatement fee.

269 (b) When the department receives notice from a clerk of
270 the court that a person licensed to operate a motor vehicle in
271 this state under the provisions of this chapter has failed to
272 pay financial obligations, in full or in part under a payment
273 plan established pursuant to s. 28.246(4), for any criminal
274 offense involving operation of a motor vehicle by the person
275 licensed other than those specified in subsection (1), in full
276 or in part under a payment plan pursuant to s. 28.246(4), the
277 department shall suspend the license of the person named in the
278 notice.

279 (c) ~~(b)~~ The department must reinstate the driving privilege
280 when the clerk of the court provides an affidavit to the
281 department stating that:

282 1. The person has satisfied the financial obligation in
283 full or made all payments currently due under a payment plan;

Amendment No. 1

284 2. The person has entered into a written agreement for
285 payment of the financial obligation if not presently enrolled in
286 a payment plan; or

287 3. A court has entered an order granting relief to the
288 person ordering the reinstatement of the license.

289 ~~(d)(e)~~ The department shall not be held liable for any
290 license suspension resulting from the discharge of its duties
291 under this section.

292 Section 9. This act shall take effect July 1, 2020.

293

294

295

296

297

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

298

Remove everything before the enacting clause and insert:

299

A bill to be entitled

300

An act relating to fines and fees; amending s. 27.52, F.S.;

301

conforming a cross-reference; amending s. 28.24, F.S.; providing

302

procedures for payment plans; amending s. 28.246, F.S.; revising

303

the methods by which clerks of the circuit court must accept

304

payments for certain fees, charges, costs, and fines; providing

305

requirements for entering into payment plans; authorizing a

306

court to waive, modify, and convert certain fines and fees into

307

community service under specified circumstances; authorizing

308

clerks of court to transmit and send specified notices relating

COMMITTEE/SUBCOMMITTEE AMENDMENT

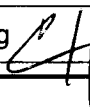

Bill No. CS/HB 903 (2020)

Amendment No. 1

309 to payment plans; amending s. 28.42, F.S.; requiring the clerks
310 of court, in consultation with the Florida Clerks of Court
311 Operations Corporation, to develop a uniform payment plan form
312 by a specified date; providing minimum criteria for the form;
313 requiring clerks of court to use such forms by a specified date;
314 amending s. 57.082, F.S.; conforming a cross-reference and
315 provisions to changes made by the act; amending s. 318.15, F.S.;
316 authorizing rather than requiring clerks of court to notify the
317 Department of Highway Safety and Motor Vehicles under certain
318 circumstances; extending the timeframe for issuing certain
319 notices; amending s. 318.20, F.S.; requiring that a notification
320 form and the uniform traffic citation include certain
321 information about paying a civil penalty; amending s. 322.245,
322 F.S.; authorizing certain persons to apply for reinstatement of
323 their suspended licenses under certain circumstances; providing
324 an effective date.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HJR 7061 PCB SAC 20-02 Duties of the Chief Financial Officer
SPONSOR(S): State Affairs Committee, Ingoglia
TIED BILLS: **IDEN./SIM. BILLS:** SJR 1502

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: State Affairs Committee	19 Y, 3 N	Darden	Williamson
1) Appropriations Committee		Helping 	Pridgeon 

SUMMARY ANALYSIS

The Chief Financial Officer (CFO) is an elected member of the Cabinet, serving as the chief fiscal officer of the state. The CFO is responsible for settling and approving accounts against the state, keeping all state funds and securities, and is designated as the State Fire Marshal. The office of CFO was created by Amendment 8 (1998), which merged the offices of Treasurer and Comptroller. The CFO is the head of the Department of Financial Services (DFS). DFS currently receives local government audits and annual financial reports and makes those reports available online.

The joint resolution proposes an amendment to the Florida Constitution to require the CFO to provide information about counties and municipalities, as prescribed by general law, to residents on an annual basis. The required information would allow residents to compare economic and non-economic factors of each local government.

The joint resolution has a nonrecurring fiscal impact on the Department of State for the publication of the proposed constitutional amendment in newspapers of general circulation in each county and for publication of booklets or posters with the amendment language for the supervisors of elections. See *Economic Analysis and Economic Impact Statement*.

The joint resolution, if passed by the Legislature, would be considered by the electorate at the next general election on November 3, 2020. If adopted at the 2020 general election, the resolution would take effect January 5, 2021.

A joint resolution proposing an amendment to the Florida Constitution must be passed by three-fifths of the membership of each house of the Legislature to appear on the next general election ballot. If placed on the ballot, the Constitution requires 60 percent voter approval for passage.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

The Chief Financial Officer (CFO) is an elected member of the Cabinet, serving as the chief fiscal officer of the state.¹ The CFO is responsible for settling and approving accounts against the state and keeping all state funds and securities. The CFO is also designated as the State Fire Marshal.² The office of CFO was created by Amendment 8 (1998), which merged the offices of Treasurer and Comptroller.³ The CFO is the head of the Department of Financial Services (DFS). Effective January 2003, the Department of Insurance, Treasury, State Fire Marshal and the Department of Banking and Finance merged into DFS.⁴

The various departments of the executive branch receive their statutory powers, duties and functions either in a general grant of authority to either the department head or the department by name or by a specific grant with reference to a particular named unit. The department head has discretion when allocating or reallocating those powers, duties and functions that are assigned to them or their department in a general manner.⁵ If the powers, duties and functions are specifically assigned to a particular unit by statute, they cannot be reallocated by the department head. Rather, they must be reallocated by subsequent legislative enactment. There are similar limitations regarding the allocation and reallocation of existing organizational units or the establishment of new ones, including a restriction on establishing new divisions.

Section 20.121, F.S., establishes the following 13 divisions (and one independent office) within DFS:

- Accounting and Auditing;
- Consumer Services;
- Funeral, Cemetery, and Consumer Services;
- Insurance Agent and Agency Services;
- Investigative and Forensic Services;⁶
- Public Assistance Fraud;
- Rehabilitation and Liquidation;
- Risk Management;
- State Fire Marshal;
- Treasury;⁷
- Unclaimed Property;
- Workers' Compensation;
- Administration; and
- Office of the Insurance Consumer Advocate.

¹ Art. IV, s. 4, Fla. Const.

² S. 633.104(1), F.S.

³ *Restructuring the State Cabinet*, Fla. Div. of Elections, <https://dos.elections.myflorida.com/initiatives/initdetail.asp?account=11&seqnum=4> (last visited Jan. 23, 2020).

⁴ See ch. 2002-404, Laws of Fla. (creating DFS and providing for reorganization of existing agencies).

⁵ S. 20.04(7)(a), F.S.

⁶ The Division of Investigative and Forensic Services is considered a criminal justice agency for purposes of ss. 943.045-943.08, F.S., and may conduct investigations within and outside of the state. The division includes the Bureau of Forensic Services; Bureau of Fire, Arson, and Explosives Investigations; Office of Fiscal Integrity; Bureau of Insurance Fraud; and Bureau of Workers' Compensation Fraud.

⁷ The Division of Treasury includes the Bureau of Deferred Compensation, which is responsible for administering the Government Employees Deferred Compensation Plan established under s. 112.215, F.S. for state employees.

DFS is also the parent agency for the Financial Services Commission, which consists of the Governor, Attorney General, CFO, and Commissioner of Agriculture.⁸ The Financial Services Commission has two subunits, the Office of Insurance Regulation and the Office of Financial Regulation.⁹ Both subunits are managed by directors selected by the commission and must have at least 5 years of relevant experience in the previous 10 years.¹⁰

Local Government Financial Reports

Currently, local government entities that are required to provide an audit under s. 218.39, F.S., must submit an audit report and annual financial report to DFS within 45 days of completion of the audit report, but no later than nine months after the end of the fiscal year.¹¹ Local government entities that are not required to submit an audit must submit an annual financial report to DFS no later than nine months after the end of the fiscal year.¹² The annual financial report must be signed by the chair of the local governing body and the chief financial officer for the entity.¹³ The local government's website must contain a link to the DFS website where an interested person may view the entity's annual financial report.¹⁴

Effect of Proposed Changes

The joint resolution proposes an amendment to Art. IV, s. 4 of the Florida Constitution to require the CFO to provide information about counties and municipalities, as prescribed by general law, to residents on an annual basis. The required information would allow residents to compare economic and non-economic factors of each local government.

B. SECTION DIRECTORY:

Not applicable.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

Article XI, s. 5(d) of the Florida Constitution requires proposed amendments or constitutional revisions be published in a newspaper of general circulation in each county where a newspaper is published. The Division of Elections within the Department of State must advertise the full text of the amendment twice in a newspaper of general circulation in each county where the amendment will appear on the ballot, once in the 10th week and again in the sixth week immediately preceding the week the election is held. The Division must also provide each supervisor of elections with either booklets or posters displaying the full text of each proposed amendment.¹⁵

There are costs associated with the constitutional requirement to advertise proposed constitutional amendments. The division, using 2018 election cycle per English world advertising rates, has

⁸ S. 20.121(3), F.S.

⁹ S. 20.121(3)(a), F.S.

¹⁰ S. 20.121(3)(d), F.S.

¹¹ S. 218.32(1)(d), F.S. A "local government entity" includes any county, municipality, or special district. S. 218.31(1), F.S.

¹² S. 218.32(1)(e), F.S.

¹³ S. 218.32(1)(a), F.S.

¹⁴ S. 218.32(1)(g), F.S.

¹⁵ S. 101.171, F.S.

estimated the cost to advertise the amendment to be \$48,881.18, at a minimum. Accurate costs based on the current election cycle cannot be determined until the total number of amendments to be advertised is known.¹⁶ The cost to advertise the amendment would be paid from nonrecurring General Revenue funds.

The proposed constitutional amendment would require DFS to provide information about counties and municipalities to residents on an annual basis, as prescribed by law. Currently, there is no statutory requirement for DFS to provide such information to residents. The cost for DFS to implement the constitutional amendment will vary with how DFS is instructed to provide specified information prescribed in general law.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

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 to joint resolutions.

2. Other:

The Legislature may propose amendments to the state constitution by joint resolution approved by three-fifths of the membership of each house.¹⁷ The amendment must be submitted to the electors at the next general election more than 90 days after the proposal has been filed with the Secretary of State's office, unless pursuant to law enacted by a three-fourths vote of the membership of each house of the legislature and limited to a single amendment or revision, it is submitted at an earlier special election held more than 90 days after such filing.¹⁸

Article XI, section 5(e) of the Florida Constitution requires approval by 60 percent of voters for a constitutional amendment to take effect. The amendment, if approved, becomes effective on the first Tuesday after the first Monday in January following the next general election; as such, the effective date for the amendment, if approved, will be January 5, 2021.

B. RULE-MAKING AUTHORITY:

The House Joint Resolution neither authorizes nor requires administrative rulemaking by executive branch agencies.

¹⁶ Email from Brittany Dover, Legislative Affairs Director, Florida Department of State, RE: HB 7061, (Feb. 6, 2020).

¹⁷ Art. XI, s. 1, Fla. Const.

¹⁸ Art. XI, s. 5, Fla. Const.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

House Joint Resolution

A joint resolution proposing an amendment to Section 4 of Article IV of the State Constitution to require the Chief Financial Officer, as prescribed by general law, to annually provide information about counties and municipalities to residents in a manner that allows residents to compare economic and noneconomic factors of each local government.

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

That the following amendment to Section 4 of Article IV of the State Constitution is agreed to and shall be submitted to the electors of this state for approval or rejection at the next general election or at an earlier special election specifically authorized by law for that purpose:

ARTICLE IV

EXECUTIVE

SECTION 4. Cabinet.—

(a) There shall be a cabinet composed of an attorney general, a chief financial officer, and a commissioner of agriculture. In addition to the powers and duties specified herein, they shall exercise such powers and perform such duties as may be prescribed by law. In the event of a tie vote of the governor and cabinet, the side on which the governor voted shall

26 | be deemed to prevail.

27 | (b) The attorney general shall be the chief state legal
 28 | officer. There is created in the office of the attorney general
 29 | the position of statewide prosecutor. The statewide prosecutor
 30 | shall have concurrent jurisdiction with the state attorneys to
 31 | prosecute violations of criminal laws occurring or having
 32 | occurred, in two or more judicial circuits as part of a related
 33 | transaction, or when any such offense is affecting or has
 34 | affected two or more judicial circuits as provided by general
 35 | law. The statewide prosecutor shall be appointed by the attorney
 36 | general from not less than three persons nominated by the
 37 | judicial nominating commission for the supreme court, or as
 38 | otherwise provided by general law.

39 | (c) The chief financial officer shall serve as the chief
 40 | fiscal officer of the state, and shall:

41 | (1) Settle and approve accounts against the state; ~~and~~
 42 | ~~shall~~

43 | (2) Keep all state funds and securities; and

44 | (3) As prescribed by general law, annually provide
 45 | information about counties and municipalities to residents in a
 46 | manner that allows residents to compare economic and noneconomic
 47 | factors of each local government.

48 | (d) The commissioner of agriculture shall have supervision
 49 | of matters pertaining to agriculture except as otherwise
 50 | provided by law.

51 (e) The governor as chair, the chief financial officer,
 52 and the attorney general shall constitute the state board of
 53 administration, which shall succeed to all the power, control,
 54 and authority of the state board of administration established
 55 pursuant to Article IX, Section 16 of the Constitution of 1885,
 56 and which shall continue as a body at least for the life of
 57 Article XII, Section 9(c).

58 (f) The governor as chair, the chief financial officer,
 59 the attorney general, and the commissioner of agriculture shall
 60 constitute the trustees of the internal improvement trust fund
 61 and the land acquisition trust fund as provided by law.

62 (g) The governor as chair, the chief financial officer,
 63 the attorney general, and the commissioner of agriculture shall
 64 constitute the agency head of the Department of Law Enforcement.
 65 The Office of Domestic Security and Counterterrorism is created
 66 within the Department of Law Enforcement. The Office of Domestic
 67 Security and Counterterrorism shall provide support for
 68 prosecutors and federal, state, and local law enforcement
 69 agencies that investigate or analyze information relating to
 70 attempts or acts of terrorism or that prosecute terrorism, and
 71 shall perform any other duties that are provided by law.

72 BE IT FURTHER RESOLVED that the following statement be
 73 placed on the ballot:

74 CONSTITUTIONAL AMENDMENT
 75 ARTICLE IV, SECTION 4

HJR 7061

2020

76 DUTIES OF THE CHIEF FINANCIAL OFFICER.—Proposing an
77 amendment to the State Constitution to require the Chief
78 Financial Officer, as prescribed by general law, to annually
79 provide information about counties and municipalities to
80 residents in a manner that allows residents to compare economic
81 and noneconomic factors of each local government.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7067 PCB EDC 20-01 School Choice
SPONSOR(S): Education Committee, Sullivan
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Education Committee	15 Y, 0 N	D'Souza	Hassell
1) Appropriations Committee		Potvin	Pridgeon

SUMMARY ANALYSIS

Florida provides a variety of school choice options, including the following five scholarship programs that allow parents of eligible students to register and attend private schools that may better serve a student's particular needs:

- The John M. McKay Scholarship Program;
- The Gardiner Scholarship Program (GSP);
- The Family Empowerment Scholarship Program (FES);
- The Florida Tax Credit Scholarship Program (FTC Program); and
- The Hope Scholarship Program (HSP).

The bill revises requirements for the GSP by:

- allowing a student with a disability who turns three years of age after September 1 to apply and be determined eligible for a scholarship if funds are available, instead of requiring the student to wait for the next program year to apply;
- requiring nonprofit scholarship-funding organizations (SFOs) to close inactive accounts after 2 fiscal years, instead of 3 fiscal years; and
- prohibiting eligibility to participate if the child is receiving another educational scholarship.

The bill revises the requirements for the FES by:

- expanding program eligibility and providing priority eligibility for certain student populations;
- increasing the income threshold by 25 percentage points when more than 5 percent of total available scholarships have not been awarded;
- requiring parents to apply to the eligible nonprofit SFO, rather than the Department of Education, for a scholarship; and
- increasing the enrollment cap from 0.25 percent per year to 1.0 percent per year.

The bill revises requirements for the FTC Program by:

- revising the frequency of operational audits by the Auditor General from every year to at least once every 3 years; and
- providing that a student who receives a FTC scholarship remains eligible to participate until the student enrolls in a public school, graduates from high school, or reaches 21 years of age.

As part of the annual review of the HSP by an independent entity, the bill requires reviewing the school bullying prevention education program, climate, and code of student conduct of each public school from which ten or more students transferred to another public or private school using the HSP in a single academic year.

The bill would have an indeterminate fiscal impact based on the number of FES scholarships awarded to eligible students who were not enrolled in a public school in the prior school year. However, any fiscal impacts would be incorporated into the overall Florida Education Finance Program.

The bill provides an effective date of July 1, 2020.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

For decades, Florida has been a national leader in providing high quality education options for thousands of parents and students. In addition to a myriad of public options, Florida offers four scholarship programs that allow parents of eligible students to register and attend private schools that may better serve a student's particular needs. Research shows students participating in another scholarship program were 15 percent more likely to enroll in a public college than their peers.¹ Private schools must meet specific criteria in order to be eligible to participate in these programs and the Department of Education (DOE) and Commissioner of Education (commissioner) are tasked with implementation and oversight responsibilities. In 2018, the Legislature strengthened the oversight and accountability measures for all scholarship programs in the state.² In addition, because a majority of private schools participate in more than one scholarship program, the Legislature consolidated all the common criteria relating to private school participation into a single statute.³

The Gardiner Scholarship Program

The Gardiner Scholarship Program (GSP) was created in 2014 and provides parents of eligible students with disabilities more flexibility to customize their child's education.⁴ Funds are distributed to qualified⁵ scholarship-funding organizations (SFOs) to establish accounts for eligible students.⁶ Parents can use funds from their account to choose from a variety of approved items for their student, including: contracted services, curriculum, instructional materials, tuition and specialized services such as applied behavior analysis, speech therapy, or occupational therapy.⁷

A student is eligible for the GSP if the:

- student is a resident of the state;
- student is 3 or 4 years old on or before September 1 of the year in which the parent applies for a scholarship; and
- student has a qualifying disability⁸ documented by an IEP or a diagnosis by a licensed physician or psychologist.⁹

¹ Urban Institute, *The Effects of Statewide Private School Choice on College Enrollment and Graduation – Evidence from the Florida Tax Credit Scholarship Program*, September 2017, available at: https://www.urban.org/sites/default/files/publication/93471/the_effects_of_statewide_private_school_choice_on_college_enrollment_and_graduation_1.pdf.

² Ch. 2018-6, L.O.F.

³ Section 1002.421, F.S. In the 2018-19 school year, 1,569 of private schools participated in more than one scholarship program. There were a total of 2,067 participating private schools. Email, Florida Department of Education, Jared Ochs, Legislative Affairs Director (July 31, 2019).

⁴ Section 1002.385(1), F.S.

⁵ Section 1002.385(2)(e), F.S.

⁶ See s. 1002.385, F.S.

⁷ Section 1002.385(5), F.S.

⁸ Section 1002.385(2)(d), F.S. Qualifying disabilities include: Autism spectrum disorder, cerebral palsy, Down syndrome, intellectual disability, Phelan-McDermid syndrome, Prader-Willi syndrome, spina bifida, high-risk, muscular dystrophy, Williams syndrome, rare diseases, anaphylaxis, deaf, visually impaired, traumatic brain injured, hospital or homebound, or dual sensory impaired.

⁹ Section 1002.385(3)(a), F.S.

As of December 2019, 13,239 students were awarded Gardiner scholarships.¹⁰ The average scholarship amount is \$10,500 per student.¹¹

The Family Empowerment Scholarship Program

The Family Empowerment Scholarship Program (FES) was established in 2019 to provide children of Florida families that have limited financial resources with educational options to achieve success in their education.¹² The FES provides 18,000 students annually on a first-come, first-served basis education opportunities for academic and career success.¹³ Beginning in the 2020-2021 school year, the number of students participating in the FES may annually increase by 0.25 percent of the state's total public school enrollment.¹⁴

A student is eligible for FES if the student meets the following criteria:

- The student's household income level does not exceed 300% of the federal poverty level (\$77,250 for a family of four) or the student is on the direct certification list (list of children who qualify for the food assistance program, the Temporary Assistance to Needy Families Program, or the Food Distribution on Indian Reservations program);¹⁵ or
- The student is currently placed, or during the previous state fiscal year was placed, in foster care or in out-of-home care;¹⁶ and
- The student is eligible to enroll in kindergarten or has spent the prior school year in attendance at a Florida public school. Prior attendance means the student was enrolled in, and in attendance at, a Florida public school during both the October and February student counts.¹⁷

Priority is given to students whose household income levels do not exceed 185 percent of the federal poverty level or who are in foster care or out-of-home care.¹⁸ Prior to scholarship funds being awarded, the student must be accepted and enrolled in a participating private school.¹⁹ A private school that is currently eligible to participate in any of the scholarship programs is eligible to participate in the FES.²⁰

As of the February 1, 2020, payments, 17,724 FES scholarships were funded for the 2019-2020 school year.²¹

The Florida Tax Credit Scholarship Program

The Florida Tax Credit Scholarship Program (FTC Program) was created in 2001²² and allows taxpayers to make private, voluntary contributions to SFOs that can then be awarded as scholarships to eligible low-income students for private school tuition and fees. Taxpayers can receive a tax credit for use against their liability for corporate income tax, insurance premium tax, severance taxes on oil and gas production, self-accrued sales tax liabilities of direct pay permit holders or alcoholic beverage taxes

¹⁰ Email from Amy Graham, Senior Policy Director, Step Up for Students (January 29, 2020).

¹¹ Florida Department of Education, *Gardiner Scholarship Program Fact Sheet* (October 2019), <http://www.fldoe.org/core/fileparse.php/5606/urlt/Gardiner.pdf>.

¹² Section 1002.394(1), F.S.

¹³ Section 1002.394(11)(a), F.S.

¹⁴ *Id.*

¹⁵ Section 1002.394(3)(a)1., F.S.

¹⁶ Section 1002.394(3)(a)2., F.S.

¹⁷ Section 1002.394(3)(b), F.S.

¹⁸ Section 1002.394, F.S.

¹⁹ Section 1002.394(3)(c), F.S.

²⁰ Section 1002.394(8)(a), F.S.

²¹ Email from Laura Mazyck, Interim Executive Director of Independent Education and Parental Choice, Department of Education (February 21, 2020).

²² Section 1002.395, F.S.

on beer, wine, and spirits²³. The tax credit is equal to 100 percent of the eligible contributions made.²⁴ To receive a tax credit the taxpayer must submit an application to the Department of Revenue and specify each tax for which the taxpayer requests a credit and the applicable taxable or state fiscal year for the credit.²⁵ Taxpayers can rescind tax credits, which will become available to another eligible taxpayer in that fiscal year.²⁶

For FY 2017-2018, the maximum amount of tax credits available to be awarded was \$698 million. In any state fiscal year when the annual tax credits granted for the prior state fiscal year are equal to or greater than 90 percent of the tax credit cap amount applicable to that state fiscal year, the tax credit cap amount is increased by 25 percent.²⁷ For FY 2017-2018, the actual tax credit contributions applicable against this limit was \$639.2 million which allowed the tax credit cap to increase by 25 percent; consequently the maximum amount of tax credits available for award in FY 2018-19 is \$873.6 million. However, the March 2019 Revenue Estimating Conference has forecasted \$687.8 million in estimated tax credit collections for FY 2018-2019.

A student is eligible for this scholarship program if:

- the student is on the direct certification list (eligible for free or reduced-priced lunch) or the student's household income does not exceed 185% of the federal poverty level;
- the student is currently placed, or during the previous state fiscal year was placed in foster care or in out-of-home care; or
- the student's household income is greater than 185 percent of the federal poverty level but does not exceed 260 percent of the federal poverty level.²⁸

In the 2018-19 school year, 100,512 students enrolled in 1,807 private schools in the FTC Program.²⁹

Research on the academic performance of FTC students is conducted annually. The DOE must provide a grant to a state university to annually report on the student performance of participating students. The report must include, to the extent possible, a comparison of scholarship student performance to the statewide student performance of public school students with socioeconomic backgrounds similar to those of the participating program students. The report must also include student performance for each participating private school with a student population that was at least 51 percent comprised of FTC Program students in the prior school year. The annual report must be published by the DOE on its website.³⁰

Florida law requires the Auditor General to annually conduct operational audits of the accounts and records of eligible nonprofit SFOs receiving eligible contributions under the FTC Program, including any contracts for services with related entities, to determine compliance.³¹ Such audits shall include, but not be limited to, a determination of the eligible nonprofit SFO's compliance.³² The Auditor General must provide its report on the results of the audits to the Governor, the President of the Senate, the Speaker

²³ Section 1002.395(1) and (5), F.S.

²⁴ Sections 220.1875 and 1002.395(5), F.S.

²⁵ Section 1002.395(5)(b), F.S.

²⁶ Section 1002.395(5)(e), F.S.

²⁷ Section 1002.395(5)(a), F.S.

²⁸ Section 1002.395(3)(b), F.S.

²⁹ Florida Tax Credit Scholarship Program, *February 2019 Quarterly Report*, available at <http://www.fldoe.org/core/fileparse.php/7558/urlt/FTC-Feb-2019-Q-Report.pdf>.

³⁰ Section 1002.395(9)(f), F.S.; See Florida State University Learning Systems Institute, *Florida Tax Credit Scholarship Program Evaluation*, <https://lsi.fsu.edu/projects/current-projects/florida-tax-credit-scholarship-program-evaluation/> (last visited January 30, 2020). The Learning Systems Institute (LSI) at Florida State University must conduct a program evaluation of the FTC Program and participating private schools are required to report the scores of FTC students in grades 3 to 10 on a nationally norm-referenced test or on Florida's standardized assessment to LSI.

³¹ Section 11.45(2)(1), F.S.

³² See Section 1002.395(6)(j), F.S.

of the House of Representatives, the Chief Financial Officer, and the Legislative Auditing Committee, within 30 days of completion of the audit.

The Hope Scholarship Program

In 2018, the Legislature created the Hope Scholarship Program (HSP) to provide the parent of a public school student subjected to a specified incident³³ at school the opportunity to transfer the child to another public school or to request a scholarship for the child to enroll in and attend an eligible private school.³⁴ A parent may also choose to enroll their child in a public school located outside the district in which the student resides and request a transportation scholarship.³⁵ The scholarship program is funded by taxpayers who make eligible contributions to SFOs, and in turn, receive a credit against any tax due as a result of the purchase or acquisition of a motor vehicle.³⁶ Contingent upon available funds, scholarships will be awarded on a first-come, first-served basis to eligible students in kindergarten through grade 12 who report an incident to the school principal.³⁷ Unallocated HSP funds may be used to fund the FTC Program under certain circumstances.³⁸

The DOE is required to contract with an independent entity to provide an annual evaluation of the HSP by:³⁹

- reviewing the school bullying education program, climate, and code of student conduct of each public school from which 10 or more students transferred to another public or private school using the HSP to determine areas in the school or school district procedures involving reporting, investigating, and communicating a parent's and student's rights that are in need of improvement;
- reviewing the school bullying prevention education program, climate, and code of student conduct of each public school to which a student transferred if the student was from a school identified above in order to identify best practices and make recommendations to a public school at which the incidents occurred;
- reviewing the performance of participating students enrolled in a private school in which at least 51 percent of the total enrolled students in the prior school year participated in the program and in which there are at least 10 participating students who have scores for tests administered; and
- surveying the parents of participating students to determine academic, safety, and school climate satisfaction and to identify any challenges to or obstacles in addressing the incident or relating to the use of the scholarship.

Effect of Proposed Changes

The Gardiner Scholarship Program

The bill authorizes a student with a disability who meets the GSP eligibility requirements, but who turns 3 years of age after September 1, to be determined eligible for a Gardiner scholarship on or after his or her third birthday and awarded a scholarship if funds are available. If funds are not available, the student is placed on the waitlist for the subsequent program year. The bill prohibits eligibility to participate in the GSP if the child is receiving any another educational scholarship, not just a FTC scholarship or John M. McKay scholarship.

³³ Section 1002.40(3), F.S. A specified incident includes: battery; harassment; hazing; bullying; kidnapping; physical attack; robbery; sexual offenses, harassment, assault, or battery; threat or intimidation; or fighting at school.

³⁴ Section 1002.40(1), F.S.

³⁵ Section 1002.40(6)(a), F.S.

³⁶ Section 1002.420(2)(d) and (13), F.S.

³⁷ Section 1002.420(3) and (6), F.S.

³⁸ *See s.* 1002.40(13), F.S.

³⁹ Section 1002.40(8)(d)1.-4., F.S.

The bill requires a Gardiner scholarship account to be closed after 2 fiscal years, rather than 3 fiscal years, in which the account has been inactive. The bill requires the parent to annually renew participation in the GSP in order for their student to be eligible to receive funding. The bill authorizes a student whose participation in the GSP is not renewed to continue spending scholarship funds that are in his or her account from prior years unless the account must be closed.⁴⁰ The bill requires a student's Gardiner scholarship account to be closed⁴¹ if a parent does not procure the necessary educational services for the student and the account has been inactive for 2 fiscal years.

The Family Empowerment Scholarship Program

For eligibility to participate in the FES, the bill requires priority be given to:

- eligible students who received a FES during the previous school year;
- new applicants whose household income levels do not exceed 185 percent of the federal poverty level;
- new applicants who are in foster care or out-of-home care; and
- new applicants who are a dependent child of a member of the U.S. Armed Forces.

Beginning in the 2020-2021 school year, the bill requires the maximum number of FES scholarships to annually increase by 1 percent of the total public school student enrollment, rather than 0.25 percent. If more than 5 percent of the additional 1 percent increase of scholarships have not been awarded, the bill requires the maximum household income level be increased by 25 percent in the following fiscal year.

The bill also requires an eligible nonprofit SFO to verify the household income level of students and submit to DOE the verified list of students and related documentation to enable the DOE to determine student eligibility.⁴² The DOE must notify the school district of the parent's intent to participate the FES upon receipt of the verified list, instead of upon the parent's request. The bill revises the requirement that each school district inform all households within the district receiving free or reduced-priced meals under the National School Lunch Act of their eligibility to apply to an eligible nonprofit SFO, rather than DOE, for a scholarship by February 1 of each year. The parent must submit a request to an eligible nonprofit SFO at least 60 days before the first scholarship payment.

The bill expands eligibility by eliminating the requirement to spend the prior year enrolled in a public school for students in first or second grade. Also, students who received a FTC scholarship during the previous school year and, before initial receipt of the scholarship, spent the prior year attending a Florida public school are eligible to apply.

The bill also aligns the FES with the FTC Program requirements by:

- allowing a student to participate in no more than two virtual school, correspondence school, or distance learning program courses per school year;
- requiring DOE to maintain a list of nationally norm-referenced tests, which must meet industry standards of quality,⁴³ identified for purposes of satisfying the testing requirement;⁴⁴ and

⁴⁰ See Section 1002.385(6)(b), F.S.

⁴¹ *Id.*

⁴² See Section 1002.394(7)(b), F.S. The DOE is required to cross-check the list of participating FES students with the public school enrollment lists before each scholarship payment to avoid duplication.

⁴³ See Rule 6A-6.0960(b)1.-7., F.A.C.

⁴⁴ See Section 1002.394(8)(c)1., F.S. To be eligible to participate in the FES, a private school must annually administer or make provision for students participating in the program in grades 3 through 10 to take one of the nationally norm-referenced tests identified by DOE or to take the statewide assessments pursuant to s. 1008.22, F.S. Students with disabilities for whom standardized testing is not appropriate are exempt from this requirement. A participating private school must report a student's scores to his or her parent.

- requiring a private school participating in the FES to report the scores of all participating students to a state university⁴⁵ by August 15 of each year.

The Florida Tax Credit Scholarship Program

For the purposes of continuity of educational choice, the bill provides that a student who receives a FTC scholarship remains eligible to participate until the student enrolls in a public school, graduates from high school or reaches 21 years of age. The bill aligns the FTC Program with the FES and the John M. McKay Scholarship Program by clarifying that a student who returns from a Department of Juvenile Justice detention center and has not spent more than 21 days there is not considered to have returned to public school.

The bill authorizes eligible nonprofit SFOs to use the income earned on eligible contributions⁴⁶ for administrative expenses if the SFO has operated as an eligible nonprofit SFO for at least the preceding 3 fiscal years and did not have any findings of material weakness or material noncompliance in its most recent audit. The bill requires the Auditor General to conduct operational audits at least every 3 years of the accounts of eligible non-profit SFOs receiving eligible contributions⁴⁷ under the FTC Program.⁴⁸

The Hope Scholarship Program

As part of the annual review of the HSP by an independent entity, the bill requires reviewing the school bullying prevention education program, climate, and code of student conduct of each public school from which ten or more students transferred to another public or private school using the Hope Scholarship in a single academic year to determine areas in the school or school district procedures involving reporting, investigating, and communicating a parent's and student's rights that are in need of improvement.

B. SECTION DIRECTORY:

Section 1. Amends s. 11.45, F.S., revising the frequency in which the Auditor General conduct certain operational audits.

Section 2. Amends s. 1002.385, F.S., authorizing certain students who turn 3 years of age after a certain date to receive a Gardiner scholarship under certain circumstances; revising the conditions necessary for program funds to revert to the state; authorizing certain students to continue using scholarship funds from prior years; requiring certain students' accounts to be closed if his or her parent fails to procure specified services; providing that certain students are ineligible for a scholarship; and deleting a provision allowing certain students to become eligible for a scholarship.

Section 3. Amends s. 1002.394, F.S.; revising student eligibility criteria for initial and renewal awards under the FES; revising student priority criteria for a FES; requiring requests for such scholarship to be provided directly to an eligible nonprofit SFO; requiring the State Board of Education to review specified data relating to enrollment in such program and the FTC Program; revising certain eligibility criteria for such programs under certain circumstances; deleting a notification requirement; revising student ineligibility criteria and school district obligations for such scholarship; requiring DOE to maintain a

⁴⁵ See Section 1002.395(f), F.S. The DOE must issue a project grant award to a state university, to which private schools must report scores of participating students on the nationally norm-referenced tests or the statewide assessments administered by the private school in grades 3 through 10.

⁴⁶ See Sections 212.099, 212.1832, and 1002.40, F.S. "Eligible contribution" or "contribution" means a monetary contribution from an eligible business to an eligible nonprofit scholarship-funding organization to be used pursuant to the FTC Program. The eligible business making the contribution may not designate a specific student as the beneficiary of the contribution.

⁴⁷ See Section 1002.395, F.S.

⁴⁸ Florida Auditor General, *Annual Report (2019)*, available at https://flauditor.gov/pages/pdf_files/annual%20report%202019.pdf.

The Legislature should consider amending Sections 11.45(2)(1), 1002.385(14)(a), and 1002.40(12), F.S., to require the Auditor General to conduct operational audits at least once every 3 years of the accounts and records of eligible nonprofit SFOs.

specified list and notify such organizations of a specified deadline; requiring participating private schools to annually report certain scores to a state university; revising such organization's obligations; and requiring, rather than authorizing, and annual specified increase in the maximum number of students participating in such program.

Section 4. Amends s. 1002.395, F.S., requiring that certain students be given priority for the FTC Program; revising the eligibility requirements for a scholarship award to remain in force; and authorizing eligible nonprofit SFOs to use certain income for specified purposes.

Section 5. Amends s. 1002.40, F.S., revising the criteria for a public school to have a specified entity evaluate its bullying prevention education program, climate, and code of student conduct under the HSP.

Section 6. Provides an effective date of July 1, 2020.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

Beginning in Fiscal Year (FY) 2019-2020, the Family Empowerment Scholarship Program (FES) is authorized to fund up to 18,000 students annually⁴⁹ and the Department of Education has reported that 17,724 FES scholarships have been funded in the Florida Education Finance Program (FEFP).⁵⁰ The bill requires the maximum number of FES scholarships to annually increase by 1 percent of the total public school student enrollment instead of the current 0.25 percent. The following table represents the estimated number of new FES scholarships that could be awarded in Fiscal Year (FY) 2020-2021:

FY 2020-2021 Forecast FTE ⁵¹	% Increase	Total Scholarship Increase	Total FY 2020-2021 Scholarships
2,890,177.27	0.25%	7,225	24,949
2,890,177.27	1.00%	28,902	46,626

The bill expands the eligibility for a FES scholarship by eliminating the requirement to spend the prior year enrolled in a public school for students in first or second grade. Also students who received a Florida Tax Credit scholarship during the previous school year and, before initial receipt of the scholarship, spent the prior year attending a Florida public school are eligible.

The bill gives first priority to new student applicants whose household income level does not exceed 185 percent of the federal poverty level, who are in foster care or out-of-home care, or who are dependent children of members of the United States Armed Forces; however, it is unknown how many of these priority students would apply and whether or not they were enrolled in a public school in the previous school year.

⁴⁹ See Section 1002.394(11), F.S.

⁵⁰ Email from Laura Mazyck, Interim Executive Director of Independent Education and Parental Choice, Department of Education (February 21, 2020).

⁵¹ Public School PreK-12 Enrollment Estimating Conference, February 17, 2020.

Step Up for Students reported in its FY 2018-2019 Florida Tax Credit (FTC) Quarterly Report that 34 percent of the new FTC students funded in FY 2018-2019 were not enrolled in a public school in the previous school year.⁵² It is unclear if a similar percentage can be applied to the expanded eligibility for the FES scholarships for FY 2020-2021 that eliminates the requirement to spend the prior year enrolled in a public school for first and second grade students.

The bill would have an indeterminate fiscal impact based on the number of new FES scholarships awarded to eligible students who were not enrolled in a public school in the prior school year. However, any fiscal impacts would be incorporated into the overall FEFP.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

⁵² Email from Elisabeth Goodman, Office of Economic and Demographic Research, November 7, 2019.
STORAGE NAME: h7067.APC.DOCX
DATE: 2/24/2020

1 A bill to be entitled
2 An act relating to school choice; amending s. 11.45,
3 F.S.; revising the frequency of specified audits
4 conducted by the Auditor General; amending s.
5 1002.385, F.S.; authorizing certain students who turn
6 3 years of age after a certain date to receive a
7 Gardiner Scholarship under certain circumstances;
8 revising student ineligibility criteria for
9 participation in the program; revising the conditions
10 necessary for program funds to revert to the state;
11 authorizing certain students to continue using
12 scholarship funds from prior years; requiring certain
13 student's accounts to be closed if his or her parent
14 fails to procure specified services; providing that
15 certain students are ineligible for a scholarship;
16 deleting a provision allowing certain students to
17 become eligible for a scholarship; amending s.
18 1002.394, F.S.; revising student priority criteria for
19 an award under the Family Empowerment Scholarship
20 Program; requiring requests for such scholarship to be
21 provided directly to an eligible nonprofit
22 scholarship-funding organization; deleting a
23 notification requirement; requiring the maximum
24 household income level to be increased under certain
25 circumstances; revising student ineligibility criteria

26 and school district obligations for such scholarship;
 27 requiring the Department of Education to maintain a
 28 specified list and notify such organizations of a
 29 specified deadline; requiring participating private
 30 schools to annually report certain scores to a state
 31 university; revising such organization's obligations;
 32 requiring, rather than authorizing, an annual
 33 specified increase in the maximum number of students
 34 participating in such program; amending s. 1002.395,
 35 F.S.; revising student eligibility criteria for
 36 initial and renewal awards under the Florida Tax
 37 Credit Scholarship Program; requiring that certain
 38 students be given priority for such program;
 39 authorizing eligible nonprofit scholarship-funding
 40 organizations to use certain income for specified
 41 purposes; amending s. 1002.40, F.S.; revising the
 42 criteria for a public school to have a specified
 43 entity evaluate its bullying prevention education
 44 program, climate, and code of student conduct under
 45 the Hope Scholarship Program; providing an effective
 46 date.

47
 48 Be It Enacted by the Legislature of the State of Florida:

49
 50 Section 1. Paragraph (1) of subsection (2) of section

51 11.45, Florida Statutes, is amended to read:

52 11.45 Definitions; duties; authorities; reports; rules.—

53 (2) DUTIES.—The Auditor General shall:

54 (1) At least every 3 years, ~~Annually~~ conduct operational
 55 audits of the accounts and records of eligible nonprofit
 56 scholarship-funding organizations receiving eligible
 57 contributions under s. 1002.395, including any contracts for
 58 services with related entities, to determine compliance with the
 59 provisions of that section. Such audits shall include, but not
 60 be limited to, a determination of the eligible nonprofit
 61 scholarship-funding organization's compliance with s.
 62 1002.395(6)(j). The Auditor General shall provide its report on
 63 the results of the audits to the Governor, the President of the
 64 Senate, the Speaker of the House of Representatives, the Chief
 65 Financial Officer, and the Legislative Auditing Committee,
 66 within 30 days of completion of the audit.

67
 68 The Auditor General shall perform his or her duties
 69 independently but under the general policies established by the
 70 Legislative Auditing Committee. This subsection does not limit
 71 the Auditor General's discretionary authority to conduct other
 72 audits or engagements of governmental entities as authorized in
 73 subsection (3).

74 Section 2. Paragraph (a) of subsection (3), paragraphs
 75 (c), (d), and (e) of subsection (4), paragraph (b) of subsection

76 (6), paragraphs (e) and (f) of subsection (11), and paragraph
 77 (j) of subsection (12) of section 1002.385, Florida Statutes,
 78 are amended to read:

79 1002.385 The Gardiner Scholarship.—

80 (3) PROGRAM ELIGIBILITY.—A parent of a student with a
 81 disability may request and receive from the state a Gardiner
 82 Scholarship for the purposes specified in subsection (5) if:

83 (a) The student:

84 1. Is a resident of this state;

85 2. Is 3 or 4 years of age on or before September 1 of the
 86 year in which the student applies for program participation, or
 87 is eligible to enroll in kindergarten through grade 12 in a
 88 public school in this state;

89 3. Has a disability as defined in paragraph (2)(d); and

90 4. Is the subject of an IEP written in accordance with
 91 rules of the State Board of Education or with the applicable
 92 rules of another state or has received a diagnosis of a
 93 disability from a physician who is licensed under chapter 458 or
 94 chapter 459, a psychologist who is licensed under chapter 490,
 95 or a physician who holds an active license issued by another
 96 state or territory of the United States, the District of
 97 Columbia, or the Commonwealth of Puerto Rico.

98
 99 A student with a disability who meets the requirements of this
 100 paragraph, but who turns 3 years of age after September 1, may

101 be determined to be eligible for a Gardiner Scholarship on or
 102 after his or her third birthday and may be awarded a scholarship
 103 if program funds are available.

104 (4) PROGRAM PROHIBITIONS.—A student is not eligible for
 105 the program if he or she is:

106 (c) ~~Receiving an a scholarship pursuant to the Florida Tax~~
 107 ~~Credit Scholarship Program under s. 1002.395 or the John M.~~
 108 ~~McKay Scholarships for Students with Disabilities Program under~~
 109 ~~s. 1002.39.~~

110 ~~(d) Receiving any other~~ educational scholarship pursuant
 111 to this chapter.

112 ~~(e) Enrolled in the Florida School for the Deaf and the~~
 113 ~~Blind.~~

114 (6) TERM OF THE PROGRAM.—For purposes of continuity of
 115 educational choice and program integrity:

116 (b)1. A student's scholarship account must be closed and
 117 any remaining funds, including, but not limited to,
 118 contributions made to the Stanley G. Tate Florida Prepaid
 119 College Program or earnings from or contributions made to the
 120 Florida College Savings Program using program funds pursuant to
 121 paragraph (5)(f), shall revert to the state after:

122 a. Denial or revocation of program eligibility by the
 123 commissioner for fraud or abuse, including, but not limited to,
 124 the student or student's parent accepting any payment, refund,
 125 or rebate, in any manner, from a provider of any services

126 received pursuant to subsection (5);

127 b. Any period of 3 consecutive years after high school
 128 completion or graduation during which the student has not been
 129 enrolled in an eligible postsecondary educational institution or
 130 a program offered by the institution; or

131 c. Two ~~Three~~ consecutive fiscal years in which an account
 132 has been inactive.

133 2. The commissioner must notify the parent and the
 134 organization when a Gardiner Scholarship account is closed and
 135 program funds revert to the state.

136 (11) PARENT AND STUDENT RESPONSIBILITIES FOR PROGRAM
 137 PARTICIPATION.—A parent who applies for program participation
 138 under this section is exercising his or her parental option to
 139 determine the appropriate placement or the services that best
 140 meet the needs of his or her child. The scholarship award for a
 141 student is based on a matrix that assigns the student to support
 142 Level III services. If a parent receives an IEP and a matrix of
 143 services from the school district pursuant to subsection (7),
 144 the amount of the payment shall be adjusted as needed, when the
 145 school district completes the matrix.

146 (e) The parent must annually renew participation in the
 147 program in order for a student to be eligible to receive
 148 funding. A student whose participation in the program is not
 149 renewed may continue to spend scholarship funds that are in his
 150 or her account from prior years unless the account must be

151 closed pursuant to paragraph (6)(b). Notwithstanding any changes
152 to the student's IEP, a student who was previously eligible for
153 participation in the program shall remain eligible to apply for
154 renewal. However, for a high-risk child to continue to
155 participate in the program in the school year after he or she
156 reaches 6 years of age, the child's application for renewal of
157 program participation must contain documentation that the child
158 has a disability defined in paragraph (2)(d) other than high-
159 risk status.

160 (f) The parent is responsible for procuring the services
161 necessary to educate the student. If a parent does not procure
162 the necessary educational services for the student and the
163 student's account has been inactive for 2 consecutive fiscal
164 years, the student is ineligible and the student's account must
165 be closed pursuant to paragraph (6)(b) ~~for additional~~
166 ~~scholarship payments until the scholarship funding organization~~
167 ~~verifies that expenditures from the account have occurred.~~ When
168 the student receives a Gardiner Scholarship, the district school
169 board is not obligated to provide the student with a free
170 appropriate public education. For purposes of s. 1003.57 and the
171 Individuals with Disabilities in Education Act, a participating
172 student has only those rights that apply to all other
173 unilaterally parentally placed students, except that, when
174 requested by the parent, school district personnel must develop
175 an individual education plan or matrix level of services.

176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200

A parent who fails to comply with this subsection forfeits the Gardiner Scholarship.

(12) OBLIGATIONS OF SCHOLARSHIP-FUNDING ORGANIZATIONS.—An organization may establish Gardiner Scholarships for eligible students by:

(j) Documenting each scholarship student's eligibility for a fiscal year before granting a scholarship for that fiscal year pursuant to paragraph (3)(b). A student is ineligible for a scholarship if the student's account has been inactive for 2 consecutive fiscal years and the student's account must be closed pursuant to paragraph (6)(b). ~~However, once an eligible expenditure is made pursuant to paragraph (11)(f), the student is eligible for a scholarship based on available funds.~~

Section 3. Subsection (3), paragraph (f) of subsection (5), paragraph (a) of subsection (6), paragraph (c) of subsection (8), paragraph (a) of subsection (10), and paragraph (a) of subsection (11) of section 1002.394, Florida Statutes, are amended, and paragraphs (c) and (d) are added to subsection (7) of that section, to read:

1002.394 The Family Empowerment Scholarship Program.—

(3) INITIAL SCHOLARSHIP ELIGIBILITY.—A student is eligible for a Family Empowerment Scholarship under this section if the student meets the following criteria:

(a)1. The student is on the direct certification list

201 | pursuant to s. 1002.395(2)(c) or the student's household income
 202 | level does not exceed 300 percent of the federal poverty level;
 203 | or

204 | 2. The student is currently placed, or during the previous
 205 | state fiscal year was placed, in foster care or in out-of-home
 206 | care as defined in s. 39.01.

207 |

208 | Eligible students who received a Family Empowerment Scholarship
 209 | during the previous school year ~~Priority~~ shall be given first

210 | priority. ~~New applicants to students~~ whose household income
 211 | levels do not exceed 185 percent of the federal poverty level,
 212 | ~~or~~ who are in foster care or out-of-home care, or who are a
 213 | dependent child of a member of the United States Armed Forces

214 | shall be given priority among new applicants. A student who
 215 | initially receives a scholarship based on eligibility under
 216 | subparagraph 2. remains eligible to participate until the
 217 | student graduates from high school or attains the age of 21
 218 | years, whichever occurs first, regardless of the student's
 219 | household income level. A sibling of a student who is
 220 | participating in the scholarship program under this subsection
 221 | is eligible for a scholarship if the student resides in the same
 222 | household as the sibling.

223 | (b) The student is eligible to enroll in kindergarten
 224 | through second grade, or has spent the prior school year in
 225 | attendance at a Florida public school, or received a scholarship

226 pursuant to s. 1002.395 during the previous school year and,
 227 before initial receipt of such scholarship, spent the prior
 228 school year in attendance at a Florida public school. For
 229 purposes of this paragraph, prior school year in attendance
 230 means that the student was enrolled and reported by a school
 231 district for funding during the preceding October and February
 232 Florida Education Finance Program surveys in kindergarten
 233 through grade 12, which includes time spent in a Department of
 234 Juvenile Justice commitment program if funded under the Florida
 235 Education Finance Program. However, a dependent child of a
 236 member of the United States Armed Forces who transfers to a
 237 school in this state from out of state or from a foreign country
 238 due to a parent's permanent change of station orders or a foster
 239 child is exempt from the prior public school attendance
 240 requirement under this paragraph, but must meet the other
 241 eligibility requirements specified under this section to
 242 participate in the program.

243 (c) The parent has obtained acceptance for admission of
 244 the student to a private school that is eligible for the program
 245 under subsection (8), and the parent has requested a scholarship
 246 from an eligible nonprofit scholarship-funding organization ~~the~~
 247 ~~Department of Education~~ at least 60 days before the date of the
 248 first scholarship payment. The request must be communicated
 249 directly to an eligible nonprofit scholarship-funding
 250 organization ~~the department~~ in a manner that creates a written

251 or electronic record of the request and the date of receipt of
 252 the request. ~~The department must notify the school district of~~
 253 ~~the parent's intent upon receipt of the parent's request.~~

254 (d) The maximum household income level shall be increased
 255 by 25 percent in the fiscal year following any fiscal year in
 256 which more than 5 percent of the available scholarships
 257 authorized under subsection (11) have not been awarded.

258 (5) SCHOLARSHIP PROHIBITIONS.—A student is not eligible
 259 for a Family Empowerment Scholarship while he or she is:

260 (f) Participating in a virtual school, correspondence
 261 school, or distance learning program that receives state funding
 262 pursuant to the student's participation, unless the
 263 participation is limited to no more than two courses per school
 264 year.

265 (6) SCHOOL DISTRICT OBLIGATIONS.—

266 (a) By February ~~July 15, 2019,~~ and by April 1 of each year
 267 ~~thereafter~~, a school district shall inform all households within
 268 the district receiving free or reduced-priced meals under the
 269 National School Lunch Act of their eligibility to apply to an
 270 eligible nonprofit scholarship-funding organization ~~the~~
 271 ~~department~~ for a Family Empowerment Scholarship. The form of
 272 such notice shall be provided by the department, and the school
 273 district shall include the provided form in any normal
 274 correspondence with eligible households. Such notice is limited
 275 to once a year.

276 (7) DEPARTMENT OF EDUCATION OBLIGATIONS.—The department
 277 shall:

278 (c) Maintain a list of nationally norm-referenced tests
 279 identified for purposes of satisfying the testing requirement in
 280 subparagraph (8)(c)1. The tests must meet industry standards of
 281 quality in accordance with state board rule.

282 (d) Notify eligible nonprofit scholarship-funding
 283 organizations of the deadline for submitting the verified list
 284 of students determined to be eligible for a scholarship.

285 (8) PRIVATE SCHOOL ELIGIBILITY AND OBLIGATIONS.—To be
 286 eligible to participate in the Family Empowerment Scholarship
 287 Program, a private school may be sectarian or nonsectarian and
 288 must:

289 (c)1. Annually administer or make provision for students
 290 participating in the program in grades 3 through 10 to take one
 291 of the nationally norm-referenced tests identified by the
 292 department or to take the statewide assessments pursuant to s.
 293 1008.22. Students with disabilities for whom standardized
 294 testing is not appropriate are exempt from this requirement. A
 295 participating private school shall report a student's scores to
 296 his or her parent. By August 15 of each year, a participating
 297 private school must report the scores of all participating
 298 students to a state university as described in s.
 299 1002.395(9)(f).

300 2. Administer the statewide assessments pursuant to s.

301 1008.22 if the private school chooses to offer the statewide
 302 assessments. A participating private school may choose to offer
 303 and administer the statewide assessments to all students who
 304 attend the private school in grades 3 through 10 and must submit
 305 a request in writing to the department by March 1 of each year
 306 in order to administer the statewide assessments in the
 307 subsequent school year.

308
 309 If a private school fails to meet the requirements of this
 310 subsection or s. 1002.421, the commissioner may determine that
 311 the private school is ineligible to participate in the
 312 scholarship program.

313 (10) OBLIGATIONS OF ELIGIBLE NONPROFIT SCHOLARSHIP-FUNDING
 314 ORGANIZATIONS.—An eligible nonprofit scholarship-funding
 315 organization:

316 (a) Shall verify the household income level of students
 317 pursuant to subparagraph (3)(a)1. and submit to the department
 318 the verified list of students and related documentation to
 319 enable the department to determine student eligibility pursuant
 320 to paragraph (7)(b). The department must notify the school
 321 district of the parent's intent to participate in the
 322 scholarship program upon receipt of the verified list.

323 (11) SCHOLARSHIP FUNDING AND PAYMENT.—

324 (a) The scholarship is established for up to 18,000
 325 students annually on a first-come, first-served basis beginning

326 ~~in with~~ the 2019-2020 school year. Beginning in the 2020-2021
 327 school year, the maximum number of students participating in the
 328 scholarship program under this section shall ~~may~~ annually
 329 increase by 1.0 ~~0.25~~ percent of the state's total public school
 330 student enrollment.

331 Section 4. Subsections (3) and (6) of section 1002.395,
 332 Florida Statutes, are amended to read:

333 1002.395 Florida Tax Credit Scholarship Program.—

334 (3) PROGRAM; INITIAL SCHOLARSHIP ELIGIBILITY.—

335 (a) The Florida Tax Credit Scholarship Program is
 336 established.

337 (b) A student is eligible for a Florida tax credit
 338 scholarship under this section if the student meets one or more
 339 of the following criteria:

340 1. The student is on the direct certification list or the
 341 student's household income level does not exceed 260 ~~185~~ percent
 342 of the federal poverty level; or

343 2. The student is currently placed, or during the previous
 344 state fiscal year was placed, in foster care or in out-of-home
 345 care as defined in s. 39.01.

346 ~~3. The student's household income level is greater than~~
 347 ~~185 percent of the federal poverty level but does not exceed 260~~
 348 ~~percent of the federal poverty level.~~

349
 350 For purposes of continuity of educational choice, a student who

351 ~~initially~~ receives a scholarship under this section ~~based on~~
352 ~~eligibility under subparagraph (b)2.~~ remains eligible to
353 participate until the student enrolls in a Florida public
354 school, graduates from high school, or attains the age of 21
355 years, whichever occurs first. However, if a student enters a
356 Department of Juvenile Justice detention center for a period of
357 no more than 21 days, the student is not considered to have
358 returned to a Florida public school, regardless of the student's
359 ~~household income level. A student who initially received a~~
360 ~~scholarship based on income eligibility before the 2019-2020~~
361 ~~school year remains eligible to participate until he or she~~
362 ~~graduates from high school, attains the age of 21 years, or the~~
363 ~~student's household income level exceeds 260 percent of the~~
364 ~~federal poverty level, whichever occurs first.~~ A sibling of a
365 student who is participating in the scholarship program under
366 this subsection is eligible for a scholarship if the student
367 resides in the same household as the sibling.

368 (6) OBLIGATIONS OF ELIGIBLE NONPROFIT SCHOLARSHIP-FUNDING
369 ORGANIZATIONS.—An eligible nonprofit scholarship-funding
370 organization:

371 (a) Must comply with the antidiscrimination provisions of
372 42 U.S.C. s. 2000d.

373 (b) Must comply with the following background check
374 requirements:

375 1. All owners and operators as defined in subparagraph

376 (2)(i)1. are, before employment or engagement to provide
 377 services, subject to level 2 background screening as provided
 378 under chapter 435. The fingerprints for the background screening
 379 must be electronically submitted to the Department of Law
 380 Enforcement and can be taken by an authorized law enforcement
 381 agency or by an employee of the eligible nonprofit scholarship-
 382 funding organization or a private company who is trained to take
 383 fingerprints. However, the complete set of fingerprints of an
 384 owner or operator may not be taken by the owner or operator. The
 385 results of the state and national criminal history check shall
 386 be provided to the Department of Education for screening under
 387 chapter 435. The cost of the background screening may be borne
 388 by the eligible nonprofit scholarship-funding organization or
 389 the owner or operator.

390 2. Every 5 years following employment or engagement to
 391 provide services or association with an eligible nonprofit
 392 scholarship-funding organization, each owner or operator must
 393 meet level 2 screening standards as described in s. 435.04, at
 394 which time the nonprofit scholarship-funding organization shall
 395 request the Department of Law Enforcement to forward the
 396 fingerprints to the Federal Bureau of Investigation for level 2
 397 screening. If the fingerprints of an owner or operator are not
 398 retained by the Department of Law Enforcement under subparagraph
 399 3., the owner or operator must electronically file a complete
 400 set of fingerprints with the Department of Law Enforcement. Upon

401 submission of fingerprints for this purpose, the eligible
 402 nonprofit scholarship-funding organization shall request that
 403 the Department of Law Enforcement forward the fingerprints to
 404 the Federal Bureau of Investigation for level 2 screening, and
 405 the fingerprints shall be retained by the Department of Law
 406 Enforcement under subparagraph 3.

407 3. Fingerprints submitted to the Department of Law
 408 Enforcement as required by this paragraph must be retained by
 409 the Department of Law Enforcement in a manner approved by rule
 410 and entered in the statewide automated biometric identification
 411 system authorized by s. 943.05(2)(b). The fingerprints must
 412 thereafter be available for all purposes and uses authorized for
 413 arrest fingerprints entered in the statewide automated biometric
 414 identification system pursuant to s. 943.051.

415 4. The Department of Law Enforcement shall search all
 416 arrest fingerprints received under s. 943.051 against the
 417 fingerprints retained in the statewide automated biometric
 418 identification system under subparagraph 3. Any arrest record
 419 that is identified with an owner's or operator's fingerprints
 420 must be reported to the Department of Education. The Department
 421 of Education shall participate in this search process by paying
 422 an annual fee to the Department of Law Enforcement and by
 423 informing the Department of Law Enforcement of any change in the
 424 employment, engagement, or association status of the owners or
 425 operators whose fingerprints are retained under subparagraph 3.

426 The Department of Law Enforcement shall adopt a rule setting the
 427 amount of the annual fee to be imposed upon the Department of
 428 Education for performing these services and establishing the
 429 procedures for the retention of owner and operator fingerprints
 430 and the dissemination of search results. The fee may be borne by
 431 the owner or operator of the nonprofit scholarship-funding
 432 organization.

433 5. A nonprofit scholarship-funding organization whose
 434 owner or operator fails the level 2 background screening is not
 435 eligible to provide scholarships under this section.

436 6. A nonprofit scholarship-funding organization whose
 437 owner or operator in the last 7 years has filed for personal
 438 bankruptcy or corporate bankruptcy in a corporation of which he
 439 or she owned more than 20 percent shall not be eligible to
 440 provide scholarships under this section.

441 7. In addition to the offenses listed in s. 435.04, a
 442 person required to undergo background screening pursuant to this
 443 part or authorizing statutes must not have an arrest awaiting
 444 final disposition for, must not have been found guilty of, or
 445 entered a plea of nolo contendere to, regardless of
 446 adjudication, and must not have been adjudicated delinquent, and
 447 the record must not have been sealed or expunged for, any of the
 448 following offenses or any similar offense of another
 449 jurisdiction:

450 a. Any authorizing statutes, if the offense was a felony.

- 451 b. This chapter, if the offense was a felony.
- 452 c. Section 409.920, relating to Medicaid provider fraud.
- 453 d. Section 409.9201, relating to Medicaid fraud.
- 454 e. Section 741.28, relating to domestic violence.
- 455 f. Section 817.034, relating to fraudulent acts through
- 456 mail, wire, radio, electromagnetic, photoelectronic, or
- 457 photooptical systems.
- 458 g. Section 817.234, relating to false and fraudulent
- 459 insurance claims.
- 460 h. Section 817.505, relating to patient brokering.
- 461 i. Section 817.568, relating to criminal use of personal
- 462 identification information.
- 463 j. Section 817.60, relating to obtaining a credit card
- 464 through fraudulent means.
- 465 k. Section 817.61, relating to fraudulent use of credit
- 466 cards, if the offense was a felony.
- 467 l. Section 831.01, relating to forgery.
- 468 m. Section 831.02, relating to uttering forged
- 469 instruments.
- 470 n. Section 831.07, relating to forging bank bills, checks,
- 471 drafts, or promissory notes.
- 472 o. Section 831.09, relating to uttering forged bank bills,
- 473 checks, drafts, or promissory notes.
- 474 p. Section 831.30, relating to fraud in obtaining
- 475 medicinal drugs.

476 q. Section 831.31, relating to the sale, manufacture,
 477 delivery, or possession with the intent to sell, manufacture, or
 478 deliver any counterfeit controlled substance, if the offense was
 479 a felony.

480 (c) Must not have an owner or operator who owns or
 481 operates an eligible private school that is participating in the
 482 scholarship program.

483 (d) Must provide scholarships, from eligible
 484 contributions, to eligible students for the cost of:

- 485 1. Tuition and fees for an eligible private school; or
- 486 2. Transportation to a Florida public school in which a
 487 student is enrolled and that is different from the school to
 488 which the student was assigned or to a lab school as defined in
 489 s. 1002.32.

490 (e) Must give first priority to eligible students who
 491 received a scholarship from an eligible nonprofit scholarship-
 492 funding organization or from the State of Florida during the
 493 previous school year. ~~Beginning in the 2016-2017 school year, an~~
 494 ~~eligible nonprofit scholarship funding organization shall give~~
 495 ~~priority to~~ New applicants whose household income levels do not
 496 exceed 185 percent of the federal poverty level or who are in
 497 foster care or out-of-home care shall be given priority among
 498 new applicants.

499 (f) Must provide a scholarship to an eligible student on a
 500 first-come, first-served basis unless the student qualifies for

501 priority pursuant to paragraph (e).

502 (g) May not restrict or reserve scholarships for use at a
 503 particular private school or provide scholarships to a child of
 504 an owner or operator.

505 (h) Must allow a student in foster care or out-of-home
 506 care or a dependent child of a parent who is a member of the
 507 United States Armed Forces to apply for a scholarship at any
 508 time.

509 (i) Must allow an eligible student to attend any eligible
 510 private school and must allow a parent to transfer a scholarship
 511 during a school year to any other eligible private school of the
 512 parent's choice.

513 (j)1. May use eligible contributions received pursuant to
 514 this section and ss. 212.099, 212.1832, and 1002.40 during the
 515 state fiscal year in which such contributions are collected and
 516 the income earned from such contributions for administrative
 517 expenses if the organization has operated as an eligible
 518 nonprofit scholarship-funding organization for at least the
 519 preceding 3 fiscal years and did not have any findings of
 520 material weakness or material noncompliance in its most recent
 521 audit under paragraph (m). Administrative expenses from eligible
 522 contributions may not exceed 3 percent of the total amount of
 523 all scholarships awarded by an eligible nonprofit scholarship-
 524 funding organization under this chapter. Such administrative
 525 expenses must be reasonable and necessary for the organization's

526 management and distribution of scholarships awarded under this
 527 chapter. ~~No~~ Funds authorized under this subparagraph may not
 528 ~~shall~~ be used for lobbying or political activity or expenses
 529 related to lobbying or political activity. Up to one-third of
 530 the funds authorized for administrative expenses under this
 531 subparagraph may be used for expenses related to the recruitment
 532 of contributions from taxpayers. An eligible nonprofit
 533 scholarship-funding organization may not charge an application
 534 fee.

535 2. Must expend for annual or partial-year scholarships an
 536 amount equal to or greater than 75 percent of the net eligible
 537 contributions remaining after administrative expenses during the
 538 state fiscal year in which such contributions are collected. No
 539 more than 25 percent of such net eligible contributions may be
 540 carried forward to the following state fiscal year. All amounts
 541 carried forward, for audit purposes, must be specifically
 542 identified for particular students, by student name and the name
 543 of the school to which the student is admitted, subject to the
 544 requirements of ss. 1002.22 and 1002.221 and 20 U.S.C. s. 1232g,
 545 and the applicable rules and regulations issued pursuant
 546 thereto. Any amounts carried forward shall be expended for
 547 annual or partial-year scholarships in the following state
 548 fiscal year. No later than September 30 of each year, net
 549 eligible contributions remaining on June 30 of each year that
 550 are in excess of the 25 percent that may be carried forward

551 shall be used to provide scholarships to eligible students or
 552 transferred to other eligible nonprofit scholarship-funding
 553 organizations to provide scholarships for eligible students. All
 554 transferred funds must be deposited by each eligible nonprofit
 555 scholarship-funding organization receiving such funds into its
 556 scholarship account. All transferred amounts received by any
 557 eligible nonprofit scholarship-funding organization must be
 558 separately disclosed in the annual financial audit required
 559 under paragraph (m).

560 3. Must, before granting a scholarship for an academic
 561 year, document each scholarship student's eligibility for that
 562 academic year. A scholarship-funding organization may not grant
 563 multiyear scholarships in one approval process.

564
 565 ~~Information and documentation provided to the Department of~~
 566 ~~Education and the Auditor General relating to the identity of a~~
 567 ~~taxpayer that provides an eligible contribution under this~~
 568 ~~section shall remain confidential at all times in accordance~~
 569 ~~with s. 213.053.~~

570 (k) Must maintain separate accounts for scholarship funds
 571 and operating funds.

572 (l) With the prior approval of the Department of
 573 Education, may transfer funds to another eligible nonprofit
 574 scholarship-funding organization if additional funds are
 575 required to meet scholarship demand at the receiving nonprofit

576 scholarship-funding organization. A transfer is limited to the
 577 greater of \$500,000 or 20 percent of the total contributions
 578 received by the nonprofit scholarship-funding organization
 579 making the transfer. All transferred funds must be deposited by
 580 the receiving nonprofit scholarship-funding organization into
 581 its scholarship accounts. All transferred amounts received by
 582 any nonprofit scholarship-funding organization must be
 583 separately disclosed in the annual financial and compliance
 584 audit required in this section.

585 (m) Must provide to the Auditor General and the Department
 586 of Education a report on the results of an annual financial
 587 audit of its accounts and records conducted by an independent
 588 certified public accountant in accordance with auditing
 589 standards generally accepted in the United States, government
 590 auditing standards, and rules promulgated by the Auditor
 591 General. The audit report must include a report on financial
 592 statements presented in accordance with generally accepted
 593 accounting principles. Audit reports must be provided to the
 594 Auditor General and the Department of Education within 180 days
 595 after completion of the eligible nonprofit scholarship-funding
 596 organization's fiscal year. The Auditor General shall review all
 597 audit reports submitted pursuant to this paragraph. The Auditor
 598 General shall request any significant items that were omitted in
 599 violation of a rule adopted by the Auditor General. The items
 600 must be provided within 45 days after the date of the request.

601 If the scholarship-funding organization does not comply with the
 602 Auditor General's request, the Auditor General shall notify the
 603 Legislative Auditing Committee.

604 (n) Must prepare and submit quarterly reports to the
 605 Department of Education pursuant to paragraph (9)(i). In
 606 addition, an eligible nonprofit scholarship-funding organization
 607 must submit in a timely manner any information requested by the
 608 Department of Education relating to the scholarship program.

609 (o)1.a. Must participate in the joint development of
 610 agreed-upon procedures during the 2009-2010 state fiscal year.
 611 The agreed-upon procedures must uniformly apply to all private
 612 schools and must determine, at a minimum, whether the private
 613 school has been verified as eligible by the Department of
 614 Education under s. 1002.421; has an adequate accounting system,
 615 system of financial controls, and process for deposit and
 616 classification of scholarship funds; and has properly expended
 617 scholarship funds for education-related expenses. During the
 618 development of the procedures, the participating scholarship-
 619 funding organizations shall specify guidelines governing the
 620 materiality of exceptions that may be found during the
 621 accountant's performance of the procedures. The procedures and
 622 guidelines shall be provided to private schools and the
 623 Commissioner of Education by March 15, 2011.

624 b. Must participate in a joint review of the agreed-upon
 625 procedures and guidelines developed under sub-subparagraph a.,

626 | by February of each biennium, if the scholarship-funding
 627 | organization provided more than \$250,000 in scholarship funds to
 628 | an eligible private school under this chapter during the state
 629 | fiscal year preceding the biennial review. If the procedures and
 630 | guidelines are revised, the revisions must be provided to
 631 | private schools and the Commissioner of Education by March 15 of
 632 | the year in which the revisions were completed. The revised
 633 | agreed-upon procedures shall take effect the subsequent school
 634 | year. For the 2018-2019 school year only, the joint review of
 635 | the agreed-upon procedures must be completed and the revisions
 636 | submitted to the commissioner no later than September 15, 2018.
 637 | The revised procedures are applicable to the 2018-2019 school
 638 | year.

639 | c. Must monitor the compliance of a private school with s.
 640 | 1002.421(1)(q) if the scholarship-funding organization provided
 641 | the majority of the scholarship funding to the school. For each
 642 | private school subject to s. 1002.421(1)(q), the appropriate
 643 | scholarship-funding organization shall annually notify the
 644 | Commissioner of Education by October 30 of:

645 | (I) A private school's failure to submit a report required
 646 | under s. 1002.421(1)(q); or

647 | (II) Any material exceptions set forth in the report
 648 | required under s. 1002.421(1)(q).

649 | 2. Must seek input from the accrediting associations that
 650 | are members of the Florida Association of Academic Nonpublic

651 Schools and the Department of Education when jointly developing
652 the agreed-upon procedures and guidelines under sub-subparagraph
653 1.a. and conducting a review of those procedures and guidelines
654 under sub-subparagraph 1.b.

655 (p) Must maintain the surety bond or letter of credit
656 required by subsection (15). The amount of the surety bond or
657 letter of credit may be adjusted quarterly to equal the actual
658 amount of undisbursed funds based upon submission by the
659 organization of a statement from a certified public accountant
660 verifying the amount of undisbursed funds. The requirements of
661 this paragraph are waived if the cost of acquiring a surety bond
662 or letter of credit exceeds the average 10-year cost of
663 acquiring a surety bond or letter of credit by 200 percent. The
664 requirements of this paragraph are waived for a state
665 university; or an independent college or university which is
666 eligible to participate in the William L. Boyd, IV, Effective
667 Access to Student Education Grant Program, located and chartered
668 in this state, is not for profit, and is accredited by the
669 Commission on Colleges of the Southern Association of Colleges
670 and Schools.

671 (q) Must provide to the Auditor General any information or
672 documentation requested in connection with an operational audit
673 of a scholarship funding organization conducted pursuant to s.
674 11.45.

675

676 Information and documentation provided to the Department of
 677 Education and the Auditor General relating to the identity of a
 678 taxpayer that provides an eligible contribution under this
 679 section shall remain confidential at all times in accordance
 680 with s. 213.053.

681 Section 5. Paragraph (d) of subsection (8) of section
 682 1002.40, Florida Statutes, is amended to read:

683 1002.40 The Hope Scholarship Program.—

684 (8) DEPARTMENT OF EDUCATION OBLIGATIONS.—The department
 685 shall:

686 (d) Contract with an independent entity to provide an
 687 annual evaluation of the program by:

688 1. Reviewing the school bullying prevention education
 689 program, climate, and code of student conduct of each public
 690 school from which 10 or more students transferred to another
 691 public school or private school using the Hope scholarship in a
 692 single academic year to determine areas in the school or school
 693 district procedures involving reporting, investigating, and
 694 communicating a parent's and student's rights that are in need
 695 of improvement. At a minimum, the review must include:

696 a. An assessment of the investigation time and quality of
 697 the response of the school and the school district.

698 b. An assessment of the effectiveness of communication
 699 procedures with the students involved in an incident, the
 700 students' parents, and the school and school district personnel.

701 c. An analysis of school incident and discipline data.
 702 d. The challenges and obstacles relating to implementing
 703 recommendations from the review.

704 2. Reviewing the school bullying prevention education
 705 program, climate, and code of student conduct of each public
 706 school to which a student transferred if the student was from a
 707 school identified in subparagraph 1. in order to identify best
 708 practices and make recommendations to a public school at which
 709 the incidents occurred.

710 3. Reviewing the performance of participating students
 711 enrolled in a private school in which at least 51 percent of the
 712 total enrolled students in the prior school year participated in
 713 the program and in which there are at least 10 participating
 714 students who have scores for tests administered.

715 4. Surveying the parents of participating students to
 716 determine academic, safety, and school climate satisfaction and
 717 to identify any challenges to or obstacles in addressing the
 718 incident or relating to the use of the scholarship.

719 Section 6. This act shall take effect July 1, 2020.

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7067 (2020)

Amendment No. 1

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: Appropriations Committee
2 Representative Sullivan offered the following:

3
4 **Amendment**

5 Between lines 718 and 719, insert:

6
7 Section 4. Paragraphs (a), (b), and (d) of subsection (3),
8 subsection (7), and paragraph (e) of subsection (10) of section
9 1003.4282, Florida Statutes, are amended to read:

10 1003.4282 Requirements for a standard high school
11 diploma.-

12 (3) STANDARD HIGH SCHOOL DIPLOMA; COURSE AND ASSESSMENT
13 REQUIREMENTS.-

14 (a) Four credits in English Language Arts (ELA).-The four
15 credits must be in ELA I, II, III, and IV. A student must pass
16 the statewide, standardized grade 10 Reading assessment or, when

093537 - h7067-line718-Sullivan1.docx-line718-Sullivan1

Published On: 2/24/2020 7:02:10 PM

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7067 (2020)

Amendment No. 1

17 ~~implemented, the grade 10~~ ELA assessment, or earn a concordant
18 score, in order to earn a standard high school diploma.

19 (d) Three credits in social studies.—A student must earn
20 one credit in United States History; one credit in World
21 History; one-half credit in economics; and one-half credit in
22 United States Government. The United States History EOC
23 assessment constitutes 30 percent of the student's final course
24 grade. Beginning with the 2020-2021 school year, all students in
25 grade 12 shall take the assessment of civic literacy identified
26 by the State Board of Education under s. 1007.25(4). A student
27 who earns a passing score on the assessment is exempt from the
28 postsecondary civic literacy assessment required by s.
29 1007.25(4).

30 (10) STUDENTS WITH DISABILITIES.—Beginning with students
31 entering grade 9 in the 2014-2015 school year, this subsection
32 applies to a student with a disability.

33 (e) Any waiver of the statewide, standardized assessment
34 requirements by the individual education plan team, pursuant to
35 s. 1008.22(3)(d) ~~s. 1008.22(3)(e)~~, must be approved by the
36 parent and is subject to verification for appropriateness by an
37 independent reviewer selected by the parent as provided for in
38 s. 1003.572.

39

40 The State Board of Education shall adopt rules under ss.
41 120.536(1) and 120.54 to implement this subsection, including

093537 - h7067-line718-Sullivan1.docx-line718-Sullivan1

Published On: 2/24/2020 7:02:10 PM

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7067 (2020)

Amendment No. 1

42 rules that establish the minimum requirements for students
43 described in this subsection to earn a standard high school
44 diploma. The State Board of Education shall adopt emergency
45 rules pursuant to ss. 120.536(1) and 120.54.

46 Section 6. Effective upon this act becoming a law,
47 subsection (5) is added to section 1006.33, Florida Statutes, to
48 read:

49 1006.33 Bids or proposals; advertisement and its
50 contents.—

51 (5) Notwithstanding the requirements of this section and
52 rules adopted to implement this section, for the 2020 adoption
53 cycle, the department may establish timeframes for the
54 advertisement and submission of bids for instructional
55 materials.

56 Section 9. Paragraph (a) of subsection (1) and subsection
57 (2) of section 1008.212, Florida Statutes, are amended to read:

58 1008.212 Students with disabilities; extraordinary
59 exemption.—

60 (1) As used in this section, the term:

61 (a) "Circumstance" means a situation in which
62 accommodations allowable for use on the statewide standardized
63 assessment, a statewide standardized end-of-course assessment,
64 or an alternate assessment pursuant to s. 1008.22(3)(d) ~~s.~~
65 ~~1008.22(3)(e)~~ are not offered to a student during the current
66 year's assessment administration due to technological

093537 - h7067-line718-Sullivan1.docx-line718-Sullivan1

Published On: 2/24/2020 7:02:10 PM

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7067 (2020)

Amendment No. 1

67 limitations in the testing administration program which lead to
68 results that reflect the student's impaired sensory, manual, or
69 speaking skills rather than the student's achievement of the
70 benchmarks assessed by the statewide standardized assessment, a
71 statewide standardized end-of-course assessment, or an alternate
72 assessment.

73 (2) A student with a disability for whom the individual
74 education plan (IEP) team determines is prevented by a
75 circumstance or condition from physically demonstrating the
76 mastery of skills that have been acquired and are measured by
77 the statewide standardized assessment, a statewide standardized
78 end-of-course assessment, or an alternate assessment pursuant to
79 s. 1008.22(3)(d) ~~s. 1008.22(3)(e)~~ shall be granted an
80 extraordinary exemption from the administration of the
81 assessment. A learning, emotional, behavioral, or significant
82 cognitive disability, or the receipt of services through the
83 homebound or hospitalized program in accordance with rule 6A-
84 6.03020, Florida Administrative Code, is not, in and of itself,
85 an adequate criterion for the granting of an extraordinary
86 exemption.

87 Section 10. Paragraphs (a), (b), (c), (d), and (g) of
88 subsection (3), subsection (6), paragraphs (a), (b), (c), and
89 (h) of subsection (7), and subsections (8) and (9) of section
90 1008.22, Florida Statutes, are amended, a new paragraph (c) is

093537 - h7067-line718-Sullivan1.docx-line718-Sullivan1

Published On: 2/24/2020 7:02:10 PM

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7067 (2020)

Amendment No. 1

91 added to subsection (3), and paragraph (h) is added to
92 subsection (3) of that section, to read:

93 1008.22 Student assessment program for public schools.—

94 (3) STATEWIDE, STANDARDIZED ASSESSMENT PROGRAM.—The
95 Commissioner of Education shall design and implement a
96 statewide, standardized assessment program aligned to the core
97 curricular content established in the Next Generation Sunshine
98 State Standards. The commissioner also must develop or select
99 and implement a common battery of assessment tools that will be
100 used in all juvenile justice education programs in the state.
101 These tools must accurately measure the core curricular content
102 established in the Next Generation Sunshine State Standards.
103 Participation in the assessment program is mandatory for all
104 school districts and all students attending public schools,
105 including adult students seeking a standard high school diploma
106 under s. 1003.4282 and students in Department of Juvenile
107 Justice education programs, except as otherwise provided by law.
108 If a student does not participate in the assessment program, the
109 school district must notify the student's parent and provide the
110 parent with information regarding the implications of such
111 nonparticipation. The statewide, standardized assessment program
112 shall be designed and implemented as follows:

113 (a) Statewide, standardized comprehensive assessments.—The
114 statewide, standardized ~~Reading assessment shall be administered~~
115 ~~annually in grades 3 through 10.~~ The statewide, standardized

093537 - h7067-line718-Sullivan1.docx-line718-Sullivan1

Published On: 2/24/2020 7:02:10 PM

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7067 (2020)

Amendment No. 1

116 ~~Writing assessment shall be administered annually at least once~~
117 ~~at the elementary, middle, and high school levels. When the~~
118 ~~Reading and Writing assessments are replaced by English Language~~
119 ~~Arts (ELA) assessments, ELA assessments shall be administered to~~
120 ~~students in grades 3 through 8 and in grade 10. The grade 9 ELA~~
121 ~~assessment shall be last administered in the 2021-2022 school~~
122 ~~year. Retake opportunities for the grade 10 Reading assessment~~
123 ~~or, upon implementation, the grade 10 ELA assessment must be~~
124 ~~provided. Students taking the ELA assessments shall not take the~~
125 ~~statewide, standardized assessments in Reading or Writing.~~
126 Reading passages and writing prompts for ELA assessments shall
127 incorporate grade-level core curricula content from social
128 studies. The statewide, standardized Mathematics assessments
129 shall be administered annually in grades 3 through 8. ~~Students~~
130 ~~taking a revised Mathematics assessment shall not take the~~
131 ~~discontinued assessment.~~ The statewide, standardized Science
132 assessment shall be administered annually at least once at the
133 elementary and middle grades levels. In order to earn a standard
134 high school diploma, a student who has not earned a passing
135 score on the ~~grade 10 Reading assessment or, upon~~
136 ~~implementation, the grade 10 ELA assessment must earn a passing~~
137 ~~score on the assessment retake or earn a concordant score as~~
138 ~~authorized under subsection (9). Statewide, standardized ELA and~~
139 ~~mathematics assessments in grades 3 through 6 must be delivered~~
140 ~~in a paper-based format.~~

093537 - h7067-line718-Sullivan1.docx-line718-Sullivan1

Published On: 2/24/2020 7:02:10 PM

Amendment No. 1

141 (b) End-of-course (EOC) assessments.—EOC assessments must
142 be statewide, standardized, and developed or approved by the
143 Department of Education as follows:

144 1. EOC assessments for Algebra I, Geometry, Biology I,
145 United States History, and Civics shall be administered to
146 students enrolled in such courses as specified in the course
147 code directory. The Geometry EOC assessment shall be
148 administered to students enrolled in such courses as specified
149 in the course code directory until it is discontinued under
150 paragraph (h).

151 2. Students enrolled in a course, as specified in the
152 course code directory, with an associated statewide,
153 standardized EOC assessment must take the EOC assessment for
154 such course and may not take the corresponding subject or grade-
155 level statewide, standardized assessment pursuant to paragraph
156 (a). Sections 1003.4156 and 1003.4282 govern the use of
157 statewide, standardized EOC assessment results for students.

158 3. The commissioner may select one or more nationally
159 developed comprehensive examinations, which may include
160 examinations for a College Board Advanced Placement course,
161 International Baccalaureate course, or Advanced International
162 Certificate of Education course, or industry-approved
163 examinations to earn national industry certifications identified
164 in the CAPE Industry Certification Funding List, for use as EOC
165 assessments under this paragraph if the commissioner determines

093537 - h7067-line718-Sullivan1.docx-line718-Sullivan1

Published On: 2/24/2020 7:02:10 PM

Amendment No. 1

166 that the content knowledge and skills assessed by the
167 examinations meet or exceed the grade-level expectations for the
168 core curricular content established for the course in the Next
169 Generation Sunshine State Standards. Use of any such examination
170 as an EOC assessment must be approved by the state board in
171 rule.

172 4. Contingent upon funding provided in the General
173 Appropriations Act, including the appropriation of funds
174 received through federal grants, the commissioner may establish
175 an implementation schedule for the development and
176 administration of additional statewide, standardized EOC
177 assessments that must be approved by the state board in rule. If
178 approved by the state board, student performance on such
179 assessments constitutes 30 percent of a student's final course
180 grade.

181 5. All statewide, standardized EOC assessments must be
182 administered online except as otherwise provided in paragraph
183 (d) ~~(e)~~.

184 6. A student enrolled in an Advanced Placement (AP),
185 International Baccalaureate (IB), or Advanced International
186 Certificate of Education (AICE) course who takes the respective
187 AP, IB, or AICE assessment and earns the minimum score necessary
188 to earn college credit, as identified in s. 1007.27(2), meets
189 the requirements of this paragraph and does not have to take the
190 EOC assessment for the corresponding course.

093537 - h7067-line718-Sullivan1.docx-line718-Sullivan1

Published On: 2/24/2020 7:02:10 PM

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7067 (2020)

Amendment No. 1

191 (c) Nationally recognized high school assessments.-
192 Subject to legislative appropriation, each school district
193 shall, beginning with the 2021-2022 school year, select either
194 the SAT or ACT for districtwide administration to each public
195 school student in grade 11, including students attending public
196 high schools, alternative schools, and centers of the Department
197 of Juvenile Justice.

198 (d)(e) Students with disabilities; Florida Alternate
199 Assessment.-

200 1. Each district school board must provide instruction to
201 prepare students with disabilities in the core content knowledge
202 and skills necessary for successful grade-to-grade progression
203 and high school graduation.

204 2. A student with a disability, as defined in s. 1007.02,
205 for whom the individual education plan (IEP) team determines
206 that the statewide, standardized assessments under this section
207 cannot accurately measure the student's abilities, taking into
208 consideration all allowable accommodations, shall have
209 assessment results waived for the purpose of receiving a course
210 grade and a standard high school diploma. Such waiver shall be
211 designated on the student's transcript. The statement of waiver
212 shall be limited to a statement that performance on an
213 assessment was waived for the purpose of receiving a course
214 grade or a standard high school diploma, as applicable.

093537 - h7067-line718-Sullivan1.docx-line718-Sullivan1

Published On: 2/24/2020 7:02:10 PM

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7067 (2020)

Amendment No. 1

215 3. The State Board of Education shall adopt rules, based
216 upon recommendations of the commissioner, for the provision of
217 assessment accommodations for students with disabilities and for
218 students who have limited English proficiency.

219 a. Accommodations that negate the validity of a statewide,
220 standardized assessment are not allowed during the
221 administration of the assessment. However, instructional
222 accommodations are allowed in the classroom if identified in a
223 student's IEP. Students using instructional accommodations in
224 the classroom that are not allowed on a statewide, standardized
225 assessment may have assessment results waived if the IEP team
226 determines that the assessment cannot accurately measure the
227 student's abilities.

228 b. If a student is provided with instructional
229 accommodations in the classroom that are not allowed as
230 accommodations for statewide, standardized assessments, the
231 district must inform the parent in writing and provide the
232 parent with information regarding the impact on the student's
233 ability to meet expected performance levels. A parent must
234 provide signed consent for a student to receive classroom
235 instructional accommodations that would not be available or
236 permitted on a statewide, standardized assessment and
237 acknowledge in writing that he or she understands the
238 implications of such instructional accommodations.

093537 - h7067-line718-Sullivan1.docx-line718-Sullivan1

Published On: 2/24/2020 7:02:10 PM

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7067 (2020)

Amendment No. 1

239 c. If a student's IEP states that online administration of
240 a statewide, standardized assessment will significantly impair
241 the student's ability to perform, the assessment shall be
242 administered in hard copy.

243 4. For students with significant cognitive disabilities,
244 the Department of Education shall provide for implementation of
245 the Florida Alternate Assessment to accurately measure the core
246 curricular content established in the Next Generation Sunshine
247 State Standards.

248 ~~(d) Implementation schedule.—~~

249 ~~1. The Commissioner of Education shall establish and~~
250 ~~publish on the department's website an implementation schedule~~
251 ~~to transition from the statewide, standardized Reading and~~
252 ~~Writing assessments to the ELA assessments and to the revised~~
253 ~~Mathematics assessments, including the Algebra I and Geometry~~
254 ~~EOC assessments. The schedule must take into consideration~~
255 ~~funding, sufficient field and baseline data, access to~~
256 ~~assessments, instructional alignment, and school district~~
257 ~~readiness to administer the assessments online. All such~~
258 ~~assessments must be delivered through computer-based testing,~~
259 ~~however, the following assessments must be delivered in a~~
260 ~~computer-based format, as follows: the grade 3 Mathematics~~
261 ~~assessment beginning in the 2016-2017 school year; the grade 4~~
262 ~~ELA assessment, beginning in the 2015-2016 school year; and the~~
263 ~~grade 4 Mathematics assessment, beginning in the 2016-2017~~

093537 - h7067-line718-Sullivan1.docx-line718-Sullivan1

Published On: 2/24/2020 7:02:10 PM

Amendment No. 1

264 ~~school year. Notwithstanding the requirements of this~~
265 ~~subparagraph, statewide, standardized ELA and mathematics~~
266 ~~assessments in grades 3 through 6 must be delivered only in a~~
267 ~~paper-based format, beginning with the 2017-2018 school year,~~
268 ~~and all such assessments must be paper-based no later than the~~
269 ~~2018-2019 school year.~~

270 ~~2. The Department of Education shall publish minimum and~~
271 ~~recommended technology requirements that include specifications~~
272 ~~for hardware, software, networking, security, and broadband~~
273 ~~capacity to facilitate school district compliance with the~~
274 ~~requirements of this section.~~

275 (g) Contracts for assessments.-

276 ~~1.~~ The commissioner shall provide for the assessments to
277 be developed or obtained, as appropriate, through contracts and
278 project agreements with private vendors, public vendors, public
279 agencies, postsecondary educational institutions, or school
280 districts. The commissioner may enter into contracts for the
281 continued administration of the assessments authorized and
282 funded by the Legislature. Contracts may be initiated in 1
283 fiscal year and continue into the next fiscal year and may be
284 paid from the appropriations of either or both fiscal years. The
285 commissioner may negotiate for the sale or lease of tests,
286 scoring protocols, test scoring services, and related materials
287 developed pursuant to law.

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7067 (2020)

Amendment No. 1

288 ~~2. A student's performance results on statewide,~~
289 ~~standardized assessments, EOC assessments, and Florida~~
290 ~~Alternative Assessments administered pursuant to this subsection~~
291 ~~must be provided to the student's teachers and parents by the~~
292 ~~end of the school year, unless the commissioner determines that~~
293 ~~extenuating circumstances exist and reports the extenuating~~
294 ~~circumstances to the State Board of Education. This subparagraph~~
295 ~~does not apply to existing contracts for such assessments, but~~
296 ~~shall apply to new contracts and any renewal of existing~~
297 ~~contracts for such assessments.~~

298 ~~3. If liquidated damages are applicable, the department~~
299 ~~shall collect liquidated damages that are due in response to the~~
300 ~~administration of the spring 2015 computer-based assessments of~~
301 ~~the department's Florida Standards Assessment contract with~~
302 ~~American Institutes for Research, and expend the funds to~~
303 ~~reimburse parties that incurred damages.~~

304 (h) Assessment flexibility.—The Department of Education
305 shall seek approval from the United States Department of
306 Education to use the nationally recognized high school
307 assessments administered under paragraph (c) as the state's high
308 school assessment in mathematics under federal law. If the
309 department receives approval, the commissioner may discontinue
310 the geometry end-of-course examination.

311 (7) ASSESSMENT SCHEDULES AND REPORTING OF RESULTS.—

Amendment No. 1

312 (c) ~~Beginning with the 2018-2019 school year,~~ The spring
313 administration of the statewide, standardized assessments in
314 paragraphs (3)(a) and (b), excluding assessment retakes, must be
315 in accordance with the following schedule:

316 1. The grade 3 statewide, standardized ELA assessment and
317 the writing portion of the statewide, standardized ELA
318 assessment ~~for grades 4 through 10~~ must be administered no
319 earlier than April 1 each year within an assessment window not
320 to exceed 2 weeks.

321 2. With the exception of assessments identified in
322 subparagraph 1., any statewide, standardized assessment that is
323 delivered in a paper-based format must be administered no
324 earlier than May 1 each year within an assessment window not to
325 exceed 2 weeks.

326 3. With the exception of assessments identified in
327 subparagraphs 1. and 2., any statewide, standardized assessment
328 must be administered within a 4-week assessment window that
329 opens no earlier than May 1 each year.

330

331 ~~Each school district shall administer the assessments identified~~
332 ~~under subparagraphs 2. and 3. no earlier than 4 weeks before the~~
333 ~~last day of school for the district.~~

334 Section 11. Pathways in Technology Early College High
335 School (P-TECH) program.-

Amendment No. 1

336 (1) By December 1, 2020, the Commissioner of Education
337 shall submit to the Governor, the President of the Senate, the
338 Speaker of the House of Representatives, the Board of Governors,
339 and the State Board of Education a report with recommendations
340 that address the feasibility of implementing the Pathways in
341 Technology Early College High School (P-TECH) program, or a
342 similar program, in Florida. The P-TECH program must:

343 (a) Incorporate secondary and postsecondary education with
344 workforce education and work experience through a flexible 6-
345 year integrated model.

346 (b) Allow students to earn a high school diploma, an
347 associate degree, and applicable industry certifications and
348 gain work experience within 6 years after enrolling in the 9th
349 grade.

350 (c) Have an open enrollment policy that encourages a
351 diverse student body, including students from low-income
352 families and first-generation college students.

353 (d) Support student success through flexible class
354 scheduling, advising and mentoring components, and other wrap-
355 around services.

356 (e) Provide seamless articulation with Florida's
357 postsecondary institutions.

358 (2) The report must, at a minimum, include the following:

359 (a) Timelines for implementing a P-TECH program, or a
360 similar program, as described in subsection (1), including

093537 - h7067-line718-Sullivan1.docx-line718-Sullivan1

Published On: 2/24/2020 7:02:10 PM

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7067 (2020)

Amendment No. 1

361 courses of study which support program completion in 4 to 6
362 years and which meet regional workforce demand.

363 (b) A funding model that provides the P-TECH program, or a
364 similar program, at no cost to students. The funding model may
365 incorporate K-12, postsecondary, and workforce funding, grants,
366 scholarships, and other funding options.

367 (c) Partnerships with industries and businesses, which
368 include private investment, work-based training, internships,
369 and priority placement for job opportunities upon graduation.

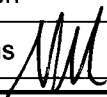

370 (d) Recommendations for modifications, if any, to the
371 school and school district accountability requirements of s.
372 1008.34, Florida Statutes.

373 (3) This section shall take effect upon this act becoming
374 a law and shall expire on December 1, 2020.

375

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7069 PCB SAC 20-03 Local Government Reporting
SPONSOR(S): State Affairs Committee, Ingoglia
TIED BILLS: **IDEN./SIM. BILLS:** SB 1512

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: State Affairs Committee	19 Y, 3 N	Darden	Williamson
1) Appropriations Committee		Mullins 	Pridgeon 

SUMMARY ANALYSIS

Each county and municipal budget officer is required, by October 15 of each year, to submit to the Office of Economic and Demographic Research (EDR), in a format and on forms prescribed by EDR, specified information regarding the final budget and the economic status of the local government.

Beginning January 15, 2021 (and each January 15 thereafter), the bill requires the Department of Financial Services (DFS) to generate and distribute a local government report depicting the fiscal and economic status of each county and municipality in the state and providing a comparative ranking with all other counties and municipalities. The local government report must be mailed to each household containing a registered voter and must be specific to the household’s county (and municipality, if applicable). The report must assist the household in making direct comparisons of fiscal and economic metrics, fit on a single page, use colorful graphics, and provide the information in an easy-to-understand format. The report must include:

- Government spending per resident, including the rate for the five preceding fiscal years, for the county or municipality;
- Government debt per resident, including the rate for the five preceding fiscal years, for the county or municipality;
- Average county or municipal employee salary;
- Median income in the county or municipality;
- Average school grade for the county or municipality; and
- Crime rate for the county.

The bill also requires DFS to establish an interactive website, by January 15, 2021, that allows residents to compare certain information about counties and municipalities. In addition to the contents of the local government report, the website must provide the:

- Population of the county or municipality;
- Unemployment rate for the county or municipality;
- Percent of budget spent on salaries and benefits for county or municipal employees;
- Government revenue per resident for the county or municipality; and
- Number of special taxing districts located wholly or partially within the county or municipality.

The bill repeals the requirement that county and municipal budget officers report specified information regarding its final budget and the economic status of the local government to EDR. Instead, the bill requires counties and municipalities to submit to DFS, in a manner and format established by department rule, information necessary for the preparation of the local government report and interactive website. This information must be reported by October 15 of each year, beginning in 2020.

The bill has a significant fiscal impact on DFS. The bill may have an indeterminate, likely insignificant fiscal impact on local governments. See fiscal discussion.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Department of Financial Services

The Department of Financial Services (DFS) was formed, effective January 2003, by the merger of the Department of Insurance, Treasury, State Fire Marshal, and the Department of Banking and Finance.¹ The Chief Financial Officer (CFO) is the head of the department.²

Section 20.121, F.S., establishes the following 13 divisions (and one independent office) within DFS:

- Accounting and Auditing;
- Consumer Services;
- Funeral, Cemetery, and Consumer Services;
- Insurance Agent and Agency Services;
- Investigative and Forensic Services;³
- Public Assistance Fraud;
- Rehabilitation and Liquidation;
- Risk Management;
- State Fire Marshal;
- Treasury;⁴
- Unclaimed Property;
- Workers' Compensation;
- Administration; and
- Office of the Insurance Consumer Advocate.

DFS is also the parent agency for the Financial Services Commission, which consists of the Governor, Attorney General, CFO, and Commissioner of Agriculture.⁵ The Financial Services Commission has two subunits, the Office of Insurance Regulation and the Office of Financial Regulation.⁶ Both subunits are managed by directors selected by the commission and must have at least five years of relevant experience in the previous 10 years.⁷

Local Government Reporting

Financial Reports

Currently, local government entities that are required to provide an audit under s. 218.39, F.S., must submit an audit report and annual financial report to DFS within 45 days of completion of the audit report, but no later than nine months after the end of the fiscal year.⁸ Local government entities that are

¹ See ch. 2002-404, Laws of Fla. (creating DFS and providing for reorganization of existing agencies).

² S. 20.121(1), F.S.

³ The Division of Investigative and Forensic Services is considered a criminal justice agency for purposes of ss. 943.045-943.08, F.S., and may conduct investigations within and outside of the state. The division includes the Bureau of Forensic Services; Bureau of Fire, Arson, and Explosives Investigations; Office of Fiscal Integrity; Bureau of Insurance Fraud; and Bureau of Workers' Compensation Fraud.

⁴ The Division of Treasury includes the Bureau of Deferred Compensation, which is responsible for administering the Government Employees Deferred Compensation Plan established under s. 112.215, F.S., for state employees.

⁵ S. 20.121(3), F.S.

⁶ S. 20.121(3)(a), F.S.

⁷ S. 20.121(3)(d), F.S.

⁸ S. 218.32(1)(d), F.S. A "local government entity" includes any county, municipality, or special district. S. 218.31(1), F.S.

not required to submit an audit must submit an annual financial report to DFS no later than nine months after the end of the fiscal year.⁹ The annual financial report must be signed by the chair of the local governing body and the chief financial officer for the entity.¹⁰ The local government's website must contain a link to the DFS website where an interested person may view the entity's annual financial report.¹¹

Budget and Economic Reports

Each county and municipal budget officer is required, by October 15 of each year, to submit to the Office of Economic and Demographic Research (EDR),¹² in a format and on forms prescribed by EDR, specified information regarding the final budget and the economic status of the local government.¹³ Specifically, each county and each municipality must submit:

- Government spending per resident, including the rate for the five preceding fiscal years;
- Government debt per resident, including the rate for the five preceding fiscal years;
- Median income within the county or municipality;
- Average county or municipal employee salary;
- Percent of the entity's budget spent on salaries and benefits for the entity's employees; and
- Number of special taxing districts located wholly or partially within the county or municipality.

Effect of Proposed Changes

Beginning January 15, 2021, and each January 15 thereafter, the bill requires DFS, to generate and distribute a local government report depicting the fiscal and economic status of each county and municipality in the state and providing a comparative ranking with all other counties and municipalities. The local government report must be mailed to each household containing a registered voter and must be specific to the household's county (and municipality, if applicable). Such report must assist the household in making direct comparisons of fiscal and economic metrics, fit on a single page and use colorful graphics, and provide the required information in an easy-to-understand format. The local government report must include:

- Government spending per resident and debt per resident, including the rate for the five preceding fiscal years, for the county or municipality;
- Average county or municipal employee salary;
- Median income in the county or municipality;
- Average school grade for the county or municipality; and
- Crime rate for the county.

By January 15, 2021, the bill requires DFS to establish an interactive website that allows residents to compare the information about each county and municipality. In addition to the information contained in the local government report, the website must provide the:

- Population of each county or municipality;
- Unemployment rate for each county or municipality;
- Percent of budget spent on salaries and benefits for county or municipal employees, as applicable, and the rank for the county or municipality compared to all counties and municipalities;
- Number of special taxing districts located wholly or partially within each county or municipality; and

⁹ S. 218.32(1)(e), F.S.

¹⁰ S. 218.32(1)(a), F.S.

¹¹ S. 218.32(1)(g), F.S.

¹² The Office of Economic and Demographic Research is an entity established by Joint Rule 3.1 of the Legislature to provide research support services, principally regarding forecasting economic and social trends that affect policymaking, revenues, and appropriations. EDR maintains a compilation of annual reports and data regarding local governments, which can be found at <http://edr.state.fl.us/Content/local-government/index.cfm#reporting> (last visited Jan. 22, 2020).

¹³ Ss. 129.03(3)(d) and 166.241(4), F.S.

- Government revenue per resident for each county or municipality, as applicable, and the rank of the county or municipality as compared to all counties and municipalities.

The bill authorizes DFS to choose one or more contractors to design and distribute the local government report to residents and to create the interactive website; however, DFS must select contractors through an open request for proposal process pursuant to ch. 287, F.S.

The bill repeals the requirement that county and municipal budget officers report specified information regarding its final budget and the economic status of the local government to EDR. Instead, the bill requires counties and municipalities to submit to DFS, in a manner and format established by department rule, information necessary for the preparation of the local government report and interactive website. This information must be reported by October 15, 2020, and each October 15 thereafter.

B. SECTION DIRECTORY:

- Section 1: Amends s. 129.03, F.S., relating to the preparation and adoption of county budgets.
- Section 2: Amends s. 166.241, F.S., relating to municipal fiscal years, budgets, and budget amendments.
- Section 3: Creates s. 218.323, F.S., relating to county and municipal fiscal and economic information and reporting requirements.
- Section 4 Provides the bill takes effect upon becoming a law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The bill has a significant fiscal impact on DFS expenditures and staff time. The bill requires DFS, by January 15, 2021, to establish an interactive website that allows residents to compare information about counties and municipalities. The bill also requires DFS, starting January 15, 2021, and each January 15 thereafter, to generate and mail a local government report to all households in the state containing a registered voter.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

The bill requires each county and municipality to submit electronically certain information regarding its fiscal and economic status to DFS and repeals a requirement that each county and municipality electronically submit certain information regarding its final budget and economic status to EDR. The submission of this information may have an indeterminate, likely insignificant fiscal impact on the expenditures and staff time of local governments; however, the information submitted to DFS is largely the same information as is currently submitted to EDR. As such, the fiscal impact of this bill should be minimal.

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 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 state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill requires DFS to establish by rule the method and format for counties and municipalities to submit electronically certain information regarding their fiscal and economic status as required by the bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

1 A bill to be entitled
 2 An act relating to local government reporting;
 3 amending ss. 129.03 and 166.241, F.S.; deleting an
 4 annual requirement for county budget officers and
 5 municipal budget officers, respectively, to report
 6 specified budget information to the Office of Economic
 7 and Demographic Research; creating s. 218.323, F.S.;
 8 providing legislative intent; requiring each county
 9 and municipality to annually report specified fiscal
 10 and economic information to the Department of
 11 Financial Services; requiring the department to adopt
 12 rules; requiring the department to establish a certain
 13 website by a specified date; requiring the department
 14 to annually generate and distribute to residents a
 15 specified local government report; specifying
 16 requirements for preparing and distributing the
 17 report; specifying required information in the report;
 18 specifying required information on the department's
 19 website; authorizing the department to select
 20 contractors for certain purposes; providing a
 21 procurement requirement; providing an effective date.

22
 23 Be It Enacted by the Legislature of the State of Florida:

24
 25 Section 1. Paragraph (d) of subsection (3) of section

26 | 129.03, Florida Statutes, is amended to read:

27 | 129.03 Preparation and adoption of budget.—

28 | (3) The county budget officer, after tentatively
 29 | ascertaining the proposed fiscal policies of the board for the
 30 | next fiscal year, shall prepare and present to the board a
 31 | tentative budget for the next fiscal year for each of the funds
 32 | provided in this chapter, including all estimated receipts,
 33 | taxes to be levied, and balances expected to be brought forward
 34 | and all estimated expenditures, reserves, and balances to be
 35 | carried over at the end of the year.

36 | ~~(d) By October 15, 2019, and each October 15 annually~~
 37 | ~~thereafter, the county budget officer shall electronically~~
 38 | ~~submit the following information regarding the final budget and~~
 39 | ~~the county's economic status to the Office of Economic and~~
 40 | ~~Demographic Research in the format specified by the office.~~

41 | ~~1. Government spending per resident, including, at a~~
 42 | ~~minimum, the spending per resident for the previous 5 fiscal~~
 43 | ~~years.~~

44 | ~~2. Government debt per resident, including, at a minimum,~~
 45 | ~~the debt per resident for the previous 5 fiscal years.~~

46 | ~~3. Median income within the county.~~

47 | ~~4. The average county employee salary.~~

48 | ~~5. Percent of budget spent on salaries and benefits for~~
 49 | ~~county employees.~~

50 | ~~6. Number of special taxing districts, wholly or~~

51 ~~partially, within the county.~~

52 Section 2. Subsection (5) of section 166.241, Florida
 53 Statutes is renumbered as subsection (4), present subsections
 54 (4) and (6) of that section are amended to read:

55 166.241 Fiscal years, budgets, and budget amendments.—

56 ~~(4) Beginning October 15, 2019, and each October 15~~
 57 ~~thereafter, the municipal budget officer shall electronically~~
 58 ~~submit the following information regarding the final budget and~~
 59 ~~the municipality's economic status to the Office of Economic and~~
 60 ~~Demographic Research in the format specified by the office:~~

61 ~~(a) Government spending per resident, including, at a~~
 62 ~~minimum, the spending per resident for the previous 5 fiscal~~
 63 ~~years.~~

64 ~~(b) Government debt per resident, including, at a minimum,~~
 65 ~~the debt per resident for the previous 5 fiscal years.~~

66 ~~(c) Average municipal employee salary.~~

67 ~~(d) Median income within the municipality.~~

68 ~~(e) Number of special taxing districts wholly or partially~~
 69 ~~within the municipality.~~

70 ~~(f) Percent of budget spent on salaries and benefits for~~
 71 ~~municipal employees.~~

72 (5)(6) If the governing body of a municipality amends the
 73 budget pursuant to paragraph (4)(c) ~~(5)(e)~~, the adopted
 74 amendment must be posted on the official website of the
 75 municipality within 5 days after adoption and must remain on the

76 | website for at least 2 years. If the municipality does not
 77 | operate an official website, the municipality must, within a
 78 | reasonable period of time as established by the county or
 79 | counties in which the municipality is located, transmit the
 80 | adopted amendment to the manager or administrator of such county
 81 | or counties who shall post the adopted amendment on the county's
 82 | website.

83 | Section 3. Section 218.323, Florida Statutes, is created
 84 | to read:

85 | 218.323 County and municipal fiscal and economic
 86 | information; reporting requirement.-

87 | (1) The Legislature intends to create an interactive
 88 | repository for county and municipal financial information and to
 89 | distribute a report that enables residents to compare the fiscal
 90 | and economic status of counties and municipalities.

91 | (2) By October 15, 2020, and each October 15 thereafter,
 92 | each county and each municipality shall electronically submit to
 93 | the department, in the method and format established by
 94 | department rule, the information necessary to facilitate the
 95 | preparation of the local government report and interactive
 96 | website created pursuant to subsection (3).

97 | (3) (a) By January 15, 2021, the department must establish
 98 | an interactive website that allows residents to compare certain
 99 | information about counties and municipalities. By January 15,
 100 | 2021, and each January 15 thereafter, the department must

101 generate and distribute a local government report depicting the
102 fiscal and economic status of each county and municipality and
103 providing a comparative ranking with all other counties and
104 municipalities.

105 (b) The local government report must be mailed to each
106 household with a registered voter at the address. The local
107 government report must be specific to the household's
108 municipality and county. Each household not residing within a
109 municipality must receive a local government report specific to
110 the household's county. The local government report must assist
111 the household in making direct comparisons of fiscal and
112 economic metrics, must be a single page and use colorful
113 graphics, and must provide the following information in an easy
114 to understand format:

115 1. The government spending per resident, including the
116 per-resident spending for the past 5 fiscal years. The local
117 government report must depict total per-resident spending for
118 the county or municipality, as applicable, and the rank for the
119 county or municipality compared to all counties or
120 municipalities, as applicable.

121 2. The government debt per resident, including the per-
122 resident debt for the previous 5 fiscal years. The local
123 government report must depict the total debt for the county or
124 municipality, as applicable, and the rank for the county or
125 municipality compared to all counties or municipalities, as

126 applicable.

127 3. The average county or municipal employee salary, as
 128 applicable.

129 4. The median income. The local government report must
 130 depict the median income for the county or municipality, as
 131 applicable, and the rank for the county or municipality compared
 132 to all counties or municipalities, as applicable.

133 5. The average school grade for the county or
 134 municipality, as applicable.

135 6. The crime rate for the county. The local government
 136 report must depict the crime rate for the county and the rank
 137 for the county compared to all counties.

138 (c) In addition to the information included in the local
 139 government report required under paragraph (b), the interactive
 140 website must, at a minimum, include the following information:

141 1. The population of the county or municipality, as
 142 applicable.

143 2. The unemployment rate for the county or municipality,
 144 as applicable.

145 3. The percent of budget spent on salaries and benefits
 146 for county or municipal employees, as applicable. The website
 147 must depict the percent of budget spent on salaries and benefits
 148 for the county or municipality, as applicable, and the rank for
 149 the county or municipality compared to all counties or
 150 municipalities, as applicable.

151 4. The number of special taxing districts, wholly or
 152 partially, within the county or municipality, as applicable.

153 5. The government revenue per resident for the county or
 154 municipality, as applicable. The website must depict government
 155 revenue per resident for the county or municipality, as
 156 applicable, and the rank for the county or municipality compared
 157 to all counties or municipalities, as applicable.

158 (4) The department may choose one or more contractors to
 159 design and distribute the local government report to enable
 160 residents to compare the fiscal and economic status data
 161 reported by each county and municipality, and to create the
 162 interactive website. The department must select contractors
 163 through an open request for proposal process pursuant to chapter
 164 287.

165 Section 4. This act shall take effect upon becoming a law.

Amendment No. 1

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: Appropriations Committee
2 Representative Ingoglia offered the following:

3
4 **Amendment (with title amendment)**

5 Remove lines 83-165 and insert:

6 Section 3. Section 218.323, Florida Statutes, is created
7 to read:

8 218.323 County and municipal fiscal and economic
9 information; reporting requirement.-

10 (1) The Legislature intends to create an interactive
11 repository for county and municipal financial information and to
12 distribute a report card that enables residents to compare
13 community conditions and government performance metrics of
14 counties and municipalities.

15 (2) The report card shall present earned grades of A-D
16 based on the comparison of data submitted pursuant to this

Amendment No. 1

17 paragraph. A grade of F shall be awarded to any county or
18 municipality that fails to comply with subsection (4). The
19 report card must depict the value of the metrics used to
20 calculate the grade. The report card must also depict the
21 ranking of each county or municipality, as applicable, as
22 compared to other counties or municipalities, as applicable.

23 (3) (a) By January 15, 2021, the department must establish
24 an interactive website that allows residents to compare certain
25 information about counties and municipalities. By January 15,
26 2021, and each January 15 thereafter, the department must
27 generate and distribute a local government report card depicting
28 community conditions and government performance metrics of each
29 county and municipality and providing a comparative grading and
30 ranking with all other counties and municipalities. The grading
31 system and ranking may be separately applied to groups of
32 counties and municipalities based on population size.

33 (b) The local government report card must be mailed to
34 each household with a registered voter at the address. The local
35 government report card must be specific to the household's
36 municipality and county. Each household not residing within a
37 municipality must receive a local government report card
38 specific to the household's county. The local government report
39 card must use colorful graphics to facilitate direct comparisons
40 of community conditions and government performance metrics, must
41 be no more than the front and back of a single page and must

Amendment No. 1

42 provide the following information in an easy to understand
43 format:

44 1. The government spending grade. This grade is the
45 combined score of the annual average spending per resident for
46 the past 5 fiscal years and the total dollar increase in
47 spending over that same period for the county or municipality,
48 as applicable.

49 2. The government debt grade. This grade is the combined
50 score of the annual average per resident debt for the previous 5
51 fiscal years and the total dollar increase in debt over that
52 same period for the county or municipality, as applicable.

53 3. The cost of government grade. This grade is the
54 combined score of the number of government employee full time
55 equivalent positions per 100,000 residents, the average public
56 employee salary, and the percent of government spending on
57 salaries and benefits for each county or municipality, as
58 applicable.

59 4. The public safety grade. This grade is the combined
60 score of the violent crime rate, the property crime rate, and
61 the total crime clearance rate for each county or municipality,
62 as applicable.

63 5. The education grade. This grade is the combined score
64 of the average school grade and the graduation rate for schools
65 within the county or municipality, as applicable.

Amendment No. 1

66 (c) In addition to the information included in the local
67 government report card required under paragraph (b), the
68 interactive website must, at a minimum, include the following
69 information:

- 70 1. The population of each county or municipality.
71 2. The unemployment rate for each county or municipality.
72 3. The percent of the population by educational attainment
73 within each county or municipality.
74 4. The number of special taxing districts, wholly or
75 partially, within each county or municipality.
76 5. The government revenue per resident for each county or
77 municipality.

78 (4) By October 15, 2020, and each October 15 thereafter,
79 each county and each municipality shall electronically submit to
80 the department, in the method and format established by
81 department rule, information necessary to facilitate the
82 preparation of the local government report card and interactive
83 website specific to the metrics described in
84 subparagraphs (3) (b) 1. through 3. and (3) (c) 4. and 5.

85 (5) The department may choose one or more contractors to
86 design and distribute the local government report card to enable
87 residents to compare the fiscal and economic status data
88 reported by each county and municipality, and to create the
89 interactive website. The department must select contractors

Amendment No. 1

90 through an open request for proposal process pursuant to chapter
91 287.

92 Section 4. For the 2020-2021 fiscal year, the recurring
93 sum of \$3 million is appropriated from the General Revenue Fund
94 to the Department of Financial Services to implement this act.

95 Section 5. This act shall take effect upon becoming a law.

96
97 -----

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

99 Remove lines 7-21 and insert:

100 and Demographic Research; creating s. 218.323, F.S.; providing
101 legislative intent; requiring a specified comparison of data;
102 requiring the department to establish a certain website by a
103 specified date; requiring the department to annually generate
104 and distribute to residents a specified local government report
105 card; specifying requirements for preparing and distributing the
106 report card; specifying information required to be included in
107 the report; specifying information required to be included on
108 the department's website; requiring each county and municipality
109 to annually report specified information relating to government
110 performance metrics to the Department of Financial Services;
111 requiring the department to adopt rules; authorizing the
112 department to select contractors for certain purposes; providing
113 a procurement requirement; providing an appropriation; providing
114 an effective date.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCS for HB 7087 Higher Education
SPONSOR(S): Appropriations Committee
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Appropriations Committee		Peters <i>JP</i>	Pridgeon <i>JP</i>

SUMMARY ANALYSIS

Beginning July 1, 2020, the bill requires the University of Florida (UF) and Florida Polytechnic University (FPU) boards of trustees (BOTs) to submit an application for merger with the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC). Upon approval of the merger, specified items must be transferred to UF, including the Florida Industrial and Phosphate Research Institute. FPU is required to transfer related foundation funds to the UF Foundation after obtaining donor consent.

The bill requires the University of Florida (UF) and New College of Florida (NCF) BOTs to submit an application for merger with SACSCOC. Upon approval of the merger, specified items must be transferred to UF.

The bill requires tuition and fees at FPU and NCF to remain in place for current undergraduate and graduate students until they graduate.

The bill removes the statutory reference to an additional award amount of \$300 each fall and spring semester that a Florida Academic Scholar is eligible to receive for textbooks, and provides that an additional stipend will be given as funds are specifically appropriated in the General Appropriations Act.

The bill revises the Florida Medallion Scholars (FMS) award effective for students initially eligible in the fall 2021 semester, to provide for the following:

- A FMS student who is enrolled in an associate degree program at a Florida College System (FCS) institution is eligible for an award equal to 100 percent of tuition and applicable fees.
- A FMS student who earns an associate degree at an FCS institution with a 3.5 cumulative grade point average or higher is eligible for an award equal to 100 percent of tuition and applicable fees upon enrolling in a baccalaureate degree program at an eligible Florida postsecondary institution.
- A FMS student who earns an associate degree at an FCS institution with a 2.75 cumulative grade point average or higher, but below a 3.5, is eligible for an award equal to 75 percent of tuition and applicable fees upon enrolling in a baccalaureate degree program at an eligible Florida postsecondary institution.

Portions of the bill relating to the Bright Futures scholarships would not be implemented until July 1, 2021; therefore, there are no costs, or cost savings until FY 2021-2022, see Fiscal Comments, *infra*.

Except as otherwise provided, the bill has an effective date of July 1, 2020.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Florida Polytechnic University and New College of Florida

Present Situation

Florida Polytechnic University

Florida Polytechnic University (FPU), located in Lakeland, Florida, was previously a campus of the University of South Florida that was operated and maintained as a separate organizational and budget entity of the University of South Florida.¹ In 2012, the Florida Legislature created FPU as a new and independent institution in the State University System.²

FPU specializes in degree programs in the fields of science, technology, engineering, and mathematics.³ The university has nine undergraduate degree programs and two graduate degree programs.⁴ In the fall of 2019, FPU had a student body of 1,339 undergraduate and graduate students.⁵ FPU is accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC).⁶

The Florida Industrial and Phosphate Research Institute is located at FPU.⁷ The institute is focused on researching phosphate issues that impact Florida's citizens, environment, and economy.⁸ The institute also examines non-phosphate topics, such as energy and the mining and processing of minerals other than phosphate.⁹

The state cost per degree is \$180,958¹⁰ at FPU compared to \$31,598¹¹ at the University of Florida (UF). In Fiscal Year (FY) 2019-2020, administrative costs are estimated to be 23%¹² of the university's budget at FPU, compared to UF's estimate of 9.8%.¹³ If the administrative costs at FPU were only 9.8% of the budget, an additional \$5.6 million would have been available for instructional or other expenditures.

¹ Section 1, Ch. 2008-97, L.O.F.

² Section 9, Ch. 2012-129, L.O.F.

³ Section 1004.345(1)(b), F.S.

⁴ Florida Polytechnic University, University Fact Sheet, *available at* <https://floridapoly.edu/about/facts/> (last visited Feb. 9, 2020).

⁵ *Id.*

⁶ *Id.*

⁷ Section 1004.346(1), F.S.

⁸ Florida Industrial and Phosphate Research Institute, *About Us*, *available at* <http://www.fipr.state.fl.us/about-us/> (last visited Feb. 9, 2020).

⁹ *Id.*

¹⁰ Florida Board of Governors, Presentation to the House Higher Education Appropriations Subcommittee (Sep. 18, 2019), at 28, *available at*

<https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=3006&Session=2020&DocumentType=Meeting%20Packets&FileName=hea%209-18-19.pdf>.

¹¹ *Id.*

¹² House Higher Education Appropriations Subcommittee, University Operating Budgets Overview, (Oct. 16, 2019), at 12, *available at*

<https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=3006&Session=2020&DocumentType=Meeting%20Packets&FileName=hea%2010-16-19%20REVISED.pdf>.

¹³ *Id.*

New College of Florida

New College of Florida (NCF), located in Sarasota County, is one of Florida's twelve state university institutions.¹⁴ NCF became an independent institution within the state university system in 2001¹⁵ and has a distinctive mission as the residential liberal arts honors college of the State of Florida.¹⁶

In order to maintain the mission as a liberal arts honors college, NCF has the following goals:¹⁷

- To provide a quality education to students of high ability who, because of their ability, deserve a program of study that is both demanding and stimulating.
- To engage in educational reform by combining educational innovation with educational excellence.
- To provide programs of study that allow students to design their educational experience as much as possible in accordance with their individual interests, values, and abilities.
- To challenge students not only to master existing bodies of knowledge but also to extend the frontiers of knowledge through original research.

NCF offers nearly 40 majors for undergraduate studies and a master's degree program in Data Science.¹⁸ In the academic year 2018-2019, NCF had a student body of 837 undergraduate and graduate students.¹⁹ NCF is accredited by the SACSCOC.²⁰

The state cost per degree is \$197,681²¹ at NCF compared to \$31,598²² at the University of Florida (UF). In FY 2019-2020, administrative costs are estimated to be 27%²³ of the university's budget at NCF, compared to UF's estimate of 9.8%.²⁴ If the administrative costs at NCF were only 10% of the budget, an additional \$6.9 million would have been available for instruction or other expenditures.

Effect of Proposed Changes

Florida Polytechnic University

The bill requires the University of Florida (UF) and Florida Polytechnic University (FPU) boards of trustees (BOT) to submit an application to the SACSCOC for merger. Upon approval of the application, the bill requires the following transfers to be made:

¹⁴ Section 1000.21(6)(k), F.S.

¹⁵ Section 36, ch. 2001-170, L.O.F. New College was founded as a private college in 1960, and joined the state university system as part of the University of South Florida in 1975. See New College of Florida, About, NCF History, *available at* <https://www.ncf.edu/about/history/> (last visited Feb. 9, 2020).

¹⁶ Section 1004.32(1), F.S.

¹⁷ Section 1004.32(1)(a)-(d), F.S.

¹⁸ New College of Florida, Quick Facts, <https://www.ncf.edu/about/quick-facts/> (last visited Feb. 9, 2020).

¹⁹ New College of Florida, *2018-2019 Fact Book* (Oct. 28, 2019), at 10, *available at* <https://drive.google.com/open?id=1f0nIE6r94Cq7phZhsokq9P9aGIsWYSOO>.

²⁰ New College of Florida, Quick Facts, <https://www.ncf.edu/about/quick-facts/> (last visited Feb. 9, 2020).

²¹ Florida Board of Governors, Presentation to the House Higher Education Appropriations Subcommittee (Sep. 18, 2019), at 28, *available at*

<https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=3006&Session=2020&DocumentType=Meeting%20Packets&FileName=hea%209-18-19.pdf>.

²² *Id.*

²³ House Higher Education Appropriations Subcommittee, University Operating Budgets Overview, (Oct. 16, 2019), at 12, *available at*

<https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=3006&Session=2020&DocumentType=Meeting%20Packets&FileName=hea%2010-16-19%20REVISED.pdf>.

²⁴ *Id.*

- All real and personal property, licenses and associated revenues, existing contracts, unexpended balances, appropriations, allocations, funds, and mutually agreed-upon obligations, responsibilities, and liabilities of the FPU must be transferred to UF.
- All Florida Industrial and Phosphate Research Institute programs, functions, offices, records, faculty positions, and staff positions of the FPU must be transferred to UF.

The bill requires FPU to obtain all consents required by the Federal Communications Commission and third parties and transfer the lease of federal communications licenses relating to Polk County to UF upon approval from the Federal Communications Commission.

The bill requires tuition and fees established by the Board of Governors (BOG) for FPU to remain in place for undergraduate and graduate students at the university until such students graduate.

The UF and FPU BOTs, and their respective officers, trustees, employees, attorneys, and agents, are provided immunity from any and all civil liability pertaining to or arising from compliance with this bill, including the transfers required in this bill.

The bill requires the FPU BOT, in conjunction with the UF Foundation, to develop and implement a plan to transfer, after obtaining consent from the appropriate donors, assets derived from donations intended for the enhancement of the FPU campus to the UF Foundation.

Upon approval of the merger by the SACSCOC, s.1004.345, F.S. and s. 1004.3451, F.S. will be repealed.

These proposed changes are effective July 1, 2020.

New College of Florida

The bill requires the University of Florida (UF) and New College of Florida (NCF) BOTs to submit an application to SACSCOC for merger. Upon approval of the application, the bill requires the following transfers to be made:

- All real and personal property, licenses and associated revenues, existing contracts, unexpended balances, appropriations, allocations, funds, and mutually agreed-upon obligations, responsibilities, and liabilities of NCF must be transferred to the UF.

The bill requires tuition and fees established by the BOG for NCF to remain in place for undergraduate and graduate students at the university until such students graduate.

The UF and NCF BOTs, and the their respective officers, trustees, employees, attorneys, and agents, are provided immunity from any and all civil liability pertaining to or arising from compliance with this bill, including the transfers required in this bill.

Upon approval of the merger by the SACSCOC, s.1004.32, F.S. will be repealed.

These proposed changes are effective July 1, 2020.

Florida Bright Futures Scholarship Program Award

Present Situation

In 1997,²⁵ the Florida Legislature created the Florida Bright Futures Scholarship Program, a lottery-funded scholarship program, to reward any Florida high school graduate who merits recognition of high

²⁵ Chapter 97-379, L.O.F.
STORAGE NAME: pcs7087.APC.DOCX
DATE: 2/24/2020

academic achievement and who enrolls in a degree program, certificate program, or applied technology program at an eligible Florida public or private postsecondary education institution.²⁶

The Bright Futures Scholarship Program consists of four awards: the Florida Academic Scholarship, the Florida Medallion Scholarship, the Florida Gold Seal Career and Professional Education (CAPE) Scholarship, and the Florida Gold Seal Vocational Scholarship.²⁷

Florida high school students who wish to qualify for the Florida Academic Scholar (FAS) awards or the Florida Medallion Scholars (FMS) awards must graduate from a Florida public high school with a standard high school diploma, graduate from a registered Florida Department of Education private high school, earn a general education diploma (GED), complete a home education program, or graduate from a non-Florida high school as an eligible student.²⁸

A student must also meet the following initial eligibility requirements²⁹:

Scholarship Type	16 High School Course Credits ³⁰	High School Weighted Bright Futures GPA	College Entrance Exams by High School Graduation Year (ACT/SAT)	Service Hours	Award Amount
Florida Academic Scholars (FAS) ³¹	4 - English <i>(three must include substantial writing)</i> 4 - Mathematics <i>(at or above the Algebra I level)</i>	3.5	2019-20 Graduates: 29/1290 2020-21 Graduates: 29/1330	100 hours	100% of tuition and applicable fees and \$300 ³² for both fall and spring semesters for additional educational expenses.
Florida Medallion Scholars (FMS) ³³	3 - Natural Science <i>(two must have substantial laboratory)</i> 3 - Social Science 2 - World Language <i>(sequential, in same language)</i>	3.0	2019-20 Graduates: 26/1170 2020-21 Graduates: 25/1210	75 hours	75% of tuition and applicable fees.

²⁶ Section 1009.53(1), F.S.

²⁷ Section 1009.53(2), F.S.

²⁸ 2019-20 Bright Futures Student Handbook, *Chapter 1: Initial Eligibility Requirements* (Aug. 16, 2019), at 3, available at <https://www.floridastudentfinancialaidsg.org/PDF/BFHandbookChapter1.pdf>. An out-of-state student may qualify for a Bright Futures Scholarship if the student earned a high school diploma from a non-Florida school while living with a parent or guardian who is a Florida resident and on military or public service assignment away from Florida during the student's last year of high school.

²⁹ 2019-20 Bright Futures Student Handbook, *Chapter 1: Initial Eligibility Requirements* (Aug. 16, 2019), at 3, available at <https://www.floridastudentfinancialaidsg.org/PDF/BFHandbookChapter1.pdf>.

³⁰ The required coursework aligns with the State University System admission requirements found in Florida Board of Governor's Regulation 6.002, *Admission of Undergraduate First-Time-in-College, Degree-Seeking Freshmen*, available at https://www.flbog.edu/wp-content/uploads/6.002FTICAdmissionsTechnicalchange2018_08_17-1.pdf.

³¹ Section 1009.534, F.S.

³² Section 1009.534(2), F.S.

³³ Section 1009.535, F.S.

A student who has demonstrated academic merit through a recognition program may be eligible for a Bright Futures Scholarship without having to meet one or more of the requirements above. These merit recognition programs include: National Merit Finalists and Scholars, National Hispanic Scholars, Advanced International Certificate of Education (AICE) Diploma, International Baccalaureate (IB) Diploma, AICE Curriculum, and IB Curriculum.³⁴

The Florida Bright Futures Scholarship Program has disbursed over \$6.2 billion dollars in scholarship awards to over 2.7 million students since 1997.³⁵ For the 2018-2019 academic year, 53,742³⁶ students received a FAS award and 48,589³⁷ students received a FMS award.

Effect of Proposed Changes

The bill removes the statutory reference to an additional award amount of \$300 each fall and spring semester that a Florida Academic Scholar is eligible to receive for textbooks, and provides that an additional stipend will be given as funds are specifically appropriated in the General Appropriations Act.

Effective for students initially eligible for a FMS award in the fall 2021 semester and thereafter, the bill makes the following changes to the FMS:

- A FMS student who is enrolled in an associate degree program at a Florida College System (FCS) institution is eligible for an award equal to 100 percent of tuition and applicable fees. Upon completion of his or her associate degree at a FCS institution, the student may transfer to a state university or eligible Florida postsecondary institution, or remain at the FCS institution and enroll in a baccalaureate degree program to continue receiving the FMS award.
- A FMS student who earns an associate degree at an FCS institution with a 3.5 or higher cumulative grade point average on a 4.0 scale is eligible for an award equal to 100 percent of tuition and applicable fees upon enrolling in a baccalaureate degree program at an eligible Florida postsecondary institution.
- A FMS student who earns an associate degree at an FCS institution with a 2.75 or higher cumulative grade point average, but below a 3.5, is eligible for an award equal to 75 percent of tuition and applicable fees upon enrolling in a baccalaureate degree program at an eligible Florida postsecondary institution.

B. SECTION DIRECTORY:

Section 1: Requiring the boards of trustees of the University of Florida and Florida Polytechnic University to submit a merger application to a specified entity; providing for the transfer of the Florida Polytechnic University to the University of Florida.

Section 2: Requiring Florida Polytechnic University to take specified actions to obtain consents for the transfer of a specified educational broadband service station license; requiring Florida Polytechnic University to assign the license for such service station to the University of Florida; providing duties and responsibilities of the University of Florida.

Section 3: Requiring the boards of trustees of the University of Florida and New College of Florida to submit a merger application to a specified entity; providing for the transfer of New College of Florida to the University of Florida.

³⁴ Section 1009.535(1)(b)-(e), F.S. and s. 1009.535(1)(b)-(e), F.S.

³⁵ Florida Bright Futures Scholarship Program, *Florida Bright Futures Students Counts and Total Costs* (as of Sep. 2019), available at <https://www.floridastudentfinancialaidsg.org/PDF/PSI/BFReportsA.pdf>.

³⁶ Florida Bright Futures Scholarship Program, *Florida Academic Scholars Postsecondary Enrollment* (as of Sep. 2019), available at <https://www.floridastudentfinancialaidsg.org/PDF/PSI/BFReportsF2.pdf>.

³⁷ Florida Bright Futures Scholarship Program, *Florida Medallion Scholars Postsecondary Enrollment* (as of Sep. 2019), available at <https://www.floridastudentfinancialaidsg.org/PDF/PSI/BFReportsF3.pdf>.

Section 4: Requiring the tuition and fees for Florida Polytechnic University and New College of Florida to remain in place for a specified period.

Section 5: Providing immunity.

Section 6: Amends s. 1004.32, F.S.; providing for the contingent future repeal of specified provisions relating to New College of Florida.

Section 7: Amends s. 1004.345, F.S.; providing for the contingent future repeal of specified provisions relating to Florida Polytechnic University.

Section 8: Amends s. 1004.3451, F.S.; providing for the contingent future repeal of specified provisions relating to Florida Polytechnic University.

Section 9: Amends s. 1009.534, F.S.; authorizing Florida Academic Scholars to receive a stipend, as provided in the General Appropriations Act, for specified educational expenses.

Section 10: Amends s. 1009.535, F.S.; revising the amount of an award certain Florida Medallion Scholars may receive under certain circumstances.

Section 13: Provides for an effective date of July 1, 2021, except as otherwise provided in the bill.

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:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

New College of Florida and Florida Polytechnic University

Programmatic and administrative savings associated with merging Polytechnic University and New College with the University of Florida are anticipated; however, any cost savings are indeterminate until the transfer occurs and analysis of each institution's structure can be performed to determine operational needs.

Bright Futures Awards for Florida Medallion Scholars (FMS)

Costs, or cost savings, are dependent upon whether a student opts to take advantage of receiving a Bright Futures Florida Medallion Scholarship (FMS) award that pays 100% of the cost of tuition and fees at a Florida College System (FCS) institution, or chooses to receive 75% of tuition and fees and

attend a State University System (SUS) institution. Approximately 75% of initial FMS recipients currently choose to enroll in SUS institutions, even though the net student cost is \$79 per credit hour higher than if he or she attended a Florida College institution.³⁸ The savings to the state are indeterminate since behavior cannot be predicted. It is anticipated, however, that the breakeven point for savings is if 20 percent of students who are estimated to attend universities in FY 2021-22 decide attend a college instead. Any savings will not occur until after the provisions of the bill are implemented in FY 2021-22.

Bright Futures Stipend for Florida Academic Scholars (FAS)

Both House Bill 5001 and Senate Bill 2500, current versions the General Appropriations Act for FY 2020-2021, include \$40.5 million to fully fund the \$300 stipend FAS receive each fall and spring term for textbooks. Neither cost savings, nor cost increases will occur unless a future Legislature decreases or increases the stipend in the General Appropriations Act.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

³⁸ A Bright Futures FMS award, at 75% of tuition and fees, pays \$159 at a state university and \$80 at a college.

1 A bill to be entitled
 2 An act relating to higher education; requiring the
 3 boards of trustees of the University of Florida and
 4 Florida Polytechnic University to submit a merger
 5 application to a specified entity; providing for the
 6 transfer of the Florida Polytechnic University to the
 7 University of Florida; requiring Florida Polytechnic
 8 University to take specified actions to obtain
 9 consents for the transfer of a specified educational
 10 broadband service station license; requiring Florida
 11 Polytechnic University to assign the license for such
 12 service station to the University of Florida;
 13 providing duties and responsibilities of the
 14 University of Florida; requiring the boards of
 15 trustees of the University of Florida and New College
 16 of Florida to submit a merger application to a
 17 specified entity; providing for the transfer of New
 18 College of Florida to the University of Florida;
 19 requiring the tuition and fees for Florida Polytechnic
 20 University and New College of Florida to remain in
 21 place for a specified period; providing immunity;
 22 amending s. 1004.32, F.S.; providing for the
 23 contingent future repeal of specified provisions
 24 relating to New College of Florida; amending ss.
 25 1004.345 and 1004.3451, F.S.; providing for the

26 contingent future repeal of specified provisions
 27 relating to Florida Polytechnic University; amending
 28 s. 1009.534, F.S.; authorizing Florida Academic
 29 Scholars to receive a stipend, as provided in the
 30 General Appropriations Act, for specified educational
 31 expenses; amending s. 1009.535, F.S.; revising the
 32 amount of an award certain Florida Medallion Scholars
 33 may receive under certain circumstances; providing
 34 effective dates.

35

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

37

38 Section 1. The boards of trustees of the University of
 39 Florida and Florida Polytechnic University shall submit to the
 40 Commission on Colleges of the Southern Association of Colleges
 41 and Schools an application for merger. Upon approval by the
 42 Commission on Colleges of the Southern Association of Colleges
 43 and Schools of the application for merger, the following
 44 transfers shall be made:

45 (1) All real and personal property, licenses and
 46 associated revenues, existing contracts, unexpended balances,
 47 appropriations, allocations, funds, and mutually agreed-upon
 48 obligations, responsibilities, and liabilities of the Florida
 49 Polytechnic University shall be transferred to the University of
 50 Florida.

51 (2) All Florida Industrial and Phosphate Research
 52 Institute programs, functions, offices, records, faculty
 53 positions, and staff positions of the Florida Polytechnic
 54 University shall be transferred to the University of Florida.

55 Section 2. Upon approval by the Commission on Colleges of
 56 the Southern Association of Colleges and Schools of the
 57 application for merger, Florida Polytechnic University shall
 58 take appropriate action to obtain all consents required by the
 59 Federal Communications Commission and third parties before
 60 assigning the educational broadband service station license that
 61 has a Federal Communications Commission-issued reference point
 62 in Polk County to the University of Florida. Upon obtaining such
 63 consents, and upon the approval of the Federal Communications
 64 Commission, Florida Polytechnic University shall assign the
 65 license, including the excess capacity lease agreement for the
 66 license, to the University of Florida, which shall assume the
 67 benefits, obligations, and liabilities as the successor in
 68 interest, including all regulatory and contractual
 69 responsibilities. This section is contingent upon the approval
 70 of the assignment of the lease by the Federal Communications
 71 Commission.

72 Section 3. The boards of trustees of the University of
 73 Florida and New College of Florida shall submit to the
 74 Commission on Colleges of the Southern Association of Colleges
 75 and Schools an application for merger. Upon approval by the

76 Commission on Colleges of the Southern Association of Colleges
 77 and Schools of the merger, all real and personal property,
 78 licenses and associated revenues, existing contracts, unexpended
 79 balances, appropriations, allocations, funds, and mutually
 80 agreed-upon obligations, responsibilities, and liabilities of
 81 New College of Florida shall be transferred to the University of
 82 Florida.

83 Section 4. The tuition and fees established by the Board
 84 of Governors for Florida Polytechnic University and New College
 85 of Florida shall remain in place for undergraduate and graduate
 86 students of Florida Polytechnic University and New College of
 87 Florida, respectively, until such students graduate.

88 Section 5. The boards of trustees of the University of
 89 Florida, Florida Polytechnic University, and New College of
 90 Florida and their respective officers, trustees, employees,
 91 attorneys, and agents, are immune from all civil liability
 92 pertaining to or arising from compliance with this act,
 93 including the transfers required in sections 1., 2., and 3. of
 94 this act.

95 Section 6. Subsection (5) is added to section 1004.32,
 96 Florida Statutes, to read:

97 1004.32 New College of Florida.—

98 (5) This section shall stand repealed upon approval by the
 99 Commission on Colleges of the Southern Association of Colleges
 100 and Schools of the merger of the University of Florida and New

101 College of Florida.

102 Section 7. Subsection (4) is added to section 1004.345,
103 Florida Statutes, to read:

104 1004.345 The Florida Polytechnic University.—

105 (4) This section shall stand repealed upon approval by the
106 Commission on Colleges of the Southern Association of Colleges
107 and Schools of the merger of the University of Florida and
108 Florida Polytechnic University.

109 Section 8. Section 1004.3451, Florida Statutes, is amended
110 to read:

111 1004.3451 Direct-support organization for Florida
112 Polytechnic University.—In accordance with s. 1004.28 and the
113 regulations of the Board of Governors, the Board of Trustees of
114 the Florida Polytechnic University may certify a direct-support
115 organization to serve the Florida Polytechnic University. Upon
116 approval by the Commission on Colleges of the Southern
117 Association of Colleges and Schools of the application for
118 merger, the Board of Trustees of the Florida Polytechnic
119 University of South Florida, in conjunction with the University
120 of South Florida Foundation, shall develop and implement a plan
121 to transfer, after obtaining consent from the appropriate
122 donors, assets derived from donations intended for the
123 enhancement of the University of South Florida Polytechnic
124 campus to the University of Florida Foundation. This section
125 shall stand repealed upon approval by the Commission on Colleges

126 of the Southern Association of Colleges and Schools of the
 127 merger of the University of Florida and Florida Polytechnic
 128 University new direct support organization serving the Florida
 129 Polytechnic University.

130 Section 9. Subsection (2) of section 1009.534, Florida
 131 Statutes, is amended to read:

132 1009.534 Florida Academic Scholars award.—

133 (2) A Florida Academic Scholar who is enrolled in a
 134 certificate, diploma, associate, or baccalaureate degree program
 135 at a public or nonpublic postsecondary education institution is
 136 eligible, beginning in the 2017-2018 academic year, for an award
 137 equal to the amount necessary to pay 100 percent of tuition and
 138 fees established under ss. 1009.22(3), (5), (6), and (7);
 139 1009.23(3), (4), (7), (8), (10), and (11); and 1009.24(4), (7)-
 140 (13), (14)(r), and (16), as applicable, and is eligible for an
 141 additional stipend ~~\$300 each fall and spring academic semester~~
 142 ~~or the equivalent~~ for textbooks, to assist with the payment of
 143 educational expenses as funds are specifically appropriated in
 144 the General Appropriations Act.

145 Section 10. Effective July 1, 2021, subsection (3) of
 146 section 1009.535, Florida Statutes, is renumbered as subsection
 147 (5), subsection (2) is amended, and a new subsection (3) and
 148 subsection (4) are added to that section, to read:

149 1009.535 Florida Medallion Scholars award.—

150 (2) A Florida Medallion Scholar who is enrolled in a

151 certificate, diploma, ~~associate,~~ or baccalaureate degree program
 152 at a public or nonpublic postsecondary education institution is
 153 eligible, beginning in the fall 2018 semester, for an award
 154 equal to the amount necessary to pay 75 percent of tuition and
 155 fees established under ss. 1009.22(3), (5), (6), and (7);
 156 1009.23(3), (4), (7), (8), (10), and (11); and 1009.24(4), (7)-
 157 (13), (14)(r), and (16), as applicable, to assist with the
 158 payment of educational expenses.

159 (3)(a) Beginning with students initially eligible for an
 160 award in the fall 2021 semester and thereafter, a Florida
 161 Medallion Scholar who is enrolled in an associate degree program
 162 at a Florida College System institution is eligible for an award
 163 equal to the amount necessary to pay 100 percent of tuition and
 164 fees listed under subsection (2).

165 (b) Upon completion of his or her associate degree at a
 166 Florida College System institution, the student may transfer to
 167 a state university or other eligible public or nonpublic
 168 postsecondary education institution or remain at the Florida
 169 College System institution and enroll in a baccalaureate degree
 170 program to continue receiving his or her award.

171 (4) If a Florida Medallion Scholar under subsection (3)
 172 earns an associate degree from a Florida College System
 173 institution with:

174 (a) A cumulative grade point average of 3.5 or higher on a
 175 4.0 scale, he or she is eligible for an award equal to the

176 amount necessary to pay 100 percent of the tuition and fees
 177 listed under subsection (2) upon enrolling in a baccalaureate
 178 degree program at an eligible public or nonpublic postsecondary
 179 education institution.

180 (b) A cumulative grade point average of 2.75 or higher on
 181 a 4.0 scale, but below a 3.5, he or she is eligible for an award
 182 equal to the amount necessary to pay 75 percent of tuition and
 183 fees listed under subsection (2) upon enrolling in a
 184 baccalaureate degree program at an eligible public or nonpublic
 185 postsecondary education institution.

186 Section 11. Except as otherwise expressly provided in this
 187 act and except for this section, which shall take effect upon
 188 this act becoming a law, this act shall take effect July 1,
 189 2020.

Amendment No. 1

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: Appropriations Committee
2 Representative Fine offered the following:

3
4 **Amendment**

5 Remove line 43 and insert:


6 and Schools of the application for merger, the boards of
7 trustees shall submit an implementation plan to the Board of
8 Governors, which shall monitor the fidelity of the
9 implementation of the plan. Under the implementation plan the
10 following

11 Remove line 77 and insert:

12 and Schools of the merger, the boards of trustees shall submit
13 an implementation plan to the Board of Governors, which shall
14 monitor the fidelity of the implementation of the plan. Under
15 the implementation plan all real and personal property,

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7097 PCB WMC 20-01 Taxation
SPONSOR(S): Ways & Means Committee, Avila
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Ways & Means Committee	12 Y, 4 N	Aldridge	Langston
1) Appropriations Committee		Trexler <i>AT</i>	Pridgeon 

SUMMARY ANALYSIS

The bill provides for several tax reductions and other tax-related modifications designed to directly impact both families and businesses.

The bill provides for a 0.5 percentage point reduction in the state communications services tax.

Several provisions related to sales tax are included:

- A reduction in the tax rate for commercial property rentals from 5.5% to 5.4%;
- A three-day “back-to-school” tax holiday in early August 2020 and a seven-day “disaster preparedness” tax holiday in May and June of 2020;
- A requirement that School Capital Outlay sales surtaxes approved in the future be proportionately shared with charter schools;
- A repeal of the Sports Development Program;
- A change in distributions made under the Tax Collection Enforcement Diversion Program; and
- Future sunset of the Charter County and Regional Transportation System Sales Surtax currently levied in Miami-Dade County, and a requirement that any future levy of the tax in any eligible county be limited to 20 years in duration.

For corporate income tax, the bill provides a one-time increase of \$8.2 million for the brownfields tax credit program equal to the amount of the current backlog of approved tax credits. It also amends the calculation of a taxpayer’s “final tax liability” for purposes of calculating certain corporate income tax refunds.

The bill provides for restructuring of the authorized uses of tourist development, convention development, and local option food and beverage taxes levied in Miami-Dade County. The bill also expands the allowable uses for tourist development tax in all counties to allow for water quality improvement and parks and trails projects.

Regarding property taxes, the bill:

- Amends the requirements for hospitals to qualify for a charitable tax exemption. Non-profit hospitals will be required to document the value of charitable services they provide, and their current charity tax exemption will be limited to the value of that charity care.
- Updates the qualifying operations for the deployed servicemember tax exemption.
- Amends the statutory provisions that address conflict of interest for special magistrates.
- Restricts information that may be mailed with the yearly TRIM notice.
- Clarifies the timing of when certain utility owned tangible personal property is included on the tax roll.
- Allows condominium associations to jointly represent condominium owners in certain judicial appeals.

The bill provides for an approximately one-third reduction in the aviation fuel tax paid by commercial air carriers. The bill also includes several provisions proposed by the Department of Revenue designed to enhance the administration of state taxes and oversight of property taxation.

The total state and local government revenue impact of the bill in Fiscal Year 2020-21 is estimated to be -\$108.9 million (-\$103.3 million recurring), including an impact of -\$81.3 million to the General Revenue Fund. The bill also provides nonrecurring appropriations totaling \$383,500 from the General Revenue Fund to implement the act. See Fiscal Comments section on page 40 for details.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h7097.APC.DOCX

DATE: 2/21/2020

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Sales Tax

Florida's sales and use tax is a six percent levy on retail sales of a wide array of tangible personal property, admissions, transient lodgings, and commercial real estate rentals,¹ unless expressly exempted. In addition, Florida authorizes several local option sales taxes that are levied at the county level on transactions that are subject to the state sales tax. Generally, the sales tax is added to the price of a taxable good and collected from the purchaser at the time of sale. Sales tax represents the majority of Florida's general revenue stream (77.0 percent for Fiscal Year 2018-19)² and is administered by the Department of Revenue (DOR) under ch. 212, F.S.

Authorized in 1982, the Local Government Half-cent Sales Tax Program generates the largest amount of revenue for local governments among the state-shared revenue sources currently authorized by the Legislature.³ It distributes a portion of state sales tax revenue via three separate distributions to eligible county or municipal governments. Additionally, the program distributes a portion of communications services tax revenue to eligible local governments. Allocation formulas serve as the basis for these separate distributions. The program's primary purpose is to provide relief from ad valorem and utility taxes in addition to providing counties and municipalities with revenues for local programs.⁴

Sales Tax on Rental of Commercial Real Estate (Business Rent Tax)

Current Situation

Since 1969, Florida has imposed a sales tax on the total rent charged under a commercial lease of real property.⁵ Sales tax is due at the rate of 5.5 percent on the total rent paid for the right to use or occupy commercial real property. Local option sales surtaxes can also apply.⁶ If the tenant makes payments such as mortgage, ad valorem taxes, or insurance on behalf of the property owner, such payments are also classified as rent and are subject to the tax.

Commercial real property includes land, buildings, office or retail space, convention or meeting rooms, airport tie-downs, and parking and docking spaces. It may also involve the granting of a license to use real property for placement of vending, amusement, or newspaper machines. However, there are numerous commercial rentals that are not subject to sales tax, including:

- Rentals of real property assessed as agricultural;
- Rentals to nonprofit organizations that hold a current Florida consumer's certificate of exemption;
- Rentals to federal, state, county, or city government agencies;
- Properties used exclusively as dwelling units; and
- Public streets or roads used for transportation purposes.

Florida is the only state to charge sales tax on commercial rentals of real property.

¹ The Legislature reduced the sales tax rate on commercial rentals to 5.5% effective Jan. 1, 2020. *See* s. 33, ch. 2019-42, L.O.F.

² Florida Revenue Estimating Conference (REC), 2019 Florida Tax Handbook.

³ Chapter 82-154, Laws of Fla.

⁴ 2019 Local Government Financial Information Handbook, p. 79 available at: <http://edr.state.fl.us/Content/local-government/reports/lgfih19.pdf>.

⁵ Chapter 1969-222, Laws of Fla.

⁶ Section 212.031, F.S., and Rule 12A-1.070, F.A.C.

Proposed Changes

The bill reduces the state sales tax rate on rental of commercial real estate from 5.5 percent to 5.4 percent, beginning January 1, 2021.

Sales Tax Holidays

Current Situation

Since 1998, the Legislature has enacted 26 temporary periods (commonly called “sales tax holidays”) during which certain household items, household appliances, clothing, footwear, books, and/or school supply items were exempted from the state sales tax and county discretionary sales surtaxes.

“Back-to-School” Holidays--Florida has enacted a “back to school” sales tax holiday eighteen times since 1998. The length of the exemption periods has varied from three to 10 days. The type and value of exempt items has also varied. Clothing and footwear have always been exempted at various thresholds, most recently \$60. Books valued at \$50 or less were exempted in six periods. School supplies have been included starting in 2001, with the value threshold increasing from \$10 to \$15. Personal computers and related accessories purchased for noncommercial home or personal use have been included several times with varying sales price thresholds. In 2013 and 2017 such computers and accessories with a sales price of \$750 or less were exempted. In 2019, the exemption was for such items with a sales price of \$1,000 or less. In 2014 and 2015, the first \$750 of the sales price of was exempted.

For the 2019-20 school year, none of the Florida school districts held their opening day for students during the first full week of August (Aug. 5-9, 2019). 66 districts (98 percent) had opening days during the second week of August (Aug. 12-16, 2019). The remaining county had its opening day on August 19, 2019. Of the 40 counties that have posted their 2020-2021 school calendar as of a scheduled first day during the second week of August (August 10-14, 2020) and one is scheduled to start on August 17, 2020.

Hurricanes and Disasters in Florida--The Florida Office of Insurance Regulation estimated insured losses of over \$7.4 billion due to Hurricane Michael in 2018,⁷ \$11 billion due to Hurricane Irma in 2017,⁸ \$1.3 billion due to hurricanes Hermine and Mathew in 2016,⁹ \$25 billion due to four hurricanes in 2004, and \$10.8 billion due to four hurricanes in 2005.¹⁰ Tropical Storm Fay was estimated to have resulted in \$242 million of damage in 2008.¹¹ The Florida Division of Emergency Management recommends having a disaster supply kit with items such as a battery operated radio, flashlight, batteries, and first-aid kit.¹²

⁷ Florida Office of Insurance Regulation, Catastrophe Report, available at: <https://flor.com/Office/HurricaneSeason/HurricaneMichaelClaimsData.aspx> (last visited Feb. 1, 2020).

⁸ Florida Office of Insurance Regulation, Catastrophe Report, available at: <https://www.flor.com/Office/HurricaneSeason/HurricaneIrmaClaimsData.aspx> (last visited Feb. 1, 2020).

⁹ Florida Office of Insurance Regulation, Catastrophe Reports, available at: <https://flor.com/Office/HurricaneSeason/HurricaneMatthewClaimsData.aspx> and <https://flor.com/Office/HurricaneSeason/HurricaneHermineClaimsData.aspx> (last visited Feb. 1, 2020).

¹⁰ Florida Office of Insurance Regulation, *Florida Office of Insurance Regulation Hurricane Summary Data*, available at: <http://www.flor.com/siteDocuments/HurricaneSummary20042005.pdf> (last visited Feb. 1, 2020).

¹¹ Florida Office of Insurance Regulation, *Florida Office of Insurance Regulation Hurricane Summary Data*, available at: <http://www.flor.com/siteDocuments/HurricaneSummary2008.pdf> (last visited Feb. 1, 2020).

¹² Florida Division of Emergency Management, *Disaster Supply Kit*, <https://www.floridadisaster.org/planprepare/disaster-supply-kit/> (last visited Feb. 1, 2020).

Proposed Changes

The bill establishes a temporary back-to-school sales tax holiday and a temporary disaster preparedness sales tax holiday.

“Back-to-School Holiday”--A three-day sales tax holiday is authorized from August 7, 2020, through August 9, 2020. During the holiday, the following items that cost \$60 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).

The bill also exempts various “school supplies” that cost \$15 or less per item during the holiday.

Additionally exempted is the first \$1,000 of the sales price of personal computers and related accessories purchased for noncommercial home or personal use. This includes tablets, laptops, monitors, input devices, and non-recreational software. Cell phones and furniture, and devices or software intended primarily for recreational use, are not exempted.

Disaster Preparedness Sales Tax Holiday--The bill provides for a seven-day sales tax holiday from May 29, 2020, through June 4, 2020, for specified items related to disaster preparedness. During the holiday, the following items are exempt from the state sales tax and county discretionary sales surtaxes:

- A portable self-powered light source selling for \$20 or less;
- A portable self-powered radio, two-way radio, or weather band radio selling for \$50 or less;
- A tarpaulin or other flexible waterproof sheeting selling for \$50 or less;
- A ground anchor system or tie-down kit selling for \$50 or less;
- A gas or diesel fuel tank selling for \$25 or less;
- A package of AAA-cell, AA-cell, C-cell, D-cell, 6-volt, or 9-volt batteries, excluding automobile and boat batteries, selling for \$30 or less;
- A nonelectric food storage cooler selling for \$30 or less;
- A portable generator that is used to provide light or communications or preserve food in the event of a power outage selling for \$750 or less; and
- Reusable ice selling for \$10 or less.

The above sales tax holidays do not apply to the following sales:

- Sales within a theme park or entertainment complex, as defined in s. 509.013(9), F.S.;
- Sales within a public lodging establishment, as defined in s. 509.013(4), F.S.; and
- Sales within an airport, as defined in s. 330.27(2), F.S.

Additionally, the “back to school” sales tax holiday will apply at the option of the dealer if less than five percent of the dealer’s gross sales of tangible personal property in the prior calendar year are comprised of items that are exempt under the holiday. If a qualifying dealer chooses not to participate in the tax holiday, by August 1, 2020, the dealer must notify DOR in writing of its election to collect sales tax during the holiday and must post a copy of that notice in a conspicuous location at its place of business. The DOR is authorized to adopt emergency rules to implement the provisions of the tax holidays.

Sports Development Program

Sports Development Program

Section 288.11625, F.S., allows for distributions of state sales and use tax revenue pursuant to s. 212.20, F.S., to fund professional sports franchise facilities. The Department of Economic Opportunity (DEO) administers the program and is responsible for screening applicants¹³ for state funding. The purpose of the program is to provide state funding for the construction, reconstruction, renovation, or improvement of a sports facility,¹⁴ the proposed acquisition of land to construct a new facility, and construction of improvements to state-owned land necessary for the efficient use of the facility.

General Application and Approval Process

DEO accepts applications between June 1 and November 1 each year. Within 60 days of receiving a completed application, DEO is required to evaluate the application and notify the applicant in writing of their decision to recommend or deny approval. DEO provides the Legislature with a list of the recommended applicants, ranked in the order of the project's likelihood to positively impact the state. To receive funding, an application must be approved by the Legislature in a conforming bill or general law approved by the Governor, and DEO must certify the applicant and its approved request for funding and notify DOR of the initial certification and distribution amount.

An applicant remains certified for 30 years or the length of the agreement between the beneficiary¹⁵ and the local government that owns the facility or the property on which the facility is or will be located, whichever is less.

DEO may only recommend one distribution per applicant, facility or beneficiary. Furthermore, no facility or beneficiary can receive more than one distribution under s. 212.20, F.S., for any state-administered, sports-related program.¹⁶ An exception exists for applicants who can show that the beneficiary that was the subject of a previous distribution under s. 212.20, F.S., no longer plays at the facility that is the subject of the application under the new program.

Distribution of State Funds

The amount that an applicant may receive is based on 75 percent of the average annual new incremental state sales taxes generated by sales at the facility, and are limited by a tiered system.

DEO is required to consult with DOR and the Office of Economic and Demographic Research (EDR) to develop a standard calculation for estimating the average annual new incremental state sales taxes generated by sales at the facility.

¹³ Section 288.11625(2), F.S. An "applicant" is a unit of local government which is responsible for the construction, management, or operation of a facility; or an entity that is responsible for the construction, management, or operation of a facility if a unit of local government holds title to the underlying property on which the facility is located.

¹⁴ *Id.* A "Facility" is a structure, and its adjoining parcels of local-government-owned land, primarily used to host games or events held by a beneficiary and does not include any portion used to provide transient lodging.

¹⁵ *Id.* A "Beneficiary" is a professional sports franchise of the NFL, NHL, NBA, the National League or American League of MLB, Minor League Baseball, MLS, the North American Soccer League (NASL), the Professional Rodeo Cowboys Association (PRCA), the promoter or host of a signature event administered by Breeders' Cup Limited, or the promoter of a signature event sanctioned by the National Association for Stock Car Auto Racing (NASCAR). A beneficiary may also be an applicant under this program.

¹⁶ Such sports-related programs include Professional Sports Franchises (s. 288.1162, F.S.), Spring Training Baseball Franchises (s. 288.11621, F.S.), Sports Development (s. 288.11625, F.S.), and Retention of MLB Spring Training Franchises (s. 288.11631, F.S.). However, if an applicant for the Sports Development Program is already receiving distributions under the Professional Sports Franchises Program (s. 288.1162, F.S.) for the same facility or beneficiary, the applicant is eligible for an additional distribution of up to \$1 million if the total project cost exceeds \$100 million.

Use of Funds

Once certified, applicants may use Sports Development Program funds for the following purposes:

- Constructing, reconstructing, renovating, or improving a facility or reimbursing such costs;
- Paying or pledging for the payment of debt service on bonds issued for the construction or renovation of a facility;
- Funding debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect thereto on bonds issued for the construction or renovation of a facility; and
- Reimbursing the costs associated with debt service payments or refinancing of bonds issued for the construction or renovation of a facility.

Contract

Certified applicants must enter into a contract with DEO that meets certain criteria.¹⁷ The contract must also require the applicant to reimburse the state, after all distributions have been made, any amount by which the total distributions made under the program exceed actual new incremental state sales taxes generated by sales at the facility during the contract, plus a 5 percent penalty on that amount.

Applicant History under the Sports Development Program

To date, no applicants have been certified and no funds have been distributed under the Program. In Fiscal Year 2014-15, DEO received four applications: the City of Jacksonville, the City of Orlando, Daytona International Speedway, LLC, and South Florida Stadium, LLC. All applicants qualified for the “special” application process.

In Fiscal Year 2015-16, DEO received four applications: Buccaneers Football Stadium Limited Partnership, the City of Jacksonville, Daytona International Speedway, LLC, and South Florida Stadium, LLC. The Buccaneers application was incomplete and not transmitted to the Legislature, the other applications qualified for the special application process.

In Fiscal Year 2016-17, DEO received one application, from Buccaneers Stadium, LLC. DEO reviewed the application under the “general” application process.

DEO did not receive any applications for the program in Fiscal Years 2017-18 or 2018-19.¹⁸

Economic Development Programs Evaluation

Section 288.0001, F.S., requires EDR and OPPAGA to include the Sports Development Program among the list of economic development programs scheduled to be reviewed and analyzed by January 1, 2018, and every three years thereafter. As no applicants have been certified under the program and no funds have been distributed, neither OPPAGA¹⁹ nor EDR²⁰ was able to review and analyze the program in its first three-year reporting cycle.

Proposed Changes

The bill repeals s. 288.11625, F.S., eliminating the Sports Development Program. The bill also removes provisions relating to the distribution of funds under the program, reimbursement provisions, and reporting requirements, to conform to elimination of the program.

¹⁷ Section 288.11625(7), F.S.

¹⁸ Email from Karis Lockhart, Deputy Director of Legislative Affairs, DEO (Jan. 17, 2020).

¹⁹ OPPAGA, Report No. 17-13, Florida Economic Development Program Evaluations-Year 5, p. 45 (Dec. 28, 2017).

²⁰ EDR, Return on Investment for the Florida Sports Foundation Grants and Related Programs, p. 1 (Jan. 1, 2018).

Tax Collection Enforcement Diversion Program

Current Situation

The Tax Collection Enforcement Diversion program, which collects revenue due from persons who have not remitted their sales tax collections, began as a pilot program in 2002 and was fully implemented in 2005. The program is operated by participating State Attorney's Offices in cooperation with the DOR. To be eligible for the program, taxpayers must meet certain requirements. They must show a pattern of delinquency for several months, and the delinquency cannot exceed the misdemeanor level. Eight State Attorney's Offices currently participate in the program: Jacksonville, Clearwater, Miami, Tampa, West Palm Beach, Fort Lauderdale, Fort Myers, and Orlando (Key West participated in the program from Fiscal Year 2008-09 through Fiscal Year 2013-14).

Fifty percent of all collections from the program is distributed as sales tax collections via s. 212.20, F.S., and fifty percent is deposited into the special reserve account of the Florida Association of Centers for Independent Living to be used to administer the James Patrick Memorial Work Incentive Personal Attendant Services and Employment Assistance Program (JP-PAS) and to contract with the State Attorneys participating in the Tax Collection Enforcement Diversion program. The JP-PAS provides personal care attendants and other support and services to persons with significant and chronic disabilities to enable them to obtain or maintain competitive and integrated employment, including self-employment.

Proposed Change

The bill increases the percentage of collections from the program that are deposited into the special reserve account of the Florida Association of Centers for Independent Living from fifty percent to seventy-five percent.

School Capital Outlay Surtax

Current Situation

Subsection 212.055(6), F.S., authorizes school districts to levy discretionary sales surtaxes for school capital outlay. Each county school board may levy a discretionary sales surtax at a rate not to exceed 0.5 percent, pursuant to a resolution conditioned to take effect only upon approval by a majority vote of the electors of the county voting in a referendum.²¹

The resolution must include a statement that provides a brief and general description of the school capital outlay projects to be funded by the surtax.²² The resolution must include a plan for the use of the surtax proceeds for fixed capital expenditures or fixed capital costs associated with the construction, reconstruction, or improvement of school facilities and campuses that have a useful life expectancy of five or more years, and any land acquisition, land improvement, design, and related engineering costs. The plan must also include the costs of retrofitting and providing for technology implementation, including hardware and software, for the various sites within the school district. Surtax revenues may be used for the purpose of servicing bond indebtedness to finance authorized projects, and any interest accrued may be held in trust to finance the projects.²³

Twenty-four counties currently levy a school capital outlay surtax.²⁴ DOR collects the surtax revenues and is required by law to distribute them to the district school board imposing the tax.²⁵ There is

²¹ Section 212.055, F.S.

²² Section 212.055(6)(b), F.S.

²³ Section 212.055(6)(c), F.S.

²⁴ 2019 Local Government Financial Information Handbook, p. 158. See: <http://edr.state.fl.us/Content/local-government/reports/lgfih19.pdf>.

²⁵ Section 212.055(6)(d), F.S.

currently no provision in law requiring school districts to share the capital outlay surtax funds with charter schools.

Proposed Changes

The bill establishes an additional requirement for the resolution that voters must approve in order to levy a school capital outlay surtax. Specifically, such resolution must include a statement that the revenues collected shall be shared with charter schools based on their proportionate share of the total school district enrollment.

The bill also requires that charter schools expend the surtax funds in a manner consistent with existing allowable uses for charter school capital outlay funding, as set forth in s. 1013.62(4), F.S., which are for the:

- Purchase of real property.
- Construction of school facilities.
- Purchase, lease-purchase, or lease of permanent or relocatable school facilities.
- Purchase of vehicles to transport students to and from the charter school.
- Renovation, repair, and maintenance of school facilities that the charter school owns or is purchasing through a lease-purchase or long-term lease of 5 years or longer.
- Payment of the cost of premiums for property and casualty insurance necessary to insure the school facilities.
- Purchase, lease-purchase, or lease of driver's education vehicles; motor vehicles used for the maintenance or operation of plant and equipment; security vehicles; or vehicles used in storing or distributing materials and equipment.
- Purchase, lease-purchase, or lease of computer and device hardware and operating system software necessary for gaining access to or enhancing the use of electronic and digital instructional content and resources; and enterprise resource software applications that are classified as capital assets in accordance with definitions of the Governmental Accounting Standards Board, have a useful life of at least 5 years, and are used to support schoolwide administration or state-mandated reporting requirements. Enterprise resource software may be acquired by annual license fees, maintenance fees, or lease agreement.
- Payment of the cost of the opening day collection for the library media center of a new school.

Further, all revenues and expenditures shall be accounted for in a charter school's monthly or quarterly financial statement pursuant to s. 1002.33(9), F.S. These changes only apply to levies authorized by vote of the electors on or after July 1, 2020.

Charter County and Regional Transportation System Surtax

Current Situation

Each charter county that has adopted a charter, each county the government of which is consolidated with that of one or more municipalities, and each county that is within or under an interlocal agreement with a regional transportation or transit authority created under chapter 343 or chapter 349, F.S., may levy a discretionary sales surtax of up to one percent, subject to approval by a majority vote of the electorate of the county or by a charter amendment approved by a majority vote of the electorate of the county.²⁶

Generally, the surtax proceeds are used for the development, construction, operation, and maintenance of fixed guideway rapid transit systems; bus systems; on-demand transportation services; and roads

and bridges.²⁷ Counties eligible to levy the surtax may also use up to 25 percent of the proceeds for nontransit purposes.²⁸ Currently four counties are levying the tax.²⁹

Proposed Changes

The bill provides that the surtax levied in counties, as defined in s. 125.011(1), F.S.,³⁰ shall expire on December 31, 2049. Any new levy of such surtax, on or after January 1, 2050, must be approved by a majority vote of the electorate at a general election held within two years prior to the effective date of a new levy.

The bill also provides that any new levy of the surtax by any county approved in a referendum on or after July 1, 2020, may not be authorized for a period of more than 20 years without being reenacted in a subsequent referendum.

Communications Services Tax

Current Situation

Chapter 202, F.S., imposes a tax on the sale of communication services, including wireline and mobile telecommunications service, cable and video service, and direct-to-home satellite service.

The state tax rate for communications services (state CST) is 4.92 percent and is applied to the retail sales price of communications service that originates and terminates in this state, or originates or terminates in this state and is charged to a service address in this state.³¹ The tax is calculated and collected on each retail sale of communications services³² except direct-to-home satellite services, which are taxed at a rate of 9.07 percent.³³ The state also levies a 2.52 percent gross receipts tax on communications services.³⁴

Local governments may also levy a communications service tax (local CST), which varies by jurisdiction.³⁵ The maximum rate for municipalities or charter counties is 5.1 percent (or 4.98 percent if the municipality or charter county levies certain permit fees, which are discussed below).³⁶ The maximum rate for non-charter counties is 1.6 percent.³⁷ These maximum rates do not include add-ons of up to 0.12 percent for municipalities and charter counties or up to 0.24 percent for non-charter counties.³⁸ Further, rates adopted by a local taxing jurisdiction to correct an expected shortfall caused by law changes in 2002 may exceed the statutory maximum rates under certain circumstances.³⁹ The local CST does not apply to direct-to-home satellite services.⁴⁰

²⁷ Section 212.055(1)(d), F.S.

²⁸ Section 212.055(1)(d)3., F.S.

²⁹ Broward, Duval, Hillsborough and Miami-Dade counties levy this tax. See 2019 Local Government Financial Information Handbook, p. 158. See: <http://edr.state.fl.us/Content/local-government/reports/lgh19.pdf>.

³⁰ Section 125.011(1), F.S., defines “county” as “any county operating under a home rule charter adopted pursuant to ss. 10, 11, and 24, Art. VIII of the Constitution of 1885, as preserved by Art. VIII, s. 6(e) of the Constitution of 1968, which county, by resolution of its board of county commissioners, elects to exercise the powers herein conferred.” This definition currently applies only to Miami-Dade County.

³¹ Section 202.12(1)(a), F.S.

³² In addition, a gross receipts tax of 2.52 percent is calculated and collected on the same taxable transactions and remitted with the communications services tax. S. 203.01(1)(b), F.S.

³³ Section 202.12(1)(b), F.S.

³⁴ Section 203.01(1)(a) and (b), F.S.

³⁵ Section 202.19(1), F.S.

³⁶ Section 202.19(2)(a), F.S.

³⁷ Section 202.19(2)(b), F.S.

³⁸ Section 202.19(2)(c), F.S.

³⁹ Section 202.20(2)(a)3. F.S.

⁴⁰ Section 202.19(6), F.S.

The state CST is distributed by a similar formula as the sales and use tax, as prescribed in s. 212.20(6), F.S., with most of the proceeds deposited into the General Revenue Fund and a portion distributed to local governments.⁴¹

Proposed Changes

The bill reduces the state CST rate for general communications services from 4.92 percent to 4.42 percent. The bill reduces the CST rate for direct-to-home satellite services from 9.07 percent to 8.57 percent. The bill provides that these reduced rates shall be applied to bills for communications services dated on or after January 1, 2021.

Corporate Income Tax

Florida levies corporate income tax on corporations of 5.5 percent for income earned in Florida.⁴² The calculation of Florida corporate income tax starts with a corporation's federal taxable income.⁴³ After certain addbacks and subtractions to federal taxable income required by ch. 220, F.S., the amount of adjusted federal income attributable to Florida is determined by the application of an apportionment formula.⁴⁴ The Florida corporate income tax uses a three-factor apportionment formula consisting of property, payroll, and sales (which is double-weighted) to measure the portion of a multistate corporation's business activities attributable to Florida.⁴⁵ Income that is apportioned to Florida using this formula is then subject to the Florida income tax. The first \$50,000 of net income is exempt.⁴⁶

Voluntary Cleanup Tax Credit (VCTC) Program - Brownfields Tax Credit

Current Situation

In 1998, the Legislature provided the Department of Environmental Protection (DEP) the direction and authority to issue tax credits as an additional incentive to encourage site rehabilitation in brownfield areas and to encourage voluntary cleanup of certain other types of contaminated sites. This corporate income tax credit may be taken in the amount of 50 percent of the costs of voluntary cleanup activity that is integral to site rehabilitation at the following sites:

- A site eligible for state-funded cleanup under the Drycleaning Solvent Cleanup Program;⁴⁷
- A drycleaning solvent contaminated site at which the real property owner undertakes voluntary cleanup, provided that the real property owner has never been the owner or operator of the drycleaning facility; or
- A brownfield site in a designated brownfield area.⁴⁸

Eligible tax credit applicants may receive up to \$500,000 per site per year in tax credits. Due to concern that some participants in a voluntary cleanup might only conduct enough work to eliminate or minimize their exposure to third party lawsuits, current law also provides a completion incentive in the form of an additional 25 percent supplemental tax credit for those applicants that completed site rehabilitation and received a Site Rehabilitation Completion Order from DEP. This additional supplemental credit has a \$500,000 cap. Businesses are also allowed a one-time application for an additional 25 percent of the total site rehabilitation costs, up to \$500,000, for brownfield sites at which the land use is restricted to affordable housing. They may also submit a one-time application claiming 50 percent of the costs, up to \$500,000, for removal, transportation and disposal of solid waste at a brownfield site.

⁴¹ Section 202.18(1), F.S. In addition, the gross receipts tax collected on communications services pursuant to s. 203.01(1)(b), F.S., goes to the Public Education Capital Outlay and Debt Service Trust Fund (PECO).

⁴² Section 220.11, F.S.

⁴³ Section 220.12, F.S.

⁴⁴ Section 220.15, F.S.

⁴⁵ Section 220.15, F.S.

⁴⁶ Section 220.14, F.S.

⁴⁷ Section 376.30781, F.S.

⁴⁸ Section 220.1845, F.S.

Site rehabilitation tax credit applications must be complete and submitted by January 31 of each year. The total amount of tax credits for all sites that may be granted by DEP is \$10 million annually. In the event that approved tax credit applications exceed the \$10 million annual authorization, the statute provides for remaining applications to roll over into the next fiscal year to receive tax credits in first come, first served order from the next year's authorization. These tax credits may be applied toward corporate income tax in Florida. The tax credits may be transferred one time, although they may succeed to a surviving or acquiring entity after merger or acquisition.

Since 1998, the VCTC Program has approved \$108.1 million in VCTCs.⁴⁹ Since 2014, the approved tax credits have averaged more than \$12.3 million per year.

As of February 1, 2020, DEP had a backlog of \$8.2 million in approved tax credits that have not been funded.⁵⁰ DEP received 149 VCTC applications for 2019 calendar year expenses totaling \$13.0 million.^{51,52}

Proposed Changes

The bill provides a one-time additional tax credit authorization of \$8.2 million for Fiscal Year 2020-21.

Automatic Refunds

Current Situation

On December 22, 2017, the federal government passed the Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018 (Tax Cuts and Jobs Act).⁵³ On February 9, 2018, the Bipartisan Budget Act of 2018 was passed, which contained tax extender legislation.⁵⁴ The acts made substantial changes to the taxation of individuals and business entities in all industries and contained numerous significant amendments to the Internal Revenue Code. One of the most significant changes that the Tax Cuts and Jobs Act made was amending IRC section 11(b) to permanently reduce the federal corporate income tax rate from 35 percent to 21 percent for taxable years beginning after December 31, 2017. Additionally, numerous changes were made to the calculation of federal taxable income. On balance, the federal tax base was substantially expanded. The Legislature adopted measures in response to the 2017 and 2018 federal income tax legislation during the 2018 and 2019 legislative sessions.

One such measure requires any collections in excess of "adjusted forecasted collections" during Fiscal Year 2018-19 to be refunded to eligible corporate taxpayers no later than May 1, 2020, according to a process set forth in statute. "Adjusted forecasted collections" is defined as the amount of net collections of corporate income tax forecasted by the Revenue Estimating Conference for the 2018-19 fiscal year on February 23, 2018, multiplied by 1.07.

Taxpayers eligible for refunds are those with taxable years beginning between April 1, 2017, and March 31, 2018, and whose final tax liability for that period is greater than zero. An eligible taxpayer's refund will equal the total excess collections multiplied by that taxpayer's final tax liability as a percentage of the total liabilities of all eligible taxpayers. Current estimates are that \$543 million will be refunded to taxpayers by May 1, 2020, as a result of this provision.

⁴⁹ Email correspondence with DEP staff, Feb. 6, 2020, on file with House Ways & Means Committee.

⁵⁰ DEP, Voluntary Cleanup Tax Credit Backlog, https://floridadep.gov/sites/default/files/VCTC-Pending-Awards_30Jul19.pdf (last visited Feb. 5, 2020)

⁵¹ Email correspondence with DEP staff, Feb. 5, 2020, on file with House Ways & Means Committee.

⁵² Note that, for various reasons, not all of the \$12.9 million in tax credits applied for will be approved.

⁵³ Public Law No. 115-97, H.R. 1 (Dec. 22, 2017). The act was originally introduced as the Tax Cuts and Jobs Act.

⁵⁴ Public Law No. 115-123, H.R. 1892 (Feb. 9, 2018). Tax extenders are temporary tax laws that have a set expiration date, but are typically kept alive through extensions. Because lawmakers generally extend these laws they are collectively referred to as "tax extenders."

For purposes of calculating the refund each taxpayer may receive, its “final tax liability” is the taxpayer’s amount of tax due under this chapter for a taxable year, reported on a return filed with the department. The amount of tax due on a taxpayer’s return is the amount owed after all required tax calculations are made, including accounting for applicable credits, including the credit allowed under s. 220.1875, F.S., for certain contributions made to eligible nonprofit scholarship-funding organizations under the Florida Tax Credit Scholarship Program. Businesses that used tax credits pursuant to s. 220.1875, F.S., for taxable years beginning between April 1, 2017, and March 31, 2018, had a lower “final tax liability” than they would have had without making eligible contributions to eligible organizations and therefore are eligible for a smaller proportion of the \$543 million in refunds scheduled to be made by May 1, 2020.

Proposed Change

The bill, in effect, allows credits taken under s. 220.1875, F.S., to count towards a taxpayer’s “final tax liability” for purposes of calculating refunds available under s. 220.1105, F.S.

Aviation Fuel Tax

Current Situation

Florida Law

Florida law imposes an excise tax of 4.27 cents on every gallon of aviation fuel sold in the state or brought into the state for use.⁵⁵ Aviation fuel is defined as “fuel for use in aircraft, and includes aviation gasoline and aviation turbine fuels and kerosene, as determined by the American Society for Testing Materials specifications D-910 or D-1655 or current specifications.”⁵⁶

In 2018, the Legislature reduced the excise tax on aviation fuel from 4.27 cents per gallon to 2.85 cents per gallon for aviation fuel paid by an air carrier who conducts scheduled operations or all-cargo operations that are authorized under 14 C.F.R. parts 121, 129, or 135. The tax reduction is available only through a refund of previously paid taxes. The purchaser must pay the 4.27 cents per gallon tax at the time of purchase and request a refund of 1.42 cents per gallon. The refund provided under this section plus the refund provided under s. 206.9855, F.S., related to wages paid by air carriers to employees located or based within Florida may not exceed 4.27 cents per gallon of aviation fuel purchased by an air carrier.

Collections of aviation fuel tax in Fiscal Year 2020-21 are estimated to be \$15.3 million, net of refunds.⁵⁷

Federal Law

The Federal Aviation Administration (FAA) is the agency within the United States Department of Transportation (USDOT) that, among other things, regulates the air transportation system in the United States.⁵⁸ Title 14 of the Code of Federal Regulations, in part, provides the licensing, certification, and operational specifications for all aviation activities in the United States. Federal regulations define “air carrier” to mean a person who undertakes directly by lease, or other arrangement, to engage in air transportation. Part 121 provides the operating requirements for domestic, flag, and supplemental operations. Part 125 provides for the certification and operation requirements for airplanes having a seating capacity of 20 or more passengers or a maximum payload capacity of 6,000 pounds or more; part 125 also provides rules governing person on board such aircrafts. Part 135 provides the operating requirements for commuter and on-demand operations and rules governing persons on board such aircrafts.

⁵⁵ Section 206.9825, F.S.

⁵⁶ Section 206.9815, F.S.

⁵⁷ EDR, Florida Transportation Revenue Estimating Conference, Jan. 2020.

⁵⁸ USDOT, Administrations, available at: <http://www.dot.gov/administrations> (last visited Feb. 15, 2018).

The FAA imposes certain restrictions on the uses of revenues for airport operators that accept federal assistance.⁵⁹ Generally, revenues from state and local taxes on aviation fuel may only be used for certain aviation-related purposes such as airport operating costs, or in the case of state taxes, a “state aviation program.”⁶⁰ However, the revenue from state and local taxes on aviation fuel which were in effect prior to December 30, 1987, is considered “grandfathered” and is eligible for use for otherwise impermissible expenditures.⁶¹ On November 7, 2014, the FAA clarified its interpretation of the federal requirements for the use of revenue derived from taxes on aviation fuel, and requested each state to validate compliance with this FAA regulation.⁶² On April 26, 2016, the Florida Department of Transportation validated the state’s compliance with the FAA regulation.⁶³

Proposed Changes

The bill further reduces the net excise tax on aviation fuel (after accounting for refunds) from 2.85 cents per gallon to 1.89 cents per gallon for aviation fuel paid by an air carrier who conducts scheduled operations or all-cargo operations that are authorized under 14 C.F.R. parts 121, 129, or 135. Using the same refund mechanism enacted in 2018 described above, the bill increases the refund available to these air carriers from 1.42 cents per gallon to 2.38 cents per gallon.

Property Taxation in Florida

Local governments, including counties, school districts, and municipalities have the constitutional authority to levy ad valorem taxes. Special districts may also be given this authority by law.⁶⁴ Ad valorem taxes are collected on the fair market value of the property, adjusting for any exclusions, differentials or exemptions.

All ad valorem taxation must be at a uniform rate within each taxing unit, subject to certain exceptions with respect to intangible personal property.⁶⁵ However, the Florida constitutional provision requiring that taxes be imposed at a uniform rate refers to the application of a common rate to all taxpayers within each taxing unit – not variations in rates between taxing units.⁶⁶

Federal, state, and county governments are immune from taxation but municipalities are not subdivisions of the state and may be subject to taxation absent an express exemption.⁶⁷ The Florida Constitution grants property tax relief in the form of certain valuation differentials,⁶⁸ assessment

⁵⁹ 49 U.S.C. §§ 47107(b) and 47133; Public Laws No. 97-248 and 100-223.

⁶⁰ “State aviation program” is not defined, but generally refers to state programs that support capital improvements or operating costs of airports; FAA, Policy and Procedures Concerning the use of Airport Revenue: Proceeds from Taxes on Aviation Fuel, 79 FR 66282, available at: https://www.faa.gov/airports/resources/publications/federal_register_notices/ (last visited Feb. 15, 2018).

⁶¹ Dec. 30, 1987, is the “grandfather” deadline because The Airport and Airway Safety and Capacity Expansion Act of 1987, Public Law 100–223, passed on that date, which first required state and local taxes on aviation fuel to be spent on airport-related purposes.

⁶² FAA, Policy and Procedures Concerning the use of Airport Revenue: Proceeds from Taxes on Aviation Fuel, 79 FR 66282, available at: https://www.faa.gov/airports/resources/publications/federal_register_notices/ (last visited Feb 15, 2018).

⁶³ Florida DOT, correspondence from FDOT State Aviation Manager to FAA Director of Office of Airport Compliance and Management Analysis, April 26, 2016, on file with House Ways & Means Committee.

⁶⁴ Fla. Const. art VII, s. 9.

⁶⁵ Fla. Const. art VII, s. 2.

⁶⁶ See, for example, *Moore v. Palm Beach County*, 731 So. 2d 754 (Fla. 4th DCA 1999) citing *W. J. Howey Co. v. Williams*, 142 Fla. 415, 195 So. 181, 182 (1940).

⁶⁷ “Exemption” presupposes the existence of a power to tax, while “immunity” implies the absence of it. See *Turner v. Florida State Fair Authority*, 974 So. 2d 470 (Fla. 2d DCA 2008); *Dept. of Revenue v. Gainesville*, 918 So. 2d 250, 257-59 (Fla. 2005).

⁶⁸ Fla. Const. art VII, s. 4, authorizes valuation differentials, which are based on character or use of property.

limitations,⁶⁹ and exemptions,⁷⁰ including the exemptions relating to municipalities and exemptions for educational, literary, scientific, religious or charitable purposes.

Property Tax Assessments - Condominium Associations

Current Situation

Condominium association unit owners and cooperative associations unit owners are assessed yearly ad valorem⁷¹ taxes by the county property appraiser.⁷² For condominium unit owners, ad valorem taxes for common elements are divided and levied proportionally among individual condominium parcel owners.⁷³

Current law permits condominium and cooperative associations to file a single joint petition to the Value Adjustment Board ("VAB") contesting the tax assessment of all units within the condominium or cooperative.⁷⁴ The association must provide each unit owner notice of the petition and their right to opt out of the appeal, if desired.⁷⁵

A decision by the VAB may be appealed to the circuit court.⁷⁶ While current law is clear that an association is authorized to act on behalf of all unit owners when filing a petition to the VAB and when initiating an appeal of the VAB's decision, it is unclear whether the association may defend, on behalf of unit owners, an appeal of the VAB's decision by the property appraiser.⁷⁷

The court in *Central Carillon Beach Condominium v. Garcia* took up this issue in a case of first impression.⁷⁸ Petitioners were two condominium associations who had represented their unit owners in a tax assessment challenge before a VAB (Associations). Respondent was the property appraiser for Miami-Dade County (Appraiser).⁷⁹

When the Associations initially challenged their tax assessment, the VAB substantially lowered their assessed property values.⁸⁰ As a result, the Appraiser challenged the decision in an appeal to the Miami-Dade Circuit Court, and named the individual unit owners, instead of the Associations.⁸¹ In response, the Associations submitted a motion to dismiss the appeal and a motion for certification of the unit owners as a defense class. Both motions were denied by the circuit court, and the Associations appealed the denial of the motion to the Third District Court of Appeal.⁸² In response, the Appraiser

⁶⁹ Fla. Const. art VII, s. 4(c), authorizes the "Save Our Homes" property assessment limitation, which limits the increase in assessment of homestead property to the lesser of 3 percent or the percentage change in the Consumer Price Index. S. 4(e) authorizes counties to provide for a reduction in the assessed value of homestead property to the extent of any increase in the assessed value of that property which results from the construction or reconstruction of the property for the purpose of providing living quarters for one or more natural or adoptive grandparents or parents of the owner of the property or of the owner's spouse if at least one of the grandparents or parents for whom the living quarters are provided is 62 years of age or older. This provision is known as the "Granny Flats" assessment limitation.

⁷⁰ Fla. Const. art VII, s. 3, provides authority for the various property tax exemptions. The statutes also clarify or provide property tax exemptions for certain licensed child care facilities operating in an enterprise zone, properties used to provide affordable housing, educational facilities, charter schools, property owned and used by any labor organizations, community centers, space laboratories, and not-for-profit sewer and water companies.

⁷¹ "Ad valorem tax" means a tax based upon the assessed value of property. Section 192.001(1), F.S.

⁷² Section 194.011, F.S.

⁷³ Section 718.120(1), F.S.; Office of the Attorney General, Advisory Legal Opinion – AGO 99-12, Mar. 8, 1999.

⁷⁴ Section 194.011(3)(e), F.S.

⁷⁵ Section 194.171, F.S.

⁷⁶ Section 194.011(3)(e), F.S.

⁷⁷ *Id.*

⁷⁸ *Central Carillon Beach Condominium Association, Inc., et al., v. Garcia, et al., et al.*, 245 So. 3d 869 (Fla. 3d DCA 2018).

⁷⁹ *Id.* at 869.

⁸⁰ *Id.* at 870.

⁸¹ *Id.* at 871.

⁸² *Id.* at 869.

argued that defense class certification should be denied, and the appeal should name individual unit owners, because statutes governing tax assessment challenge procedures require that individual unit owners be named on appeal.⁸³

Section 194.181(2), F.S., states that in any case brought by the taxpayer or association contesting the assessment of any property, the county property appraiser shall be party. In any case brought by the property appraiser alleging specific legal violations in the VAB's decision or claiming a certain monetary variance between the assessed value of the property by the property appraiser and the VAB in the decision,⁸⁴ the taxpayer shall be party defendant. "Taxpayer" is defined as the person or other legal entity in whose name property is assessed, including an agent of a timeshare period titleholder.⁸⁵ In *Central Carillon*, the individual unit owners were assessed the taxes, not the associations.⁸⁶

The Associations argued that this law conflicts with condominium association law which generally allows associations to represent unit owners through their rights of collective representation.⁸⁷

Section 718.111(3), F.S., in pertinent part, states that:

"The association may institute... or appeal actions or hearings in its name on behalf of all unit owners concerning matters of common interest to most or all unit owners, including, but not limited to, the common elements; the roof and structural components of a building or other improvements; mechanical, electrical, and plumbing elements serving an improvement or a building; representations of the developer pertaining to any existing or proposed commonly used facilities; and protesting ad valorem taxes on commonly used facilities and on units; and may defend actions in eminent domain or bring inverse condemnation actions. If the association has the authority to maintain a class action, the association may be joined in an action as representative of that class with reference to litigation and disputes involving the matters for which the association could bring a class action."

The court found that the Associations' argument was unsupported, stating that the provision only addresses ad valorem taxes in one phrase: "protesting ad valorem taxes on commonly used facilities and on units." The Associations protested the ad valorem taxes on behalf of all units, but the lawsuits brought by the Appraiser against the unit owners are not "protests." Rather, they are judicial review proceedings in which the unit owners are defendants. The specific cases in which an association may defend on behalf of all unit owners are "actions in eminent domain."⁸⁸

The Associations argued that because they could bring a class action if they were appealing a decision of the VAB, they "may be joined in an action as a representative of that class with reference to litigation..." However, the court found that s. 718.111(3), F.S., was not as precisely applied to the Appraiser's lawsuits against the unit owners as the ad valorem litigation provision, s. 194.181(2), F.S., which states that when an appraiser is the plaintiff seeking circuit court review of the VAB decision, "the taxpayer shall be the party defendant..."⁸⁹

Based on this statutory interpretation, the court in *Central Carillon* found that current law does not allow such an association to act on behalf of unit owners on appeal where a VAB decision is appealed by the property appraiser.⁹⁰

⁸³ *Id.* at 871.

⁸⁴ Section 194.036(1)(a), (b), F.S. In cases where the property appraiser is claiming a systematic violation of legal requirements, the VAB is the defendant.

⁸⁵ Section 192.001(13), F.S.

⁸⁶ *Central Carillon*, *supra* note 20, at 871.

⁸⁷ *Id.* at 871, 872.

⁸⁸ *Id.* at 872.

⁸⁹ *Id.* at 872.

⁹⁰ *Id.* at 873.

Proposed Changes

The bill amends current law to clarify that where an association has filed a single joint petition to challenge a tax assessment, a condominium or cooperative association may continue to represent, prosecute, and defend the unit owners through any related subsequent proceeding in any tribunal and any appeals. This provision will apply to cases pending on July 1, 2020.

The bill provides that in any case brought by the property appraiser concerning a value adjustment board decision on a single joint petition filed by a condominium or cooperative association, the association and all unit owners included in the single joint petition are the party defendants. The bill also requires, in cases in which the association chooses to continue in the appeal process, that the association must notify all unit owners of their options to participate or not participate. The notice must be hand-delivered or delivered by certified mail, return receipt requested, or transmitted electronically if a unit owner has expressly consented in writing to receive such notices through electronic transmission. The association must provide at least 14 days for unit owners to respond to the notice. Any unit owner failing to respond to the notice will be represented in the response or answer filed by the association.

Ad Valorem Exemption for Deployed Servicemembers⁹¹

Current Situation

The Florida Constitution grants an exemption for military servicemembers that have Florida homesteads and are deployed on active duty outside the continental United States, Alaska or Hawaii in support of military operations designated by the Legislature.⁹² The exemption is equal to the taxable value of the qualifying servicemember's homestead on January 1 of the year in which the exemption is sought, multiplied by the number of days that the servicemember was on a qualifying deployment in the preceding calendar year, and divided by the number of days in that year.⁹³

Eligible Military Operations

The Legislature has designated the following military operations as eligible for the exemption:

- Operation Joint Task Force Bravo, which began in 1995;
- Operation Joint Guardian, which began on June 12, 1999;
- Operation Noble Eagle, which began on September 15, 2001;
- Operation Enduring Freedom, which began on October 7, 2001, and ended on December 31, 2014;
- Operations in the Balkans, which began in 2004;
- Operation Nomad Shadow, which began in 2007;
- Operation U.S. Airstrikes Al Qaeda in Somalia, which began in January 2007;
- Operation Copper Dune, which began in 2009;
- Operation Georgia Deployment Program, which began in August 2009;
- Operation Spartan Shield, which began in June 2011;
- Operation Observant Compass, which began in October 2011;
- Operation Inherent Resolve, which began on August 8, 2014;
- Operation Atlantic Resolve, which began in April 2014;
- Operation Freedom's Sentinel, which began on January 1, 2015;
- Operation Resolute Support, which began in January 2015.

⁹¹ Section 196.173(7), F.S., defines the term "servicemember" for purposes of this exemption to mean a member or former member of any branch of the United States military or military reserves, the United States Coast Guard or its reserves, or the Florida National Guard.

⁹² Fla. Const. art. VII, s. 3(g). See also s. 196.173, F.S.

⁹³ Section 196.173(4), F.S.

Annual Report of All Known and Unclassified Military Operations

By January 15 of each year, the Department of Military Affairs (DMA) must submit to the President of the Senate, the Speaker of the House of Representatives, and the tax committees of each house of the Legislature a report of all known and unclassified military operations outside the continental United States, Alaska, or Hawaii for which servicemembers based in the continental United States have been deployed during the previous calendar year.⁹⁴

Proposed Changes

The bill updates the statutory list of military operations eligible for the exemption by adding Operation Juniper Shield, which began February 2007, Operation Pacific Eagle, which began September 2017, and Operation Martillo, which began January 2012. The bill also removes Operation Enduring Freedom which ended on December 31, 2014.

Ad Valorem Exemption for Hospitals

Current Situation

Florida Charitable Property Tax Exemption

The Florida Constitution requires that all property be assessed at just value for ad valorem tax purposes,⁹⁵ and it provides for specified assessment limitations, property classifications and exemptions.⁹⁶ After the local property appraiser considers any assessment limitation or use classification affecting the just value of a property, an assessed value is produced. The assessed value is then reduced by any exemptions to produce the taxable value.⁹⁷ Such exemptions include, but are not limited to, exemptions for such portions of property used predominately for educational, literary, scientific, religious, or charitable purposes.⁹⁸

The Legislature implemented these constitutional exemptions and set forth the criteria used to determine whether property is entitled to an exemption for use as a charitable, religious, scientific, or literary purpose.⁹⁹ Specific provisions exist for property for hospitals, nursing homes, and homes for special services;¹⁰⁰ property used for religious purposes;¹⁰¹ educational institutions¹⁰² and charter schools;¹⁰³ labor organization property;¹⁰⁴ nonprofit community centers;¹⁰⁵ biblical history displays;¹⁰⁶ and affordable housing.¹⁰⁷

In determining whether the use of a property qualifies the property for an ad valorem tax exemption, the property appraiser must consider the nature and extent of the qualifying activity compared to other activities performed by the organization owning the property, and the availability of the property for use by other qualifying entities.¹⁰⁸ Only the portions of the property used predominantly for qualified

⁹⁴ Section 196.173(3), F.S.

⁹⁵ Fla. Const., art. VII, s. 4.

⁹⁶ Fla. Const., art. VII, ss. 3, 4, and 6.

⁹⁷ Section 196.031, F.S.

⁹⁸ Fla. Const., art. VII, s. 3.

⁹⁹ Sections 196.195 and 196.196, F.S.

¹⁰⁰ Section 196.197, F.S.

¹⁰¹ Sections 196.1975(3) and 196.196(3), F.S.

¹⁰² Section 196.198, F.S.

¹⁰³ Section 196.1983, F.S.

¹⁰⁴ Section 196.1985, F.S.

¹⁰⁵ Section 196.1986, F.S.

¹⁰⁶ Section 196.1987, F.S.

¹⁰⁷ Section 196.196(5), F.S.

¹⁰⁸ Section 196.196(1)(a)-(b), F.S.

purposes may be exempt from ad valorem taxation. If the property owned by an exempt organization is used exclusively for exempt purposes, it shall be totally exempt from ad valorem taxation.

Charitable Organizations

Under federal law, an organization may only be tax-exempt if it is organized and operated for exempt purposes, including charitable and religious purposes.¹⁰⁹ None of the organization's earnings may benefit any private shareholder or individual, and the organization may not attempt to influence legislation as a substantial part of its activities. Charitable purposes include relief of the poor, the distressed or the underprivileged, the advancement of religion, and lessening the burdens of government.

Florida law defines a charitable purpose as a function or service which is of such a community service that its discontinuance could legally result in the allocation of public funds for the continuance of the function or the service.¹¹⁰

Determining Profit vs. Non-Profit Status of an Entity

Current law outlines the criteria a local property appraiser must consider in determining whether an applicant for a religious, literary, scientific, or charitable exemption is a nonprofit or profit-making venture for the purposes of receiving an exemption.¹¹¹ An applicant must provide the property appraiser with "such fiscal and other records showing in reasonable detail the financial condition, record of operations, and exempt and nonexempt uses of the property . . . for the immediately preceding fiscal year."¹¹²

The applicant must show that "no part of the subject property, or the proceeds of the sale, lease, or other disposition thereof, will inure to the benefit of its members, directors, or officers or any person or firm operating for profit or for a nonexempt purpose."¹¹³

Based on the information provided by the applicant, the property appraiser must determine whether the applicant is a nonprofit or profit-making venture or if the property is used for a profit-making purpose.¹¹⁴ In doing so, the property appraiser must consider the reasonableness of various payments, loan guarantees, contractual arrangements, management functions, capital expenditures, procurements, charges for services rendered, and other financial dealings.

A religious, literary, scientific, or charitable exemption may not be granted until the property appraiser, or value adjustment board on appeal, determines the applicant to be nonprofit.¹¹⁵

¹⁰⁹ 26 U.S.C. § 501(c)(3).

¹¹⁰ Section 196.012(7), F.S.

¹¹¹ Section 196.195, F.S.

¹¹² Section 196.195(1), F.S.

¹¹³ Section 196.195(3), F.S.

¹¹⁴ Section 196.195(2)(a)-(e), F.S.

¹¹⁵ Section 196.195(4), F.S.

Additional Criteria for Hospitals, Nursing Homes, and Homes for Special Services

In addition to the above criteria, hospitals,¹¹⁶ nursing homes¹¹⁷ and homes for special services¹¹⁸ must be a Florida non-profit corporations that are exempt organizations under the provisions of s. 501(c)(3) of the Internal Revenue Code.¹¹⁹

In determining the extent of the exemption to be granted to hospitals, nursing homes, and homes for special services, portions of the property leased as parking lots or garages operated by private enterprise are not exempt from taxation.¹²⁰ Property or facilities which are leased to a nonprofit corporation which provides direct medical services to patients in a nonprofit or public hospital and qualify under s. 196.196, F.S., are exempt from taxation.¹²¹

Federal Charity Care Reporting Requirements

To qualify for federal tax exemption, hospitals must report their community benefit activities to the Internal Revenue Service by filing IRS Form 990 and a supplemental Schedule H form. Community benefit activities include the net, unreimbursed costs of charity care (providing free or discounted services to patients who qualify under the hospital's financial assistance policy); participation in means-tested government programs, such as Medicaid; health professions education; health services research; subsidized health services; community health improvement activities; and cash or in-kind contributions to other community groups.¹²² Net community benefit activities do not include revenue from uncompensated care pools or programs, such as Low Income Pool or Disproportionate Share Hospital funds.¹²³

Proposed Changes

The bill requires that the value of charity care provided by a hospital in each county be compared to the tax value of the hospital's property exemption in each county. If the value of the charity care is less than the tax value of the all of the hospital's exempt property, then the hospital's exemption on each parcel in a county will be reduced to reflect the ratio of the hospital's charity care in the county to the tax value of all of the hospital's exempt property in the county. The language sets forth specific computations for the above.

The bill requires hospitals when applying for the exemption each year to provide their IRS form 990, schedule H, and a schedule displaying; 1) the value of charitable services provided or performed in each Florida county in which a hospital's properties are located; and 2) the portion of charitable services reported by the hospital on its most recently filed IRS Form 990, schedule H, attributable to the services and activities provided or performed by the hospital outside of Florida. The sum of the amounts provided in the schedule must equal the total net community benefit expense reported by the hospital on its most recently filed IRS Form 990, schedule H.

¹¹⁶ Section 196.012(8), F.S., "Hospital" means an institution which possesses a valid license granted under chapter 395 on January 1 of the year for which exemption from ad valorem taxation is requested

¹¹⁷ Section 196.012(8), F.S., "Nursing home" or "home for special services" means an institution that possesses a valid license under chapter 400 or part I of chapter 429 on January 1 of the year for which exemption from ad valorem taxation is requested.

¹¹⁸ *Id.*; s. 400.801, F.S. "Home for special services" means a site licensed by AHCA prior to January 1, 2006, where specialized health care services are provided, including personal and custodial care, but not continuous nursing services.

¹¹⁹ Section 196.197, F.S.

¹²⁰ *Id.*

¹²¹ *Id.*

¹²² James, Julia. Health Affairs, *Nonprofit Hospitals' Community Benefit Requirements* (2016), available at:

<https://www.healthaffairs.org/doi/10.1377/hpb20160225.954803/full/> (last viewed Feb. 28, 2019); Department of the Treasury, Internal Revenue Service, *Instructions for Schedule H (Form 990)* (2018), on file with Health Market Reform Subcommittee Staff.

¹²³ Department of the Treasury, Internal Revenue Service, *Instructions for Schedule H (Form 990)* (2018), on file with Health Market Reform Subcommittee Staff.

The bill also requires hospitals to provide a statement signed by the hospital's CEO and an independent certified public accountant that the information submitted is true and correct.

Construction Work in Progress

Current Situation

Section 192.001(11)(d), F.S., defines "tangible personal property" as all goods, chattels, and other articles of value (not including vehicles) capable of manual possession and whose chief value is intrinsic to the article itself.¹²⁴ All tangible personal property is subject to ad valorem taxation unless expressly exempted.¹²⁵ Household goods and personal effects,¹²⁶ items of inventory,¹²⁷ and up to \$25,000 of assessed value for each tangible personal property tax return¹²⁸ are exempt from ad valorem taxation. Anyone who owns tangible personal property on January 1 of each year and who has a proprietorship, partnership, or corporation, or is a self-employed agent or a contractor, must file a tangible personal property return to the property appraiser by April 1 each year.¹²⁹

Section 192.001(11)(d), F.S., also defines "construction work in progress" as items consisting of tangible personal property commonly known as fixtures, machinery, and equipment when in the process of being installed in new or expanded improvements to real property and whose value is materially enhanced upon connection or use with a preexisting, taxable, operational system or facility. Construction work in progress is subject to ad valorem taxation when it is deemed to be substantially completed, meaning when it is connected with the preexisting, taxable, operational system or facility.

Proposed Changes

The bill amends s. 192.001(11)(d), F.S., to clarify that for purposes of tangible personal property constructed or installed by an electric utility, construction work in progress shall not be deemed substantially complete unless all permits or approvals required for commercial operation have been received and approved.

Value Adjustment Boards

Current Situation

Part 1 of ch. 194, F.S., provides for the administrative review of ad valorem tax assessments and exemption denials through local value adjustment boards (VABs). The VAB hearings are a venue in which taxpayers can present their case to a neutral party without the need to hire an attorney or go through the formal process of a circuit court case.

Current law authorizes a property owner to initiate a review by filing a petition with the clerk of the VAB within 25 days of the mailing of the Truth in Millage (TRIM) notice.¹³⁰

In most counties, the VAB hearing takes place in front of a special magistrate instead of the VAB.¹³¹ Special magistrates are experienced appraisers and attorneys who are hired to serve as impartial

¹²⁴ Section 192.001(11)(d), F.S.

¹²⁵ Section 196.001(1), F.S.

¹²⁶ Section 196.181, F.S.

¹²⁷ Section 196.185, F.S.

¹²⁸ Section 196.183, F.S.

¹²⁹ Section 193.062, F.S.; *see also* DOR, Tangible Personal Property,

https://floridarevenue.com/property/Pages/Taxpayers_TangiblePersonalProperty.aspx (last visited Feb. 13, 2020).

¹³⁰ Section 194.011(3), F.S.

¹³¹ Section 194.035(1), F.S., requires the use of special magistrates in counties with a population over 75,000. Smaller counties may opt to use special magistrates.

hearing officers.¹³² After the hearing the special magistrate produces a recommended decision which is given to the VAB which produces the final decision. This step does not occur if the VAB hears the petition directly.

Once the final written decision is issued by the VAB, if the petitioner disagrees with the decision, he or she then has 60 days to file an action in circuit court contesting that decision.¹³³ However, an appeal of a VAB decision by the property appraiser must be filed, if the tax roll has been extended during a VAB hearing, within 30 days of the certification.¹³⁴ In addition, it does not appear that either party is afforded the authority to file a counterclaim to an appeal.

Proposed Changes

As current law requires VAB special magistrates to be qualified individuals, many are familiar with and employed in the appraisal business. The bill strengthens the statutory provisions that address conflict of interest for special magistrates. Specifically, the bill amends s. 194.035(1), F.S., providing that an appraisal performed by a special magistrate may not be submitted as evidence to the value adjustment board in any roll year during which he or she has served on that board as a special magistrate.

The Truth in Millage (TRIM) notice

Current Situation

Each August, a TRIM notice is sent out by the property appraiser to all taxpayers providing specific information about their parcel.¹³⁵

The TRIM notice lists each taxing authority that levies taxes on the property, how much they collected from that parcel in the previous year, how much they propose to collect this year, and how much would be levied on the property if the taxing authority made no budget changes.¹³⁶ It also lists the day and time that the taxing authority will be holding its preliminary budget hearing, so that the taxpayer can participate in the process and provide input to the taxing authority if they disagree with the proposed taxes.¹³⁷ After this meeting, where a tentative millage (tax) rate and budget are adopted, the taxing authority must then publish the proposed millage rate¹³⁸ and the proposed budget¹³⁹ in a newspaper of general circulation before holding a meeting for the final adoption of the millage rate and budget.¹⁴⁰ This gives citizens two opportunities to have input into the process of setting the millage rate and budget.

The TRIM notice also provides key information about the valuation of the property. It lists the value the property appraiser has placed on the property, shows any reductions which have been made to that value due to a classification or assessment limitation, and shows what exemptions have been granted on that property and the value of those exemptions.¹⁴¹ This gives taxpayers notice of the assessment of their property, lets them review any assessment limitations or classifications applied, allows them to check to make sure they are getting all of the exemptions they are entitled to receive, and allows them to dispute any of these matters before the tax bills are sent out.

¹³² Section 194.035(1), F.S.

¹³³ Section 194.171(2), F.S.

¹³⁴ Section 193.122(4), F.S.

¹³⁵ Section 200.069, F.S.

¹³⁶ *Id.*

¹³⁷ Section 200.069(4)(g), F.S.

¹³⁸ Section 200.065(3), F.S.

¹³⁹ Section 200.065(3)(1), F.S.

¹⁴⁰ Section 200.065 (2)(d), F.S.

¹⁴¹ Section 200.069(6), F.S.

Proposed Changes

The bill prohibits inclusion in the annual TRIM notice of information or statements not relating to the items that are in the notice. Specifically, the bill amends s. 200.069, F.S., requiring the property appraiser to only include in the mailing of the notice of ad valorem taxes and non-ad valorem assessments additional statements explaining any item in the notice and any other relevant information for property owners.

Tourist Development Taxes

Current Situation

The Local Option Tourist Development Act¹⁴² authorizes counties to levy five separate taxes on transient rental¹⁴³ transactions (“tourist development taxes” or “TDTs”). Depending on a county’s eligibility to levy such taxes, the maximum tax rate varies from a minimum of three percent to a maximum of six percent:

- The original TDT may be levied at the rate of 1 or 2 percent.¹⁴⁴
- An additional 1 percent tax may be levied by counties who have previously levied a TDT at the 1 or 2 percent rate for at least three years.¹⁴⁵
- A high tourism impact tax may be levied at an additional 1 percent.¹⁴⁶
- A professional sports franchise facility tax may be levied up to an additional 1 percent.¹⁴⁷
- An additional professional sports franchise facility tax no greater than 1 percent may be imposed by a county that has already levied the professional sports franchise facility tax.¹⁴⁸

TDT Process

Each county that levies the original 1 or 2 percent tax is required to have a “tourist development council.”¹⁴⁹ The tourist development council is a group of residents from the county that are appointed by the county governing authority. The tourist development council, among other duties, makes recommendations to the county governing authority for the effective operation of the special projects or for uses of the TDT revenue.

Prior to the authorization of the original 1 or 2 percent TDT, the levy must be approved by a countywide referendum¹⁵⁰ and additional TDT levies must be authorized by a vote of the county’s governing authority or by voter approval of a countywide referendum.¹⁵¹ Each county proposing to levy the original

¹⁴² Section 125.0104, F.S.

¹⁴³ Section 125.0104(3)(a)(1), F.S. considers “transient rental” to be the rental or lease of any accommodation for a term of 6 months or less.

¹⁴⁴ Section 125.0104(3)(c), F.S. Sixty-three counties levy this tax, all at a rate of 2 percent. Office of Economic & Demographic Research (EDR), *Local Option Tourist / Food & Beverage Tax Rates*, available at <http://edr.state.fl.us/Content/local-government/data/county-municipal/> (last visited Jan. 25, 2020). These counties are expected to collect an estimated \$1.01 billion in revenue in the 2019-2020 state fiscal year. 2019 Local Government Financial Information Handbook, p. 243, available at <http://edr.state.fl.us/Content/local-government/reports/lgfi19.pdf> (last visited Feb. 3, 2020).

¹⁴⁵ Section 125.0104(3)(d), F.S. Fifty-four of the eligible 59 counties levy this tax, with an estimated 2019-20 state fiscal year collection of \$169 million. *Id at 263.*

¹⁴⁶ Section 125.0104(3)(m), F.S. Seven of the nine eligible counties levy this tax, with an estimated 2019-20 state fiscal year collection of \$106 million. *Id at 269.*

¹⁴⁷ Section 125.0104(3)(l), F.S. Revenue can be used to pay debt service on bonds for the construction or renovation of professional sports franchise facilities, spring training facilities or professional sports franchises, and convention centers and to promote and advertise tourism. Forty-five of the 67 eligible counties levy this additional tax, with an estimated 2019-20 state fiscal year collection of \$183 million. *Id at 267.*

¹⁴⁸ Section 125.0104(3)(n) F.S. Thirty of the eligible 65 counties levy the additional professional sports franchise facility tax, with an estimated 2019-20 state fiscal year collection of \$147 million. *Id at 273.*

¹⁴⁹ Section 125.0104(4)(e), F.S.

¹⁵⁰ Section 125.0104(6), F.S.

¹⁵¹ Section 125.0104(3)(d), F.S.

1 or 2 percent tax must then adopt an ordinance for the levy and imposition of the tax,¹⁵² which must include a plan for tourist development prepared by the tourist development council.¹⁵³ The plan for tourist development must include the anticipated net tax revenue to be derived by the county for the two years following the tax levy, as well as a list of the proposed uses of the tax and the approximate cost for each project or use.¹⁵⁴ The plan for tourist development may not be substantially amended except by ordinance enacted by an affirmative vote of a majority plus one additional member of the governing board.¹⁵⁵

TDT Uses

Current statute prescribes the authorized uses of TDT revenues, which includes tourism marketing, water- or beach-oriented projects, and construction of tourist-related facilities.¹⁵⁶ The permitted uses of each local option tax vary according to the particular levy.

Revenues received by a county from a tax levied under s. 125.0104(3)(c) and (d), F.S. (the original 1 or 2 percent levy and the additional 1 percent levy), must be used only for purposes listed in s. 125.0104(5), F.S. Revenues received by a county from a tax levied under s. 125.0104(3)(m), F.S. (the High Tourism Impact Tax of 1%), must also be used for purposes listed in s. 125.0104(5), F.S. These purposes are:

- The acquisition, construction, extension, enlargement, remodeling, repair, or improvement of a publicly owned and operated convention center, sports stadium, sports arena, coliseum, auditorium, aquarium, or a museum that is publicly owned and operated or owned and operated by a not-for-profit organization, or promotion of a zoo.
- Promotion and advertising of tourism in the state.
- Funding of convention bureaus, tourist bureaus, tourist information centers, and news bureaus as county agencies, or by contract with chambers of commerce or similar associations in the county.
- Financing beach park facilities or beach improvement, maintenance, renourishment, restoration, and erosion control, including shoreline protection, enhancement, cleanup or restoration of inland lakes and rivers to which there is public access as those uses relate to the physical preservation of the beach, shoreline, or inland lake or river.¹⁵⁷
- In counties with populations less than 750,000, tourist development tax revenue may be used for the acquisition, construction, extension, enlargement, remodeling, repair, or improvement, maintenance, operation, or promotion of zoos, fishing piers, or nature centers which are publicly owned and operated or owned and operated by a not-for-profit organization and open to the public.
- A county located adjacent to the Gulf of Mexico or the Atlantic Ocean, except a county that receives revenue from taxes levied pursuant to s. 125.0108, F.S., may use up to 10 percent of the tax revenue received pursuant to this section to reimburse expenses incurred in providing public safety services, including emergency medical services, and law enforcement services, which are needed to address impacts related to increased tourism and visitors to an area.
- Securing revenue bonds issued by the county for the acquisition, construction, extension, enlargement, remodeling, repair, or improvement of a publicly owned and operated convention center, sports stadium, sports arena, coliseum, auditorium, aquarium, or a museum or financing

¹⁵² Section 125.0104(4)(a), F.S.

¹⁵³ Section 125.0104(4), F.S.

¹⁵⁴ See s. 125.0104(4), F.S.

¹⁵⁵ See s. 125.0104(4), F.S. The provisions found in ss. 125.0104(4)(a)-(d), F.S., do not apply to the high tourism impact tax, the professional sports franchise facility tax, or the additional professional sports franchise facility tax.

¹⁵⁶ Florida Legislative Committee on Intergovernmental Relations, Issue Brief: Utilization of Local Option Tourist Taxes by Florida Counties in Fiscal Year 2009-10 (December 2009), available at <http://edr.state.fl.us/Content/local-government/reports/localopttourist09.pdf> (last visited Jan. 25, 2020).

¹⁵⁷ In counties with populations less than 100,000, up to 10 percent of tourist development tax revenues may be used for financing beach park facilities. See s. 125.0104(5)(a), F.S.

beach park facilities or beach improvement, maintenance, renourishment, restoration, and erosion control.

Revenues received by a county from a tax levied under s. 125.0104(3)(l), F.S., (the 1 levy or the additional 1 percent levy under s. 125.0104(3)(n), F.S.) can be used to pay debt service on bonds for the construction or renovation of professional sports franchise facilities, spring training facilities or professional sports franchises, and to promote and advertise tourism. The original 1 percent levy may also be used to operate or maintain a convention center.

The use of TDT revenue for any purpose not expressly authorized in statute is expressly prohibited.¹⁵⁸

TDT Administration

Section 125.0104(10), F.S., authorizes a county levying TDTs to self-administer the tax, if the county adopts an ordinance providing for the local collection and administration of the tax. A county that chooses to self-administer the taxes must choose whether to assume all responsibility for auditing the records and accounts of dealers and assessing, collecting, and enforcing payments of delinquent taxes, or to delegate this authority to DOR.

Current Collections and Related Expenditures in Miami-Dade County

Based on the Miami-Dade County budget for Fiscal Year 2019-20,¹⁵⁹ actual TDT collections for 2018-19 were nearly \$47 million, comprised of:

- Tourist Development Tax¹⁶⁰ revenues of \$31,223,480, and
- Professional Sports Facilities Tax¹⁶¹ revenues of \$15,611,740.

The estimated 2019-20 collections are nearly \$49 million, comprised of:

- Tourist Development Tax revenues of \$32,464,000, and
- Professional Sports Facilities Tax revenues of \$16,232,000.

These funds were budgeted for use as follows¹⁶²:

- TDT revenues were budgeted for distribution to:
 - The Greater Miami Convention and Visitors Bureau (60% minus a stipend to the Tourist Development Council),
 - The Cultural Affairs Council (within the Miami-Dade County Department of Cultural Affairs) (20%), and
 - City of Miami (20%), which is used for debt service.
- Professional Sports Facilities Tax revenues were exclusively budgeted for debt service.
 - The debt secured and paid by this revenue stream over time has included funds for the Key Biscayne Golf Course, Golf Club of Miami, Orange Bowl Stadium, International Tennis Center, Miami Arena, Homestead Sports Complex, and the Dade International Speedway.¹⁶³

Proposed Changes

The bill expands the list of allowable uses of TDT revenues to include public parks and trails and water quality improvement projects. Allowable water quality improvement projects include, but are not limited

¹⁵⁸ Section 125.0104(5)(e), F.S.

¹⁵⁹ Available at <https://www.miamidade.gov/budget/library/fy2019-20/adopted/appendix-o.pdf> (last visited Feb. 3, 2020).

¹⁶⁰ Section 125.0104(3)(c), F.S.

¹⁶¹ Section 125.0104(3)(l), F.S.

¹⁶² *Id.*

¹⁶³ Professional Sports Franchise Facility Tax, available at <http://www.miamidade.gov/finance/library/bond-book/2018/special/professional-sports-tax-receipts.pdf> (last visited Feb. 3, 2020).

to, flood mitigation; seagrass or seaweed removal; algae control, cleanup, or prevention measures; and septic to sewer conversion projects intended to prevent, mitigate, or ameliorate damage to the water quality of surface waters important to the tourism industry of the jurisdiction.

The bill also increases from 750,000 to 950,000, the current population threshold under which counties are allowed to use tourist development tax revenue for the acquisition, construction, extension, enlargement, remodeling, repair, or improvement, maintenance, operation, or promotion of zoos, fishing piers, or nature centers which are publicly owned and operated or owned and operated by a not-for-profit organization and open to the public.

The bill limits the uses of TDT revenues in Miami-Dade County.¹⁶⁴ It allows Miami-Dade County to use TDT revenues to complete the terms of any project or contract in effect as of the date the bill becomes law, including debt service on such projects, but does not allow use of revenues for extension of any project, contract, or debt service beyond the terms in effect as of the date the bill becomes law. Any revenue not needed for those purposes is redirected to the following:

- 50 percent of the revenues will be distributed back to the local government jurisdictions within which the revenues were collected. For amounts collected and remitted within municipalities, the revenues will be distributed back to each local governing body in proportion to the amount of revenue received from that municipality. For unincorporated areas, revenues will be distributed back to Miami-Dade County. The jurisdictions are authorized to use these revenues to:
 - Promote or advertise tourism, through direct expenditures by the jurisdiction or through an interlocal agreement with the Greater Miami Convention and Visitors Bureau;
 - Reimburse expenses incurred in providing public safety services related to tourism, like emergency medical or law enforcement services, provided that such revenues may not supplant the normal operating expenses incurred for such services; or
 - Finance certain public facility infrastructure projects, if the public facilities are needed to increase tourist-related business activities in the county or subcounty special district and are recommended by the county tourist development council. TDT revenues may also be used for any related land acquisition, land improvement, design, and engineering costs and all other professional and related costs required to bring public facilities into service.¹⁶⁵ Any public facility infrastructure projects are subject to the conditions currently applicable to similar infrastructure projects in s. 125.0104(5)(a)6., F.S.:
 - The use must be approved by a vote of at least two-thirds of the county governing board membership;
 - No more than 70 percent of the cost of the new facilities may be paid for with these TDT revenues;
 - No more than 40 percent of these TDT revenues collected by the county are spent to promote and advertise tourism; and
 - An independent analysis, performed at the expense of the county tourist development council, must demonstrate the positive impact of the infrastructure project on tourist-related business in the county.
 - Acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate, or promote parks or trails that are either publicly owned and operated or owned and operated by a not-for-profit organization and open to the public.

¹⁶⁴ The bill only affects a county as defined in s. 125.011(1), F.S. Section 125.011(1), F.S., defines “county” as “any county operating under a home rule charter adopted pursuant to ss. 10, 11, and 24, Art. VIII of the Constitution of 1885, as preserved by Art. VIII, s. 6(e) of the Constitution of 1968, which county, by resolution of its board of county commissioners, elects to exercise the powers herein conferred.” This definition currently applies only to Miami-Dade County.

¹⁶⁵ Infrastructure projects are limited to the acquisition, construction, extension, enlargement, remodel, repair, improvement, maintenance, or operation of public facilities in the jurisdiction. “Public facilities” is defined to mean “major capital improvements that have a life expectancy of 5 or more years, including, but not limited to, transportation; sanitary sewer, including solid waste, drainage, and potable water; and pedestrian facilities.”

- 20 percent of the revenues will be distributed to the county to fund the primary bureau, department, or association responsible for organizing, funding, and promoting opportunities for artists and cultural organizations within the county. The organization currently meeting this criteria is the Miami-Dade Department of Cultural Affairs.¹⁶⁶
- 30 percent of the revenues will be distributed to the county to be used for any new purpose specified for the current food and beverage tax in s. 212.0306, F.S., renamed the Local Option Coastal Recovery and Resiliency Tax by the bill. These include any one or more of the following, as decided by a majority of the governing board of the county:
 - Water quality improvement projects, including, but not limited to:
 - Flood mitigation,
 - Seagrass or seaweed removal,
 - Algae control, cleanup, or prevention measures,
 - Biscayne Bay and waterway network restoration measures, and
 - Septic to sewer conversion projects intended to prevent, mitigate, or ameliorate damage to the water quality of surface waters important to the tourism industry of the jurisdiction.
 - Erosion control.
 - Mangrove protection.
 - Removal of invasive plant and animal species.
 - Beach renourishment.
 - Purchase of land for conservation purposes.
 - Coral reef protection.

Convention Development Taxes

Current Situation

The Convention Development Tax Act¹⁶⁷ authorizes certain counties or sub-parts of counties to levy convention development taxes on transient rental transactions. Depending on a jurisdiction's ability to levy such taxes, the maximum tax rate varies from a minimum of one percent to a maximum of three percent:

- The consolidated county convention tax may be levied at two percent.¹⁶⁸
- The charter county convention tax may be levied at three percent.¹⁶⁹
- The special district, special, and subcounty convention tax may be levied at a rate up to three percent.¹⁷⁰

Duval County (as a county consolidated with a municipality), Miami-Dade County (as a charter county), and parts of Volusia County currently levy the maximum convention development tax allowable in their respective jurisdictions.¹⁷¹

CDT Process

CDT levies must be authorized pursuant to an ordinance enacted by the county's governing body.¹⁷² A certified copy of the ordinance imposing the levy must be furnished by the county to DOR within 10 days after approval of such ordinance.¹⁷³ The effective date of imposition of the levy can be the first day

¹⁶⁶ For more information on this organization, visit <https://www.miamidadearts.org> (Last visited Feb. 3, 2020).

¹⁶⁷ Section 212.0305, F.S.

¹⁶⁸ Section 212.0305(4)(a), F.S.

¹⁶⁹ Section 212.0305(4)(b), F.S.

¹⁷⁰ Section 212.0305(4)(c),(d), and (e), F.S.

¹⁷¹ Office of Economic & Demographic Research (EDR), Local Option Tourist / Food & Beverage Tax Rates, available at <http://edr.state.fl.us/Content/local-government/data/county-municipal/> (last visited Jan. 25, 2020).

¹⁷² Section 212.0305(4)(b)1., F.S.

¹⁷³ Section 212.0305(4)(b)6., F.S.

of any month at least 60 days after enactment of the ordinance. Revenues must be deposited in a convention development trust fund, established by the county before they can receive any CDT funds.¹⁷⁴

The charter county development tax has an exception for municipalities in which a municipal tourist tax is levied and in which a resolution prohibiting imposition of the charter county convention development levy within such municipality has been adopted.¹⁷⁵ The convention development levy is imposed by the county in all other areas of the county except municipalities which have a municipal tourist tax and which have adopted a resolution. No CDT funds may be used in a municipality which has adopted such a resolution. In Miami-Dade County, three jurisdictions have a municipal tourist tax and have adopted a resolution under this provision. Those jurisdictions are Bal Harbour, Miami Beach, and Surfside.¹⁷⁶

CDT Uses

Generally, the revenues raised by CDT levies may be used for capital construction of convention centers and other tourist-related facilities, as well as tourism promotion; however, the authorized uses vary by levy.

The charter county convention development tax, levied only by Miami-Dade County, is restricted to the following uses:

- Two-thirds of the proceeds were to be used to extend, enlarge, and improve the largest existing publicly owned convention center in the county.¹⁷⁷ Since this project was completed, this tax revenue was authorized for use to acquire, construct, extend, enlarge, remodel, repair, improve, plan for, operate, manage, or maintain one or more convention centers, stadiums, exhibition halls, arenas, coliseums, auditoriums, golf courses, or an intercity light rail transportation system.¹⁷⁸
- One-third of the proceeds were to be used to construct a new multipurpose convention/coliseum/exhibition center/stadium or the maximum components thereof as funds permit in the most populous municipality in the county (Miami).¹⁷⁹ Since this project was completed, tax revenues may be used, as determined by the county, to operate an oversight authority or to acquire, construct, extend, enlarge, remodel, repair, improve, operate, or maintain one or more convention centers, stadiums, exhibition halls, arenas, coliseums, auditoriums, golf courses, or related buildings and parking facilities in Miami.¹⁸⁰

Current Collections and Related Expenditures in Miami-Dade County

In the State Fiscal Year 2019-20, Miami-Dade County will realize an estimated \$97,025,000 in CDT revenue.¹⁸¹ Budgeted expenditures include payments to Miami-Dade County for bond payments for the Performing Arts Center and neighborhood cultural facilities, Performing Arts Center operations, American Airlines Arena operations and maintenance, and interlocal payments to the Cities of Miami Beach and Miami, as well as residual payments to Miami-Dade County for eligible projects.¹⁸²

Proposed Changes

The bill limits the uses of CDT revenues to the following:

¹⁷⁴ Section 212.0305(4)(b)7., F.S.

¹⁷⁵ Section 212.0305(4)(b)3., F.S.

¹⁷⁶ Office of Economic & Demographic Research (EDR), Local Option Tourist / Food & Beverage Tax Rates, available at <http://edr.state.fl.us/Content/local-government/data/county-municipal/> (last visited Jan. 25, 2020).

¹⁷⁷ Section 212.0305(4)(b)2.a., F.S.

¹⁷⁸ Section 212.0305(4)(b)2.c., F.S.

¹⁷⁹ Section 212.0305(4)(b)2.b., F.S.

¹⁸⁰ Section 212.0305(4)(b)2.d., F.S.

¹⁸¹ Available at <https://www.miamidade.gov/budget/library/fy2019-20/adopted/appendix-o.pdf> (last visited Feb. 3, 2020).

¹⁸² *Id.*

- To complete the terms of any project or contract in effect as of the date the bill becomes law, including debt service on such projects, but does not allow revenues to be used for extension of any project, contract, or debt service beyond the terms in effect as of the date the bill becomes law.
- Any revenue not needed for those purposes is redirected to the following:
 - One-half of the revenues will be distributed back to the municipal jurisdictions within the county. Revenues will be distributed back to each municipality in proportion to the amount of revenue collected in that municipality compared to the revenues collected in all municipalities within the county. The jurisdictions are authorized to use the revenues to acquire, construct, extend, enlarge, remodel, repair, improve, operate, or maintain one or more of the following: a convention center, exhibition hall, coliseum, auditorium, or related building or parking facility in the jurisdiction. They are also authorized to use the revenues to promote and advertise tourism and tourism promotion bureaus or to enter into an interlocal agreement with the county-wide tourism bureau to use the funds.
 - One-half of the revenues will be distributed to Miami-Dade County. The county is authorized to use the revenues to acquire, construct, extend, enlarge, remodel, repair, improve, operate, or maintain one or more of the following: a convention center, exhibition hall, coliseum, auditorium, or related building or parking facility in the county. The county may also use the proceeds to fund a countywide convention and visitors bureau which, by interlocal agreement and contract with the county, has been given the primary responsibility for promoting the county and its cities as business and pleasure destinations. The organization currently meeting this criteria is the Greater Miami Convention and Visitors Bureau.¹⁸³

Local Option Food and Beverage Tax

Current Situation

Section 212.0306(1)(a), F.S., authorizes Miami-Dade County to impose, by majority vote of the county's governing body, a 2 percent tax on the sale of food, beverages, and alcoholic beverages in restaurants, coffee shops, snack bars, wet bars, night clubs, banquet halls, catering or room services, and any other food and beverage facilities in or on the property of hotels and motels. Like the tourist development tax, the proceeds of this 2 percent tax must be used to fund a convention bureau or to fund similar tourism promotion activities.¹⁸⁴

Food and Beverage Tax Process

The levy of the food and beverage tax must be authorized pursuant to an ordinance enacted by the county's governing body.¹⁸⁵ A certified copy of the ordinance imposing the levy must be furnished by the county to DOR within 10 days after approval of such ordinance.¹⁸⁶ The effective date of imposition of the levy can be the first day of any month at least 60 days after enactment of the ordinance.¹⁸⁷ The county must locally administer the tax subject to the same provisions in s. 125.0104, F.S., that local jurisdictions which self-administer tourist development taxes must use.¹⁸⁸

¹⁸³ For more information on this organization, visit <https://www.miamiandbeaches.com/about-gmcvb> (Last visited Feb. 3, 2020).

¹⁸⁴ Section 212.0306(3)(a), F.S.

¹⁸⁵ Section 212.0306(1)(a), F.S.

¹⁸⁶ Section 212.0306(4), F.S.

¹⁸⁷ Section 212.0306(5), F.S.

¹⁸⁸ Section 212.0306 (6), F.S.

The food and beverage tax has an exception for municipalities in which a municipal tourist tax is levied.¹⁸⁹ In Miami-Dade County, three jurisdictions have a municipal tourist tax: Bal Harbour, Miami Beach, and Surfside.¹⁹⁰

Food and Beverage Tax Uses

The revenues raised by the food and beverage tax are to be used to fund a countywide convention and visitors bureau which, by interlocal agreement and contract with the county, has been given the primary responsibility for promoting the county and its cities as business and pleasure destinations. The organization currently meeting this criteria is the Greater Miami Convention and Visitors Bureau.¹⁹¹ In the event the interlocal agreement and contract end, the funds are to be used for general tourism purposes consistent with the TDT provisions in ss. 125.0104(5)(a)2. and 3., F.S.

Current Collections and Related Expenditures in Miami-Dade County

In the State Fiscal Year 2019-20, Miami-Dade County will realize an estimated \$8,131,000 in revenue from the food and beverage tax in hotels and motels.¹⁹² Budgeted expenditures include \$100,000 to the Tourist Development Council and the remainder to the Greater Miami Convention and Visitors Bureau.

Proposed Changes

The bill names the 2 percent food and beverage tax the “Local Option Coastal Recovery and Resiliency Tax.”

The bill redirects the use of tax revenues as follows:

- Funds are used to complete the terms of the contract in effect as of the date the bill becomes law but does not allow the use of revenues for the extension of any contract beyond the terms in effect as of the date the bill becomes law.
- Any revenue not needed for those purposes is redirected to any one or more of the following, as decided by a majority of the governing board of the county:
 - Water quality improvement projects, including, but not limited to:
 - Flood mitigation,
 - Seagrass or seaweed removal,
 - Algae control, cleanup, or prevention measures,
 - Biscayne Bay and waterway network restoration measures, and
 - Septic to sewer conversion projects intended to prevent, mitigate, or ameliorate damage to the water quality of surface waters important to the tourism industry of the jurisdiction.
 - Erosion control.
 - Mangrove protection.
 - Removal of invasive plant and animal species.
 - Beach renourishment.
 - Purchase of land for conservation purposes.
 - Coral reef protection.

¹⁸⁹ Section 212.0306(2)(d), F.S.

¹⁹⁰ Office of Economic & Demographic Research (EDR), Local Option Tourist / Food & Beverage Tax Rates, available at <http://edr.state.fl.us/Content/local-government/data/county-municipal/> (last visited Jan. 25, 2020).

¹⁹¹ For more information on this organization, visit <https://www.miamiandbeaches.com/about-gmcvb> (Last visited Feb. 3, 2020).

¹⁹² Available at <https://www.miamidade.gov/budget/library/fy2019-20/adopted/appendix-o.pdf> (last visited Feb. 3, 2020).

Department of Revenue Tax Administration and Oversight Legislative Concepts

General Tax Administration

Extending Documentation Period for Purchases of Boats And Aircraft

Current Situation

Nonresidents¹⁹³ who purchase a boat or aircraft in Florida for use in other locations are not required to pay Florida sales tax on their purchase if the item is removed from the state within a statutory time frame and documentation is provided to DOR to show that the boat or aircraft was removed and titled or registered in another jurisdiction. Currently, the following time limits are in statute:

- A purchaser has **30 days** from the date of departure to provide DOR with documentation that the boat or aircraft has been titled or registered in another jurisdiction. If proof of registration is not available within **30 days**, the purchaser must provide evidence that the registration was applied for in another jurisdiction within the timeframe and must send a follow up to DOR with the registration once it has been received.
- A purchaser has **10 days** from the date the boat or aircraft left Florida to provide DOR with proof of the removal.
- The selling dealer has **5 days** from the date of the sale to provide to DOR a copy of the invoice (or other proof of sale) and a copy of the original affidavit from the purchaser attesting that he or she has read the statute on nonresident purchases.

Proposed Changes

The bill extends each of the current statutory deadlines for documentation to allow additional time for the purchaser and dealer to provide information to DOR as follows:

- Proof of titling or registration- **90 days**,
- Proof of removal- **30 days**, and
- Dealer provision of invoice- **30 days**.

Form 1099-K Reporting Requirement

Current Situation:

Section 6050W of the Internal Revenue Code requires certain entities to file a return each year providing information about payments made by credit card or third party merchants.¹⁹⁴ The return is Form 1099-K, and is required to be filed for each calendar year on or before the last day of February of the year following the transactions.¹⁹⁵

Reportable transactions include any transaction where the payment method is a payment card (credit card, debit card, or similar) or a third party payment system (like PayPal or Apple Pay). The return is filed by the payment settlement entity (e.g., a bank, credit card company, or payment platform like PayPal) and a copy is provided to dealers who have payment card transactions (credit card sales) of any amount, or who have third-party payment transactions (e.g., PayPal) in excess of \$20,000 over more than 200 transactions.¹⁹⁶ These sales should be included in the payee's gross income on their tax returns for the year.

¹⁹³Section 212.05(1)(a)2., F.S., provides that Florida sales tax does not apply to the purchase of a boat or aircraft if the purchaser is, at the time of delivery, (1) a nonresident of the state, (2) not engaged in carrying on a trade or business which would use the boat or aircraft in the state, and (3) not a corporation which has any Florida resident officers or directors.

¹⁹⁴ 26 U.S. Code s. 6050W(e)

¹⁹⁵ <https://www.irs.gov/forms-pubs/about-form-1099-k> (last visited Feb. 4, 2020).

¹⁹⁶ <https://www.irs.gov/businesses/understanding-your-form-1099-k> (last visited Feb. 4, 2020).

Some states require payment settlement entities to submit a copy of any Form 1099-K related to sales in that state or for residents of that state, if the IRS already requires the Form 1099-K to be filed. Examples include Alabama,¹⁹⁷ Tennessee,¹⁹⁸ North Carolina,¹⁹⁹ and New York.²⁰⁰

For states that do not require separate copies of Form 1099-K to be filed with them, the IRS provides those returns to the states for tax enforcement purposes.²⁰¹ There can be a delay in when that information becomes available to the states, which negatively impacts the state's ability to use the tax data for enforcement purposes. Most states have a limited window in which an audit can take place. In Florida, for example, audits have a three-year statute of limitations.²⁰² If information is not received quickly from the IRS, then transactions that would have been included in an audit may be outside the statute of limitations by the time they are received.

Proposed Changes

The bill provides that entities required to file Form 1099-K, must file a copy with DOR electronically within 15 days of filing the federal return. The bill also creates a penalty of \$1,000 for each month a required return is not filed with DOR, up to \$10,000 per year per reporting entity. This penalty may be waived by DOR if it determines the failure was due to reasonable cause.

Tolling the Period in Which a Taxpayer Can File a Refund Claim

Current Situation

Under Florida law, a taxpayer has the ability to file an application for a refund when they have paid a tax in error, have made an overpayment of tax, or have paid tax when no tax was due.²⁰³ Generally, a taxpayer has three years from the time the tax was paid to apply for the refund.²⁰⁴

When a taxpayer has been audited and would like to dispute the outcome of the audit; or when the taxpayer has applied for a refund, been denied, and would like to dispute the refund denial; they have the option to protest their case under s. 213.21, F.S., which provides for informal protest conferences.²⁰⁵ The informal protest conference process provides taxpayers a separate and independent forum to challenge audit assessments and refund denials.

The time limit for the department to make a tax assessment is tolled (frozen) during an audit protest under s. 213.21, F.S., thus protecting the state's interest.²⁰⁶ However, specific statutory authority is not provided to freeze the time limit for a taxpayer to file a refund claim for overpayment of taxes during these same protests.

Proposed Changes

The bill amends s. 213.21, F.S., related to informal audit protests, to provide specific statutory language that, during an informal audit protest, the time limit for a taxpayer to file a refund claim is frozen. This will extend the time a taxpayer has to file a refund claim for an overpayment of taxes arising from the audit period under protest.

¹⁹⁷ <https://revenue.alabama.gov/2018/02/new-1099-k-filing-requirement/> (last visited Feb. 4, 2020).

¹⁹⁸ <https://www.tn.gov/revenue/taxes/sales-and-use-tax/1099-k-filing-requirement.html> (last visited Feb. 4, 2020).

¹⁹⁹ [https://www.ncdor.gov/file-pay/guidance-information-reporting#payment-settlement-entity-\(1099k\)](https://www.ncdor.gov/file-pay/guidance-information-reporting#payment-settlement-entity-(1099k)) (last visited Feb. 4, 2020).

²⁰⁰ https://www.tax.ny.gov/bus/multi/reporting_requirements.htm (last visited Feb. 4, 2020).

²⁰¹ This information sharing is authorized by section 6103(d), IRC. The Internal Revenue Manual, Part 11, Chapter 3, Section 32, provides more information about the disclosures to states for tax administration purposes. It is available online at https://www.irs.gov/irm/part11/irm_11-003-032 (last visited Feb. 4, 2020).

²⁰² Section 95.091(3)(a)1.a., F.S., provides a statute of limitations that allows for assessments of tax "within 3 years after the date the tax is due, any return with respect to the tax is due, or such return is filed, whichever occurs later."

²⁰³ Section 215.26(1), F.S.

²⁰⁴ Section 215.26(2), F.S.

²⁰⁵ Section 213.21(1)(a), F.S.

²⁰⁶ Section 213.21(1)(b), F.S.

Dyed Diesel Fuel Penalty Revision

Current Situation

Florida law allows consumers to purchase diesel fuel free from state and local taxes if used for certain exempt purposes.²⁰⁷ These purposes are limited to: use on a farm for farming purposes, exclusive use by a local government, use in a vehicle owned by an aircraft museum, exclusive use by the American Red Cross, use in a vessel employed in the business of commercial transportation or in commercial fishing, use in a school bus, use in a local bus service open to the public, exclusive use by a nonprofit educational facility, use in a motor vehicle owned by the US Government which is used off-highway, use in a vessel of war, use for home heating, use in certain off-road or stationary equipment, and use for recreational vessels.²⁰⁸ Each local government or mass transit system provider that intends to purchase dyed diesel must register with DOR before making exempt purchases.²⁰⁹

Tax free diesel fuel is marked with a red dye²¹⁰ and invoices, shipping papers, bills of lading, pumps, and other related items associated with the sale are required to be marked with the statement “Dyed Diesel Fuel, Nontaxable Use Only, Penalty for Taxable Use.”²¹¹

Failure to include the required statement requires a mandatory penalty of \$10 for every gallon or \$1,000, whichever is greater.²¹² This has resulted in large penalties being assessed on taxpayers, even when all tax has been paid, for failure to include the statement “Dyed Diesel Fuel, Nontaxable Use Only, Penalty for Taxable Use” due to the mandatory \$10 per gallon penalty requirement.

Proposed Changes

The bill revises the penalty to \$2,500 for each month there is a failure to include the notice as required.

Fuel Tax Bond Requirement Increase

Current Situation

Fuel dealers are required to pay taxes either to their supplier or directly to the state.²¹³ If a fuel dealer is unable to pay their supplier, Florida law allows the supplier to request a bad debt credit from the state.²¹⁴ If the entity fails to remit a tax payment directly to the state, a liability is created, and a bill is generated. There may be instances where the state is unable to collect on the bad debt or bill because an entity goes out of business, bankruptcy is filed, or fraud has occurred. Section 206.05, Florida Statutes attempts to mitigate these risks by requiring each taxpayer to obtain a bond.

Sections 206.05 and 206.90, F.S., require fuel tax dealers to file with DOR a bond of not more than \$100,000 to allow for recovery of unpaid tax. The amount is described in statute as “approximately 3 times the combined average monthly tax levied...during the preceding 12 calendar months.”²¹⁵ DOR calculates the bond amount specific to each taxpayer, but cannot impose a bond in excess of the statutory cap.

Based on information provided by DOR, three times the combined average monthly tax levied for motor fuel terminal suppliers is currently \$405,209.²¹⁶ Three times the average levy for motor fuel wholesalers

²⁰⁷ Section 206.874(1)(a), F.S.

²⁰⁸ Section 206.874(3), F.S.

²⁰⁹ Section 206.874(4) and (5), F.S.

²¹⁰ See Rule 12B-5.140(1), F.A.C., and 48.4082-1(b), Treasury Regulations (Feb. 26, 2002), which specifies the dye “Solvent Red 164 (and no other dye) at a concentration spectrally equivalent to at least 3.9 pounds of the solid dye standard Solvent Red 26 per thousand barrels of diesel fuel.”

²¹¹ Section 206.8741(2), F.S.

²¹² Sections 206.8741(6) and 206.872(11), F.S.

²¹³ See, e.g., s. 206.054(1),(4), F.S.

²¹⁴ See s. 206.43, F.S.

²¹⁵ Section 206.05(1), F.S.

²¹⁶ Email correspondence with DOR staff, Feb. 6, 2020, on file with House Ways & Means Committee.

and importers is \$151,459. The three-month average of these two types of motor fuel dealers is currently \$278,334.

Proposed Changes

The bill updates the bond amount to \$300,000. This amount is slightly higher than the current three-month average tax levied for motor fuel dealers.

Reemployment Tax E-File Revisions

Current Situation:

Currently, an agent who prepared and reported for 100 or more employers in any quarter of the preceding state fiscal year is required to remit reemployment tax payments and file wage reports by electronic means.²¹⁷ In addition, any single employer with 10 or more employees in any quarter during the prior state fiscal year is required to remit reemployment tax reports and payments by electronic means.²¹⁸

If reporting entities fail to file electronically when required by law, then they are subject to a penalty of \$50 for the non-electronically-filed report plus \$1 per employee included on the report.²¹⁹ If they fail to pay electronically when required by law, there is an additional penalty of \$50 for each remittance submitted non-electronically.²²⁰

DOR has the authority to waive the requirement for electronic filing of reports if the filer is unable to comply despite good faith efforts.²²¹ Reasonable basis to grant this waiver include circumstances in which the employer does not file or store data electronically with any business or government agency, or does not have a computer that meets department standards.²²² Alternative acceptable reasons include the need for programming time, financial hardship, or conflict with business procedures.²²³

An employer or agent also has the ability to request a waiver for the penalty. This waiver request must be in writing and must establish that the imposition of the penalty would be inequitable.²²⁴ Examples of circumstances which would give rise to an inequitable penalty include the death or serious illness of the person responsible for the report, destruction of the records by fire or other casualty, or unscheduled and unavoidable computer downtime.²²⁵

Corrections to wage reports are able to be submitted electronically, but employers who file and pay electronically are not required to use the electronic method.

Since the electronic filing requirement for agents, and the related penalty, were created, there have been administrative issues in tracking which employers are filing for themselves, and which are filing through an agent. This led to unnecessary billing of agents, and caused confusion for taxpayers and the Department.²²⁶

DOR reviewed filings under this section and determined that over 99% of returns filed by obligated (required to e-file) agents were e-filed.²²⁷ DOR believes this will continue even without the statutory requirement, as electronic submissions are more efficient than paper filings.²²⁸

²¹⁷ Section 443.163(1), F.S.

²¹⁸ *Id.*

²¹⁹ Section 443.163(1)(a), F.S.

²²⁰ *Id.*

²²¹ Section 443.163(3), F.S.

²²² Section 443.163(3)(a), F.S.

²²³ Section 443.163(3)(b), F.S.

²²⁴ Section 443.163(5), F.S.

²²⁵ Section 443.163(5)(a)-(c), F.S.

²²⁶ "Reemployment Tax Agent Requirement" document received from the Department of Revenue on Feb. 4, 2020. On file with the staff of House Ways & Means Committee.

²²⁷ *Id.*

²²⁸ *Id.*

In addition, the DOR reviewed similar provisions in other southern states, and Alabama, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, and Texas, all elect not to bill agents for this issue.²²⁹

Proposed Changes

Section 443.163, F.S., is amended to make the following statutory changes:

- Require employers to file corrections electronically if they are required to file reports and make payments electronically;
- Reduce electronic filing penalties so they are consistent with other reemployment tax penalties;²³⁰
- Remove the requirement for a written penalty waiver request so that waivers can be granted more quickly; and
- Remove the electronic filing and payment requirements and penalty for agents to reduce unnecessary billing.

Electronic Notification

Current Situation

DOR provides taxpayers official notice of actions such as billings, audits, and assessments by United States Postal Service mail delivery.²³¹ Certain communications, like ongoing communications related to an audit, general taxpayer information publications, or updates to a taxpayer's account, may be conducted using e-mail if requested by the taxpayer.

This limited use of email is consistent with s. 213.053(5)(b), F.S., which specifically provides that DOR is authorized to use e-mail or other electronic means to distribute information relating to changes in law, tax rates, interest rates, or other information that is not specific to a particular taxpayer; to remind taxpayers of due dates; to respond to a taxpayer at an electronic mail address that does not support encryption if the use of that address is authorized by the taxpayer; or to notify taxpayers to contact DOR.

Electronic notification is not used for formal agency action, even in cases where DOR has communicated with the taxpayer for an extended time through electronic means or where the taxpayer requests electronic delivery.

Proposed Changes

The bill provides specific authority for DOR to send taxpayers official notice of actions by electronic means if they receive the affirmative consent of the taxpayer.

Tax Jurisdiction Siting and Distribution Adjustments

Current Situation

Upon registration with DOR, a business receives a county assignment in DOR's computer system based upon the best available address information. This assignment is used to determine local rates and revenue distributions for certain taxes.

²²⁹ *Id.*

²³⁰ Section 443.141(1)(b)1., F.S., provides for a \$25 per month penalty for delinquent reports.

²³¹ Certain taxes provide that notice of agency action should be by personal delivery or registered or certified mail. *See, e.g.,* s. 220.739, F.S. In addition, s. 120.569(1), F.S., provides that any notice in any proceeding in which the substantial interests of a party are determined by an agency must be delivered or mailed to each party (or attorney of record) at the address of record.

DOR uses several sources to determine the county assignment, including United States Postal Service approved software and DOR's Address/Jurisdiction Database²³² that is used for Communications Services Tax²³³ and Insurance Premium Taxes.²³⁴

The Address/Jurisdiction Database is currently updated twice a year, consistent with statutory requirements.²³⁵ Updates must be provided by local jurisdictions 120 days before changes go into effect, and DOR must publish the updates 90 days before they go into effect.²³⁶ Changes to the database are effective each January and July 1.²³⁷

Currently, local governments are not required to notify DOR of changes to county address information for sales tax purposes, and DOR may be unaware of changes in addresses, annexations, incorporations, reorganizations, and any other changes in jurisdictional boundaries which may affect a change in the rate assignment and subsequent revenue distribution.

Section 202.22, F.S., instructs counties and municipalities to furnish DOR with changes and updates to maintain accurate addresses in the Address/Jurisdiction Database for communications services tax purposes; however, some counties and jurisdictions do not routinely do so.

There is no statutory guidance on how to manage occurrences that require revenue distribution adjustments.

Proposed Changes

The bill requires DOR to update the Address/Jurisdiction Database every six months based on information received from counties. Counties will be responsible for providing DOR with any updates necessary to identify subcounty special districts that may be subject to special tourist development taxes under s. 125.0104(3)(b), F.S., unless the county self-administers that tax.

These provisions align with existing requirements for the Address/Jurisdiction Database, and updates will follow the existing January 1/July 1 update schedule.

The bill also provides specific statutory guidance on how sales tax distribution adjustments resulting from address corrections should be addressed. Generally, for distributions of tourist development taxes, convention development taxes, or discretionary sales surtaxes, or for distributions from the Local Government Half-cent Sales Tax Clearing Trust Fund, misallocations caused by an incorrectly assigned address will be corrected moving forward from the date DOR is made aware of the mistake.

- If the county that should have received the distributions has complied with the notification provisions to update the Address/Jurisdiction Database in a timely manner, then misallocations may be corrected by adjusting distributions from the incorrect county to the correct county until the mistake is corrected. Those distributions will be prorated and may be distributed over an extended period, not to exceed three years.
- If the county that should have received the distributions did not comply with the notification provisions to update the Address/Jurisdiction Database in a timely manner, but the county which received the amount in error did update the Database in a timely manner, then the correction will only apply moving forward from the date DOR is made aware of the issue and no re-allocation will occur for past misallocations.
- If the counties prefer to address the adjustment using an alternative method, they may determine a preferred method and provide a copy of the interlocal agreement setting forth that method to DOR within 90 days of the date DOR is notified of the misallocation.

²³² <https://pointmatch.floridarevenue.com/Default.aspx> (last visited Feb. 4, 2020).

²³³ See s. 202.22(2)(a), F.S., and Rule 12A-19.071, F.A.C., for more information on how the address/jurisdiction database is used for communications services tax purposes.

²³⁴ Insurance Premium Taxes are specific to street addresses. Insurers use the database to assign policies and premiums to local taxing jurisdictions. More information about how the database is used and updated for IPT purposes is available at <https://floridarevenue.com/taxes/taxesfees/Pages/ipt.aspx> (last visited Feb. 4, 2020).

²³⁵ Section 202.22(2)(b)2., F.S.

²³⁶ Section 202.22(2)(b)1. and 2., F.S.

²³⁷ Section 202.22(2)(b)1., F.S.

Property Tax Oversight

Hurricane Michael – Rebuilding Start Time 3 yrs. To 5 Yrs. To Retain Caps

Assessments Limitations

Current Situation

Under current law changes, additions, or improvements to property are assessed at just value on January 1 after the changes, additions, or improvements are substantially completed. Sections 193.155(4)(b) (homesteads), 193.1554(6)(b), (non-homestead residential), and 193.1555(6)(b) (non-residential), F.S., stipulate that changes, additions, or improvements that replace all or a portion of property damaged or destroyed by misfortune or calamity shall not increase the assessed value of the property if the square footage of the property, as changed or improved, does not exceed 110 percent of the property before the damage or destruction, or if the square footage of the property, as changed or improved, does not exceed 1500 square feet.

These provisions apply to changes, additions, or improvements commenced within three years after the January 1 following the damage or destruction of the property.

Proposed Changes

The bill extends from three years to five years the timeframe for commencing changes, additions or improvements that replace all or a portion of property damaged or destroyed by misfortune or calamity. Specifically, it creates s. 193.1557, F.S., to provide that for property damaged or destroyed by Hurricane Michael in 2018, the provisions of sections 193.155(4)(b), 193.1554(6)(b), and 193.1555(6)(b), F.S., shall apply to changes, additions, or improvements commenced within five years after January 1, 2019. These provisions will apply for tax years 2019-2023 and are repealed on December 31, 2023.

Classification of Property

Current Situation

Apartment Classification

Under current law all items that are required by law to be on the assessment rolls must receive a classification based upon the use of the property.²³⁸ Real property must be classified according to the assessment basis of the land. Apartment property is generally assessed in a manner similar to other commercial property but must be classified as multifamily, regardless of the number of units.

Proposed Changes

The bill amends s. 195.073, F.S., to specify that apartment property with more than nine units should be classified as commercial property.

Review of Assessment Rolls

Current Situation

Section 195.096, F.S., requires DOR to conduct an in-depth review of the real property and tangible personal property assessment rolls of each county at least once every two years and report the results of its review to specified legislative staff and county officials. In conducting the assessment ratio

²³⁸ Section 195.073, F.S.
STORAGE NAME: h7097.APC.DOCX
DATE: 2/21/2020

studies, the department must adhere to the standards to which the property appraisers are required to adhere to and use all practicable steps to maximize the representativeness or statistical reliability of the samples of properties reviewed.

DOR must complete the review of the county assessment roll and publish the department's finding within 120 days after receiving the roll or within 10 days after the approval of the roll, whichever is later. During the review process, DOR must compute a confidence interval for the overall property tax roll and include in its findings a statement of the confidence interval for the median and any other measures that may be appropriate for each classification or subclassification studied. The results should also include all related statistical and analytical details and measures for the real property assessment roll as a whole and the personal property assessment roll as a whole.

A recently completed Auditor General's report contained findings noting that DOR has not conducted in-depth reviews of tangible personal property and that the department has not met the requirement to compute a confidence interval for the overall property tax roll.

DOR has not conducted in-depth reviews of the tangible personal property rolls in over a decade as a result of the reassignment of staff in the legislative appropriations process. Also, there is no International Association of Assessing Officer guidance for computing a confidence interval for the property tax roll and the department has been unable to locate a statistical procedure for calculating this metric.

Proposed Changes

The bill amends s. 195.096, F.S., to specify that in-depth reviews are only required for real property rolls and to remove statutory language requiring DOR to compute confidence intervals for the overall property tax roll.

TRIM Process Adjustments

Current Situation

Florida law requires local taxing authorities to annually follow the Truth in Millage (TRIM) process. Various noticing requirements, timeframes, and other required procedures are provided in law. During and following natural disasters, the TRIM process may be disrupted but no statutory direction is provided to address any modifications to the process that may be necessary due to the emergency. Historically, Governors have issued executive orders providing the authority for DOR to make the needed adjustments to the process.

Proposed Changes

The bill amends s. 200.065, F.S., to provide alternative deadlines, scheduling requirements, revised notice delivery methods and other procedures that may be used by property appraisers and local taxing authorities as a result of a declared state of emergency.

B. SECTION DIRECTORY:

- Section 1. Amends s. 125.0104, F.S., relating to uses of tourist development taxes, to allow counties to use revenues for water quality improvement projects, and to restructure use of TDT funds in certain counties.
- Section 2. Amends s. 192.001, F.S.; relating to the definition of "tangible personal property" for ad valorem purposes.
- Section 3. Provides that changes made to s. 192.001, F.S., are retroactive to January 1, 2020, and apply to the 2020 ad valorem tax roll.

- Section 4. Creates s. 193.1557, F.S., to extend through tax year 2023 certain protections to properties damaged by Hurricane Michael.
- Section 5. Amends s. 194.011, F.S., allowing condominium and cooperative associations to represent unit owners in certain proceedings.
- Section 6. Amends s. 194.035, F.S., relating to special magistrates; property evaluators.
- Section 7. Amends s. 194.181, F.S., allowing condominium and cooperative associations to represent unit owners in certain proceedings.
- Section 8. Amends s. 195.073, F.S., relating to classification of real property; revising classification of apartments as residential or commercial real property based on number of units.
- Section 9. Amends s. 195.096, F.S., relating to review of property tax rolls.
- Section 10. Amends s. 196.173, F.S., relating to property tax exemption for deployed servicemembers.
- Section 11. Specifies that changes made to s. 196.173(2), F.S., apply to the ad valorem tax rolls for the 2020 tax year and thereafter.
- Section 12. Provides one-time extension to apply for benefits which were affected by changes in section 10 of this act.
- Section 13. Amends s. 196.197, F.S., relating to additional provisions for exempting property used by hospitals, nursing homes, and homes for special services.
- Section 14. Amends s. 200.065, F.S., providing timing flexibility for the fixing of millage rates during and after a declared state of emergency.
- Section 15. Amends s. 200.069, F.S., relating to the notice of proposed property taxes and non-ad valorem assessments (TRIM notice).
- Section 16. Amending s. 202.12, F.S., to provide reductions to the state tax rate applied to the sale of communications services.
- Section 17. Amending s. 202.12001, F.S., to make conforming changes as a result of the rate reductions to the communications services tax rate.
- Section 18. Amending s. 203.001, F.S., to make conforming changes as a result of the rate reductions to CST.
- Section 19. Amending s. 206.05, F.S., to update the bonds required for terminal suppliers, importers, exporters, and wholesalers of motor fuels.
- Section 20. Amending s. 206.8741, F.S., reducing penalties for dyeing and marking of diesel fuels.
- Section 21. Amending s. 206.90, F.S., to update the bonds required for terminal suppliers, importers, and wholesalers of diesel fuels.
- Section 22. Amending s. 206.9826, F.S., to increase the refund of aviation fuel tax.
- Section 23. Amending s. 212.0305, F.S., to revise authorized uses of convention development taxes.

- Section 24. Amending s. 212.0306, F.S., to revise authorized uses of local option food and beverage taxes.
- Section 25. Amends s. 212.031, F.S., to reduce the business rent tax from 5.5% to 5.4% beginning in calendar year 2021.
- Section 26. Amends s. 212.05, F.S., to extend the deadline for certain documentation to be provided to the Department of Revenue related to the sale of vessels and aircraft.
- Section 27. Amends s. 212.055, F.S., to require the reauthorization of the surtax in certain counties and to require that students of charter schools and students of other public schools in a school district are provided proportionate funding from levies under that section.
- Section 28. Provides that changes to the sharing of revenues made by section 27 of the act apply only to new levies after July 1, 2020.
- Section 29. Creates s. 212.134, F.S., to require certain entities to file reports with the Department of Revenue if required to file reports with the Internal Revenue Service.
- Section 30. Creates s. 212.181, F.S., relating to situsing of addresses for sales tax purposes, updates to addresses, and distribution procedures related to situsing issues.
- Section 31. Amends s. 212.20, F.S., conforming provisions to the repeal of s. 288.11625, F.S., in section 40.
- Section 32. Amends s. 212.205, F.S., conforming provisions to the repeal of s. 288.11625, F.S., in section 40.
- Section 33. Amends s. 218.64, F.S., conforming provisions to the repeal of s. 288.11625, F.S., in section 40.
- Section 34. Creates s. 213.0537, F.S., to allow the Department of Revenue to send certain communications electronically if requested by the taxpayer.
- Section 35. Amends s. 213.21, F.S., to toll the period in which a taxpayer must request a refund during the informal protest of an audit.
- Section 36. Amends s. 220.1105, F.S., to revise the calculation of refunds to include the amount taken as a credit under the Florida Tax Credit Scholarship Program.
- Section 37. Provides for retroactivity of changes made to s. 220.1105, F.S., by this act.
- Section 38. Amends s. 220.1845, F.S., to set the cap for the Brownfields Redevelopment Program Tax Credit at \$18.2 million for Fiscal Year 2020-21.
- Section 39. Amends s. 288.0001, F.S., conforming provisions to the repeal of s. 288.11625, F.S., in section 40.
- Section 40. Repeals s. 288.11625, F.S., relating to the Sports Development Program.
- Section 41. Amends s. 376.30781, F.S., to set the cap for the Brownfields Redevelopment Program Tax Credit at \$18.2 million for Fiscal Year 2020-21.
- Section 42. Amends s. 413.4021, F.S.; modifying distribution provisions related to the tax collection enforcement diversion program.

- Section 43. Amends s. 443.163, F.S., relating to filing requirements and penalties for certain parties required to file reemployment tax returns.
- Section 44. Amends s. 718.111, F.S.; related to condominium administration as it relates to ad valorem tax protest procedures.
- Section 45. Provides an exemption from the sales and use tax for the retail sale of certain clothes, school supplies, and personal computers and related accessories during a specified period; provides an appropriation.
- Section 46. Provides an exemption from the sales and use tax for the retail sale of certain supplies related to disaster preparedness during a specified period; provides an appropriation.
- Section 47. Provides an appropriation for implementing the provisions of the act.
- Section 48. Directs the Division of Law Revision and Information to replace the phrase “the effective date of this act” with the date the act becomes law.
- Section 40. Provides the Department of Revenue with emergency rulemaking authority.
- Section 50. Provides effective dates.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:
See FISCAL COMMENTS section.
2. Expenditures:
See FISCAL COMMENTS section.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:
See FISCAL COMMENTS section.
2. Expenditures:
See FISCAL COMMENTS section.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill will reduce the state portion of the communications services tax. The bill will reduce the sales tax on the rental of commercial real estate. The bill provides for a three-day back-to-school sales tax holiday and a seven-day disaster preparedness sales tax holiday.

D. FISCAL COMMENTS:

The total revenue impact of the bill in Fiscal Year 2020-21 is estimated to be -\$109.3 million (-\$103.3 million recurring) of which -\$81.3 million (-\$80.7 million recurring) is General Revenue, -\$3.2 million (-\$4.8 million recurring) is state trust funds, and -\$24.8 million (-\$17.8 million recurring) is local government (see table on following page). Total tax reductions embodied in the bill are represented by the sum of the recurring impacts, reflecting the annual value of permanent tax cuts when fully

reduction in revenue raising authority as contemplated by subsection 18(b). If the purpose of subsection 18(b) is to determine whether the amount of potential revenue available to counties and municipalities was reduced, then this bill does not reduce that potential and the requirement for a two-thirds vote is not applicable. However, if the purpose of subsection 18(b) is to consider the methods for adopting a discretionary sales surtax, then the provisions of this bill (requiring an additional vote to continue levying a current surtax) may be considered a mandate requiring a two-thirds vote of the Legislature.

Additionally, the county/municipality mandates provision of Art. VII, section 18, of the Florida Constitution may apply because this bill extends from three years to five years the timeframe for commencing changes, additions or improvements that replace all or a portion of property damaged or destroyed by Hurricane Michael in order to maintain certain property tax benefits. However, an exemption may apply because this provision likely has an insignificant fiscal impact.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

DOR has general rulemaking authority to create rules governing the taxes it administers. The bill authorizes DOR to adopt emergency rules to implement several provisions in the bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On February 19, 2020, the Ways & Means Committee adopted three amendments that:

- Modified a provision in the bill that allows tourist development tax revenues to be used for water quality improvement projects, including septic-to-sewer conversions projects. The amendment requires such projects be intended to prevent or mitigate damage to water quality of surface waters important to the tourism industry.
- Modified a provision in the bill that allows the local option food and beverage tax in Miami-Dade County, (which is being renamed the "local option coastal recovery and resiliency tax" by the bill) to be used for water quality improvement projects, including septic-to-sewer conversions projects. The amendment requires such projects be intended to prevent or mitigate damage to water quality of surface waters important to the tourism industry.
- Changes from 20 days to 14 days, the amount of time a condo unit owner has to respond to a notice from the condo association regarding the association's intention to represent the unit owner in a court case where the property appraiser is appealing a value adjustment board decision.

The analysis is drafted to the bill as amended.

1 A bill to be entitled
 2 An act relating to taxation; amending s. 125.0104,
 3 F.S.; authorizing the use of tourist development taxes
 4 for certain water quality improvement projects and
 5 parks or trails; increasing population thresholds for
 6 counties to use tourist development taxes for certain
 7 purposes; revising authorized uses of tourist
 8 development taxes for specified counties; providing
 9 that existing contracts or debt service shall not be
 10 impaired; amending s. 192.001, F.S.; specifying the
 11 conditions under which certain construction work
 12 constructed or installed by certain electric utilities
 13 is deemed substantially completed; providing
 14 applicability; creating s. 193.1557, F.S.; extending
 15 the time period within which certain changes to
 16 property damaged or destroyed by Hurricane Michael
 17 must commence to prevent the assessed value of the
 18 property from increasing; amending s. 194.011, F.S.;
 19 authorizing certain associations to represent,
 20 prosecute, or defend specified association members in
 21 front of the value adjustment board proceedings and
 22 subsequent proceedings; providing applicability;
 23 amending s. 194.035, F.S.; specifying the
 24 circumstances under which a special magistrate's
 25 appraisal may not be submitted as evidence to a value

26 adjustment board; amending s. 194.181, F.S.; providing
 27 and revising the parties considered as the defendants
 28 in tax suits; requiring certain notice to be provided
 29 to unit owners in a specified way; providing unit
 30 owners options for defending a tax suit; imposing
 31 certain actions for unit owners who fail to respond to
 32 a specified notice; amending s. 195.073, F.S.;

33 revising the property classifications for certain
 34 multifamily housing and commercial and industrial
 35 properties; amending s. 195.096, F.S.; removing the
 36 requirement for the Department of Revenue to review
 37 tangible personal property rolls of each county;

38 revising required computations regarding
 39 classifications of property; specifying that
 40 properties with more than nine units are commercial
 41 property for certain assessment roll purposes;

42 amending s. 196.173, F.S.; revising the military
 43 operations that qualify certain servicemembers for an
 44 additional ad valorem tax exemption; revising the
 45 deadlines for applying for additional ad valorem tax
 46 exemptions for certain servicemembers for a specified
 47 tax year; providing applicability; amending s.
 48 196.197, F.S.; providing criteria to be used in
 49 determining the value of tax exemptions for charitable
 50 use of certain hospitals; defining terms; providing

51 application requirements for tax exemptions for
 52 certain properties; amending s. 200.065, F.S.;
 53 providing alternative methods of notice related to the
 54 truth in millage process for counties for which a
 55 declared state of emergency exists; extending
 56 deadlines for notice during a declared state of
 57 emergency; revising publication and hearing
 58 requirements; providing for automatic extensions of
 59 certain deadlines in the event of a declared state of
 60 emergency; amending s. 200.069, F.S.; specifying
 61 information which property appraisers may include in
 62 the notice of ad valorem taxes and non-ad valorem
 63 assessments; amending s. 202.12, F.S.; reducing the
 64 tax rates applied to the sale of communications
 65 services and the retail sale of direct-to-home
 66 satellite services after a certain date; amending ss.
 67 202.12001 and 203.001, F.S.; conforming provisions to
 68 changes made by the act; amending ss. 206.05 and
 69 206.90, F.S.; revising the maximum bond amount for
 70 licensed terminal suppliers; amending s. 206.8741,
 71 F.S.; reducing the penalty imposed for failure to
 72 conform to notice requirements related to dyed diesel
 73 fuel; amending s. 206.9826, F.S.; increasing the
 74 refund available to certain air carriers on the
 75 purchase of aviation fuel; amending s. 212.0305, F.S.;

76 | revising uses and distribution of the charter county
77 | convention development tax for specified counties;
78 | providing restrictions on the use of funds; providing
79 | that no existing contract or debt service shall be
80 | affected; amending s. 212.0306, F.S.; providing a name
81 | for the local option food and beverage tax in a
82 | certain county; revising approved uses of the proceeds
83 | of the tax; prohibiting interlocal agreements and
84 | contracts with certain convention and visitors bureaus
85 | from being renewed or extended; providing that no
86 | existing contract shall be affected; amending s.
87 | 212.031, F.S.; reducing the tax levied on rental or
88 | license fees charged for the use of real property;
89 | amending s. 212.05, F.S.; extending the period in
90 | which a dealer and nonresident purchaser must provide
91 | the state with documentation that a boat or aircraft
92 | purchased without the imposition of Florida sales tax
93 | will not be used in the state; amending s. 212.055,
94 | F.S.; providing an expiration date for the charter
95 | county and regional transportation system surtax for a
96 | certain county; requiring a resolution to levy the
97 | surtax after a certain date; requiring any new levy of
98 | the charter county and regional transportation system
99 | surtax to expire after 20 years unless reenacted by
100 | the electors of the county; requiring the resolution

101 to include a statement containing certain information;
 102 requiring the resolution to approve a school capital
 103 outlay surtax to include specified information;
 104 requiring revenues shared with charter schools to be
 105 expended by the charter schools in a certain manner;
 106 requiring revenues and expenditures to be accounted
 107 for in specified charter school financial reports;
 108 providing applicability; amending s. 212.134, F.S.;
 109 requiring specified entities that must file a return
 110 under section 6050W of the Internal Revenue Code to
 111 provide copies to the department; specifying
 112 procedures for submitting the information; providing
 113 penalties; creating s. 212.181, F.S.; providing
 114 procedures for jurisdictions to notify the department
 115 regarding changes to their business boundaries for
 116 certain purposes; providing guidelines for correction
 117 of misallocated funds; providing procedures for
 118 correcting misallocated funds; providing deadlines for
 119 notifying the department of changes to business
 120 boundaries; providing rulemaking authority; amending
 121 ss. 212.20, 212.205, 218.64, and 288.0001, F.S.;
 122 conforming provisions to changes made by the act;
 123 creating s. 213.0537, F.S.; authorizing the department
 124 to provide certain official correspondence to
 125 taxpayers electronically upon the affirmative request

126 of the taxpayer; providing definitions; amending s.
 127 213.21, F.S.; tolling the period for filing a claim
 128 for refund for certain transactions during certain
 129 audit periods; amending s. 220.1105, F.S.; revising
 130 the definition of the term "final tax liability" for
 131 certain purposes; providing for retroactive
 132 application; amending s. 220.1845, F.S.; increasing,
 133 for a specified fiscal year, the total amount of
 134 contaminated site rehabilitation tax credits;
 135 repealing s. 288.11625, F.S., relating to the Sports
 136 Development Program; amending s. 376.30781, F.S.;
 137 increasing, for a specified fiscal year, the total
 138 amount of tax credits for the rehabilitation of
 139 drycleaning-solvent-contaminated sites and brownfield
 140 sites in designated brownfield areas; amending s.
 141 413.4021, F.S.; increasing the percent of revenues
 142 collected from the tax collection enforcement
 143 diversion program for specified purposes; amending s.
 144 443.163, F.S.; providing that corrections to
 145 electronically filed reemployment tax reports must
 146 also be filed electronically; revising penalties;
 147 removing the requirement for certain parties to file
 148 electronically; removing the requirement that requests
 149 for waivers from statutory requirements be in writing;
 150 amending s. 718.111, F.S.; providing that a

151 condominium association may take certain actions
 152 relating to a challenge to ad valorem taxes in its own
 153 name or on behalf of unit owners; providing
 154 applicability; providing sales tax exemptions for
 155 certain clothing, school supplies, personal computers,
 156 and personal computer-related accessories during a
 157 certain timeframe; defining terms; specifying
 158 locations where the exemptions do not apply;
 159 authorizing certain dealers to opt out of
 160 participating in the exemptions, subject to certain
 161 conditions; authorizing the department to adopt
 162 emergency rules; providing an appropriation; providing
 163 sales tax exemptions for certain disaster preparedness
 164 supplies during a certain timeframe; specifying
 165 locations where the exemptions do not apply;
 166 authorizing the department to adopt emergency rules;
 167 providing appropriations; providing a directive to the
 168 Division of Law Revision; authorizing the Department
 169 of Revenue to adopt emergency rules for certain
 170 purposes; providing effective dates.

171

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

173

174 Section 1. Paragraphs (a), (b), and (e) of subsection (5)
 175 of section 125.0104, Florida Statutes, are amended, and

176 paragraph (f) is added to that subsection, to read:

177 125.0104 Tourist development tax; procedure for levying;
 178 authorized uses; referendum; enforcement.—

179 (5) AUTHORIZED USES OF REVENUE.—

180 (a) Except for counties identified in paragraph (f), all
 181 tax revenues received pursuant to this section by a county
 182 imposing the tourist development tax shall be used by that
 183 county for the following purposes only:

184 1. To acquire, construct, extend, enlarge, remodel,
 185 repair, improve, maintain, operate, or promote one or more:

186 a. Publicly owned and operated convention centers, sports
 187 stadiums, sports arenas, coliseums, or auditoriums within the
 188 boundaries of the county or subcounty special taxing district in
 189 which the tax is levied;

190 b. Auditoriums that are publicly owned but are operated by
 191 organizations that are exempt from federal taxation pursuant to
 192 26 U.S.C. s. 501(c)(3) and open to the public, within the
 193 boundaries of the county or subcounty special taxing district in
 194 which the tax is levied; ~~or~~

195 c. Aquariums or museums that are publicly owned and
 196 operated or owned and operated by not-for-profit organizations
 197 and open to the public, within the boundaries of the county or
 198 subcounty special taxing district in which the tax is levied; or

199 d. Parks or trails that are publicly owned and operated or
 200 owned and operated by not-for-profit organizations and open to

201 the public, within the boundaries of the county or subcounty
 202 special taxing district in which the tax is levied;

203 2. To promote zoological parks that are publicly owned and
 204 operated or owned and operated by not-for-profit organizations
 205 and open to the public;

206 3. To promote and advertise tourism in this state and
 207 nationally and internationally; however, if tax revenues are
 208 expended for an activity, service, venue, or event, the
 209 activity, service, venue, or event must have as one of its main
 210 purposes the attraction of tourists as evidenced by the
 211 promotion of the activity, service, venue, or event to tourists;

212 4. To fund convention bureaus, tourist bureaus, tourist
 213 information centers, and news bureaus as county agencies or by
 214 contract with the chambers of commerce or similar associations
 215 in the county, which may include any indirect administrative
 216 costs for services performed by the county on behalf of the
 217 promotion agency;

218 5. To finance beach park facilities, or beach, channel,
 219 estuary, or lagoon improvement, maintenance, renourishment,
 220 restoration, and erosion control, including construction of
 221 beach groins and shoreline protection, enhancement, cleanup, or
 222 restoration of inland lakes and rivers to which there is public
 223 access as those uses relate to the physical preservation of the
 224 beach, shoreline, channel, estuary, lagoon, or inland lake or
 225 river. However, any funds identified by a county as the local

226 matching source for beach renourishment, restoration, or erosion
227 control projects included in the long-range budget plan of the
228 state's Beach Management Plan, pursuant to s. 161.091, or funds
229 contractually obligated by a county in the financial plan for a
230 federally authorized shore protection project may not be used or
231 loaned for any other purpose. In counties of fewer than 100,000
232 population, up to 10 percent of the revenues from the tourist
233 development tax may be used for beach park facilities; or

234 6. To acquire, construct, extend, enlarge, remodel,
235 repair, improve, maintain, operate, or finance public facilities
236 within the boundaries of the county or subcounty special taxing
237 district in which the tax is levied, if the public facilities
238 are needed to increase tourist-related business activities in
239 the county or subcounty special district and are recommended by
240 the county tourist development council created pursuant to
241 paragraph (4)(e). Tax revenues may be used for any related land
242 acquisition, land improvement, design and engineering costs, and
243 all other professional and related costs required to bring the
244 public facilities into service. As used in this subparagraph,
245 the term "public facilities" means major capital improvements
246 that have a life expectancy of 5 or more years, including, but
247 not limited to, transportation, sanitary sewer, solid waste,
248 drainage, potable water, and pedestrian facilities. Tax revenues
249 may be used for these purposes only if the following conditions
250 are satisfied:

251 a. In the county fiscal year immediately preceding the
 252 fiscal year in which the tax revenues were initially used for
 253 such purposes, at least \$10 million in tourist development tax
 254 revenue was received;

255 b. The county governing board approves the use for the
 256 proposed public facilities by a vote of at least two-thirds of
 257 its membership;

258 c. No more than 70 percent of the cost of the proposed
 259 public facilities will be paid for with tourist development tax
 260 revenues, and sources of funding for the remaining cost are
 261 identified and confirmed by the county governing board;

262 d. At least 40 percent of all tourist development tax
 263 revenues collected in the county are spent to promote and
 264 advertise tourism as provided by this subsection; and

265 e. An independent professional analysis, performed at the
 266 expense of the county tourist development council, demonstrates
 267 the positive impact of the infrastructure project on tourist-
 268 related businesses in the county.

269 7. To finance water quality improvement projects,
 270 including, but not limited to:

271 a. Flood mitigation.

272 b. Seagrass or seaweed removal.

273 c. Algae control, cleanup, or prevention measures.

274 d. Waterway network restoration measures.

275 e. Septic-to-sewer conversion projects intended to

276 prevent, mitigate, or ameliorate damage to the water quality of
 277 surface waters important to the tourism industry of the
 278 jurisdiction.

279
 280 Subparagraphs 1. and 2. may be implemented through service
 281 contracts and leases with lessees that have sufficient expertise
 282 or financial capability to operate such facilities.

283 (b) Tax revenues received pursuant to this section by a
 284 county of less than 950,000 ~~750,000~~ population imposing a
 285 tourist development tax may only be used by that county for the
 286 following purposes in addition to those purposes allowed
 287 pursuant to paragraph (a): to acquire, construct, extend,
 288 enlarge, remodel, repair, improve, maintain, operate, or promote
 289 one or more zoological parks, fishing piers or nature centers
 290 which are publicly owned and operated or owned and operated by
 291 not-for-profit organizations and open to the public. All
 292 population figures relating to this subsection shall be based on
 293 the most recent population estimates prepared pursuant to the
 294 provisions of s. 186.901. These population estimates shall be
 295 those in effect on July 1 of each year.

296 (e) Any use of the local option tourist development tax
 297 revenues collected pursuant to this section for a purpose not
 298 expressly authorized by paragraph (3)(l) or paragraph (3)(n) or
 299 paragraphs (a)-(d) and (f) of this subsection is expressly
 300 prohibited.

301 (f) All tax revenues received pursuant to this section by
302 a county, as defined in s. 125.011(1), imposing the tourist
303 development tax shall be used by that county for the following
304 purposes only:

305 1. Revenues may be used to complete any project underway
306 as of the effective date of this act or to perform any contract
307 in existence on the effective date of this act, pursuant to this
308 section as this section existed before the effective date of
309 this act. Revenues may not be used to renew or extend such
310 contracts or projects. Bonds or other debt outstanding as of the
311 effective date of this act may be refinanced, but the duration
312 of such debt pledging the tourist development tax may not be
313 extended and the outstanding principal may not be increased,
314 except to account for the costs of issuance.

315 2. Revenues not needed for projects, contracts, or debt
316 obligations pursuant to subparagraph 1. shall be distributed and
317 used as follows:

318 a. Fifty percent shall be distributed monthly to the
319 governing boards of municipalities within the county and the
320 county. Distributions to each municipality shall be in
321 proportion to the amount collected in the prior month within
322 each municipality as a share of the total collected in the prior
323 month in the county as a whole. Distributions to the county
324 shall be in proportion to the amount collected in the prior
325 month within the unincorporated area of the county as a share of

326 the total collected in the prior month in the county as a whole.
 327 These distributions may be used by the receiving jurisdiction
 328 to:

329 (I) Promote and advertise tourism and fund convention
 330 bureaus, tourist bureaus, tourist information centers, and news
 331 bureaus. Municipalities receiving revenue under this sub-
 332 subparagraph may enter into an interlocal agreement to use such
 333 revenue to receive services provided by the entity receiving
 334 funds under sub-sub-subparagraph s. 212.0305(4)(b)2.b.(III).

335 (II) Reimburse expenses incurred in providing public
 336 safety services, including emergency medical services as defined
 337 in s. 401.107(3), and law enforcement services, which are needed
 338 to address impacts related to increased tourism and visitors to
 339 an area. However, if taxes collected pursuant to this section
 340 are used to reimburse emergency medical services or public
 341 safety services for tourism or special events, the governing
 342 board of a county or municipality may not use such taxes to
 343 supplant the normal operating expenses of an emergency medical
 344 services department, a fire department, a sheriff's office, or a
 345 police department.

346 (III) Acquire, construct, extend, enlarge, remodel,
 347 repair, improve, maintain, operate, or promote parks or trails
 348 that are publicly owned and operated or owned and operated by
 349 not-for-profit organizations and open to the public, within the
 350 boundaries of the county or subcounty special taxing district in

351 which the tax is levied.

352 (IV) Acquire, construct, extend, enlarge, remodel, repair,
353 improve, maintain, operate, or finance public facilities within
354 the boundaries of the jurisdiction, if the public facilities are
355 needed to preserve or increase tourist-related business
356 activities in the jurisdiction. Tax revenues may be used for any
357 related land acquisition, land improvement, design and
358 engineering costs, and all other professional and related costs
359 required to bring the public facilities into service. As used in
360 this subparagraph, the term "public facilities" means major
361 capital improvements that have a life expectancy of 5 or more
362 years, including, but not limited to, transportation; sanitary
363 sewer, including solid waste, drainage, and potable water; and
364 pedestrian facilities. Tax distributions may be used for these
365 purposes only if the following conditions are satisfied:

366 (A) The governing board approves the use for the proposed
367 public facilities by a vote of at least two-thirds of its
368 membership.

369 (B) No more than 70 percent of the cost of the proposed
370 public facilities will be paid for using tourist development tax
371 revenues, and sources of funding for the remaining costs are
372 identified and confirmed by the jurisdiction's governing board.

373 (C) No more than 40 percent of all tourist development tax
374 revenues distributed to the jurisdiction are spent to promote
375 and advertise tourism as provided by this paragraph.

376 (D) An independent professional analysis, performed at the
377 expense of the jurisdiction, demonstrates the positive impact of
378 the infrastructure project on tourist-related businesses in the
379 jurisdiction.

380 b. Twenty percent shall be distributed to the county to
381 fund the primary bureau, department, or association responsible
382 for organizing, funding, and promoting opportunities for artists
383 and cultural organizations within the county.

384 c. Thirty percent shall be distributed to the governing
385 board of the county and used for one or more of the purposes set
386 forth in the Local Option Coastal Recovery and Resiliency Tax in
387 s. 212.0306(3)(a).

388 Section 2. Effective upon this act becoming a law,
389 paragraph (d) of subsection (11) of section 192.001, Florida
390 Statutes, is amended to read:

391 192.001 Definitions.—All definitions set out in chapters 1
392 and 200 that are applicable to this chapter are included herein.
393 In addition, the following definitions shall apply in the
394 imposition of ad valorem taxes:

395 (11) "Personal property," for the purposes of ad valorem
396 taxation, shall be divided into four categories as follows:

397 (d) "Tangible personal property" means all goods,
398 chattels, and other articles of value (but does not include the
399 vehicular items enumerated in s. 1(b), Art. VII of the State
400 Constitution and elsewhere defined) capable of manual possession

401 and whose chief value is intrinsic to the article itself.
 402 "Construction work in progress" consists of those items of
 403 tangible personal property commonly known as fixtures,
 404 machinery, and equipment when in the process of being installed
 405 in new or expanded improvements to real property and whose value
 406 is materially enhanced upon connection or use with a
 407 preexisting, taxable, operational system or facility.
 408 Construction work in progress shall be deemed substantially
 409 completed when connected with the preexisting, taxable,
 410 operational system or facility. For the purposes of tangible
 411 personal property constructed or installed by an electric
 412 utility, construction work in progress is not deemed
 413 substantially completed unless all permits or approvals required
 414 for commercial operation have been received or approved.
 415 Inventory and household goods are expressly excluded from this
 416 definition.

417 Section 3. The amendment made by this act to s. 192.001,
 418 Florida Statutes, first applies to the 2020 property tax roll
 419 and operates retroactively to January 1, 2020.

420 Section 4. Section 193.1557, Florida Statutes, is created
 421 to read:

422 193.1557 Assessment of certain property damaged or
 423 destroyed by Hurricane Michael.—For property damaged or
 424 destroyed by Hurricane Michael in 2018, s. 193.155(4)(b), s.
 425 193.1554(6)(b), or s. 193.1555(6)(b) applies to changes,

426 additions, or improvements commenced within 5 years after
 427 January 1, 2019. This section applies to the 2019-2023 tax years
 428 and shall stand repealed on December 31, 2023.

429 Section 5. Paragraph (e) of subsection (3) of section
 430 194.011, Florida Statutes, is amended to read:

431 194.011 Assessment notice; objections to assessments.—

432 (3) A petition to the value adjustment board must be in
 433 substantially the form prescribed by the department.

434 Notwithstanding s. 195.022, a county officer may not refuse to
 435 accept a form provided by the department for this purpose if the
 436 taxpayer chooses to use it. A petition to the value adjustment
 437 board must be signed by the taxpayer or be accompanied at the
 438 time of filing by the taxpayer's written authorization or power
 439 of attorney, unless the person filing the petition is listed in
 440 s. 194.034(1)(a). A person listed in s. 194.034(1)(a) may file a
 441 petition with a value adjustment board without the taxpayer's
 442 signature or written authorization by certifying under penalty
 443 of perjury that he or she has authorization to file the petition
 444 on behalf of the taxpayer. If a taxpayer notifies the value
 445 adjustment board that a petition has been filed for the
 446 taxpayer's property without his or her consent, the value
 447 adjustment board may require the person filing the petition to
 448 provide written authorization from the taxpayer authorizing the
 449 person to proceed with the appeal before a hearing is held. If
 450 the value adjustment board finds that a person listed in s.

451 194.034(1)(a) willfully and knowingly filed a petition that was
 452 not authorized by the taxpayer, the value adjustment board shall
 453 require such person to provide the taxpayer's written
 454 authorization for representation to the value adjustment board
 455 clerk before any petition filed by that person is heard, for 1
 456 year after imposition of such requirement by the value
 457 adjustment board. A power of attorney or written authorization
 458 is valid for 1 assessment year, and a new power of attorney or
 459 written authorization by the taxpayer is required for each
 460 subsequent assessment year. A petition shall also describe the
 461 property by parcel number and shall be filed as follows:

462 (e)1. A condominium association, as defined in s. 718.103,
 463 a cooperative association, as defined in s. 719.103, or any
 464 homeowners' association, as defined in s. 723.075, with approval
 465 of its board of administration or directors, may file with the
 466 value adjustment board a single joint petition on behalf of any
 467 association members who own units or parcels of property which
 468 the property appraiser determines are substantially similar with
 469 respect to location, proximity to amenities, number of rooms,
 470 living area, and condition. The condominium association,
 471 cooperative association, or homeowners' association ~~as defined~~
 472 ~~in s. 723.075~~ shall provide the unit or parcel owners with
 473 notice of its intent to petition the value adjustment board and
 474 shall provide at least 20 days for a unit or parcel owner to
 475 elect, in writing, that his or her unit or parcel not be

476 included in the petition.

477 2. A condominium association, as defined in s. 718.103, or
 478 a cooperative association, as defined in s. 719.103, that has
 479 filed a single joint petition under this subsection may continue
 480 to represent, prosecute, and defend the unit owners through any
 481 related subsequent proceeding in any tribunal, including
 482 judicial review under part II of this chapter and any appeals.
 483 This subparagraph is intended to clarify existing law and
 484 applies to cases pending on July 1, 2020.

485 Section 6. Subsection (1) of section 194.035, Florida
 486 Statutes, is amended to read:

487 194.035 Special magistrates; property evaluators.—

488 (1) In counties having a population of more than 75,000,
 489 the board shall appoint special magistrates for the purpose of
 490 taking testimony and making recommendations to the board, which
 491 recommendations the board may act upon without further hearing.
 492 These special magistrates may not be elected or appointed
 493 officials or employees of the county but shall be selected from
 494 a list of those qualified individuals who are willing to serve
 495 as special magistrates. Employees and elected or appointed
 496 officials of a taxing jurisdiction or of the state may not serve
 497 as special magistrates. The clerk of the board shall annually
 498 notify such individuals or their professional associations to
 499 make known to them that opportunities to serve as special
 500 magistrates exist. The Department of Revenue shall provide a

501 list of qualified special magistrates to any county with a
502 population of 75,000 or less. Subject to appropriation, the
503 department shall reimburse counties with a population of 75,000
504 or less for payments made to special magistrates appointed for
505 the purpose of taking testimony and making recommendations to
506 the value adjustment board pursuant to this section. The
507 department shall establish a reasonable range for payments per
508 case to special magistrates based on such payments in other
509 counties. Requests for reimbursement of payments outside this
510 range shall be justified by the county. If the total of all
511 requests for reimbursement in any year exceeds the amount
512 available pursuant to this section, payments to all counties
513 shall be prorated accordingly. If a county having a population
514 less than 75,000 does not appoint a special magistrate to hear
515 each petition, the person or persons designated to hear
516 petitions before the value adjustment board or the attorney
517 appointed to advise the value adjustment board shall attend the
518 training provided pursuant to subsection (3), regardless of
519 whether the person would otherwise be required to attend, but
520 shall not be required to pay the tuition fee specified in
521 subsection (3). A special magistrate appointed to hear issues of
522 exemptions, classifications, and determinations that a change of
523 ownership, a change of ownership or control, or a qualifying
524 improvement has occurred shall be a member of The Florida Bar
525 with no less than 5 years' experience in the area of ad valorem

526 taxation. A special magistrate appointed to hear issues
527 regarding the valuation of real estate shall be a state
528 certified real estate appraiser with not less than 5 years'
529 experience in real property valuation. A special magistrate
530 appointed to hear issues regarding the valuation of tangible
531 personal property shall be a designated member of a nationally
532 recognized appraiser's organization with not less than 5 years'
533 experience in tangible personal property valuation. A special
534 magistrate need not be a resident of the county in which he or
535 she serves. A special magistrate may not represent a person
536 before the board in any tax year during which he or she has
537 served that board as a special magistrate. An appraisal
538 performed by a special magistrate who served on the board as a
539 special magistrate during the tax year may not be submitted as
540 evidence to the value adjustment board. Before appointing a
541 special magistrate, a value adjustment board shall verify the
542 special magistrate's qualifications. The value adjustment board
543 shall ensure that the selection of special magistrates is based
544 solely upon the experience and qualifications of the special
545 magistrate and is not influenced by the property appraiser. The
546 special magistrate shall accurately and completely preserve all
547 testimony and, in making recommendations to the value adjustment
548 board, shall include proposed findings of fact, conclusions of
549 law, and reasons for upholding or overturning the determination
550 of the property appraiser. The expense of hearings before

551 magistrates and any compensation of special magistrates shall be
 552 borne three-fifths by the board of county commissioners and two-
 553 fifths by the school board. When appointing special magistrates
 554 or when scheduling special magistrates for specific hearings,
 555 the board, the board attorney, and the board clerk may not
 556 consider the dollar amount or percentage of any assessment
 557 reductions recommended by any special magistrate in the current
 558 year or in any previous year.

559 Section 7. Subsection (2) of section 194.181, Florida
 560 Statutes, is amended to read:

561 194.181 Parties to a tax suit.—

562 (2) (a) In any case brought by a ~~the~~ taxpayer or a
 563 condominium or cooperative association, as defined in ss.
 564 718.103 and 719.103 respectively, on behalf of some or all unit
 565 owners, contesting the assessment of any property, the county
 566 property appraiser is the ~~shall be~~ party defendant.

567 (b) In any case brought by the property appraiser under
 568 ~~pursuant to~~ s. 194.036(1) (a) or (b), the taxpayer is the ~~shall~~
 569 ~~be~~ party defendant.

570 (c)1. In any case brought by the property appraiser under
 571 s. 194.036(1) (a) or (b) concerning a value adjustment board
 572 decision on a single joint petition filed by a condominium or
 573 cooperative association under s. 194.011(3), the association and
 574 all unit owners included in the single joint petition are the
 575 party defendants.

576 2. The condominium or cooperative association must provide
 577 unit owners with notice of its intent to respond to or answer
 578 the property appraiser's complaint and advise the unit owners
 579 that they may elect to:

- 580 a. Retain their own counsel to defend the appeal;
- 581 b. Choose not to defend the appeal; or
- 582 c. Be represented together with other unit owners in the
 583 response or answer filed by the association.

584 3. The notice required in subparagraph 2. must be hand-
 585 delivered or sent by certified mail, return receipt requested,
 586 to the unit owners and posted conspicuously on the condominium
 587 or cooperative property in the same manner as for notice of
 588 board meetings under ss. 718.112(2) and 719.106(1). However, the
 589 notice may be electronically transmitted to any unit owner who
 590 has expressly consented in writing to receiving such notices
 591 through electronic transmission. The association must provide at
 592 least 14 days for unit owners to respond to the notice. Any unit
 593 owner who fails to respond to the association's notice will be
 594 represented in the response or answer filed by the association.

595 (d) In any case brought by the property appraiser under
 596 ~~pursuant to~~ s. 194.036(1)(c), the value adjustment board is the
 597 ~~shall be~~ party defendant.

598 Section 8. Paragraphs (a) and (b) of subsection (1) of
 599 section 195.073, Florida Statutes, are amended to read:

600 195.073 Classification of property.—All items required by

601 law to be on the assessment rolls must receive a classification
 602 based upon the use of the property. The department shall
 603 promulgate uniform definitions for all classifications. The
 604 department may designate other subclassifications of property.
 605 No assessment roll may be approved by the department which does
 606 not show proper classifications.

607 (1) Real property must be classified according to the
 608 assessment basis of the land into the following classes:

609 (a) Residential, subclassified into categories, one
 610 category for homestead property and one for nonhomestead
 611 property:

- 612 1. Single family.
- 613 2. Mobile homes.
- 614 3. Multifamily, up to nine units.
- 615 4. Condominiums.
- 616 5. Cooperatives.
- 617 6. Retirement homes.

618 (b) Commercial and industrial, including apartments with
 619 more than nine units.

620 Section 9. Subsection (2) and paragraph (a) of subsection
 621 (3) of section 195.096, Florida Statutes, are amended to read:

622 195.096 Review of assessment rolls.—

623 (2) The department shall conduct, no less frequently than
 624 once every 2 years, an in-depth review of the real property
 625 assessment roll ~~rolls~~ of each county. The department need not

626 individually study every use-class of property set forth in s.
 627 195.073, but shall at a minimum study the level of assessment in
 628 relation to just value of each classification specified in
 629 subsection (3). Such in-depth review may include proceedings of
 630 the value adjustment board and the audit or review of procedures
 631 used by the counties to appraise property.

632 (a) The department shall, at least 30 days prior to the
 633 beginning of an in-depth review in any county, notify the
 634 property appraiser in the county of the pending review. At the
 635 request of the property appraiser, the department shall consult
 636 with the property appraiser regarding the classifications and
 637 strata to be studied, in order that the review will be useful to
 638 the property appraiser in evaluating his or her procedures.

639 (b) Every property appraiser whose upcoming roll is
 640 subject to an in-depth review shall, if requested by the
 641 department on or before January 1, deliver upon completion of
 642 the assessment roll a list of the parcel numbers of all parcels
 643 that did not appear on the assessment roll of the previous year,
 644 indicating the parcel number of the parent parcel from which
 645 each new parcel was created or "cut out."

646 (c) In conducting assessment ratio studies, the department
 647 must use all practicable steps, including stratified statistical
 648 and analytical reviews and sale-qualification studies, to
 649 maximize the representativeness or statistical reliability of
 650 samples of properties in tests of each classification, stratum,

651 or roll made the subject of a ratio study published by it. The
652 department shall document and retain records of the measures of
653 representativeness of the properties studied in compliance with
654 this section. Such documentation must include a record of
655 findings used as the basis for the approval or disapproval of
656 the tax roll in each county pursuant to s. 193.1142. In
657 addition, to the greatest extent practicable, the department
658 shall study assessment roll strata by subclassifications such as
659 value groups and market areas for each classification or stratum
660 to be studied, to maximize the representativeness of ratio study
661 samples. For purposes of this section, the department shall rely
662 primarily on an assessment-to-sales-ratio study in conducting
663 assessment ratio studies in those classifications of property
664 specified in subsection (3) for which there are adequate market
665 sales. The department shall compute the median and the value-
666 weighted mean for each classification or subclassification
667 studied and for the roll as a whole.

668 (d) In the conduct of these reviews, the department shall
669 adhere to all standards to which the property appraisers are
670 required to adhere.

671 (e) The department and each property appraiser shall
672 cooperate in the conduct of these reviews, and each shall make
673 available to the other all matters and records bearing on the
674 preparation and computation of the reviews. The property
675 appraisers shall provide any and all data requested by the

676 department in the conduct of the studies, including electronic
 677 data processing tapes. Any and all data and samples developed or
 678 obtained by the department in the conduct of the studies shall
 679 be confidential and exempt from the provisions of s. 119.07(1)
 680 until a presentation of the findings of the study is made to the
 681 property appraiser. After the presentation of the findings, the
 682 department shall provide any and all data requested by a
 683 property appraiser developed or obtained in the conduct of the
 684 studies, including tapes. Direct reimbursable costs of providing
 685 the data shall be borne by the party who requested it. Copies of
 686 existing data or records, whether maintained or required
 687 pursuant to law or rule, or data or records otherwise
 688 maintained, shall be submitted within 30 days from the date
 689 requested, in the case of written or printed information, and
 690 within 14 days from the date requested, in the case of
 691 computerized information.

692 (f) Within 120 days after receipt of a county assessment
 693 roll by the executive director of the department pursuant to s.
 694 193.1142(1), or within 10 days after approval of the assessment
 695 roll, whichever is later, the department shall complete the
 696 review for that county and publish the department's findings.
 697 The findings must include ~~a statement of the confidence interval~~
 698 ~~for the median and such other~~ measures as may be appropriate for
 699 each classification or subclassification studied ~~and for the~~
 700 ~~roll as a whole,~~ and related statistical and analytical details.

701 The measures in the findings must be based on:

702 1. A 95-percent level of confidence; or

703 2. Ratio study standards that are generally accepted by

704 professional appraisal organizations in developing a

705 statistically valid sampling plan if a 95-percent level of

706 confidence is not attainable.

707 (3)(a) Upon completion of review pursuant to paragraph

708 (2)(f), the department shall publish the results of reviews

709 conducted under this section. The results must include all

710 statistical and analytical measures computed under this section

711 for the real property assessment roll ~~as a whole, the personal~~

712 ~~property assessment roll as a whole,~~ and independently for the

713 following real property classes if the classes constituted 5

714 percent or more of the total assessed value of real property in

715 a county on the previous tax roll:

716 1. Residential property that consists of one primary

717 living unit, including, but not limited to, single-family

718 residences, condominiums, cooperatives, and mobile homes.

719 2. Residential property that consists of two to nine ~~or~~

720 ~~more~~ primary living units.

721 3. Agricultural, high-water recharge, historic property

722 used for commercial or certain nonprofit purposes, and other

723 use-valued property.

724 4. Vacant lots.

725 5. Nonagricultural acreage and other undeveloped parcels.

726 6. Improved commercial and industrial property, including
 727 apartments with more than nine units.

728 7. Taxable institutional or governmental, utility, locally
 729 assessed railroad, oil, gas and mineral land, subsurface rights,
 730 and other real property.

731

732 If one of the above classes constituted less than 5 percent of
 733 the total assessed value of all real property in a county on the
 734 previous assessment roll, the department may combine it with one
 735 or more other classes of real property for purposes of
 736 assessment ratio studies or use the weighted average of the
 737 other classes for purposes of calculating the level of
 738 assessment for all real property in a county. The department
 739 shall also publish such results for any subclassifications of
 740 the classes or assessment rolls it may have chosen to study.

741 Section 10. Effective upon this act becoming a law,
 742 subsection (2) of section 196.173, Florida Statutes, is amended
 743 to read:

744 196.173 Exemption for deployed servicemembers.—

745 (2) The exemption is available to servicemembers who were
 746 deployed during the preceding calendar year on active duty
 747 outside the continental United States, Alaska, or Hawaii in
 748 support of any of the following military operations:

749 (a) Operation Joint Task Force Bravo, which began in 1995.

750 (b) Operation Joint Guardian, which began on June 12,

751 1999.

752 (c) Operation Noble Eagle, which began on September 15,

753 2001.

754 ~~(d) Operation Enduring Freedom, which began on October 7,~~

755 ~~2001, and ended on December 31, 2014.~~

756 (d)~~(e)~~ Operations in the Balkans, which began in 2004.

757 (e)~~(f)~~ Operation Nomad Shadow, which began in 2007.

758 (f)~~(g)~~ Operation U.S. Airstrikes Al Qaeda in Somalia,

759 which began in January 2007.

760 (g)~~(h)~~ Operation Copper Dune, which began in 2009.

761 (h)~~(i)~~ Operation Georgia Deployment Program, which began

762 in August 2009.

763 (i)~~(j)~~ Operation Spartan Shield, which began in June 2011.

764 (j)~~(k)~~ Operation Observant Compass, which began in October

765 2011.

766 (k)~~(l)~~ Operation Inherent Resolve, which began on August

767 8, 2014.

768 (l)~~(m)~~ Operation Atlantic Resolve, which began in April

769 2014.

770 (m)~~(n)~~ Operation Freedom's Sentinel, which began on

771 January 1, 2015.

772 (n)~~(o)~~ Operation Resolute Support, which began in January

773 2015.

774 (o) Operation Juniper Shield, which began in February

775 2007.

776 (p) Operation Pacific Eagle, which began in September
 777 2017.

778 (g) Operation Martillo, which began in January 2012.
 779

780 The Department of Revenue shall notify all property appraisers
 781 and tax collectors in this state of the designated military
 782 operations.

783 Section 11. The amendment made by this act to s.
 784 196.173(2), Florida Statutes, applies to ad valorem tax rolls for
 785 the 2020 tax year and thereafter.

786 Section 12. Application deadline for additional ad valorem
 787 tax exemption for specified deployments.-

788 (1) Notwithstanding the filing deadlines contained in s.
 789 196.173(6), Florida Statutes, the deadline for an applicant to
 790 file an application with the property appraiser for an
 791 additional ad valorem tax exemption under s. 196.173, Florida
 792 Statutes, for the 2020 tax year is June 1, 2020.

793 (2) If an application is not timely filed under subsection
 794 (1), a property appraiser may grant the exemption if:

795 (a) The applicant files an application for the exemption
 796 on or before the 25th day after the property appraiser mails the
 797 notice required under s. 194.011(1), Florida Statutes;

798 (b) The applicant is qualified for the exemption; and

799 (c) The applicant produces sufficient evidence, as
 800 determined by the property appraiser, which demonstrates that

801 the applicant was unable to apply for the exemption in a timely
802 manner or otherwise demonstrates extenuating circumstances that
803 warrant granting the exemption.

804 (3) If the property appraiser denies an application under
805 subsection (2), the applicant may file, pursuant to s.
806 194.011(3), Florida Statutes, a petition with the value
807 adjustment board which requests that the exemption be granted.
808 Such petition must be filed on or before the 25th day after the
809 property appraiser mails the notice required under s.
810 194.011(1), Florida Statutes. Notwithstanding s. 194.013,
811 Florida Statutes, the eligible servicemember is not required to
812 pay a filing fee for such petition. Upon reviewing the petition,
813 the value adjustment board may grant the exemption if the
814 applicant is qualified for the exemption and demonstrates
815 extenuating circumstances, as determined by the board, that
816 warrant granting the exemption.

817 (4) This section shall take effect upon this act becoming
818 a law and applies to ad valorem tax rolls for the 2020 tax year
819 and thereafter.

820 Section 13. Subsection (3) is added to section 196.197,
821 Florida Statutes, to read:

822 196.197 Additional provisions for exempting property used
823 by hospitals, nursing homes, and homes for special services.—In
824 addition to criteria for granting exemptions for charitable use
825 of property set forth in other sections of this chapter,

826 hospitals, nursing homes, and homes for special services shall
 827 be exempt to the extent that they meet the following criteria:

828 (3) (a) The county property appraiser shall make the
 829 calculations described in this paragraph. In determining the
 830 extent of the exemption to be granted to institutions licensed
 831 as hospitals, the unadjusted exempt value of a parcel and the
 832 unadjusted exempt value of tangible personal property shall be
 833 multiplied by a fraction, not to exceed one, the numerator of
 834 which is the county net community benefit expense, as determined
 835 under paragraph (b), and the denominator of which is the county
 836 tax assessment. For purposes of this subsection:

837 1. The term "unadjusted exempt value" means the value
 838 exempted in a tax year for the charitable use of property as
 839 provided in other sections of this chapter and as limited by
 840 subsections (1) and (2).

841 2. The term "adopted millage rate applicable to the
 842 parcel" is the sum of all ad valorem tax rates levied by all
 843 taxing jurisdictions within which a parcel is located.

844 3. The term "parcel tax assessment" is the product of the
 845 unadjusted exempt value for a parcel for the immediately prior
 846 year and the most recent final adopted millage rate applicable
 847 to the parcel.

848 4. The term "adopted millage rate applicable to the
 849 tangible personal property" is the sum of all ad valorem tax
 850 rates levied by all taxing jurisdictions within which tangible

851 personal property is located.

852 5. The term "tangible personal property tax assessment" is
 853 the product of the unadjusted exempt value for tangible personal
 854 property for the immediately prior year and the most recent
 855 final adopted millage rate applicable to the tangible personal
 856 property.

857 6. The term "county tax assessment" is the sum of all
 858 parcel tax assessments and tangible personal property tax
 859 assessments in a county for property owned by the applicant and
 860 for which an exemption is being sought.

861 (b) The county net community benefit expense, to be
 862 determined by the applicant, is that portion of the net
 863 community benefit expense reported by the applicant on its most
 864 recently filed Internal Revenue Service Form 990, schedule H,
 865 attributable to those services and activities provided or
 866 performed by the hospital in a county.

867 (c) The application by a hospital for an exemption under
 868 this section must include, but is not limited to:

869 1. A copy of the hospital owner's most recently filed
 870 Internal Revenue Service Form 990, schedule H.

871 2. A schedule displaying:

872 a. The county net community benefit expense for each
 873 county in this state in which properties are located;

874 b. The portion of net community benefit expense reported
 875 by the applicant on its most recently filed Internal Revenue

876 Service Form 990, schedule H, attributable to those services and
 877 activities provided or performed by the hospital outside of this
 878 state; and

879 c. The sum of amounts provided under sub-subparagraphs a.
 880 and b., which must equal the total net community benefit expense
 881 reported by the applicant on its most recently filed Internal
 882 Revenue Service Form 990, schedule H.

883 3. A statement signed by the hospital's chief executive
 884 officer and independent certified public accountant that, upon
 885 each person's reasonable knowledge and belief, the statement of
 886 the county net community benefit expense is true and correct.

887 Section 14. Effective upon this act becoming a law,
 888 paragraphs (b) through (f) of subsection (2) of section 200.065,
 889 Florida Statutes, are amended to read:

890 200.065 Method of fixing millage.—

891 (2) No millage shall be levied until a resolution or
 892 ordinance has been approved by the governing board of the taxing
 893 authority which resolution or ordinance must be approved by the
 894 taxing authority according to the following procedure:

895 (b) Within 35 days after ~~of~~ certification of value
 896 pursuant to subsection (1), each taxing authority shall advise
 897 the property appraiser of its proposed millage rate, of its
 898 rolled-back rate computed pursuant to subsection (1), and of the
 899 date, time, and place at which a public hearing will be held to
 900 consider the proposed millage rate and the tentative budget. The

901 property appraiser shall utilize this information in preparing
902 the notice of proposed property taxes pursuant to s. 200.069.
903 The deadline for mailing the notice shall be the later of 55
904 days after certification of value pursuant to subsection (1) or
905 10 days after either the date the tax roll is approved or the
906 interim roll procedures under s. 193.1145 are instituted.
907 However, for counties for which a state of emergency was
908 declared by executive order or proclamation of the Governor
909 pursuant to chapter 252, if mailing is not possible during the
910 state of emergency, the property appraiser may post the notice
911 on the county's website. If the deadline for mailing the notice
912 of proposed property taxes is 10 days after the date the tax
913 roll is approved or the interim roll procedures are instituted,
914 all subsequent deadlines provided in this section shall be
915 extended. In addition, the deadline for mailing the notice may
916 be extended for 30 days in counties for which a state of
917 emergency was declared by executive order or proclamation of the
918 Governor pursuant to chapter 252, and property appraisers may
919 use alternate methods of distribution only when mailing the
920 notice is not possible. In such event, however, property
921 appraisers must work with county tax collectors to ensure the
922 timely assessment and collection of taxes. The number of days by
923 which the deadlines shall be extended shall equal the number of
924 days by which the deadline for mailing the notice of proposed
925 taxes is extended beyond 55 days after certification. If any

926 | taxing authority fails to provide the information required in
 927 | this paragraph to the property appraiser in a timely fashion,
 928 | the taxing authority shall be prohibited from levying a millage
 929 | rate greater than the rolled-back rate computed pursuant to
 930 | subsection (1) for the upcoming fiscal year, which rate shall be
 931 | computed by the property appraiser and used in preparing the
 932 | notice of proposed property taxes. Each multicounty taxing
 933 | authority that levies taxes in any county that has extended the
 934 | deadline for mailing the notice due to a declared state of
 935 | emergency and that has noticed hearings in other counties must
 936 | advertise the hearing at which it intends to adopt a tentative
 937 | budget and millage rate in a newspaper of general paid
 938 | circulation within each county not less than 2 days or more than
 939 | 5 days before the hearing.

940 | (d) Within 15 days after the meeting adopting the
 941 | tentative budget, the taxing authority shall advertise in a
 942 | newspaper of general circulation in the county as provided in
 943 | subsection (3), its intent to finally adopt a millage rate and
 944 | budget. A public hearing to finalize the budget and adopt a
 945 | millage rate shall be held not less than 2 days nor more than 5
 946 | days after the day that the advertisement is first published. In
 947 | the event of a need to postpone or recess the final meeting due
 948 | to a declared state of emergency, the taxing authority may
 949 | postpone or recess the hearing for up to 7 days and shall post a
 950 | prominent notice at the place of the original hearing showing

951 the date, time, and place where the hearing will be reconvened.
952 The posted notice shall measure not less than 8.5 by 11 inches.
953 The taxing authority shall make every reasonable effort to
954 provide reasonable notification of the continued hearing to the
955 taxpayers. The information must also be posted on the taxing
956 authority's website. During the hearing, the governing body of
957 the taxing authority shall amend the adopted tentative budget as
958 it sees fit, adopt a final budget, and adopt a resolution or
959 ordinance stating the millage rate to be levied. The resolution
960 or ordinance shall state the percent, if any, by which the
961 millage rate to be levied exceeds the rolled-back rate computed
962 pursuant to subsection (1), which shall be characterized as the
963 percentage increase in property taxes adopted by the governing
964 body. The adoption of the budget and the millage-levy resolution
965 or ordinance shall be by separate votes. For each taxing
966 authority levying millage, the name of the taxing authority, the
967 rolled-back rate, the percentage increase, and the millage rate
968 to be levied shall be publicly announced before ~~prior to~~ the
969 adoption of the millage-levy resolution or ordinance. In no
970 event may the millage rate adopted pursuant to this paragraph
971 exceed the millage rate tentatively adopted pursuant to
972 paragraph (c). If the rate tentatively adopted pursuant to
973 paragraph (c) exceeds the proposed rate provided to the property
974 appraiser pursuant to paragraph (b), or as subsequently adjusted
975 pursuant to subsection (11), each taxpayer within the

976 jurisdiction of the taxing authority shall be sent notice by
 977 first-class mail of his or her taxes under the tentatively
 978 adopted millage rate and his or her taxes under the previously
 979 proposed rate. The notice must be prepared by the property
 980 appraiser, at the expense of the taxing authority, and must
 981 generally conform to the requirements of s. 200.069. If such
 982 additional notice is necessary, its mailing must precede the
 983 hearing held pursuant to this paragraph by not less than 10 days
 984 and not more than 15 days.

985 (e)1. In the hearings required pursuant to paragraphs (c)
 986 and (d), the first substantive issue discussed shall be the
 987 percentage increase in millage over the rolled-back rate
 988 necessary to fund the budget, if any, and the specific purposes
 989 for which ad valorem tax revenues are being increased. During
 990 such discussion, the governing body shall hear comments
 991 regarding the proposed increase and explain the reasons for the
 992 proposed increase over the rolled-back rate. The general public
 993 shall be allowed to speak and to ask questions before ~~prior to~~
 994 adoption of any measures by the governing body. The governing
 995 body shall adopt its tentative or final millage rate before
 996 ~~prior to~~ adopting its tentative or final budget.

997 2. These hearings shall be held after 5 p.m. if scheduled
 998 on a day other than Saturday. No hearing shall be held on a
 999 Sunday. The county commission shall not schedule its hearings on
 1000 days scheduled for hearings by the school board. The hearing

1001 | dates scheduled by the county commission and school board shall
 1002 | not be utilized by any other taxing authority within the county
 1003 | for its public hearings. However, in counties for which a state
 1004 | of emergency was declared by executive order or proclamation of
 1005 | the Governor pursuant to chapter 252 and the rescheduling of
 1006 | hearings on the same day is unavoidable, the county commission
 1007 | and school board must conduct their hearings at different times,
 1008 | and other taxing authorities must schedule their hearings so as
 1009 | not to conflict with the times of the county commission and
 1010 | school board hearings. A multicounty taxing authority shall make
 1011 | every reasonable effort to avoid scheduling hearings on days
 1012 | utilized by the counties or school districts within its
 1013 | jurisdiction. Tax levies and budgets for dependent special
 1014 | taxing districts shall be adopted at the hearings for the taxing
 1015 | authority to which such districts are dependent, following such
 1016 | discussion and adoption of levies and budgets for the superior
 1017 | taxing authority. A taxing authority may adopt the tax levies
 1018 | for all of its dependent special taxing districts, and may adopt
 1019 | the budgets for all of its dependent special taxing districts,
 1020 | by a single unanimous vote. However, if a member of the general
 1021 | public requests that the tax levy or budget of a dependent
 1022 | special taxing district be separately discussed and separately
 1023 | adopted, the taxing authority shall discuss and adopt that tax
 1024 | levy or budget separately. If, due to circumstances beyond the
 1025 | control of the taxing authority, including a state of emergency

1026 declared by executive order or proclamation of the Governor
 1027 pursuant to chapter 252, the hearing provided for in paragraph
 1028 (c) or paragraph (d) is recessed or postponed, the taxing
 1029 authority shall publish a notice in a newspaper of general paid
 1030 circulation in the county. The notice shall state the time and
 1031 place for the continuation of the hearing and shall be published
 1032 at least 2 days but not more than 5 days before ~~prior to~~ the
 1033 date the hearing will be continued. In the event of postponement
 1034 or recess due to a declared state of emergency, all subsequent
 1035 dates in this section shall be extended by the number of days of
 1036 the postponement or recess. Notice of the postponement or recess
 1037 must be in writing by the affected taxing authority to the tax
 1038 collector, the property appraiser, and the Department of Revenue
 1039 within 3 calendar days after the postponement or recess. In the
 1040 event of such extension, the affected taxing authority must work
 1041 with the county tax collector and property appraiser to ensure
 1042 timely assessment and collection of taxes.

1043 (f)1. Notwithstanding any provisions of paragraph (c) to
 1044 the contrary, each school district shall advertise its intent to
 1045 adopt a tentative budget in a newspaper of general circulation
 1046 pursuant to subsection (3) within 29 days after ~~of~~ certification
 1047 of value pursuant to subsection (1). Not less than 2 days or
 1048 more than 5 days thereafter, the district shall hold a public
 1049 hearing on the tentative budget pursuant to the applicable
 1050 provisions of paragraph (c). In the event of postponement or

1051 recess due to a declared state of emergency, the school district
 1052 may postpone or recess the hearing for up to 7 days and shall
 1053 post a prominent notice at the place of the original hearing
 1054 showing the date, time, and place where the hearing will be
 1055 reconvened. The posted notice shall measure not less than 8.5 by
 1056 11 inches. The school district shall make every reasonable
 1057 effort to provide reasonable notification of the continued
 1058 hearing to the taxpayers. The information must also be posted on
 1059 the school district's website.

1060 2. Notwithstanding any provisions of paragraph (b) to the
 1061 contrary, each school district shall advise the property
 1062 appraiser of its recomputed proposed millage rate within 35 days
 1063 after ~~of~~ certification of value pursuant to subsection (1). The
 1064 recomputed proposed millage rate of the school district shall be
 1065 considered its proposed millage rate for the purposes of
 1066 paragraph (b).

1067 3. Notwithstanding any provisions of paragraph (d) to the
 1068 contrary, each school district shall hold a public hearing to
 1069 finalize the budget and adopt a millage rate within 80 days
 1070 after ~~of~~ certification of value pursuant to subsection (1), but
 1071 not earlier than 65 days after certification. The hearing shall
 1072 be held in accordance with the applicable provisions of
 1073 paragraph (d), except that a newspaper advertisement need not
 1074 precede the hearing.

1075 Section 15. Section 200.069, Florida Statutes, is amended

1076 to read:

1077 200.069 Notice of proposed property taxes and non-ad

1078 valorem assessments.—Pursuant to s. 200.065(2)(b), the property

1079 appraiser, in the name of the taxing authorities and local

1080 governing boards levying non-ad valorem assessments within his

1081 or her jurisdiction and at the expense of the county, shall

1082 prepare and deliver by first-class mail to each taxpayer to be

1083 listed on the current year's assessment roll a notice of

1084 proposed property taxes, which notice shall contain the elements

1085 and use the format provided in the following form.

1086 Notwithstanding the provisions of s. 195.022, no county officer

1087 shall use a form other than that provided herein. The Department

1088 of Revenue may adjust the spacing and placement on the form of

1089 the elements listed in this section as it considers necessary

1090 based on changes in conditions necessitated by various taxing

1091 authorities. If the elements are in the order listed, the

1092 placement of the listed columns may be varied at the discretion

1093 and expense of the property appraiser, and the property

1094 appraiser may use printing technology and devices to complete

1095 the form, the spacing, and the placement of the information in

1096 the columns. In addition, the property appraiser may only

1097 include in the mailing of the notice of ad valorem taxes and

1098 non-ad valorem assessments additional statements explaining any

1099 item on the notice and any other information relevant to

1100 property owners. A county officer may use a form other than that

1101 provided by the department for purposes of this part, but only
 1102 if his or her office pays the related expenses and he or she
 1103 obtains prior written permission from the executive director of
 1104 the department; however, a county officer may not use a form the
 1105 substantive content of which is at variance with the form
 1106 prescribed by the department. The county officer may continue to
 1107 use such an approved form until the law that specifies the form
 1108 is amended or repealed or until the officer receives written
 1109 disapproval from the executive director.

1110 (1) The first page of the notice shall read:

1111 NOTICE OF PROPOSED PROPERTY TAXES

1112 DO NOT PAY—THIS IS NOT A BILL

1113 The taxing authorities which levy property taxes against
 1114 your property will soon hold PUBLIC HEARINGS to adopt budgets
 1115 and tax rates for the next year.

1116 The purpose of these PUBLIC HEARINGS is to receive opinions
 1117 from the general public and to answer questions on the proposed
 1118 tax change and budget PRIOR TO TAKING FINAL ACTION.

1119 Each taxing authority may AMEND OR ALTER its proposals at
 1120 the hearing.

1121 (2) (a) The notice shall include a brief legal description
 1122 of the property, the name and mailing address of the owner of
 1123 record, and the tax information applicable to the specific
 1124 parcel in question. The information shall be in columnar form.
 1125 There shall be seven column headings which shall read: "Taxing

1126 Authority," "Your Property Taxes Last Year," "Last Year's
 1127 Adjusted Tax Rate (Millage)," "Your Taxes This Year IF NO Budget
 1128 Change Is Adopted," "Tax Rate This Year IF PROPOSED Budget Is
 1129 Adopted (Millage)," "Your Taxes This Year IF PROPOSED Budget
 1130 Change Is Adopted," and "A Public Hearing on the Proposed Taxes
 1131 and Budget Will Be Held:."

1132 (b) As used in this section, the term "last year's
 1133 adjusted tax rate" means the rolled-back rate calculated
 1134 pursuant to s. 200.065(1).

1135 (3) There shall be under each column heading an entry for
 1136 the county; the school district levy required pursuant to s.
 1137 1011.60(6); other operating school levies; the municipality or
 1138 municipal service taxing unit or units in which the parcel lies,
 1139 if any; the water management district levying pursuant to s.
 1140 373.503; the independent special districts in which the parcel
 1141 lies, if any; and for all voted levies for debt service
 1142 applicable to the parcel, if any.

1143 (4) For each entry listed in subsection (3), there shall
 1144 appear on the notice the following:

1145 (a) In the first column, a brief, commonly used name for
 1146 the taxing authority or its governing body. The entry in the
 1147 first column for the levy required pursuant to s. 1011.60(6)
 1148 shall be "By State Law." The entry for other operating school
 1149 district levies shall be "By Local Board." Both school levy
 1150 entries shall be indented and preceded by the notation "Public

1151 Schools:". For each voted levy for debt service, the entry shall
 1152 be "Voter Approved Debt Payments."

1153 (b) In the second column, the gross amount of ad valorem
 1154 taxes levied against the parcel in the previous year. If the
 1155 parcel did not exist in the previous year, the second column
 1156 shall be blank.

1157 (c) In the third column, last year's adjusted tax rate or,
 1158 in the case of voted levies for debt service, the tax rate
 1159 previously authorized by referendum.

1160 (d) In the fourth column, the gross amount of ad valorem
 1161 taxes which will apply to the parcel in the current year if each
 1162 taxing authority levies last year's adjusted tax rate or, in the
 1163 case of voted levies for debt service, the amount previously
 1164 authorized by referendum.

1165 (e) In the fifth column, the tax rate that each taxing
 1166 authority must levy against the parcel to fund the proposed
 1167 budget or, in the case of voted levies for debt service, the tax
 1168 rate previously authorized by referendum.

1169 (f) In the sixth column, the gross amount of ad valorem
 1170 taxes that must be levied in the current year if the proposed
 1171 budget is adopted.

1172 (g) In the seventh column, the date, the time, and a brief
 1173 description of the location of the public hearing required
 1174 pursuant to s. 200.065(2)(c).

1175 (5) Following the entries for each taxing authority, a

1176 final entry shall show: in the first column, the words "Total
 1177 Property Taxes:" and in the second, fourth, and sixth columns,
 1178 the sum of the entries for each of the individual taxing
 1179 authorities. The second, fourth, and sixth columns shall,
 1180 immediately below said entries, be labeled Column 1, Column 2,
 1181 and Column 3, respectively. Below these labels shall appear, in
 1182 boldfaced type, the statement: SEE REVERSE SIDE FOR EXPLANATION.

1183 (6) (a) The second page of the notice shall state the
 1184 parcel's market value and for each taxing authority that levies
 1185 an ad valorem tax against the parcel:

1186 1. The assessed value, value of exemptions, and taxable
 1187 value for the previous year and the current year.

1188 2. Each assessment reduction and exemption applicable to
 1189 the property, including the value of the assessment reduction or
 1190 exemption and tax levies to which they apply.

1191 (b) The reverse side of the second page shall contain
 1192 definitions and explanations for the values included on the
 1193 front side.

1194 (7) The following statement shall appear after the values
 1195 listed on the front of the second page:

1196 If you feel that the market value of your property is
 1197 inaccurate or does not reflect fair market value, or if you are
 1198 entitled to an exemption or classification that is not reflected
 1199 above, contact your county property appraiser at ...(phone
 1200 number)... or ...(location)....

1201 If the property appraiser's office is unable to resolve the
 1202 matter as to market value, classification, or an exemption, you
 1203 may file a petition for adjustment with the Value Adjustment
 1204 Board. Petition forms are available from the county property
 1205 appraiser and must be filed ON OR BEFORE ...(date)....

1206 (8) The reverse side of the first page of the form shall
 1207 read:

1208 EXPLANATION

1209 *COLUMN 1—"YOUR PROPERTY TAXES LAST YEAR"

1210 This column shows the taxes that applied last year to your
 1211 property. These amounts were based on budgets adopted last year
 1212 and your property's previous taxable value.

1213 *COLUMN 2—"YOUR TAXES IF NO BUDGET CHANGE IS ADOPTED"

1214 This column shows what your taxes will be this year IF EACH
 1215 TAXING AUTHORITY DOES NOT CHANGE ITS PROPERTY TAX LEVY. These
 1216 amounts are based on last year's budgets and your current
 1217 assessment.

1218 *COLUMN 3—"YOUR TAXES IF PROPOSED BUDGET CHANGE IS ADOPTED"

1219 This column shows what your taxes will be this year under the
 1220 BUDGET ACTUALLY PROPOSED by each local taxing authority. The
 1221 proposal is NOT final and may be amended at the public hearings
 1222 shown on the front side of this notice. The difference between
 1223 columns 2 and 3 is the tax change proposed by each local taxing
 1224 authority and is NOT the result of higher assessments.

1225 *Note: Amounts shown on this form do NOT reflect early payment

1226 discounts you may have received or may be eligible to receive.
 1227 (Discounts are a maximum of 4 percent of the amounts shown on
 1228 this form.)

1229 (9) The bottom portion of the notice shall further read in
 1230 bold, conspicuous print:

1231 "Your final tax bill may contain non-ad valorem assessments
 1232 which may not be reflected on this notice such as assessments
 1233 for roads, fire, garbage, lighting, drainage, water, sewer, or
 1234 other governmental services and facilities which may be levied
 1235 by your county, city, or any special district."

1236 (10) (a) If requested by the local governing board levying
 1237 non-ad valorem assessments and agreed to by the property
 1238 appraiser, the notice specified in this section may contain a
 1239 notice of proposed or adopted non-ad valorem assessments. If so
 1240 agreed, the notice shall be titled:

1241 NOTICE OF PROPOSED PROPERTY TAXES
 1242 AND PROPOSED OR ADOPTED
 1243 NON-AD VALOREM ASSESSMENTS
 1244 DO NOT PAY—THIS IS NOT A BILL

1245 There must be a clear partition between the notice of proposed
 1246 property taxes and the notice of proposed or adopted non-ad
 1247 valorem assessments. The partition must be a bold, horizontal
 1248 line approximately 1/8-inch thick. By rule, the department shall
 1249 provide a format for the form of the notice of proposed or
 1250 adopted non-ad valorem assessments which meets the following

1251 minimum requirements:

1252 1. There must be subheading for columns listing the
 1253 levying local governing board, with corresponding assessment
 1254 rates expressed in dollars and cents per unit of assessment, and
 1255 the associated assessment amount.

1256 2. The purpose of each assessment must also be listed in
 1257 the column listing the levying local governing board if the
 1258 purpose is not clearly indicated by the name of the board.

1259 3. Each non-ad valorem assessment for each levying local
 1260 governing board must be listed separately.

1261 4. If a county has too many municipal service benefit
 1262 units or assessments to be listed separately, it shall combine
 1263 them by function.

1264 5. A brief statement outlining the responsibility of the
 1265 tax collector and each levying local governing board as to any
 1266 non-ad valorem assessment must be provided on the form,
 1267 accompanied by directions as to which office to contact for
 1268 particular questions or problems.

1269 (b) If the notice includes all adopted non-ad valorem
 1270 assessments, the provisions contained in subsection (9) shall
 1271 not be placed on the notice.

1272 Section 16. Effective January 1, 2021, paragraphs (a) and
 1273 (b) of subsection (1) of section 202.12, Florida Statutes, are
 1274 amended to read:

1275 202.12 Sales of communications services.—The Legislature

1276 finds that every person who engages in the business of selling
 1277 communications services at retail in this state is exercising a
 1278 taxable privilege. It is the intent of the Legislature that the
 1279 tax imposed by chapter 203 be administered as provided in this
 1280 chapter.

1281 (1) For the exercise of such privilege, a tax is levied on
 1282 each taxable transaction and is due and payable as follows:

1283 (a) Except as otherwise provided in this subsection, at
 1284 the rate of 4.42 ~~4.92~~ percent applied to the sales price of the
 1285 communications service that:

- 1286 1. Originates and terminates in this state, or
- 1287 2. Originates or terminates in this state and is charged
 1288 to a service address in this state,

1289
 1290 when sold at retail, computed on each taxable sale for the
 1291 purpose of remitting the tax due. The gross receipts tax imposed
 1292 by chapter 203 shall be collected on the same taxable
 1293 transactions and remitted with the tax imposed by this
 1294 paragraph. If no tax is imposed by this paragraph due to the
 1295 exemption provided under s. 202.125(1), the tax imposed by
 1296 chapter 203 shall nevertheless be collected and remitted in the
 1297 manner and at the time prescribed for tax collections and
 1298 remittances under this chapter.

1299 (b) At the rate of 8.57 ~~9.07~~ percent applied to the retail
 1300 sales price of any direct-to-home satellite service received in

1301 | this state. The proceeds of the tax imposed under this paragraph
 1302 | shall be accounted for and distributed in accordance with s.
 1303 | 202.18(2). The gross receipts tax imposed by chapter 203 shall
 1304 | be collected on the same taxable transactions and remitted with
 1305 | the tax imposed by this paragraph.

1306 | Section 17. Effective January 1, 2021, section 202.12001,
 1307 | Florida Statutes, is amended to read:

1308 | 202.12001 Combined rate for tax collected pursuant to ss.
 1309 | 202.12(1)(a) and 203.01(1)(b).—In complying with ss. 1-3, ch.
 1310 | 2010-149, Laws of Florida, the dealer of communication services
 1311 | may collect a combined rate of 4.57 ~~5.07~~ percent, composed of
 1312 | the 4.42 ~~4.92~~ percent and 0.15 percent rates required by ss.
 1313 | 202.12(1)(a) and 203.01(1)(b)3., respectively, if the provider
 1314 | properly reflects the tax collected with respect to the two
 1315 | provisions as required in the return to the department.

1316 | Section 18. Effective January 1, 2021, section 203.001,
 1317 | Florida Statutes, is amended to read:

1318 | 203.001 Combined rate for tax collected pursuant to ss.
 1319 | 202.12(1)(a) and 203.01(1)(b).—In complying with ss. 1-3, ch.
 1320 | 2010-149, Laws of Florida, the dealer of communication services
 1321 | may collect a combined rate of 4.57 ~~5.07~~ percent, composed of
 1322 | the 4.42 ~~4.92~~ percent and 0.15 percent rates required by ss.
 1323 | 202.12(1)(a) and 203.01(1)(b)3., respectively, if the provider
 1324 | properly reflects the tax collected with respect to the two
 1325 | provisions as required in the return to the Department of

1326 Revenue.

1327 Section 19. Subsection (1) of section 206.05, Florida
 1328 Statutes, is amended to read:

1329 206.05 Bond required of licensed terminal supplier,
 1330 importer, exporter, or wholesaler.—

1331 (1) Each terminal supplier, importer, exporter, or
 1332 wholesaler, except a municipality, county, school board, state
 1333 agency, federal agency, or special district which is licensed
 1334 under this part, shall file with the department a bond in a
 1335 penal sum of not more than \$300,000 ~~\$100,000~~, such sum to be
 1336 approximately 3 times the combined average monthly tax levied
 1337 under this part and local option tax on motor fuel paid or due
 1338 during the preceding 12 calendar months under the laws of this
 1339 state. An exporter shall file a bond in an amount equal to 3
 1340 times the average monthly tax due on gallons acquired for
 1341 export. The bond shall be in such form as may be approved by the
 1342 department, executed by a surety company duly licensed to do
 1343 business under the laws of the state as surety thereon, and
 1344 conditioned upon the prompt filing of true reports and the
 1345 payment to the department of any and all fuel taxes levied under
 1346 this chapter including local option taxes which are now or which
 1347 hereafter may be levied or imposed, together with any and all
 1348 penalties and interest thereon, and generally upon faithful
 1349 compliance with the provisions of the fuel tax and local option
 1350 tax laws of the state. The licensee shall be the principal

1351 obligor, and the state shall be the obligee. An assigned time
 1352 deposit or irrevocable letter of credit may be accepted in lieu
 1353 of a surety bond.

1354 Section 20. Subsection (6) of section 206.8741, Florida
 1355 Statutes, is amended to read:

1356 206.8741 Dyeing and marking; notice requirements.—

1357 (6) Any person who fails to provide or post the required
 1358 notice with respect to any dyed diesel fuel is subject to a
 1359 penalty of \$2500 for each month such failure occurs ~~the penalty~~
 1360 ~~imposed by s. 206.872(11)~~.

1361 Section 21. Subsection (1) section 206.90, Florida
 1362 Statutes, is amended to read:

1363 206.90 Bond required of terminal suppliers, importers, and
 1364 wholesalers.—

1365 (1) Every terminal supplier, importer, or wholesaler,
 1366 except a municipality, county, state agency, federal agency,
 1367 school board, or special district, shall file with the
 1368 department a bond or bonds in the penal sum of not more than
 1369 \$300,000 ~~\$100,000~~. The sum of such bond shall be approximately 3
 1370 times the average monthly diesel fuels tax and local option tax
 1371 on diesel fuels paid or due during the preceding 12 calendar
 1372 months, with a surety approved by the department. The licensee
 1373 shall be the principal obligor and the state shall be the
 1374 obligee, conditioned upon the faithful compliance with the
 1375 provisions of this chapter, including the local option tax laws.

1376 If the sum of 3 times a licensee's average monthly tax is less
 1377 than \$50, no bond shall be required.

1378 Section 22. Section 206.9826, Florida Statutes, is amended
 1379 to read:

1380 206.9826 Refund for certain air carriers.—An air carrier
 1381 conducting scheduled operations or all-cargo operations that are
 1382 authorized under 14 C.F.R. part 121, 14 C.F.R. part 129, or 14
 1383 C.F.R. part 135, is entitled to receive a refund of 2.38 ~~1.42~~
 1384 cents per gallon of the taxes imposed by this part on aviation
 1385 fuel purchased by such air carrier. The refund provided under
 1386 this section plus the refund provided under s. 206.9855 may not
 1387 exceed 4.27 cents per gallon of aviation fuel purchased by an
 1388 air carrier.

1389 Section 23. Paragraph (b) of subsection (4) of section
 1390 212.0305, Florida Statutes, is amended to read:

1391 212.0305 Convention development taxes; intent;
 1392 administration; authorization; use of proceeds.—

1393 (4) AUTHORIZATION TO LEVY; USE OF PROCEEDS; OTHER
 1394 REQUIREMENTS.—

1395 (b) Charter county levy for convention development.—

1396 1. Each county, as defined in s. 125.011(1), may impose,
 1397 under an ordinance enacted by the governing body of the county,
 1398 a levy on the exercise within its boundaries of the taxable
 1399 privilege of leasing or letting transient rental accommodations
 1400 described in subsection (3) at the rate of 3 percent of the

1401 total consideration charged therefor. The proceeds of this levy
1402 shall be known as the charter county convention development tax.

1403 2. All charter county convention development moneys,
1404 including any interest accrued thereon, received by a county
1405 imposing the levy shall be used for the following purposes only
1406 ~~as follows:~~

1407 a. Revenues may be used to complete any project underway
1408 as of the effective date of this act, or to perform any contract
1409 in existence on the effective date of this act, funded under
1410 this paragraph as this paragraph existed before the effective
1411 date of this act. Revenues may not be used to renew or extend
1412 such projects or contracts. Bonds or other debt outstanding as
1413 of the effective date of this act may be refinanced, but the
1414 duration of such debt pledging the convention development tax
1415 may not be extended and the outstanding principal may not be
1416 increased, except to account for the costs of issuance.

1417 b. Revenues not needed for projects, contracts, or debt
1418 obligations pursuant to sub-subparagraph a. shall be distributed
1419 and used as follows:

1420 (I) One-half of the proceeds shall be distributed monthly
1421 to the governing boards of municipalities within the county.
1422 Distributions to each municipality shall be in proportion to the
1423 amount collected in the prior month within each municipality as
1424 a share of the total collected in the prior month in all
1425 municipalities in the county. These distributions may be used by

1426 the receiving jurisdiction to:

1427 (A) Acquire, construct, extend, enlarge, remodel, repair,
 1428 improve, operate, or maintain one or more of the following: a
 1429 convention center, an exhibition hall, a coliseum, an
 1430 auditorium, or a related building or parking facility in the
 1431 jurisdiction; or

1432 (B) Promote and advertise tourism and to fund convention
 1433 bureaus, tourist bureaus, tourist information centers, and news
 1434 bureaus. Municipalities receiving revenue under this sub-sub-
 1435 subparagraph may enter into an interlocal agreement to use such
 1436 revenue to receive services provided by the entity receiving
 1437 funds under sub-sub-subparagraph s. 212.0305(4)(b)2.b.(III).

1438 (II) One-half of the proceeds shall be distributed monthly
 1439 to the governing body of the county to:

1440 (A) Acquire, construct, extend, enlarge, remodel, repair,
 1441 improve, plan for, operate, manage, or maintain one or more of
 1442 the following: a convention center, an exhibition hall, a
 1443 coliseum, an auditorium, or a related building or parking
 1444 facility in the county; or

1445 (B) Be allocated by the county to a countywide convention
 1446 and visitors bureau which, by interlocal agreement and contract
 1447 with the county, has the primary responsibility for promoting
 1448 the county and its constituent cities as a destination site for
 1449 conventions, trade shows, and pleasure travel, to be used for
 1450 purposes provided in s. 125.0104(5)(a)2. or 3., 1992 Supplement

1451 to the Florida Statutes 1991. If the county is not or is no
 1452 longer a party to such an interlocal agreement and contract with
 1453 a countywide convention and visitors bureau, the county shall
 1454 allocate the proceeds of such tax for the purposes described in
 1455 s. 125.0104(5)(a)2. or 3., 1992 Supplement to the Florida
 1456 Statutes 1991.

1457 ~~a. Two thirds of the proceeds shall be used to extend,~~
 1458 ~~enlarge, and improve the largest existing publicly owned~~
 1459 ~~convention center in the county.~~

1460 ~~b. One third of the proceeds shall be used to construct a~~
 1461 ~~new multipurpose convention/coliseum/exhibition center/stadium~~
 1462 ~~or the maximum components thereof as funds permit in the most~~
 1463 ~~populous municipality in the county.~~

1464 ~~c. After the completion of any project under sub-~~
 1465 ~~subparagraph a., the tax revenues and interest accrued under~~
 1466 ~~sub-subparagraph a. may be used to acquire, construct, extend,~~
 1467 ~~enlarge, remodel, repair, improve, plan for, operate, manage, or~~
 1468 ~~maintain one or more convention centers, stadiums, exhibition~~
 1469 ~~halls, arenas, coliseums, auditoriums, or golf courses, and may~~
 1470 ~~be used to acquire and construct an intercity light rail~~
 1471 ~~transportation system as described in the Light Rail Transit~~
 1472 ~~System Status Report to the Legislature dated April 1988, which~~
 1473 ~~shall provide a means to transport persons to and from the~~
 1474 ~~largest existing publicly owned convention center in the county~~
 1475 ~~and the hotels north of the convention center and to and from~~

1476 ~~the downtown area of the most populous municipality in the~~
 1477 ~~county as determined by the county.~~

1478 ~~d. After completion of any project under sub-subparagraph~~
 1479 ~~b., the tax revenues and interest accrued under sub-subparagraph~~
 1480 ~~b. may be used, as determined by the county, to operate an~~
 1481 ~~authority created pursuant to subparagraph 4. or to acquire,~~
 1482 ~~construct, extend, enlarge, remodel, repair, improve, operate,~~
 1483 ~~or maintain one or more convention centers, stadiums, exhibition~~
 1484 ~~halls, arenas, coliseums, auditoriums, golf courses, or related~~
 1485 ~~buildings and parking facilities in the most populous~~
 1486 ~~municipality in the county.~~

1487 ~~e. For the purposes of completion of any project pursuant~~
 1488 ~~to this paragraph, tax revenues and interest accrued may be~~
 1489 ~~used:~~

1490 ~~(I) As collateral, pledged, or hypothecated for projects~~
 1491 ~~authorized by this paragraph, including bonds issued in~~
 1492 ~~connection therewith; or~~

1493 ~~(II) As a pledge or capital contribution in conjunction~~
 1494 ~~with a partnership, joint venture, or other business arrangement~~
 1495 ~~between a municipality and one or more business entities for~~
 1496 ~~projects authorized by this paragraph.~~

1497 3. The governing body of each municipality in which a
 1498 municipal tourist tax is levied may adopt a resolution
 1499 prohibiting imposition of the charter county convention
 1500 development levy within such municipality. If the governing body

1501 adopts such a resolution, the convention development levy shall
 1502 be imposed by the county in all other areas of the county except
 1503 such municipality. No funds collected pursuant to this paragraph
 1504 may be expended in a municipality which has adopted such a
 1505 resolution.

1506 ~~4.a. Before the county enacts an ordinance imposing the~~
 1507 ~~levy, the county shall notify the governing body of each~~
 1508 ~~municipality in which projects are to be developed pursuant to~~
 1509 ~~sub-subparagraph 2.a., sub-subparagraph 2.b., sub-subparagraph~~
 1510 ~~2.c., or sub-subparagraph 2.d. As a condition precedent to~~
 1511 ~~receiving funding, the governing bodies of such municipalities~~
 1512 ~~shall designate or appoint an authority that shall have the sole~~
 1513 ~~power to:~~

1514 ~~(I) Approve the concept, location, program, and design of~~
 1515 ~~the facilities or improvements to be built in accordance with~~
 1516 ~~this paragraph and to administer and disburse such proceeds and~~
 1517 ~~any other related source of revenue.~~

1518 ~~(II) Appoint and dismiss the authority's executive~~
 1519 ~~director, general counsel, and any other consultants retained by~~
 1520 ~~the authority. The governing body shall have the right to~~
 1521 ~~approve or disapprove the initial appointment of the authority's~~
 1522 ~~executive director and general counsel.~~

1523 ~~b. The members of each such authority shall serve for a~~
 1524 ~~term of not less than 1 year and shall be appointed by the~~
 1525 ~~governing body of such municipality. The annual budget of such~~

1526 ~~authority shall be subject to approval of the governing body of~~
 1527 ~~the municipality. If the governing body does not approve the~~
 1528 ~~budget, the authority shall use as the authority's budget the~~
 1529 ~~previous fiscal year budget.~~

1530 ~~e. The authority, by resolution to be adopted from time to~~
 1531 ~~time, may invest and reinvest the proceeds from the convention~~
 1532 ~~development tax and any other revenues generated by the~~
 1533 ~~authority in the same manner that the municipality in which the~~
 1534 ~~authority is located may invest surplus funds.~~

1535 4.5. The charter county convention development levy shall
 1536 be in addition to any other levy imposed pursuant to this
 1537 section.

1538 5.6. A certified copy of the ordinance imposing the levy
 1539 shall be furnished by the county to the department within 10
 1540 days after approval of such ordinance. The effective date of
 1541 imposition of the levy shall be the first day of any month at
 1542 least 60 days after enactment of the ordinance.

1543 6.7. Revenues collected pursuant to this paragraph shall
 1544 be deposited in a convention development trust fund, which shall
 1545 be established by the county as a condition precedent to receipt
 1546 of such funds.

1547 Section 24. Paragraph (a) of subsection (1) and paragraph
 1548 (a) of subsection (3) of section 212.0306, Florida Statutes, are
 1549 amended to read:

1550 212.0306 Local option food and beverage tax; procedure for

1551 levying; authorized uses; administration.—

1552 (1) Any county, as defined in s. 125.011(1), may impose
 1553 the following additional taxes, by ordinance adopted by a
 1554 majority vote of the governing body:

1555 (a) At the rate of 2 percent on the sale of food,
 1556 beverages, or alcoholic beverages in hotels and motels only.
 1557 Beginning July 1, 2020, this tax shall be known as the "Local
 1558 Option Coastal Recovery and Resiliency Tax."

1559 (3)(a) The proceeds of the tax authorized by paragraph
 1560 (1)(a) shall be allocated by the county to a countywide
 1561 convention and visitors bureau which, by interlocal agreement
 1562 and contract with the county in effect on the effective date of
 1563 this act, has been given the primary responsibility for
 1564 promoting the county and its constituent cities as a destination
 1565 site for conventions, trade shows, and pleasure travel, to be
 1566 used for purposes provided in s. 125.0104(5)(a)2. or 3., 1992
 1567 Supplement to the Florida Statutes 1991. The interlocal
 1568 agreement and contract may not be renewed or extended. At the
 1569 expiration or completion of the interlocal agreement and
 1570 contract in effect on the effective date of this act, the
 1571 proceeds shall be distributed to the governing board of the
 1572 county and used for one or more of the following, as decided by
 1573 a majority of the governing board of the county:

1574 1. Water quality improvement projects, including, but not
 1575 limited to:

- 1576 a. Flood mitigation.
- 1577 b. Seagrass or seaweed removal.
- 1578 c. Algae control, cleanup, or prevention measures.
- 1579 d. Biscayne Bay and waterway network restoration measures.
- 1580 e. Septic-to-sewer conversion projects intended to
 1581 prevent, mitigate, or ameliorate damage to the water quality of
 1582 surface waters important to the tourism industry of the
 1583 jurisdiction.
- 1584 2. Erosion control.
- 1585 3. Mangrove protection.
- 1586 4. Removal of invasive plant and animal species.
- 1587 5. Beach renourishment.
- 1588 6. Purchase of land for conservation purposes.
- 1589 7. Coral reef protection ~~If the county is not or is no~~
 1590 ~~longer a party to such an interlocal agreement and contract with~~
 1591 ~~a countywide convention and visitors bureau, the county shall~~
 1592 ~~allocate the proceeds of such tax for the purposes described in~~
 1593 ~~s. 125.0104(5)(a)2. or 3., 1992 Supplement to the Florida~~
 1594 ~~Statutes 1991.~~
- 1595 Section 25. Effective January 1, 2021, paragraphs (c) and
 1596 (d) of subsection (1) of section 212.031, Florida Statutes, are
 1597 amended to read:
- 1598 212.031 Tax on rental or license fee for use of real
 1599 property.—
- 1600 (1)

1601 (c) For the exercise of such privilege, a tax is levied at
 1602 the rate of 5.4 ~~5.5~~ percent of and on the total rent or license
 1603 fee charged for such real property by the person charging or
 1604 collecting the rental or license fee. The total rent or license
 1605 fee charged for such real property shall include payments for
 1606 the granting of a privilege to use or occupy real property for
 1607 any purpose and shall include base rent, percentage rents, or
 1608 similar charges. Such charges shall be included in the total
 1609 rent or license fee subject to tax under this section whether or
 1610 not they can be attributed to the ability of the lessor's or
 1611 licensor's property as used or operated to attract customers.
 1612 Payments for intrinsically valuable personal property such as
 1613 franchises, trademarks, service marks, logos, or patents are not
 1614 subject to tax under this section. In the case of a contractual
 1615 arrangement that provides for both payments taxable as total
 1616 rent or license fee and payments not subject to tax, the tax
 1617 shall be based on a reasonable allocation of such payments and
 1618 shall not apply to that portion which is for the nontaxable
 1619 payments.

1620 (d) If the rental or license fee of any such real property
 1621 is paid by way of property, goods, wares, merchandise, services,
 1622 or other thing of value, the tax shall be at the rate of 5.4 ~~5.5~~
 1623 percent of the value of the property, goods, wares, merchandise,
 1624 services, or other thing of value.

1625 Section 26. Paragraph (a) of subsection (1) of section

1626 | 212.05, Florida Statutes, is amended to read:

1627 | 212.05 Sales, storage, use tax.—It is hereby declared to
 1628 | be the legislative intent that every person is exercising a
 1629 | taxable privilege who engages in the business of selling
 1630 | tangible personal property at retail in this state, including
 1631 | the business of making mail order sales, or who rents or
 1632 | furnishes any of the things or services taxable under this
 1633 | chapter, or who stores for use or consumption in this state any
 1634 | item or article of tangible personal property as defined herein
 1635 | and who leases or rents such property within the state.

1636 | (1) For the exercise of such privilege, a tax is levied on
 1637 | each taxable transaction or incident, which tax is due and
 1638 | payable as follows:

1639 | (a)1.a. At the rate of 6 percent of the sales price of
 1640 | each item or article of tangible personal property when sold at
 1641 | retail in this state, computed on each taxable sale for the
 1642 | purpose of remitting the amount of tax due the state, and
 1643 | including each and every retail sale.

1644 | b. Each occasional or isolated sale of an aircraft, boat,
 1645 | mobile home, or motor vehicle of a class or type which is
 1646 | required to be registered, licensed, titled, or documented in
 1647 | this state or by the United States Government shall be subject
 1648 | to tax at the rate provided in this paragraph. The department
 1649 | shall by rule adopt any nationally recognized publication for
 1650 | valuation of used motor vehicles as the reference price list for

1651 any used motor vehicle which is required to be licensed pursuant
1652 to s. 320.08(1), (2), (3)(a), (b), (c), or (e), or (9). If any
1653 party to an occasional or isolated sale of such a vehicle
1654 reports to the tax collector a sales price which is less than 80
1655 percent of the average loan price for the specified model and
1656 year of such vehicle as listed in the most recent reference
1657 price list, the tax levied under this paragraph shall be
1658 computed by the department on such average loan price unless the
1659 parties to the sale have provided to the tax collector an
1660 affidavit signed by each party, or other substantial proof,
1661 stating the actual sales price. Any party to such sale who
1662 reports a sales price less than the actual sales price is guilty
1663 of a misdemeanor of the first degree, punishable as provided in
1664 s. 775.082 or s. 775.083. The department shall collect or
1665 attempt to collect from such party any delinquent sales taxes.
1666 In addition, such party shall pay any tax due and any penalty
1667 and interest assessed plus a penalty equal to twice the amount
1668 of the additional tax owed. Notwithstanding any other provision
1669 of law, the Department of Revenue may waive or compromise any
1670 penalty imposed pursuant to this subparagraph.

1671 2. This paragraph does not apply to the sale of a boat or
1672 aircraft by or through a registered dealer under this chapter to
1673 a purchaser who, at the time of taking delivery, is a
1674 nonresident of this state, does not make his or her permanent
1675 place of abode in this state, and is not engaged in carrying on

1676 in this state any employment, trade, business, or profession in
 1677 which the boat or aircraft will be used in this state, or is a
 1678 corporation none of the officers or directors of which is a
 1679 resident of, or makes his or her permanent place of abode in,
 1680 this state, or is a noncorporate entity that has no individual
 1681 vested with authority to participate in the management,
 1682 direction, or control of the entity's affairs who is a resident
 1683 of, or makes his or her permanent abode in, this state. For
 1684 purposes of this exemption, either a registered dealer acting on
 1685 his or her own behalf as seller, a registered dealer acting as
 1686 broker on behalf of a seller, or a registered dealer acting as
 1687 broker on behalf of the purchaser may be deemed to be the
 1688 selling dealer. This exemption shall not be allowed unless:

1689 a. The purchaser removes a qualifying boat, as described
 1690 in sub-subparagraph f., from the state within 90 days after the
 1691 date of purchase or extension, or the purchaser removes a
 1692 nonqualifying boat or an aircraft from this state within 10 days
 1693 after the date of purchase or, when the boat or aircraft is
 1694 repaired or altered, within 20 days after completion of the
 1695 repairs or alterations; or if the aircraft will be registered in
 1696 a foreign jurisdiction and:

1697 (I) Application for the aircraft's registration is
 1698 properly filed with a civil airworthiness authority of a foreign
 1699 jurisdiction within 10 days after the date of purchase;

1700 (II) The purchaser removes the aircraft from the state to

1701 a foreign jurisdiction within 10 days after the date the
 1702 aircraft is registered by the applicable foreign airworthiness
 1703 authority; and

1704 (III) The aircraft is operated in the state solely to
 1705 remove it from the state to a foreign jurisdiction.

1706

1707 For purposes of this sub-subparagraph, the term "foreign
 1708 jurisdiction" means any jurisdiction outside of the United
 1709 States or any of its territories;

1710 b. The purchaser, within 90 ~~30~~ days from the date of
 1711 departure, provides the department with written proof that the
 1712 purchaser licensed, registered, titled, or documented the boat
 1713 or aircraft outside the state. If such written proof is
 1714 unavailable, within 90 ~~30~~ days the purchaser shall provide proof
 1715 that the purchaser applied for such license, title,
 1716 registration, or documentation. The purchaser shall forward to
 1717 the department proof of title, license, registration, or
 1718 documentation upon receipt;

1719 c. The purchaser, within 30 ~~10~~ days after ~~of~~ removing the
 1720 boat or aircraft from Florida, furnishes the department with
 1721 proof of removal in the form of receipts for fuel, dockage,
 1722 slippage, tie-down, or hangaring from outside of Florida. The
 1723 information so provided must clearly and specifically identify
 1724 the boat or aircraft;

1725 d. The selling dealer, within 30 ~~5~~ days after ~~of~~ the date

1726 of sale, provides to the department a copy of the sales invoice,
 1727 closing statement, bills of sale, and the original affidavit
 1728 signed by the purchaser attesting that he or she has read the
 1729 provisions of this section;

1730 e. The seller makes a copy of the affidavit a part of his
 1731 or her record for as long as required by s. 213.35; and

1732 f. Unless the nonresident purchaser of a boat of 5 net
 1733 tons of admeasurement or larger intends to remove the boat from
 1734 this state within 10 days after the date of purchase or when the
 1735 boat is repaired or altered, within 20 days after completion of
 1736 the repairs or alterations, the nonresident purchaser applies to
 1737 the selling dealer for a decal which authorizes 90 days after
 1738 the date of purchase for removal of the boat. The nonresident
 1739 purchaser of a qualifying boat may apply to the selling dealer
 1740 within 60 days after the date of purchase for an extension decal
 1741 that authorizes the boat to remain in this state for an
 1742 additional 90 days, but not more than a total of 180 days,
 1743 before the nonresident purchaser is required to pay the tax
 1744 imposed by this chapter. The department is authorized to issue
 1745 decals in advance to dealers. The number of decals issued in
 1746 advance to a dealer shall be consistent with the volume of the
 1747 dealer's past sales of boats which qualify under this sub-
 1748 subparagraph. The selling dealer or his or her agent shall mark
 1749 and affix the decals to qualifying boats in the manner
 1750 prescribed by the department, before delivery of the boat.

1751 (I) The department is hereby authorized to charge dealers
 1752 a fee sufficient to recover the costs of decals issued, except
 1753 the extension decal shall cost \$425.

1754 (II) The proceeds from the sale of decals will be
 1755 deposited into the administrative trust fund.

1756 (III) Decals shall display information to identify the
 1757 boat as a qualifying boat under this sub-subparagraph,
 1758 including, but not limited to, the decal's date of expiration.

1759 (IV) The department is authorized to require dealers who
 1760 purchase decals to file reports with the department and may
 1761 prescribe all necessary records by rule. All such records are
 1762 subject to inspection by the department.

1763 (V) Any dealer or his or her agent who issues a decal
 1764 falsely, fails to affix a decal, mismarks the expiration date of
 1765 a decal, or fails to properly account for decals will be
 1766 considered prima facie to have committed a fraudulent act to
 1767 evade the tax and will be liable for payment of the tax plus a
 1768 mandatory penalty of 200 percent of the tax, and shall be liable
 1769 for fine and punishment as provided by law for a conviction of a
 1770 misdemeanor of the first degree, as provided in s. 775.082 or s.
 1771 775.083.

1772 (VI) Any nonresident purchaser of a boat who removes a
 1773 decal before permanently removing the boat from the state, or
 1774 defaces, changes, modifies, or alters a decal in a manner
 1775 affecting its expiration date before its expiration, or who

1776 causes or allows the same to be done by another, will be
 1777 considered prima facie to have committed a fraudulent act to
 1778 evade the tax and will be liable for payment of the tax plus a
 1779 mandatory penalty of 200 percent of the tax, and shall be liable
 1780 for fine and punishment as provided by law for a conviction of a
 1781 misdemeanor of the first degree, as provided in s. 775.082 or s.
 1782 775.083.

1783 (VII) The department is authorized to adopt rules
 1784 necessary to administer and enforce this subparagraph and to
 1785 publish the necessary forms and instructions.

1786 (VIII) The department is hereby authorized to adopt
 1787 emergency rules pursuant to s. 120.54(4) to administer and
 1788 enforce the provisions of this subparagraph.

1789
 1790 If the purchaser fails to remove the qualifying boat from this
 1791 state within the maximum 180 days after purchase or a
 1792 nonqualifying boat or an aircraft from this state within 10 days
 1793 after purchase or, when the boat or aircraft is repaired or
 1794 altered, within 20 days after completion of such repairs or
 1795 alterations, or permits the boat or aircraft to return to this
 1796 state within 6 months from the date of departure, except as
 1797 provided in s. 212.08(7)(fff), or if the purchaser fails to
 1798 furnish the department with any of the documentation required by
 1799 this subparagraph within the prescribed time period, the
 1800 purchaser shall be liable for use tax on the cost price of the

1801 boat or aircraft and, in addition thereto, payment of a penalty
 1802 to the Department of Revenue equal to the tax payable. This
 1803 penalty shall be in lieu of the penalty imposed by s. 212.12(2).
 1804 The maximum 180-day period following the sale of a qualifying
 1805 boat tax-exempt to a nonresident may not be tolled for any
 1806 reason.

1807 Section 27. Subsection (6) of section 212.055, Florida
 1808 Statutes, is amended, and paragraphs (f) and (g) are added to
 1809 subsection (1) of that section, to read:

1810 212.055 Discretionary sales surtaxes; legislative intent;
 1811 authorization and use of proceeds.—It is the legislative intent
 1812 that any authorization for imposition of a discretionary sales
 1813 surtax shall be published in the Florida Statutes as a
 1814 subsection of this section, irrespective of the duration of the
 1815 levy. Each enactment shall specify the types of counties
 1816 authorized to levy; the rate or rates which may be imposed; the
 1817 maximum length of time the surtax may be imposed, if any; the
 1818 procedure which must be followed to secure voter approval, if
 1819 required; the purpose for which the proceeds may be expended;
 1820 and such other requirements as the Legislature may provide.
 1821 Taxable transactions and administrative procedures shall be as
 1822 provided in s. 212.054.

1823 (1) CHARTER COUNTY AND REGIONAL TRANSPORTATION SYSTEM
 1824 SURTAX.—

1825 (f) Any surtax levied under this subsection in each

1826 county, as defined in s. 125.011(1), expires on December 31,
 1827 2049. Any new levy of the surtax authorized by such a county
 1828 under this subsection on or after January 1, 2050, must be
 1829 approved by a majority vote of the electorate at a general
 1830 election held within 2 years before the effective date of the
 1831 new levy.

1832 (g) Any discretionary sales surtax levied under this
 1833 subsection pursuant to a referendum held on or after July 1,
 1834 2020, may not be levied for more than 20 years, unless reenacted
 1835 by ordinance subject to approval by a majority of the electors
 1836 of the county voting in a subsequent referendum.

1837 (6) SCHOOL CAPITAL OUTLAY SURTAX.—

1838 (a) The school board in each county may levy, pursuant to
 1839 resolution conditioned to take effect only upon approval by a
 1840 majority vote of the electors of the county voting in a
 1841 referendum, a discretionary sales surtax at a rate that may not
 1842 exceed 0.5 percent.

1843 (b) The resolution must ~~shall~~ include a statement that
 1844 provides a brief and general description of the school capital
 1845 outlay projects to be funded by the surtax. The resolution must
 1846 include a statement that the revenues collected must be shared
 1847 with charter schools based on their proportionate share of the
 1848 total school district enrollment. The statement must ~~shall~~
 1849 conform to the requirements of s. 101.161 and shall be placed on
 1850 the ballot by the governing body of the county. The following

1874 schools shall be expended by the charter school in a manner
 1875 consistent with the allowable uses set forth in s. 1013.62(4).
 1876 All revenues and expenditures shall be accounted for in a
 1877 charter school's monthly or quarterly financial statement
 1878 pursuant to s. 1002.33(9).

1879 (d) Surtax revenues collected by the Department of Revenue
 1880 pursuant to this subsection shall be distributed to the school
 1881 board imposing the surtax in accordance with law.

1882 Section 28. The amendment made by this act to s.
 1883 212.055(6), Florida Statutes, which amends the allowable uses of
 1884 the school capital outlay surtax, applies to levies authorized
 1885 by vote of the electors on or after July 1, 2020.

1886 Section 29. Effective January 1, 2021, section 212.134,
 1887 Florida Statutes, is created to read:

1888 212.134 Information returns relating to payment-card and
 1889 third-party network transactions.-

1890 (1) For each year in which a payment settlement entity, an
 1891 electronic payment facilitator, or other third party contracted
 1892 with the payment settlement entity to make payments to settle
 1893 reportable payment transactions on behalf of the payment
 1894 settlement entity must file a return pursuant to section 6050W
 1895 of the Internal Revenue Code, the entity, the facilitator, or
 1896 the third party must submit the information in the return to the
 1897 department by the 15th day after filing the federal return. The
 1898 format of the information returns required must be either a copy

1899 of such information returns or a copy of such information
 1900 returns related to participating payees with an address in the
 1901 state. For purposes of this subsection, the term "payment
 1902 settlement entity" has the same meaning as provided in section
 1903 6050W of the Internal Revenue Code.

1904 (2) All reports submitted to the department under this
 1905 section must be in an electronic format.

1906 (3) Any payment settlement entity, facilitator, or third
 1907 party failing to file the information return required, filing an
 1908 incomplete information return, or not filing an information
 1909 return within the time prescribed is subject to a penalty of
 1910 \$1,000 for each failure, if the failure is for not more than 30
 1911 days, with an additional \$1,000 for each month or fraction of a
 1912 month during which each failure continues. The total amount of
 1913 penalty imposed on a reporting entity may not exceed \$10,000
 1914 annually.

1915 (4) The executive director or his or her designee may
 1916 waive the penalty if he or she determines that the failure to
 1917 timely file an information return was due to reasonable cause
 1918 and not due to willful negligence, willful neglect, or fraud.

1919 Section 30. Section 212.181, Florida Statutes, is created
 1920 to read:

1921 212.181 Determination of business address situs,
 1922 distributions, and adjustments.-

1923 (1) For each certificate of registration issued pursuant

1924 to s. 212.18(3)(b), the department shall assign the place of
 1925 business to a county based on the location address provided at
 1926 the time of registration or at the time the dealer notifies the
 1927 department of a change in a business location address.

1928 (2)(a) Each county that furnishes to the department
 1929 information needed to update the electronic database created and
 1930 maintained pursuant to s. 202.22(2)(a), including addresses of
 1931 new developments, changes in addresses, annexations,
 1932 incorporations, reorganizations, and any other changes in
 1933 jurisdictional boundaries within the county, must specify an
 1934 effective date, which must be the next ensuing January 1 or July
 1935 1, and must be furnished to the department at least 120 days
 1936 before the effective date. A county that provides notification
 1937 to the department at least 120 days before the effective date
 1938 that it has reviewed the database and has no changes for the
 1939 ensuing January 1 or July 1 satisfies the requirement of this
 1940 paragraph.

1941 (b) A county that imposes a tourist development tax in a
 1942 subcounty special district pursuant to s. 125.0104(3)(b) must
 1943 identify the subcounty special district addresses to which the
 1944 tourist development tax applies as part of the address
 1945 information submission required under paragraph (a). This
 1946 paragraph does not apply to counties that self-administer the
 1947 tax pursuant to s. 125.0104(10).

1948 (c) The department shall update the electronic database

1949 created and maintained under s. 202.022(2)(a) using the
 1950 information furnished by local taxing jurisdictions under
 1951 paragraph (a) and shall ensure each business location is
 1952 correctly assigned to the applicable county pursuant to
 1953 subsection (1). Each update must specify the effective date as
 1954 the next ensuing January 1 or July 1 and must be posted by the
 1955 department on a website not less than 90 days before the
 1956 effective date.

1957 (3)(a) For distributions made pursuant to ss. 125.0104,
 1958 212.20(6)(a), 212.20(6)(b), and 212.20(6)(d)2., misallocations
 1959 occurring solely due to the assignment of an address to an
 1960 incorrect county will be corrected prospectively only from the
 1961 date the department is made aware of the misallocation, subject
 1962 to the following:

1963 1. If the county that should have received the
 1964 misallocated distributions followed with the notification and
 1965 timing provisions in subsection (2) for the affected periods,
 1966 such misallocations may be adjusted by prorating current and
 1967 future distributions for the period the misallocation occurred,
 1968 not to exceed 36 months from the date the department is made
 1969 aware of the misallocation;

1970 2. If the county that received the misallocated
 1971 distribution followed the notification and timing provisions in
 1972 subsection (2) for the affected periods and the county that
 1973 should have received the misallocation did not, the correction

1974 shall apply only prospectively from the date the department is
 1975 made aware of the misallocation.

1976 (b) Nothing in this subsection prevents affected counties
 1977 from determining an alternative method of adjustment pursuant to
 1978 an interlocal agreement. Affected counties with an interlocal
 1979 agreement must provide a copy of the interlocal agreement
 1980 specifying an alternative method of adjustment to the department
 1981 within 90 days after the date of the department's notice of the
 1982 misallocation.

1983 (4) The department may adopt rules to administer this
 1984 section, including rules establishing procedures and forms.

1985 Section 31. Paragraph (d) of subsection (6) of section
 1986 212.20, Florida Statutes, is amended to read:

1987 212.20 Funds collected, disposition; additional powers of
 1988 department; operational expense; refund of taxes adjudicated
 1989 unconstitutionally collected.—

1990 (6) Distribution of all proceeds under this chapter and
 1991 ss. 202.18(1)(b) and (2)(b) and 203.01(1)(a)3. is as follows:

1992 (d) The proceeds of all other taxes and fees imposed
 1993 pursuant to this chapter or remitted pursuant to s. 202.18(1)(b)
 1994 and (2)(b) shall be distributed as follows:

1995 1. In any fiscal year, the greater of \$500 million, minus
 1996 an amount equal to 4.6 percent of the proceeds of the taxes
 1997 collected pursuant to chapter 201, or 5.2 percent of all other
 1998 taxes and fees imposed pursuant to this chapter or remitted

1999 | pursuant to s. 202.18(1)(b) and (2)(b) shall be deposited in
 2000 | monthly installments into the General Revenue Fund.

2001 | 2. After the distribution under subparagraph 1., 8.9744
 2002 | percent of the amount remitted by a sales tax dealer located
 2003 | within a participating county pursuant to s. 218.61 shall be
 2004 | transferred into the Local Government Half-cent Sales Tax
 2005 | Clearing Trust Fund. Beginning July 1, 2003, the amount to be
 2006 | transferred shall be reduced by 0.1 percent, and the department
 2007 | shall distribute this amount to the Public Employees Relations
 2008 | Commission Trust Fund less \$5,000 each month, which shall be
 2009 | added to the amount calculated in subparagraph 3. and
 2010 | distributed accordingly.

2011 | 3. After the distribution under subparagraphs 1. and 2.,
 2012 | 0.0966 percent shall be transferred to the Local Government
 2013 | Half-cent Sales Tax Clearing Trust Fund and distributed pursuant
 2014 | to s. 218.65.

2015 | 4. After the distributions under subparagraphs 1., 2., and
 2016 | 3., 2.0810 percent of the available proceeds shall be
 2017 | transferred monthly to the Revenue Sharing Trust Fund for
 2018 | Counties pursuant to s. 218.215.

2019 | 5. After the distributions under subparagraphs 1., 2., and
 2020 | 3., 1.3653 percent of the available proceeds shall be
 2021 | transferred monthly to the Revenue Sharing Trust Fund for
 2022 | Municipalities pursuant to s. 218.215. If the total revenue to
 2023 | be distributed pursuant to this subparagraph is at least as

2024 great as the amount due from the Revenue Sharing Trust Fund for
 2025 Municipalities and the former Municipal Financial Assistance
 2026 Trust Fund in state fiscal year 1999-2000, no municipality shall
 2027 receive less than the amount due from the Revenue Sharing Trust
 2028 Fund for Municipalities and the former Municipal Financial
 2029 Assistance Trust Fund in state fiscal year 1999-2000. If the
 2030 total proceeds to be distributed are less than the amount
 2031 received in combination from the Revenue Sharing Trust Fund for
 2032 Municipalities and the former Municipal Financial Assistance
 2033 Trust Fund in state fiscal year 1999-2000, each municipality
 2034 shall receive an amount proportionate to the amount it was due
 2035 in state fiscal year 1999-2000.

2036 6. Of the remaining proceeds:
 2037 a. In each fiscal year, the sum of \$29,915,500 shall be
 2038 divided into as many equal parts as there are counties in the
 2039 state, and one part shall be distributed to each county. The
 2040 distribution among the several counties must begin each fiscal
 2041 year on or before January 5th and continue monthly for a total
 2042 of 4 months. If a local or special law required that any moneys
 2043 accruing to a county in fiscal year 1999-2000 under the then-
 2044 existing provisions of s. 550.135 be paid directly to the
 2045 district school board, special district, or a municipal
 2046 government, such payment must continue until the local or
 2047 special law is amended or repealed. The state covenants with
 2048 holders of bonds or other instruments of indebtedness issued by

2049 local governments, special districts, or district school boards
 2050 before July 1, 2000, that it is not the intent of this
 2051 subparagraph to adversely affect the rights of those holders or
 2052 relieve local governments, special districts, or district school
 2053 boards of the duty to meet their obligations as a result of
 2054 previous pledges or assignments or trusts entered into which
 2055 obligated funds received from the distribution to county
 2056 governments under then-existing s. 550.135. This distribution
 2057 specifically is in lieu of funds distributed under s. 550.135
 2058 before July 1, 2000.

2059 b. The department shall distribute \$166,667 monthly to
 2060 each applicant certified as a facility for a new or retained
 2061 professional sports franchise pursuant to s. 288.1162. Up to
 2062 \$41,667 shall be distributed monthly by the department to each
 2063 certified applicant as defined in s. 288.11621 for a facility
 2064 for a spring training franchise. However, not more than \$416,670
 2065 may be distributed monthly in the aggregate to all certified
 2066 applicants for facilities for spring training franchises.
 2067 Distributions begin 60 days after such certification and
 2068 continue for not more than 30 years, except as otherwise
 2069 provided in s. 288.11621. A certified applicant identified in
 2070 this sub-subparagraph may not receive more in distributions than
 2071 expended by the applicant for the public purposes provided in s.
 2072 288.1162(5) or s. 288.11621(3).

2073 c. Beginning 30 days after notice by the Department of

2074 Economic Opportunity to the Department of Revenue that an
2075 applicant has been certified as the professional golf hall of
2076 fame pursuant to s. 288.1168 and is open to the public, \$166,667
2077 shall be distributed monthly, for up to 300 months, to the
2078 applicant.

2079 d. Beginning 30 days after notice by the Department of
2080 Economic Opportunity to the Department of Revenue that the
2081 applicant has been certified as the International Game Fish
2082 Association World Center facility pursuant to s. 288.1169, and
2083 the facility is open to the public, \$83,333 shall be distributed
2084 monthly, for up to 168 months, to the applicant. This
2085 distribution is subject to reduction pursuant to s. 288.1169. A
2086 lump sum payment of \$999,996 shall be made after certification
2087 and before July 1, 2000.

2088 e. The department shall distribute up to \$83,333 monthly
2089 to each certified applicant as defined in s. 288.11631 for a
2090 facility used by a single spring training franchise, or up to
2091 \$166,667 monthly to each certified applicant as defined in s.
2092 288.11631 for a facility used by more than one spring training
2093 franchise. Monthly distributions begin 60 days after such
2094 certification or July 1, 2016, whichever is later, and continue
2095 for not more than 20 years to each certified applicant as
2096 defined in s. 288.11631 for a facility used by a single spring
2097 training franchise or not more than 25 years to each certified
2098 applicant as defined in s. 288.11631 for a facility used by more

2099 than one spring training franchise. A certified applicant
 2100 identified in this sub-subparagraph may not receive more in
 2101 distributions than expended by the applicant for the public
 2102 purposes provided in s. 288.11631(3).

2103 ~~f. Beginning 45 days after notice by the Department of~~
 2104 ~~Economic Opportunity to the Department of Revenue that an~~
 2105 ~~applicant has been approved by the Legislature and certified by~~
 2106 ~~the Department of Economic Opportunity under s. 288.11625 or~~
 2107 ~~upon a date specified by the Department of Economic Opportunity~~
 2108 ~~as provided under s. 288.11625(6)(d), the department shall~~
 2109 ~~distribute each month an amount equal to one twelfth of the~~
 2110 ~~annual distribution amount certified by the Department of~~
 2111 ~~Economic Opportunity for the applicant. The department may not~~
 2112 ~~distribute more than \$7 million in the 2014-2015 fiscal year or~~
 2113 ~~more than \$13 million annually thereafter under this sub-~~
 2114 ~~subparagraph.~~

2115 ~~f.g. Beginning December 1, 2015, and ending June 30, 2016,~~
 2116 ~~the department shall distribute \$26,286 monthly to the State~~
 2117 ~~Transportation Trust Fund. Beginning July 1, 2016, the~~
 2118 ~~department shall distribute \$15,333 monthly to the State~~
 2119 ~~Transportation Trust Fund.~~

2120 7. All other proceeds must remain in the General Revenue
 2121 Fund.

2122 Section 32. Section 212.205, Florida Statutes, is amended
 2123 to read:

2124 212.205 Sales tax distribution reporting.—By March 15 of
 2125 each year, each person who received a distribution pursuant to
 2126 s. 212.20(6)(d)6.b.-e. ~~s. 212.20(6)(d)6.b.-f.~~ in the preceding
 2127 calendar year shall report to the Office of Economic and
 2128 Demographic Research the following information:

2129 (1) An itemized accounting of all expenditures of the
 2130 funds distributed in the preceding calendar year, including
 2131 amounts spent on debt service.

2132 (2) A statement indicating what portion of the distributed
 2133 funds have been pledged for debt service.

2134 (3) The original principal amount and current debt service
 2135 schedule of any bonds or other borrowing for which the
 2136 distributed funds have been pledged for debt service.

2137 Section 33. Subsection (2) and paragraph (c) of subsection
 2138 (3) of section 218.64, Florida Statutes, are amended to read:

2139 218.64 Local government half-cent sales tax; uses;
 2140 limitations.—

2141 (2) Municipalities shall expend their portions of the
 2142 local government half-cent sales tax only for municipality-wide
 2143 programs, ~~for reimbursing the state as required pursuant to s.~~
 2144 ~~288.11625,~~ or for municipality-wide property tax or municipal
 2145 utility tax relief. All utility tax rate reductions afforded by
 2146 participation in the local government half-cent sales tax shall
 2147 be applied uniformly across all types of taxed utility services.

2148 (3) Subject to ordinances enacted by the majority of the

2149 members of the county governing authority and by the majority of
 2150 the members of the governing authorities of municipalities
 2151 representing at least 50 percent of the municipal population of
 2152 such county, counties may use up to \$3 million annually of the
 2153 local government half-cent sales tax allocated to that county
 2154 for any of the following purposes:

2155 ~~(c) Reimbursing the state as required under s. 288.11625.~~

2156 Section 34. Section 213.0537, Florida Statutes, is created
 2157 to read:

2158 213.0537 Electronic notification with affirmative
 2159 consent.—

2160 (1) Notwithstanding any other provision of law, the
 2161 department may send notices electronically, by postal mail, or
 2162 both. Electronic transmission may be used only with the
 2163 affirmative consent of the taxpayer or its representative.
 2164 Documents sent pursuant to this section comply with the same
 2165 timing and form requirements as documents sent by postal mail.
 2166 If a document sent electronically is returned as undeliverable,
 2167 the department must re-send the document by postal mail.
 2168 However, the original electronic transmission used with the
 2169 affirmative consent of the taxpayer or its representative is the
 2170 official mailing for purposes of this chapter.

2171 (2) A notice sent electronically will be considered to
 2172 have been received by the recipient if the transmission is
 2173 addressed to the address provided by the taxpayer or its

2174 representative. A notice sent electronically will be considered
 2175 received even if no individual is aware of its receipt. In
 2176 addition, a notice sent electronically shall be considered
 2177 received if the department does not receive notification that
 2178 the document was undeliverable.

2179 (3) For the purposes of this section, the term:

2180 (a) "Affirmative consent" means that the taxpayer or its
 2181 representative expressly consented to receive notices
 2182 electronically either in response to a clear and conspicuous
 2183 request for the taxpayer's or its representative's consent, or
 2184 at the taxpayer's or its representative's own initiative.

2185 (b) "Notice" means all communications from the department
 2186 to the taxpayer or its representative, including, but not
 2187 limited to, billings, notices issued during the course of an
 2188 audit, proposed assessments, and final assessments authorized by
 2189 this chapter and any other actions constituting final agency
 2190 action within the meaning of chapter 120.

2191 Section 35. Paragraph (b) of subsection (1) of section
 2192 213.21, Florida Statutes, is amended to read:

2193 213.21 Informal conferences; compromises.—

2194 (1)

2195 (b) The statute of limitations upon the issuance of final
 2196 assessments and the period for filing a claim for refund as
 2197 required by s. 215.26(2) for any transactions occurring during
 2198 the audit period shall be tolled during the period in which the

2199 taxpayer is engaged in a procedure under this section.

2200 Section 36. Effective upon this act becoming a law,
 2201 paragraph (a) of subsection (4) of section 220.1105, Florida
 2202 Statutes, is amended to read:

2203 220.1105 Tax imposed; automatic refunds and downward
 2204 adjustments to tax rates.-

2205 (4) For fiscal years 2018-2019 through 2020-2021, any
 2206 amount by which net collections for a fiscal year exceed
 2207 adjusted forecasted collections for that fiscal year shall only
 2208 be used to provide refunds to corporate income tax payers as
 2209 follows:

2210 (a) For purposes of this subsection, the term:

2211 1. "Eligible taxpayer" means:

2212 a. For fiscal year 2018-2019, a taxpayer whose taxable
 2213 year begins between April 1, 2017, and March 31, 2018, and whose
 2214 final tax liability for such taxable year is greater than zero;

2215 b. For fiscal year 2019-2020, a taxpayer whose taxable
 2216 year begins between April 1, 2018, and March 31, 2019, and whose
 2217 final tax liability for such taxable year is greater than zero;
 2218 or

2219 c. For fiscal year 2020-2021 a taxpayer whose taxable year
 2220 begins between April 1, 2019, and March 31, 2020, and whose
 2221 final tax liability for such taxable year is greater than zero.

2222 2. "Excess collections" for a fiscal year means the amount
 2223 by which net collections for a fiscal year exceeds adjusted

2224 forecasted collections for that fiscal year.

2225 3. "Final tax liability" means the taxpayer's amount of
 2226 tax due under this chapter for a taxable year, reported on a
 2227 return filed with the department, plus the amount of any credit
 2228 taken on such return under s. 220.1875.

2229 4. "Total eligible tax liability" for a fiscal year means
 2230 the sum of final tax liabilities of all eligible taxpayers for a
 2231 fiscal year as such liabilities are shown on the latest return
 2232 filed with the department as of February 1 immediately following
 2233 that fiscal year.

2234 5. "Taxpayer refund share" for a fiscal year means an
 2235 eligible taxpayer's final tax liability as a percentage of the
 2236 total eligible tax liability for that fiscal year.

2237 6. "Taxpayer refund" for a fiscal year means the taxpayer
 2238 refund share for a fiscal year multiplied by the excess
 2239 collections for a fiscal year.

2240 Section 37. (1) The amendment made by this act to s.
 2241 220.1105(4)(a)3., Florida Statutes, is remedial in nature and
 2242 applies retroactively.

2243 (2) This section shall take effect upon this act becoming
 2244 a law.

2245 Section 38. Paragraph (f) of subsection (2) of section
 2246 220.1845, Florida Statutes, is amended to read:

2247 220.1845 Contaminated site rehabilitation tax credit.—

2248 (2) AUTHORIZATION FOR TAX CREDIT; LIMITATIONS.—

2249 (f) The total amount of the tax credits which may be
 2250 granted under this section is \$18.2 ~~\$18.5~~ million in ~~the 2018-~~
 2251 ~~2019~~ fiscal year 2020-2021 and \$10 million each fiscal year
 2252 thereafter.

2253 Section 39. Paragraph (e) of subsection (2) of section
 2254 288.0001, Florida Statutes, is amended to read:

2255 288.0001 Economic Development Programs Evaluation.—The
 2256 Office of Economic and Demographic Research and the Office of
 2257 Program Policy Analysis and Government Accountability (OPPAGA)
 2258 shall develop and present to the Governor, the President of the
 2259 Senate, the Speaker of the House of Representatives, and the
 2260 chairs of the legislative appropriations committees the Economic
 2261 Development Programs Evaluation.

2262 (2) The Office of Economic and Demographic Research and
 2263 OPPAGA shall provide a detailed analysis of economic development
 2264 programs as provided in the following schedule:

2265 ~~(e) Beginning January 1, 2018, and every 3 years~~
 2266 ~~thereafter, an analysis of the Sports Development Program~~
 2267 ~~established under s. 288.11625.~~

2268 Section 40. Section 288.11625, Florida Statutes, is
 2269 repealed.

2270 Section 41. Subsection (4) of section 376.30781, Florida
 2271 Statutes, is amended to read:

2272 376.30781 Tax credits for rehabilitation of drycleaning-
 2273 solvent-contaminated sites and brownfield sites in designated

2274 brownfield areas; application process; rulemaking authority;
 2275 revocation authority.—

2276 (4) The Department of Environmental Protection is
 2277 responsible for allocating the tax credits provided for in s.
 2278 220.1845, which may not exceed a total of \$18.2 ~~\$18.5~~ million in
 2279 tax credits in fiscal year 2020-2021 ~~2018-2019~~ and \$10 million
 2280 in tax credits each fiscal year thereafter.

2281 Section 42. Subsection (1) of section 413.4021, Florida
 2282 Statutes, is amended to read:

2283 413.4021 Program participant selection; tax collection
 2284 enforcement diversion program.—The Department of Revenue, in
 2285 coordination with the Florida Association of Centers for
 2286 Independent Living and the Florida Prosecuting Attorneys
 2287 Association, shall select judicial circuits in which to operate
 2288 the program. The association and the state attorneys' offices
 2289 shall develop and implement a tax collection enforcement
 2290 diversion program, which shall collect revenue due from persons
 2291 who have not remitted their collected sales tax. The criteria
 2292 for referral to the tax collection enforcement diversion program
 2293 shall be determined cooperatively between the state attorneys'
 2294 offices and the Department of Revenue.

2295 (1) Notwithstanding s. 212.20, 75 ~~50~~ percent of the
 2296 revenues collected from the tax collection enforcement diversion
 2297 program shall be deposited into the special reserve account of
 2298 the Florida Association of Centers for Independent Living, to be

2299 used to administer the James Patrick Memorial Work Incentive
 2300 Personal Attendant Services and Employment Assistance Program
 2301 and to contract with the state attorneys participating in the
 2302 tax collection enforcement diversion program in an amount of not
 2303 more than \$75,000 for each state attorney.

2304 Section 43. Subsections (1), (2), and (5) of section
 2305 443.163, Florida Statutes, are amended to read:

2306 443.163 Electronic reporting and remitting of
 2307 contributions and reimbursements.—

2308 (1) An employer may file any report and remit any
 2309 contributions or reimbursements required under this chapter by
 2310 electronic means. The Department of Economic Opportunity or the
 2311 state agency providing reemployment assistance tax collection
 2312 services shall adopt rules prescribing the format and
 2313 instructions necessary for electronically filing reports and
 2314 remitting contributions and reimbursements to ensure a full
 2315 collection of contributions and reimbursements due. The
 2316 acceptable method of transfer, the method, form, and content of
 2317 the electronic means, and the method, if any, by which the
 2318 employer will be provided with an acknowledgment shall be
 2319 prescribed by the department or its tax collection service
 2320 provider. However, any employer who employed 10 or more
 2321 employees in any quarter during the preceding state fiscal year
 2322 must file the Employers Quarterly Reports, including any
 2323 corrections, for the current calendar year and remit the

2324 contributions and reimbursements due by electronic means
 2325 approved by the tax collection service provider. ~~A person who~~
 2326 ~~prepared and reported for 100 or more employers in any quarter~~
 2327 ~~during the preceding state fiscal year must file the Employers~~
 2328 ~~Quarterly Reports for each calendar quarter in the current~~
 2329 ~~calendar year, beginning with reports due for the second~~
 2330 ~~calendar quarter of 2003, by electronic means approved by the~~
 2331 ~~tax collection service provider.~~

2332 (2)(a) An employer who is required by law to file an
 2333 Employers Quarterly Report, including any corrections, by
 2334 approved electronic means, but who files the report either
 2335 directly or through an agent by a means other than approved
 2336 electronic means, is liable for a penalty of \$25 ~~\$50~~ for that
 2337 report and \$1 for each employee, not to exceed \$300. This
 2338 penalty is in addition to any other penalty provided by this
 2339 chapter. However, the penalty does not apply if the tax
 2340 collection service provider waives the electronic filing
 2341 requirement in advance. An employer who fails to remit
 2342 contributions or reimbursements either directly or through an
 2343 agent by approved electronic means as required by law is liable
 2344 for a penalty of \$25 ~~\$50~~ for each remittance submitted by a
 2345 means other than approved electronic means. This penalty is in
 2346 addition to any other penalty provided by this chapter.

2347 ~~(b) A person who prepared and reported for 100 or more~~
 2348 ~~employers in any quarter during the preceding state fiscal year,~~

2349 ~~but who fails to file an Employers Quarterly Report for each~~
 2350 ~~calendar quarter in the current calendar year by approved~~
 2351 ~~electronic means, is liable for a penalty of \$50 for that report~~
 2352 ~~and \$1 for each employee. This penalty is in addition to any~~
 2353 ~~other penalty provided by this chapter. However, the penalty~~
 2354 ~~does not apply if the tax collection service provider waives the~~
 2355 ~~electronic filing requirement in advance.~~

2356 (5) The tax collection service provider may waive the
 2357 penalty imposed by this section if a ~~written~~ request for a
 2358 waiver ~~is filed which~~ establishes that imposition would be
 2359 inequitable. Examples of inequity include, but are not limited
 2360 to, situations where the failure to electronically file was
 2361 caused by one of the following factors:

2362 (a) Death or serious illness of the person responsible for
 2363 the preparation and filing of the report.

2364 (b) Destruction of the business records by fire or other
 2365 casualty.

2366 (c) Unscheduled and unavoidable computer downtime.

2367 Section 44. Subsection (3) of section 718.111, Florida
 2368 Statutes, is amended to read:

2369 (3) POWER TO MANAGE CONDOMINIUM PROPERTY AND TO CONTRACT,
 2370 SUE, AND BE SUED; CONFLICT OF INTEREST.—

2371 (a) The association may contract, sue, or be sued with
 2372 respect to the exercise or nonexercise of its powers. For these
 2373 purposes, the powers of the association include, but are not

2374 limited to, the maintenance, management, and operation of the
 2375 condominium property.

2376 (b) After control of the association is obtained by unit
 2377 owners other than the developer, the association may:

2378 1. Institute, maintain, settle, or appeal actions or
 2379 hearings in its name on behalf of all unit owners concerning
 2380 matters of common interest to most or all unit owners,
 2381 including, but not limited to, the common elements; the roof and
 2382 structural components of a building or other improvements;
 2383 mechanical, electrical, and plumbing elements serving an
 2384 improvement or a building; representations of the developer
 2385 pertaining to any existing or proposed commonly used facilities;

2386 2. ~~Protest and protesting~~ ad valorem taxes on commonly
 2387 used facilities and on units; ~~and may~~

2388 3. Defend actions pertaining to ad valorem taxation of
 2389 commonly used facilities or units or related to ~~in~~ eminent
 2390 domain; or

2391 4. Bring inverse condemnation actions.

2392 (c) If the association has the authority to maintain a
 2393 class action, the association may be joined in an action as
 2394 representative of that class with reference to litigation and
 2395 disputes involving the matters for which the association could
 2396 bring a class action.

2397 (d) The association, in its own name or on behalf of some
 2398 or all unit owners, may institute, file, protest, maintain, or

2399 defend any administrative challenge, lawsuit, appeal, or other
 2400 challenge to ad valorem taxes assessed on units for commonly
 2401 used facilities or common elements. The affected association
 2402 members are not necessary or indispensable parties to such
 2403 actions. This paragraph is intended to clarify existing law and
 2404 applies to cases pending on July 1, 2020.

2405 (e) Nothing herein limits any statutory or common-law
 2406 right of any individual unit owner or class of unit owners to
 2407 bring any action without participation by the association which
 2408 may otherwise be available.

2409 (f) An association may not hire an attorney who represents
 2410 the management company of the association.

2411 Section 45. Clothing, school supplies, personal computers,
 2412 and personal computer-related accessories; sales tax holiday.-

2413 (1) The tax levied under chapter 212, Florida Statutes,
 2414 may not be collected during the period from August 7, 2020,
 2415 through August 9, 2020, on the retail sale of:

2416 (a) Clothing, wallets, or bags, including handbags,
 2417 backpacks, fanny packs, and diaper bags, but excluding
 2418 briefcases, suitcases, and other garment bags, having a sales
 2419 price of \$60 or less per item. As used in this paragraph, the
 2420 term "clothing" means:

2421 1. Any article of wearing apparel intended to be worn on
 2422 or about the human body, excluding watches, watchbands, jewelry,
 2423 umbrellas, and handkerchiefs; and

2424 2. All footwear, excluding skis, swim fins, roller blades,
 2425 and skates.

2426 (b) School supplies having a sales price of \$15 or less
 2427 per item. As used in this paragraph, the term "school supplies"
 2428 means pens, pencils, erasers, crayons, notebooks, notebook
 2429 filler paper, legal pads, binders, lunch boxes, construction
 2430 paper, markers, folders, poster board, composition books, poster
 2431 paper, scissors, cellophane tape, glue or paste, rulers,
 2432 computer disks, staplers and staples used to secure paper
 2433 products, protractors, compasses, and calculators.

2434 (2) The tax levied under chapter 212, Florida Statutes,
 2435 may not be collected during the period from August 7, 2020,
 2436 through August 9, 2020, on the first \$1,000 of the sales price
 2437 of personal computers or personal computer-related accessories
 2438 purchased for noncommercial home or personal use. As used in
 2439 this subsection, the term:

2440 (a) "Personal computers" includes electronic book readers,
 2441 laptops, desktops, handheld devices, tablets, or tower
 2442 computers. The term does not include cellular telephones, video
 2443 game consoles, digital media receivers, or devices that are not
 2444 primarily designed to process data.

2445 (b) "Personal computer-related accessories" includes
 2446 keyboards, mice, personal digital assistants, monitors, other
 2447 peripheral devices, modems, routers, and nonrecreational
 2448 software, regardless of whether the accessories are used in

2449 association with a personal computer base unit. The term does
 2450 not include furniture or systems, devices, software, or
 2451 peripherals that are designed or intended primarily for
 2452 recreational use. The term "monitor" does not include any device
 2453 that includes a television tuner.

2454 (3) The tax exemptions provided in this section do not
 2455 apply to sales within a theme park or entertainment complex as
 2456 defined in s. 509.013(9), Florida Statutes, within a public
 2457 lodging establishment as defined in s. 509.013(4), Florida
 2458 Statutes, or within an airport as defined in s. 330.27(2),
 2459 Florida Statutes.

2460 (4) The tax exemptions provided in this section may apply
 2461 at the option of a dealer if less than 5 percent of the dealer's
 2462 gross sales of tangible personal property in the prior calendar
 2463 year are comprised of items that would be exempt under this
 2464 section. If a qualifying dealer chooses not to participate in
 2465 the tax holiday, by August 1, 2020, the dealer must notify the
 2466 Department of Revenue in writing of its election to collect
 2467 sales tax during the holiday and must post a copy of that notice
 2468 in a conspicuous location at its place of business.

2469 (5) The Department of Revenue is authorized, and all
 2470 conditions are deemed met, to adopt emergency rules pursuant to
 2471 s. 120.54(4), Florida Statutes, for the purpose of implementing
 2472 this section. Notwithstanding any other provision of law,
 2473 emergency rules adopted pursuant to this subsection are

2474 effective for 6 months after adoption and may be renewed during
 2475 the pendency of procedures to adopt permanent rules addressing
 2476 the subject of the emergency rules.

2477 (6) For the 2019-2020 fiscal year, the sum of \$241,000 in
 2478 nonrecurring funds is appropriated from the General Revenue Fund
 2479 to the Department of Revenue for the purpose of implementing
 2480 this section. Funds remaining unexpended or unencumbered from
 2481 this appropriation as of June 30, 2020, shall revert and be
 2482 reappropriated for the same purpose in the 2020-2021 fiscal
 2483 year.

2484 (7) This section shall take effect upon this act becoming
 2485 a law.

2486 Section 46. Disaster preparedness supplies; sales tax
 2487 holiday.-

2488 (1) The tax levied under chapter 212, Florida Statutes,
 2489 may not be collected during the period from May 29, 2020,
 2490 through June 4, 2020, on the sale of:

2491 (a) A portable self-powered light source selling for \$20
 2492 or less.

2493 (b) A portable self-powered radio, two-way radio, or
 2494 weather-band radio selling for \$50 or less.

2495 (c) A tarpaulin or other flexible waterproof sheeting
 2496 selling for \$50 or less.

2497 (d) An item normally sold as, or generally advertised as,
 2498 a ground anchor system or tie-down kit selling for \$50 or less.

2499 (e) A gas or diesel fuel tank selling for \$25 or less.

2500 (f) A package of AA-cell, AAA-cell, C-cell, D-cell, 6-
 2501 volt, or 9-volt batteries, excluding automobile and boat
 2502 batteries, selling for \$30 or less.

2503 (g) A nonelectric food storage cooler selling for \$30 or
 2504 less.

2505 (h) A portable generator used to provide light or
 2506 communications or preserve food in the event of a power outage
 2507 selling for \$750 or less.

2508 (i) Reusable ice selling for \$10 or less.

2509 (2) The tax exemptions provided in this section do not
 2510 apply to sales within a theme park or entertainment complex as
 2511 defined in s. 509.013(9), Florida Statutes, within a public
 2512 lodging establishment as defined in s. 509.013(4), Florida
 2513 Statutes, or within an airport as defined in s. 330.27(2),
 2514 Florida Statutes.

2515 (3) The Department of Revenue is authorized, and all
 2516 conditions are deemed met, to adopt emergency rules pursuant to
 2517 s. 120.54(4), Florida Statutes, to administer this section.

2518 (4) For the 2019-2020 fiscal year, the sum of \$70,000 in
 2519 nonrecurring funds is appropriated from the General Revenue Fund
 2520 to the Department of Revenue for the purpose of implementing
 2521 this section.

2522 (5) This section shall take effect upon this act becoming
 2523 a law.

2524 Section 47. For the 2020-2021 fiscal year, the sum of
 2525 \$72,500 in nonrecurring funds is appropriated from the General
 2526 Revenue Fund to the Department of Revenue to administer this
 2527 act.

2528 Section 48. The Division of Law Revision is directed to
 2529 replace the phrase "the effective date of this act" wherever it
 2530 occurs in this act with the date this act becomes a law.

2531 Section 49. (1) The Department of Revenue is authorized,
 2532 and all conditions are deemed met, to adopt emergency rules
 2533 pursuant to s. 120.54(4), Florida Statutes, for the purpose of
 2534 implementing the changes made by this act to ss. 206.05,
 2535 206.8741, 206.90, 212.05, 212.134, 212.181, 213.21, and
 2536 220.1105, Florida Statutes. Notwithstanding any other provision
 2537 of law, emergency rules adopted pursuant to this subsection are
 2538 effective for 6 months after adoption and may be renewed during
 2539 the pendency of procedures to adopt permanent rules addressing
 2540 the subject of the emergency rules.

2541 (2) This section shall take effect upon this act becoming
 2542 a law.

2543 Section 50. Except as otherwise expressly provided in this
 2544 act, and except for this section, which shall take effect upon
 2545 this act becoming a law, this act shall take effect July 1,
 2546 2020.

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7097 (2020)

Amendment No. 1

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: Appropriations Committee
2 Representative Avila offered the following:

3
4 **Amendment**

5 Remove lines 275-278 and insert:

6 e. Septic-to-sewer conversion projects that are primarily
7 undertaken to reduce or prevent the discharge of untreated or
8 partially treated wastewater into surface water that is
9 important to the local tourism industry, if the applicable
10 septic tank is:

11 (I) Within 2 miles of any surface water other than those
12 designated as Outstanding Florida Waters as provided in s.
13 403.061(27), or

14 (II) Within 5 miles of any surface water designated as
15 Outstanding Florida Waters pursuant to s. 403.061(27).

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7097 (2020)

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 bill: Appropriations Committee
2 Representative Avila offered the following:

3
4 **Amendment**

5 Remove lines 1580-1583 and insert:

6 e. Septic-to-sewer conversion projects that are primarily
7 undertaken to reduce or prevent the discharge of untreated or
8 partially treated wastewater into surface water that is
9 important to the local tourism industry, if the applicable
10 septic tank is:

11 (I) Within 2 miles of any surface water other than those
12 designated as Outstanding Florida Waters as provided in s.
13 403.061(27), or

14 (II) Within 5 miles of any surface water designated as
15 Outstanding Florida Waters pursuant to s. 403.061(27).

749347 - h7097-line 1580-Avila2.docx

Published On: 2/24/2020 7:16:46 PM

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7097 (2020)

Amendment No. 3

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: Appropriations Committee
2 Representative Avila offered the following:

3
4 **Amendment**

5 Remove lines 1832-1836 and insert:

6 (g) Any discretionary sales surtax levied under this
7 subsection pursuant to a referendum held on or after July 1,
8 2020, may not be levied for a period of more than 20 years.

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7097 (2020)

Amendment No. 4

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: Appropriations Committee
2 Representative Avila offered the following:

3
4 **Amendment (with title amendment)**

5 Remove lines 389-417 and insert:
6 paragraphs (c) and (d) of subsection (11) of section 192.001,
7 Florida Statutes, are amended to read:

8 192.001 Definitions.—All definitions set out in chapters 1
9 and 200 that are applicable to this chapter are included herein.
10 In addition, the following definitions shall apply in the
11 imposition of ad valorem taxes:

12 (11) "Personal property," for the purposes of ad valorem
13 taxation, shall be divided into four categories as follows:

14 (c)1. "Inventory" means only those chattels consisting of
15 items commonly referred to as goods, wares, and merchandise (as
16 well as inventory) which are held for sale or lease to customers

786463 - h7097-line 389-Avila4.docx

Published On: 2/24/2020 7:18:30 PM

Amendment No. 4

17 in the ordinary course of business. Supplies and raw materials
18 shall be considered to be inventory only to the extent that they
19 are acquired for sale or lease to customers in the ordinary
20 course of business or will physically become a part of
21 merchandise intended for sale or lease to customers in the
22 ordinary course of business. Partially finished products which
23 when completed will be held for sale or lease to customers in
24 the ordinary course of business shall be deemed items of
25 inventory. All livestock shall be considered inventory. Items of
26 inventory held for lease to customers in the ordinary course of
27 business, rather than for sale, shall be deemed inventory only
28 prior to the initial lease of such items. For the purposes of
29 this section, fuels used in the production of electricity shall
30 be considered inventory.

31 2. "Inventory" also means construction and agricultural
32 equipment weighing 1,000 pounds or more that is returned to a
33 dealership under a rent-to-purchase option and held for sale to
34 customers in the ordinary course of business. This subparagraph
35 may not be considered in determining whether property that is
36 not construction and agricultural equipment weighing 1,000
37 pounds or more that is returned under a rent-to-purchase option
38 is inventory under subparagraph 1.

39 3. Notwithstanding any provision in this section to the
40 contrary, the term "inventory", for all levies other than school
41 district levies, also means construction equipment owned by a

Amendment No. 4

42 heavy equipment rental dealer for sale or short-term rental in
43 the normal course of business on the annual assessment date. For
44 the purposes of this chapter and chapter 196, the term "heavy
45 equipment rental dealer" means a person or entity principally
46 engaged in the business of short term rental and sale of
47 equipment described under 532412 of the North American Industry
48 Classification System including attachments for the equipment or
49 other ancillary equipment. As used in this subparagraph, the
50 term "short-term rental" means the rental of a dealer's heavy
51 equipment rental property for a period of less than 365 days,
52 under an open ended contract, or under a contract with unlimited
53 terms. The prior short-term rental of any construction or
54 industrial equipment does not disqualify such property from
55 qualifying as inventory under this subsection following the term
56 of such rental. This section may not be construed to consider as
57 inventory heavy equipment rented with an operator.

58 (d) "Tangible personal property" means all goods,
59 chattels, and other articles of value (but does not include the
60 vehicular items enumerated in s. 1(b), Art. VII of the State
61 Constitution and elsewhere defined) capable of manual possession
62 and whose chief value is intrinsic to the article itself.
63 "Construction work in progress" consists of those items of
64 tangible personal property commonly known as fixtures,
65 machinery, and equipment when in the process of being installed
66 in new or expanded improvements to real property and whose value

786463 - h7097-line 389-Avila4.docx

Published On: 2/24/2020 7:18:30 PM

Amendment No. 4

67 is materially enhanced upon connection or use with a
68 preexisting, taxable, operational system or facility.
69 Construction work in progress shall be deemed substantially
70 completed when connected with the preexisting, taxable,
71 operational system or facility. For the purposes of tangible
72 personal property constructed or installed by an electric
73 utility, construction work in progress is not deemed
74 substantially completed unless all permits or approvals required
75 for commercial operation have been received or approved.
76 Inventory and household goods are expressly excluded from this
77 definition.

78 Section 3. The amendment made by this act to s.
79 192.001(11)(d),

80

81

82

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

83

Remove line 10 and insert:

84

impaired; amending s. 192.001, F.S.; amending the definition of

85

the term "inventory"; specifying the

86

Amendment No. 5

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: Appropriations Committee
2 Representative Avila offered the following:

Amendment (with title amendment)

Between lines 886 and 887, insert:

6 Section 14. Section 196.198, Florida Statutes, is amended
7 to read:

8 196.198 Educational property exemption.—Educational
9 institutions within this state and their property used by them
10 or by any other exempt entity or educational institution
11 exclusively for educational purposes are exempt from taxation.
12 Sheltered workshops providing rehabilitation and retraining of
13 individuals who have disabilities and exempted by a certificate
14 under s. (d) of the federal Fair Labor Standards Act of 1938, as
15 amended, are declared wholly educational in purpose and are
16 exempt from certification, accreditation, and membership

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7097 (2020)

Amendment No. 5

17 requirements set forth in s. 196.012. Those portions of property
18 of college fraternities and sororities certified by the
19 president of the college or university to the appropriate
20 property appraiser as being essential to the educational process
21 are exempt from ad valorem taxation. The use of property by
22 public fairs and expositions chartered by chapter 616 is
23 presumed to be an educational use of such property and is exempt
24 from ad valorem taxation to the extent of such use. Property
25 used exclusively for educational purposes shall be deemed owned
26 by an educational institution if the entity owning 100 percent
27 of the educational institution is owned by the identical persons
28 who own the property, or if the entity owning 100 percent of the
29 educational institution and the entity owning the property are
30 owned by the identical natural persons. Land, buildings, and
31 other improvements to real property used exclusively for
32 educational purposes shall be deemed owned by an educational
33 institution if the entity owning 100 percent of the land is a
34 nonprofit entity and the land is used, under a ground lease or
35 other contractual arrangement, by an educational institution
36 that owns the buildings and other improvements to the real
37 property, is a nonprofit entity under s. 501(c)(3) of the
38 Internal Revenue Code, and provides education limited to
39 students in prekindergarten through grade 8. Land, buildings,
40 and other improvements to real property used exclusively for
41 educational purposes shall be deemed owned by an educational

792253 - h7097-line 886-Avila5.docx

Published On: 2/24/2020 7:20:13 PM

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7097 (2020)

Amendment No. 5

42 institution if the educational institution that currently uses
43 the land, buildings, and other improvements for educational
44 purposes received the exemption under this section on the same
45 property in any 10 prior years, and, under a lease, the
46 educational institution is responsible for any taxes owed and
47 for ongoing maintenance and operational expenses for the land,
48 buildings, and other improvements. For such leasehold
49 properties, the educational institution shall receive the full
50 benefit from the exemption. The owner of the property shall
51 disclose to the educational institution the full amount of the
52 benefit derived from the exemption and the method for ensuring
53 the educational institution receives the benefit. If legal title
54 to property is held by a governmental agency that leases the
55 property to a lessee, the property shall be deemed to be owned
56 by the governmental agency and used exclusively for educational
57 purposes if the governmental agency continues to use such
58 property exclusively for educational purposes pursuant to a
59 sublease or other contractual agreement with that lessee. If the
60 title to land is held by the trustee of an irrevocable inter
61 vivos trust and if the trust grantor owns 100 percent of the
62 entity that owns an educational institution that is using the
63 land exclusively for educational purposes, the land is deemed to
64 be property owned by the educational institution for purposes of
65 this exemption. Property owned by an educational institution
66 shall be deemed to be used for an educational purpose if the

792253 - h7097-line 886-Avila5.docx

Published On: 2/24/2020 7:20:13 PM

Amendment No. 5

67 institution has taken affirmative steps to prepare the property
68 for educational use. The term "affirmative steps" means
69 environmental or land use permitting activities, creation of
70 architectural plans or schematic drawings, land clearing or site
71 preparation, construction or renovation activities, or other
72 similar activities that demonstrate commitment of the property
73 to an educational use.

74

75

76

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

77

Remove line 52 and insert:

78

certain properties; amending s. 196.198, F.S.; exempting land

79

and real property improvements used exclusively for educational

80

purposes from ad valorem taxes if certain criteria are met;

81

providing that the educational institution shall receive the

82

full benefit from the exemption; requiring the property owner to

83

make certain disclosures to the educational institution;

84

amending s. 200.065, F.S.;

Amendment No. 6

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: Appropriations Committee
2 Representative Avila offered the following:

Amendment (with title amendment)

Between lines 2252 and 2253, insert:

Section 39. Effective upon this act becoming a law,
section 220.197, Florida Statutes, is created to read:

220.197 1031 exchange tax credit.—

(1) As used in this section, the term "NAICS" means those
classifications contained in the North American Industry
Classification System, as published in 2007 by the Office of
Management and Budget, Executive Office of the President.

(2) A taxpayer is eligible for a \$2 million credit against
the tax imposed by this chapter for its 2018 taxable year if:

(a)1. The taxpayer is classified under NAICS industry
group code 53211;

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7097 (2020)

Amendment No. 6

17 2. The taxpayer deferred gains on the sale of personal
18 property assets for federal income purposes under s. 1031 of the
19 Internal Revenue Code during its taxable year beginning on or
20 after August 1, 2016, and before August 1, 2017; and

21 3. The taxpayer's final tax liability for its taxable year
22 beginning on or after August 1, 2017, and before August 1, 2018,
23 before application of the credit authorized by this section, is
24 greater than \$15 million and is at least 700 percent greater
25 than its final tax liability for its taxable year beginning on
26 or after August 1, 2016, and before August 1, 2017; or

27 (b)1. The taxpayer is classified under NAICS industry
28 group code 522220 or 532112;

29 2. The taxpayer deferred gains on the sale of personal
30 property assets for federal income purposes under s. 1031 of the
31 Internal Revenue Code during its taxable year beginning on or
32 after August 1, 2016, and before August 1, 2017; and

33 3. The taxpayer's final tax liability for its taxable year
34 beginning on or after August 1, 2017, and before August 1, 2018,
35 before application of the credit authorized by this section, is
36 greater than \$15 million and is at least \$15 million greater
37 than its final tax liability for its taxable year beginning on
38 or after August 1, 2016, and before August 1, 2017.

39 (3) This section operates retroactively to January 1,
40 2018.

41
777745 - h7097-line 2252-Avila6.docx

Published On: 2/24/2020 7:20:56 PM

Amendment No. 6

42
43
44
45
46
47
48
49
50

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

Between lines 134 and 135, insert:
creating s. 220.197, F.S.; defining the term "NAICS"; providing
a credit against the corporate income tax, for a specified
amount and for a specified taxable year, for taxpayers
classified in the sales financing or passenger car rental or
leasing industries which meet certain criteria; providing for
retroactive operation;

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7097 (2020)

Amendment No. 7

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: Appropriations Committee
2 Representative Avila offered the following:

3
4 **Amendment (with title amendment)**

5 Between lines 2366 and 2367, insert:

6 Section 44. Subsections (1) and (3) of section 626.932,
7 Florida Statutes, is amended to read:

8 626.932 Surplus lines tax.—

9 (1) The premiums charged for surplus lines coverages are
10 subject to a premium receipts tax of 4.94 ~~5~~ percent of all gross
11 premiums charged for such insurance. The surplus lines agent
12 shall collect from the insured the amount of the tax at the time
13 of the delivery of the cover note, certificate of insurance,
14 policy, or other initial confirmation of insurance, in addition
15 to the full amount of the gross premium charged by the insurer
16 for the insurance. The surplus lines agent is prohibited from

620635 - h7097-line 2366-Avila7.docx

Published On: 2/24/2020 7:21:33 PM

Amendment No. 7

17 absorbing such tax or, as an inducement for insurance or for any
18 other reason, rebating all or any part of such tax or of his or
19 her commission.

20 (3) If a surplus lines policy covers risks or exposures
21 only partially in this state and the state is the home state as
22 defined in the federal Nonadmitted and Reinsurance Reform Act of
23 2010 (NRRA), the tax payable shall be computed on the gross
24 premium. The surplus lines policy will be taxed in accordance
25 with subsection (1) and will report the percentage of risk that
26 is located in the state of Florida to the Florida Surplus Lines
27 Services Office in accordance with the manner and form directed
28 by the Florida Surplus Lines Services Office. ~~The tax must not~~
29 exceed the tax rate where the risk or exposure is located.

30
31 -----

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

32 Between lines 149 and 150, insert:
33 Amending s. 626.932, F.S.; decreasing the surplus lines tax
34 rate; changing the operation of the surplus lines tax for
35 policies covering risks outside this state;
36

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7097 (2020)

Amendment No. 8

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: Appropriations Committee
2 Representative Smith, C. offered the following:

3
4 **Amendment (with title amendment)**

5 Remove lines 2200-2244 and insert:

6 Section 36. Section 220.1105, Florida Statutes, is
7 repealed.

8 Section 37. Subsection (2) of section 220.11, Florida
9 Statutes, is amended to read:

10 220.11 Tax imposed.—

11 (2)(a) The tax imposed by this section shall be an amount
12 equal to 5 1/2 percent of the taxpayer's net income for the
13 taxable year, ~~except as provided in paragraph (b).~~

14 ~~(b) The tax rate imposed in paragraph (a) shall be~~
15 ~~adjusted as provided in s. 220.1105.~~

515417 - h7097-line 2200-SmithC1.docx

Published On: 2/24/2020 7:22:12 PM

Amendment No. 8

16 Section 38. Subsection (2) of section 220.63, Florida
17 Statutes, is amended to read:

18 220.63 Franchise tax imposed on banks and savings
19 associations.—

20 (2)(a) The tax imposed by this section shall be an amount
21 equal to 5 1/2 percent of the franchise tax base of the bank or
22 savings association for the taxable year, ~~except as provided in~~
23 ~~paragraph (b).~~

24 ~~(b) The tax rate imposed in paragraph (a) shall be~~
25 ~~adjusted as provided in s. 220.1105.~~

26 Section 39. Corporate income taxes paid by corporations
27 and submitted to the Department of Revenue as a result of the
28 repeal of s. 220.1105, Florida Statutes, shall annually be
29 redistributed by the department to each school district based on
30 each school district's proportionate share of the state's total
31 unweighted full-time equivalent student enrollment to be used by
32 each school district exclusively to increase the minimum base
33 salary for classroom teachers.

34
35 Remove lines 2535-2536 and insert:

36 206.8741, 206.90, 212.05, 212.134, 212.181, and 213.21, Florida
37 Statutes. Notwithstanding any other provision

38
39 -----

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

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7097 (2020)

Amendment No. 8



41 Remove lines 129-132 and insert:
42 audit periods; repealing s. 220.1105, F.S., relating
43 to corporate income taxes imposed, automatic refunds,
44 and downward adjustments of such tax rates; providing
45 that the Department of Revenue shall redistribute
46 funds collected as a result of the repeal of the
47 corporate income tax rate adjustments to specified
48 school districts to increase minimum base salaries for
49 classroom teachers; amending ss. 220.11 and 220.63,
50 F.S.; conforming provisions to changes made by the
51 act; amending s. 220.1845, F.S.; increasing,

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7101 PCB SAC 20-05 State Advisory Bodies

SPONSOR(S): State Affairs Committee, Zika

TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: State Affairs Committee	13 Y, 6 N	Darden	Williamson
1) Appropriations Committee		Jones 	Pridgeon 

SUMMARY ANALYSIS

A task force is an advisory body created without specific statutory enactment for a time not to exceed one year, or created by specific statutory enactment for a time not to exceed three years, and appointed to study a specific problem and recommend a solution or policy alternative related to that problem.

The bill creates the Local Government Efficiency Task Force (Efficiency Task Force) within the Legislature and the Urban Core Crime and Violence Task Force (Urban Core Task Force) within the Department of Law Enforcement. The Governor, the President of the Senate, and the Speaker of the House of Representatives must appoint the members of each task force.

The bill requires the Efficiency Task Force to review the structure and function of local governments and determine whether any changes are necessary to make such governments more efficient. The bill requires the Efficiency Task Force to begin meeting by November 15, 2020, and, thereafter, authorizes the task force to meet as often as necessary to fulfill its responsibilities. Meetings may be conducted in person or via teleconference or other electronic means.

The bill requires the Urban Core Task Force to review system failures and the causes of high crime rates and violence in urban core neighborhoods and communities and to develop recommendations for improved interagency communications between local and state government agencies to reduce crime and violence in such neighborhoods and communities. Meetings of the Urban Core Task Force occur at the call of its chair, at a time and location selected by the chair, and may not be conducted via teleconference or other electronic means.

The bill requires each task force to submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by a specified date and provides an expiration date for each task force.

The bill has an indeterminate fiscal impact on state government and does not appear to have a fiscal impact on local governments. See Fiscal Comments.

The bill provides an effective date of July 1, 2020.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Task Force

A task force is an advisory body created without specific statutory enactment for a time not to exceed one year, or created by specific statutory enactment for a time not to exceed three years, and appointed to study a specific problem and recommend a solution or policy alternative related to that problem.¹ The existence of a task force terminates upon the completion of its assignment.²

An advisory body may be created only when it is found to be necessary and beneficial to the furtherance of a public purpose.³ Each advisory body must inform the Legislature and the public of the body's purposes, memberships, activities, and expenses.⁴ All meetings of an advisory body are public meetings and each advisory body must maintain minutes for each meeting, including a record of all votes cast.⁵

If an advisory body that is adjunct to an executive agency is abolished, the executive agency must appropriately store the records of the advisory body within 30 days of the date of abolition and reclaim any property assigned to the advisory body.⁶ An advisory body may not perform any activities after the effective date of its abolition.

Members of an advisory body serve without compensation, unless compensation is expressly permitted by statute.⁷ Members are authorized to receive reimbursement for per diem and travel expenses.

Local Governments

The Florida Constitution provides for three types of local government: counties, municipalities, and special districts.⁸

Counties

The Florida Constitution requires the state be divided into counties, which may be created, abolished, or changed by general law.⁹ Each county may adopt a charter, pursuant to general or special law and subject to approval by the electors of the county.¹⁰ A "county" is the largest territorial division for local government within a state.¹¹

Counties operating under a county charter have all powers of self-government not inconsistent with general law or special law approved by the vote of the electors.¹² The governing body of a county

¹ S. 20.03(8), F.S.

² *Id.*

³ S. 20.052(1), F.S.

⁴ S. 20.052(3), F.S.

⁵ S. 20.052(5)(c), F.S.

⁶ S. 20.052(5)(d), F.S.

⁷ S. 20.052(4)(d), F.S.

⁸ See Art. VIII, s. 4, Fla. Const. (authorizing counties, municipalities, or special districts to transfer or contract with one another to exercise powers or functions by law or resolution of the affected governing bodies).

⁹ Art. VIII, s. 1(a), Fla. Const.

¹⁰ Art. VIII, s. 1(c), Fla. Const.

¹¹ Black's Law Dictionary (11th ed. 2019).

¹² Art. VIII, s. 1(g), Fla. Const.

operating under a charter may enact county ordinances not inconsistent with general law. In the event of a conflict between county and municipal ordinances, the charter provides which provision will prevail.

Non-charter county governments may exercise those powers of self-government that are provided by general or special law.¹³ The governing body of the county not operating under a charter may enact, in a manner prescribed by general law, ordinances not inconsistent with general or special law.¹⁴ County ordinances in non-charter counties that are in conflict with a municipal ordinance are not effective within the municipality to the extent of the conflict.¹⁵

Municipalities

A “municipality” is a city, town, or other similar local political entity with the powers of self-government.¹⁶ The Florida Constitution provides that municipalities may be established or abolished pursuant to general or special law.¹⁷ Municipalities have governmental, corporate, and proprietary powers that enable them to conduct municipal government, perform municipal functions and provide services, and exercise any power for municipal purposes except when expressly prohibited by law.¹⁸ Those powers generally include any subject matter upon which the Legislature may act, excluding annexation, merger, exercise of extraterritorial power, or subjects prohibited or preempted by the Federal or State Constitutions, county charter, or statute.¹⁹

Special Districts

A “special district” is a unit of local government created for a particular purpose with jurisdiction to operate within a limited geographic boundary. Special districts may be created by general law,²⁰ special act,²¹ local ordinance,²² or rule of the Governor and Cabinet.²³ A special district has only those powers expressly provided by, or reasonably implied from, the authority provided in the district’s charter. Special districts provide specific municipal services in addition to, or in place of, those provided by a municipality or county.²⁴

A “dependent special district” is a special district where the membership of the governing body is identical to the governing body of a single county or municipality, all members of the governing body are appointed by the governing body of a single county or municipality, members of the district’s governing body are removable at will by the governing body of a single county or municipality, or the district’s budget is subject to the approval of the governing body of a single county or municipality.²⁵ An “independent special district” is any district that is not a dependent special district.²⁶

¹³ Art. VIII, s. 1(f), Fla. Const.

¹⁴ *Id.* See also s. 125.01(1), F.S.

¹⁵ Art. VIII, s. 1(f), Fla. Const.

¹⁶ Black’s Law Dictionary (11th ed. 2019).

¹⁷ Art. VIII, s. 2(a), Fla. Const.

¹⁸ Art. VIII, s. 2(b), Fla. Const. A “municipal purpose” is any activity or power that may be exercised by the state or its political subdivisions. S. 166.021(2), F.S.

¹⁹ S. 166.021(3), F.S.

²⁰ S. 189.031(3), F.S.

²¹ *Id.*

²² S. 189.02(1), F.S.

²³ S. 190.005(1), F.S.; see generally, s. 189.012(6), F.S.

²⁴ 2018 – 2020 *Local Gov’t Formation Manual* at p. 64, available at

<https://www.myfloridahouse.gov/Sections/Committees/committeesdetail.aspx?Committeeld=3074> (last visited Feb. 14, 2020).

²⁵ S. 189.012(2), F.S.

²⁶ S. 189.012(3), F.S.

Urban Core

An “urban core” is the baseline unit for determining the existence of an urban area.²⁷ Urban areas must exhibit a pattern of continuous development out from a central core. A place is included in an urban area if it has a “qualifying core.” A qualifying core is any area with a population density of at least 1,000 people per square mile that contains at least 50 percent of the place’s total population density and is contiguous with other qualifying urbanized territories that also meet the population density criterion. Neighborhoods within urban cores are often older and follow a traditional development pattern with a gridded street network.²⁸

Urban areas generally experience higher rates of violent crime compared to more sparsely populated areas.²⁹ However, the violent crime rate may vary significantly between similarly situated municipalities both within a given year and over time.³⁰

Effect of Proposed Changes

Local Government Efficiency Task Force

The bill creates the Local Government Efficiency Task Force (Efficiency Task Force) within the Legislature. The Efficiency Task Force consists of the following members:

- Two members appointed by the Governor;
- Two members appointed by the President of the Senate; and
- Two members appointed by the Speaker of the House of Representatives.

Members of the Efficiency Task Force must be appointed no later than September 1, 2020.

The Efficiency Task Force is responsible for selecting a chair from among its members. If a vacancy occurs on the Efficiency Task Force, the position is filled for the unexpired term in the same manner as the original appointment. Members of the Efficiency Task Force serve without compensation, but are entitled to reimbursement for per diem and travel expenses.

The bill requires the Efficiency Task Force to review the structure and function of local governments and determine whether any changes are necessary to make such governments more efficient.

The bill requires the Efficiency Task Force to begin meeting by November 15, 2020, and, thereafter, authorizes the task force to meet as often as necessary to fulfill its responsibilities. Meetings may be conducted in person or via teleconference or other electronic means.

By June 1, 2022, the Efficiency Task Force must submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The bill provides for expiration of the Efficiency Task Force on June 30, 2022.

²⁷ United State Census Bureau, *Geographic Areas Reference Manual 12-7* (May 16, 2018), <https://www2.census.gov/geo/pdfs/reference/GARM/Ch12GARM.pdf> (last visited Feb. 14, 2020).

²⁸ See e.g. *The Urban Core And Downtown: Some Definitions*, The Jaxson, <https://www.thejaxsonmag.com/article/the-urban-core-and-downtown-some-definitions/> (last visited Feb. 14, 2020).

²⁹ See generally Nathan James, *Recent Violent Crime Trends in the United States*, Congressional Research Service, <https://fas.org/sgp/crs/misc/R45236.pdf> (last visited Feb. 14, 2020).

³⁰ See *Id.* at 8-9 (comparing 48 largest U.S. cities from 2014-2015 and showing most violent crime rate variance came from changes in 10 or fewer cities).

Urban Core Crime and Violence Task Force

The bill creates the Urban Core Crime and Violence Task Force (Urban Core Task Force) within the Department of Law Enforcement (FDLE) to:

- Review system failures and the causes of high crime rates and violence in urban core neighborhoods and communities; and
- Develop recommendations for solutions, programs, services, and strategies for improved interagency communications between local and state government agencies to help reduce crime and violence in urban core neighborhoods and communities.

The Urban Core Task Force is comprised of nine members:

- Three members appointed by the Governor;
- Three members appointed by the President of the Senate; and
- Three members appointed by the Speaker of the House of Representatives.

Members of the Urban Core Task Force must be appointed by August 1, 2020. Members serve at the pleasure of the officer who appointed them and those respective officers must appoint a member to serve any unexpired term if a vacancy occurs. The Governor must appoint the chair from among the nine members. Members of the Urban Core Task Force serve without compensation, but are entitled to reimbursement for per diem and travel expenses.

Meetings of the Urban Core Task Force occur upon the call of the chair at a time and location designated by the chair. The Urban Core Task Force may not conduct its meetings through teleconference or other electronic means.

The bill requires FDLE to provide staffing and administrative assistance to the Urban Core Task Force to aid in the performance of its duties. The Urban Core Task Force may also request professional assistance from other state agencies as appropriate. The bill requires those state agencies to provide any requested assistance in a timely manner.

The bill specifies that the Urban Core Task Force may request, and must be provided with, access to any information or records that pertain to crime and violent incidents in the state's urban core neighborhoods and communities. Information or records obtained by the Urban Core Task Force that are otherwise exempt or confidential and exempt retain such status and may not be disclosed.

By June 1, 2021, the Urban Core Task Force must submit a report on its findings and recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The bill provides for expiration of the Urban Core Task Force on June 30, 2021.

B. SECTION DIRECTORY:

- Section 1: Creates an undesignated section of law creating the Local Government Efficiency Task Force.
- Section 2: Creates an undesignated section of law creating the Urban Core Crime and Violence Task Force.
- Section 3: Provides that the bill takes effect July 1, 2020.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The bill would have an indeterminate negative fiscal impact on FDLE and could have a negative fiscal impact on other state agencies. See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The bill creates two task forces and allows task force members to be reimbursed for travel and per diem expenses. As such, the fiscal impact to the state will depend on the nature and extent of the travel conducted by the task force members. The bill also requires FDLE to staff and provide administrative assistance to the Urban Core Task Force and requires state agencies to provide that task force with professional assistance, as needed. Dependent upon the nature of the assistance requested, the bill might have an indeterminate negative fiscal impact on state agencies.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill neither authorizes nor requires administrative rulemaking by executive branch agencies.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

1 A bill to be entitled
 2 An act relating to state advisory bodies; creating the
 3 Local Government Efficiency Task Force within the
 4 Legislature; providing for duties, membership, and
 5 meetings of the task force; requiring the task force
 6 to submit a report to the Governor and Legislature by
 7 a date certain; providing for expiration of the task
 8 force; creating the Urban Core Crime and Violence Task
 9 Force within the Department of Law Enforcement;
 10 providing for duties, membership, and meetings of the
 11 task force; requiring state agencies to provide
 12 assistance when requested; authorizing the task force
 13 to receive exempt or confidential and exempt
 14 information and specifying that the information
 15 maintains such status; requiring the task force to
 16 submit a report to the Governor and Legislature by a
 17 date certain; providing for expiration of the task
 18 force; providing an effective date.

19
 20 Be It Enacted by the Legislature of the State of Florida:

21
 22 Section 1. Local Government Efficiency Task Force.-
 23 (1) The Local Government Efficiency Task Force, a task
 24 force as defined in s. 20.03, Florida Statutes, is established
 25 within the Legislature.

26 (2) (a) The task force shall consist of six members with
 27 the Governor, the President of the Senate, and the Speaker of
 28 the House of Representatives each appointing two members.
 29 Members must be appointed no later than September 1, 2020.

30 (b) A vacancy on the task force shall be filled in the
 31 same manner as the original appointment for the unexpired term.

32 (c) The task force shall elect a chair from among its
 33 members.

34 (3) Members of the task force shall serve without
 35 compensation, but are entitled to reimbursement for per diem and
 36 travel expenses pursuant to s. 112.061, Florida Statutes. The
 37 task force shall convene its first meeting by November 15, 2020,
 38 and shall meet as often as necessary to fulfill its
 39 responsibilities under this section. Meetings may be conducted
 40 in person, by teleconference, or by other electronic means.

41 (4) The task force shall review the governance structure
 42 and function of local governments and whether any changes are
 43 necessary to make such governments more efficient.

44 (5) The task force shall submit a report to the Governor,
 45 the President of the Senate, and the Speaker of the House of
 46 Representatives by June 1, 2022.

47 (6) This section expires June 30, 2022.

48 Section 2. Urban Core Crime and Violence Task Force.-

49 (1) The Urban Core Crime and Violence Task Force, a task
 50 force as defined in s. 20.03, Florida Statutes, is created

51 within the Department of Law Enforcement. Except as otherwise
 52 provided in this section, the task force shall comply with the
 53 requirements of s. 20.052, Florida Statutes.

54 (2)(a) The task force shall consist of nine members with
 55 the Governor, the President of the Senate, and the Speaker of
 56 the House of Representatives each appointing three members.
 57 Members must be appointed no later than August 1, 2020. Members
 58 serve at the pleasure of the officer who appointed them and a
 59 vacancy on the task force must be filled in the same manner as
 60 the original appointment. Members of the task force shall serve
 61 without compensation, but are entitled to reimbursement for per
 62 diem and travel expenses pursuant to s. 112.061, Florida
 63 Statutes.

64 (b) The Governor shall appoint a chair from among the
 65 members.

66 (c) The task force shall meet at the call of the chair at
 67 a time and location in the state designated by the chair. The
 68 task force may not conduct its meetings by teleconference or
 69 other electronic means.

70 (3) The task force shall review system failures and the
 71 causes of high crime rates and violence in urban core
 72 neighborhoods and communities. In addition, the task force shall
 73 develop recommendations for solutions, programs, services, and
 74 strategies for improved interagency communications between local
 75 and state governmental agencies to help facilitate the reduction

76 | of crime and violence in urban core neighborhoods and
 77 | communities.

78 | (4) The Department of Law Enforcement shall provide
 79 | staffing and administrative assistance to the task force in
 80 | performing its duties. The task force may call upon other state
 81 | agencies for such professional assistance as may be needed in
 82 | the discharge of its duties, and such agencies shall provide
 83 | such assistance in a timely manner.

84 | (5) Notwithstanding any other law to the contrary, the
 85 | task force may request and shall be provided with access to any
 86 | information or records that pertain to crime or violent
 87 | incidents in the state's urban core neighborhoods and
 88 | communities. Information or records obtained by the task force
 89 | which are otherwise exempt or confidential and exempt shall
 90 | retain such exempt or confidential and exempt status, and the
 91 | task force may not disclose any such information or records.

92 | (6) The task force shall submit a report on its findings
 93 | and recommendations to the Governor, the President of the
 94 | Senate, and the Speaker of the House of Representatives by June
 95 | 1, 2021.

96 | (7) This section expires June 30, 2021.

97 | Section 3. This act shall take effect July 1, 2020.

Amendment No. 1

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: Appropriations Committee
 2 Representative Jones offered the following:

Amendment

5 Remove lines 54-96 and insert:

6 (2) (a) The task force shall consist of 15 members as
 7 follows:

8 1. Four members appointed by the Governor, one of which
 9 the Governor shall designate as Chair of the task force.

10 2. Four members appointed by the President of the Senate,
 11 two of which must be members of the Legislative Black Caucus of
 12 the Florida Senate.

13 3. Four members appointed by the Speaker of the House of
 14 Representatives, two of which must be members of the Legislative
 15 Black Caucus of the Florida House of Representatives.

16 4. A representative from the Florida Sheriffs Association.

Amendment No. 1

17 5. A representative from the Florida Police Chiefs
18 Association.

19 6. The Secretary of the Department of Children and
20 Families, or his or her representative.

21 (b) Members must be appointed no later than August 1,
22 2020. Members serve at the pleasure of the officer who appointed
23 them and a vacancy on the task force must be filled in the same
24 manner as the original appointment. Members of the task force
25 shall serve without compensation, but are entitled to
26 reimbursement for per diem and travel expenses pursuant to s.
27 112.061, Florida Statutes.

28 (c) The task force shall meet at the call of the chair at
29 a time and location in the state designated by the chair. The
30 task force may not conduct its meetings by teleconference or
31 other electronic means.

32 (3) The task force shall review system failures and the
33 causes of high crime rates and violence in urban core
34 neighborhoods and communities. In addition, the task force shall
35 develop recommendations for solutions, programs, services, and
36 strategies for improved interagency communications between local
37 and state governmental agencies to help facilitate the reduction
38 of crime and violence in urban core neighborhoods and
39 communities.

40 (4) The Department of Law Enforcement shall provide
41 staffing and administrative assistance to the task force in

Amendment No. 1

42 performing its duties. The task force may call upon other state
43 agencies for such professional assistance as may be needed in
44 the discharge of its duties, and such agencies shall provide
45 such assistance in a timely manner.

46 (5) Notwithstanding any other law to the contrary, the
47 task force may request and shall be provided with access to any
48 information or records that pertain to crime or violent
49 incidents in the state's urban core neighborhoods and
50 communities. Information or records obtained by the task force
51 which are otherwise exempt or confidential and exempt shall
52 retain such exempt or confidential and exempt status, and the
53 task force may not disclose any such information or records.

54 (6) The task force shall submit a report on its findings
55 and recommendations to the Governor, the President of the
56 Senate, and the Speaker of the House of Representatives by June
57 1, 2022.

58 (7) This section expires June 30, 2022.