Appropriations Committee

Tuesday, February 20, 2024
1:00 PM – 5:00 PM
Webster Hall (212 KB)

MEETING PACKET

Paul Renner
Speaker

Thomas Leek
Chair

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Appropriations Committee

Start Date and Time: Tuesday, February 20, 2024 01:00 pm

End Date and Time: Tuesday, February 20, 2024 05:00 pm

Location: Webster Hall (212 Knott)

Duration: 4.00 hrs

Consideration of the following bill(s):

CS/HB 21 Dozier School for Boys and Okeechobee School Victim Compensation Program by Judiciary Committee, Salzman, Michael
CS/HB 635 Child Care and Early Learning Providers by Ways & Means Committee, McFarland
CS/HB 817 Authorized Agents of Tax Collectors by Insurance & Banking Subcommittee, Duggan
CS/HB 1077 Clerks of Court by Justice Appropriations Subcommittee, Botana
CS/HB 1239 Affordable Housing by State Affairs Committee, Lopez, V.
CS/HB 1319 Trust Funds/Institute of Food and Agricultural Sciences Relocation and Reconstruction Trust Fund/DOE by Postsecondary Education & Workforce Subcommittee, Tuck
CS/HB 1417 Funding for Environmental Resource Management by Infrastructure Strategies Committee, Buchanan
CS/CS/HB 1613 Hemp by Infrastructure Strategies Committee, Agriculture, Conservation & Resiliency Subcommittee, Gregory
HB 7073 Taxation by Ways & Means Committee, McClain

Consideration of the following proposed committee bill(s):

PCB APC 24-05 -- Indian Gaming Revenue Trust Fund

To submit an electronic appearance form, and for information about attending or testifying at a committee meeting, please see the "Visiting the House" tab at www.myfloridahouse.gov.

NOTICE FINALIZED on 02/16/2024 4:12PM by CTR

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 21 Dozier School for Boys and Okeechobee School Victim Compensation Program
SPONSOR(S): Judiciary Committee, Salzman, Michael and others
TIED BILLS: CS/HB 23 **IDEN./SIM. BILLS:** CS/SB 24

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Judiciary Committee	20 Y, 0 N, As CS	Mawn	Kramer
2) Appropriations Committee		Saag	Pridgeon

SUMMARY ANALYSIS

The Arthur G. Dozier School for Boys (Dozier School) opened in Marianna, Florida on January 1, 1900, as the Florida State Reform School. The Dozier School housed children as young as five committed for criminal and other offenses ranging from theft and murder to "incorrigibility" and truancy; the school also housed orphaned and abandoned children when other placements were unavailable. In 1955, the Florida School for Boys at Okeechobee (Okeechobee School) opened to address overcrowding at the Dozier School, and some of the Dozier School's staff transferred to the Okeechobee School.

Allegations of abuse at the Dozier School began as early as 1901, with reports of children being chained to walls in irons, whippings, and peonage; allegations of abuse at the Okeechobee School began shortly after it opened, with reports of children receiving severe beatings and being forced to fight one another for the staff's entertainment. Reports of sexual abuse, beatings, torture, and mysterious deaths at both reform schools continued in the subsequent decades, and a succession of reports and commissions called for reforms at the schools with little success. Indeed, a 2010 state investigation found no tangible physical evidence to support or refute the abuse allegations; however, the U.S. Department of Justice reported in 2011 that it had found "harmful practices" that put the reform school's residents at "serious risk of avoidable harm." The state closed the Dozier School in 2011, citing budget constraints, and the Okeechobee School in 2020.

In recent years, more than 400 men sent to the Dozier School or the Okeechobee School in the 1950s and 1960s have come forward to recount their experiences. Calling themselves the "White House Boys" after a white structure on Dozier School property where many beatings reportedly occurred, these men recount brutal whippings, sexual abuse, disappearances, deaths, and other tortures they either witnessed or suffered personally. Additionally, between 2012 and 2016, forensic anthropologists from the University of South Florida leading an excavation of Dozier School property uncovered human remains in 55 unmarked graves, some with gunshot wounds or signs of blunt force trauma. At least one set of remains belonged to a child listed as missing in school records. A similar excavation has not been possible at the Okeechobee School, as the land sits on what is now private property.

CS/HB 21 creates the Dozier School for Boys and Okeechobee School Victim Compensation Program (Program) within the Department of Legal Affairs to compensate living persons who were confined to the Dozier School or the Okeechobee School at any time between 1940 and 1975 and who were subjected to mental, physical, or sexual abuse perpetrated by school personnel while they were so confined. The bill also directs the Commissioner of Education to award a standard high school diploma to a person so compensated who has not completed high school graduation requirements.

The bill does not appear to have a fiscal impact on local governments but may have an indeterminate fiscal impact on state government. The Program created in the bill is subject to legislative appropriation; as such, any appropriation provided by the Legislature will have an indeterminate fiscal impact on state government and the private sector.

The bill provides an effective date of July 1, 2024.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Florida Reform School History

Dozier School History

The Arthur G. Dozier School for Boys (Dozier School) opened in Marianna, Florida on January 1, 1900, as the Florida State Reform School.[1] The Dozier School housed children as young as five committed for criminal and other offenses ranging from theft and murder to "incorrigibility" and truancy; the school also housed orphaned and abandoned children when other placements were unavailable.[2]

By design, the Dozier School was meant to be a refuge for the children housed there, a place where they would receive education and training intended to mold them into productive citizens.[3] However, archival records and documented narratives indicate that the State's reform goal was quickly abandoned, replaced by a system of child labor and corporal punishment; even the name of the Dozier School changed, with the reference to "reform" discarded.[4]

Allegations of abuse at the Dozier School began as early as 1903, with reports of children being chained to walls in irons, whippings, and peonage.[5] Reports of inadequate medical care, sexual abuse, beatings, torture, and mysterious deaths at the Dozier School continued in the subsequent decades.[6] Indeed, in March of 1958, Miami Psychologist and former Dozier School staff member Dr. Eugene Byrd testified before the United States Senate Judiciary Committee that "[blows with a heavy, three-and-a-half-inch-wide leather strap approximately a half-inch thick and ten inches long on a wooden formed handle] are dealt with a great deal of force with a full arm swing over [the perpetrator's] head and down."[7] "The blows are severe," said Dr. Byrd, and "it is brutality."[8]

The call for reform was eventually answered when, in 1968, Florida officially banned corporal punishment in its reform schools.[9] However, that same year, Florida Governor Claude Kirk visited the Dozier School and found holes in leaking ceilings, broken walls, bucket toilets, bunk beds crammed together, overcrowding, and a lack of heat in the winter.[10] Gov. Kirk said of the school that it was "a

---

[1] The Dozier School originally housed both boys and girls but became The Florida School for Boys (FSB) in 1913 with the opening of a separate school for girls. In 1959, an overflow FSB campus opened in Okeechobee, Florida, as the Florida School for Boys at Okeechobee (Okeechobee School). For the purposes of this analysis, both campuses are referred to by the phrase "Dozier School."
[2] Note that until 1968, the Dozier School was segregated into two campuses, one for white students and one for African-American and other "non-white" students. University of South Florida, *Florida's Industrial Reform School System: Arthur G. Dozier School for Boys 1900-Present*, https://guides.lib.usf.edu/dozier (last visited Feb. 13, 2024).
[3] *Id.*
[4] Arthur G. Dozier was a long-time Dozier School Superintendent. *Id.*
[5] The earliest report, from 1903, described the Dozier School not as a reform school but as a "prison for children," with some children chained to the wall in irons, and others beaten, like "common criminals." Ben Montgomery and Waveny Ann Moore, *They Went to Dozier School for Boys Damaged. They Came Out Destroyed*, Tampa Bay Times, Aug. 18, 2019, https://www.tampabay.com/investigations/2019/08/18/they-went-to-the-dozier-school-for-boys-damaged-they-came-out-destroyed/#:~:text=In%20March%201958%2C%20a%20Miami,Eugene%20Byrd%20testified. (last visited Feb. 13, 2024).
[6] In its first two decades, investigators discovered that Dozier School administrators hired out the children to work with state convicts and brutally beat children with a leather strap attached to a wooden handle. In 1914, at least six children, and possibly as many as ten, died in a fire at the Dozier School while trapped on the top floor of their locked and burning dormitory; investigators learned that the superintendent and most staff were in town for a "pleasure bent" when the fire began, and differing reports meant that the actual number of children lost could not be determined. *Id.*
[7] *Id.*
[8] *Id.*
[9] *Id.*
[10] *Id.*

training ground for a life of crime," and that "[i]f one of your kids were kept in such circumstances, you'd be up there with rifles."[11]

In 1969, a reporter visited the school and found a 16-year old boy in solitary confinement; the boy had eaten a light bulb and used a glass diffuser from a lighting fixture to slash his arm a dozen times from wrist to elbow.[12] Around that time, a U.S. Department of Health official called the Dozier School a "monstrosity," and a juvenile court judge noted, after touring the school, that it was so understaffed that children were left alone at night and "sexual perversion" was common; another juvenile court judge who toured the school around this time vowed to never again send any juvenile offenders there.[13]

Calls for additional reforms were again answered when Dozier School administrators were replaced, with new administrators adopting a reform-based program.[14] However, change was short-lived. In 1979, Jack Levine, a teacher at a Tallahassee short-term residential center for delinquent youths was speaking to residents of the center when they mentioned the Dozier School to him, saying it was "a bad place." That November, Mr. Levine, who held Florida Health and Rehabilitative Services (HRS) credentials, went to the Dozier School unannounced; there he found a lockup facility at the back of the campus, consisting of a long hallway with metal doors enclosing cells reeking of body odor and urine.[15] A guard informed him that there were children in the cells and, upon asking to meet one, Mr. Levine discovered that the cells had bottom slip locks and bolts; one bolt on the cell door the guard intended to open stuck, so the guard had to whack it with a Bible until it loosened and the door could be opened.[16] Inside, Mr. Levine found a very thin, small boy with a shaved head and pajama bottoms but no shirt lying on a concrete slab with no mattress; the guard informed Mr. Levine that the boy had been in the cell for some time for his own protection, as the other boys were sodomizing him with a broom handle.[17] According to the guard, the boy's head was shaved because he had been pulling out his own hair.[18]

Mr. Levine informed his supervisors in Tallahassee of the conditions at Dozier School but nothing was done until he brought his concerns to the attention of an Americans for Civil Liberties Union attorney, who, in 1983, filed a class-action lawsuit on behalf of students at the Dozier School and two other State-run reform schools.[19] The lawsuit raised numerous allegations, including that some students were held in isolation cells for weeks at a time, sometimes "hogtied" – in other words, they were forced to lie on their stomachs with their wrists and ankles shackled together behind their backs.[20] However, the allegations were never brought before a jury as the State settled the lawsuit in 1987, on the eve of trial; in the settlement, the State agreed to sharply reduce the population at Dozier and another reform school.[21] Again, however, these reforms did not last, as by the early 1990s, attitudes towards juvenile offenders were hardening.[22] By 1994, the State had asked a federal court to throw out the population caps at the reform schools after teenagers attacked and killed two British tourists at a rest stop near Monticello, Florida; the court granted the State's request.[23]

From July 2004 to March 2009, the Florida Department of Children and Families investigated 316 allegations of abuse at the Dozier School, 17 of which were verified and 33 of which had "some indicator of legitimacy."[24] After a 2007 abuse incident was caught on a security camera and uploaded to

[11] *Id.*
[12] *Id.*
[13] *Id.*
[14] *Id.*
[15] *Id.*
[16] *Id.*
[17] *Id.*
[18] *Id.*
[19] *Id.*; *Bobby M. v. Chiles*, 907 F. Supp. 368, 369 (N.D. Fla. 1995).
[20] *Id.*
[21] *Id.*
[22] Montgomery and Moore, *supra* note 5.
[23] *Id.*
[24] *Id.*

YouTube, state officials criticized the Dozier School for operational problems spanning "the chain of command from top to bottom" and fired the superintendent.[25]

The U.S. Department of Justice (DOJ) reported in 2011 that its own investigation had found "harmful practices" that put the children confined to the Dozier School at "serious risk of avoidable harm in violation of their rights protected by the Constitution of the United States."[26] Many of the problems, found the DOJ, were the result of "systematic, egregious, and dangerous practices exacerbated by a lack of accountability and controls."[27] Specific findings included:

- Use of excessive force on youth (including prone restraints), sometimes in off-camera areas not subject to administrative review;
- Discipline for minor infractions through inappropriate use of isolation and extended confinement for punishment and control;
- Staff inappropriately trained to address the safety of suicidal youth and dismissive of suicidal behavior; and
- A failure to provide necessary and appropriate rehabilitative services to address addiction, mental health, or behavioral needs, which failure served as a barrier to the youths' ability to return to the community without reoffending.[28]

The State ultimately closed the Dozier School in 2011, citing budget constraints.[29]

Recent Investigations

In recent years, more than 400 men confined to the Dozier School in the 1950s and 1960s have come forward to recount their experiences. Calling themselves the White House Boys Survivors Organization (White House Boys) after a white structure on Dozier School property where many abuses reportedly occurred, these men recount brutal whippings, sexual batteries, disappearances, deaths, and other tortures they either witnessed or suffered personally while confined to the Dozier School.

In 2008, the State directed the Florida Department of Law Enforcement (FDLE) to determine, in pertinent part, whether any crimes warranting criminal prosecution were committed at the Dozier School from 1940 through 1969 and, if so, the identity of the perpetrators of such crimes.[30] In its Investigative Summary issued on January 9, 2010, FDLE concluded that "school administrators used corporal punishment as a tool to encourage obedience," noting that former students and staff generally agreed about how the punishment was administered but disagreed as to the number of "spankings" administered and their severity.[31] The report ends with FDLE's ultimate conclusion that, "with the passage of over fifty years, no tangible physical evidence was found to either support or refute the allegations of physical or sexual abuse [such that would warrant criminal prosecution]."[32]

However, between 2012 and 2016, forensic anthropologists and archaeologists from the University of South Florida (USF) leading an excavation of the former Dozier School's campus uncovered human remains in 55 unmarked graves, some with signs of blunt force trauma and others belonging to children listed as "missing" in school records.[33] The USF team's investigation focused on deaths occurring

---

[25] *Id.*
[26] U.S. Dept. of Justice, *Investigation of the Arthur G. Dozier School for Boys and the Jackson Juvenile Offender Center, Marianna, Florida*, Dec. 1, 2011, https://www.justice.gov/sites/default/files/crt/legacy/2011/12/02/dozier_findltr_12-1-11.pdf (last visited Feb. 13, 2024).
[27] *Id.*
[28] *Id.*
[29] The Okeechobee School was privatized in 1982 amid allegations of abuse and deplorable living conditions and finally closed in December of 2020 when the State declined to renew its service contract. *Id.*
[30] Florida Department of Law Enforcement, Office of Executive Investigations, *Arthur G. Dozier School for Boys Abuse Investigation*, Jan. 9, 2010, https://i.cdn.turner.com/cnn/2010/images/03/11/dozier.pdf (last visited Feb. 13, 2024).
[31] According to FDLE's report, this disagreement cannot be neatly divided amongst students and staff. *Id.*
[32] *Id.*
[33] Though there were 55 graves uncovered, the graves only yielded 51 sets of human remains; this is because the remains of the 1914 fire victims were comingled and scattered in several graves. Erin H. Kimmerle, Ph.D., *et al.*, Univ. of S. Fla., FL Inst. of Forensic

between 1900 and 1960; school records from this time period were, according to the report ultimately issued by the team, "incomplete and often provide conflicting information."[34] "The cause and manner of death for the majority of cases is unknown," noted the report, and "infectious disease, fires, physical trauma, and drowning are the most common recorded causes of death when [such a cause was] listed."[35]

The USF report also noted:

- A correlation between deaths following escape attempts;
- A high number of deaths occurring within the deceased child's first three months of confinement;
- An inconsistency in the issuance of death certificates;
- An absence of a listed burial location (whether on the property or at another location) for many recorded deaths;
- A complete lack of contemporary grave markers on the property; and
- A consistent underreporting of deaths by school administrators to the State.[36]

Taken together, this information suggested to the USF team an intent on the part of former Dozier School administrators to obfuscate the true number of burials on school property and to "hinder later potential investigations into the true causes of specific individuals' deaths."[37]

Legislative History

In recent years, the Legislature has passed several bills to address Florida reform school abuse, including:

- 2013 SB 7040, which appropriated $200,000 to aid in USF's documentation and analysis of burials on the former Dozier School's property.
- 2016 CS/CS/SB 708, which appropriated $500,000 to the Department of State (DOS) to reimburse the next of kin or pay directly to service providers up to $7,500 for funeral, reinternment, and grave marker expenses for each child whose remains were found on the former Dozier School's property by the USF team.
- 2017 CS/SR 1440, in which the Legislature acknowledged the abuses at the Dozier School and apologized to the victims.
- 2017 HB 7115, which established the Arthur G. Dozier School for Boys Memorial,[38] provided for the reinternment of unclaimed remains exhumed from the former Dozier School's property, directed DOS to conduct a feasibility study on locating other grave sites on such property, and appropriated $1.2 million for these purposes.

With the exception of the funeral and related expenses authorized in 2016 CS/CS/SB 708, the State has not paid any form of financial compensation directly to the victims of Dozier School abuse.

Anthropology and Applied Sciences, *Report on the Investigation into the Deaths and Burials at the Former Arthur G. Dozier School for Boys in Marianna, Florida*, (Jan. 2016) https://mediad.publicbroadcasting.net/p/wusf/files/201601/usf-final-dozier-summary-2016.pdf (last visited Feb. 13, 2024).

[34] *Id.*

[35] The report noted that even where a cause of death is listed, such as "gunshot wounds in chest," the manner (such as homicide or suicide) may be listed as "unknown." This information should have been determinable at the time of death. *Id.*

[36] Grave markers were first added to an area known as the Boot Hill Cemetery, where the USF excavation occurred, in the 1960s; such markers did not correlate to the location of actual graves but were meant instead to commemorate the general area of rumored burials. Replacements were erected in the 1990s. *Id.*

[37] *Id.*

[38] The Memorial includes the establishment of two monuments, one in Marianna, Florida and the other at the State Capitol in Tallahassee, Florida. The Marianna memorial's dedication occurred on January 13, 2023; the Tallahassee memorial is pending. James Call, *White House Boys Thankful for Dozier Memorial But Continue to Search For Justice*, Tallahassee Democrat, Jan. 14, 2023, https://www.tallahassee.com/story/news/politics/2023/01/14/memorial-unveiled-on-former-grounds-of-dozier-school-for-boys/69801977007/ (last visited Feb. 13, 2024).

High School Diplomas

Generally speaking, for the Commissioner of Education to award a high school diploma to a Florida student, such student must earn a cumulative grade point average of 2.0 on a 4.0 scale and complete at least 24 credits in a standard curriculum, an International Baccalaureate curriculum, or an Advanced International Certificate of Education curriculum.[39] For a standard high school diploma, such credits must include:

- Four credits in English language arts;
- Four credits in mathematics;
- Three credits in science;
- Three credits in social studies;
- One credit in fine or performing arts, speech and debate, or career and technical education;
- One credit in physical education;
- Eight credits in electives; and
- One-half credit in personal financial literacy.[40]

Students must also pass specified statewide assessments.[41] In certain instances, however, the Legislature authorizes the Commissioner of Education to award a standard high school diploma to persons who have not completed the high school graduation requirements.[42]

Effect of Proposed Changes

CS/HB 21 creates the Dozier School for Boys and Okeechobee School Victim Compensation Program (Program) within the Department of Legal Affairs (DLA) to compensate living persons who were confined to the Dozier School or the Okeechobee School at any time between 1940 and 1975 and who were subjected to mental, physical, or sexual abuse perpetrated by school personnel while they were so confined. The bill requires DLA to:

- Approve or deny compensation applications;
- Give notice of the availability of such compensation and make available for download any relevant forms on a page of DLA's official website accessible through a direct link on the website's homepage, which link and page must be titled "The Dozier School for Boys and Okeechobee School Victim Compensation Program."
- Adopt by rule procedures and forms necessary to administer the Program.

Applications

Under the bill, a compensation application must be made by a living person who was confined to the Dozier School for Boys or the Okeechobee School between 1940 and 1975; thus, the personal representative or estate of a decedent may not file an application for or receive compensation through the Program. Further, the bill requires that such application be made on a form approved by DLA and include:

- The applicant's name, date of birth, mailing address, phone number, and, if available, electronic mail address.
- The name of the school in which the applicant was confined and the approximate dates of the applicant's confinement.
- Reasonable proof submitted as attachments establishing that the applicant was both:

[39] A student may also complete 18 credit hours in an Academically Challenging Curriculum to Enhance Learning program. Ss. 1002.3105 and 1003.4282, F.S.
[40] These are the credit requirements for students entering 9th grade in the 2023-2024 school year. Different credit requirements previously applied. Further, the required credits may be earned through equivalent, applied, or integrated courses or career education, including State Board of Education-approved work-related internships. S. 1003.4282, F.S.
[41] Fla. Department of Education, Standard Diploma Requirements, https://www.fldoe.org/core/fileparse.php/7764/urlt/standarddiplomarequirements.pdf (last visited Feb. 13, 2024).
[42] *See, e.g.*, s. 1003.4286, F.S., authorizing the Commissioner of Education to award a standard high school diploma to an honorably discharged veteran who has not completed the high school graduation requirements.

    - Confined to the Dozier School for Boys or the Okeechobee School between 1940 and 1975, which proof may include school records submitted with a notarized certificate of authenticity signed by the records custodian or certified court records; and
    - A victim of mental, physical, or sexual abuse perpetrated by school personnel during the applicant's confinement, which proof may include a notarized statement signed by the applicant attesting to the abuse the applicant suffered.
- A signed statement from the applicant acknowledging that, by accepting compensation through the Program, the applicant waives any right to further compensation related to the applicant's confinement at the Dozier School for Boys or the Okeechobee School or any abuse suffered during such confinement.

The bill also requires that the compensation application be submitted no later than December 31, 2024, and signed by the applicant under oath. Under the bill, a person who makes a false statement in such an application, including in any attachment or exhibit submitted therewith, is subject to the penalty of perjury under s. 837.012, F.S.[43]

Application Review

The bill requires DLA, upon completed review of a compensation application, to either:
- Approve a one-time payment to an applicant whose application meets the criteria specified in the bill.
- Deny compensation payment to an applicant whose application does not meet the criteria specified in the bill.

Under the bill, written notice of such approval or denial must be sent by certified mail, return receipt requested, to the mailing address provided by the applicant on the application form. An applicant whose application is rejected for providing insufficient information may submit a new application.

High School Diplomas

The bill directs the Commissioner of Education to award a standard high school diploma to a person compensated through the Program who has not completed high school graduation requirements.

Effective Date

The bill provides an effective date of July 1, 2024.

B. SECTION DIRECTORY:

Section 1: Creates s. 16.63, F.S., relating to Dozier School for Boys and Okeechobee School Victim Compensation Program.
Section 2: Authorizes the Commissioner of Education to award a standard high school diploma.
Section 3: Provides an effective date of July 1, 2024.

[43] S. 837.012, F.S., provides that perjury is a first-degree misdemeanor, punishable by imprisonment for up to one year and a $1,000 fine.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   None.

2. Expenditures:

   The Program created by the bill is subject to legislative appropriation; as such, any appropriation provided by the Legislature will have a commensurate impact on state expenditures. Any impact to DLA associated with application review and the distribution of any financial awards can likely be absorbed within existing resources.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   None.

2. Expenditures:

   None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill may have a positive economic impact on the private sector to the extent that a living person who was confined to the Dozier School for Boys or the Okeechobee School during the relevant time period is awarded:

- Financial compensation for the abuses such person suffered while so confined; or
- A standard high school diploma, where the award enables the person to obtain employment or enroll in a college or university and thereby improve his financial prospects.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

   Not applicable. The bill does not appear to affect county or municipal governments.

2. Other:

   None.

B. RULE-MAKING AUTHORITY:

The bill requires the DLA to adopt by rule procedures and forms necessary to administer the Program.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On February 7, 2024, the Judiciary Committee adopted a Proposed Committee Substitute (PCS) and reported the bill favorably. The PCS differed from the underlying bill in that it:

- Narrowed the list of persons eligible for compensation to living persons who were confined to the Dozier School or the Okeechobee School at any time between 1940 and 1975 and who were subjected to specified abuse while so confined, thereby excluding from compensation the estates, personal representatives, next of kin, and lineal descendants of a deceased Dozier School or Okeechobee School victim;
- Eliminated the victim certification process through the Department of State;
- Replaced the authorization for a Dozier School or Okeechobee School victim to file a compensation claim through the Victim Compensation Program under chapter 960, F.S., with the Dozier School for Boys and Okeechobee School Victim Compensation Program (Program) within the DLA;
- Established Program application and application review requirements and processes;
- Made compensation under the bill subject to an appropriation; and
- Authorized the Commissioner of Education to award standard high school diplomas to persons compensated through the Program who did not complete high school graduation requirements.

This analysis is drafted to the PCS as passed by the Judiciary Committee.

A bill to be entitled

An act relating to the Dozier School for Boys and Okeechobee School Victim Compensation Program; creating s. 16.63, F.S.; establishing the Dozier School for Boys and Okeechobee School Victim Compensation Program within the Department of Legal Affairs; specifying the purpose of the program; requiring the department to provide specified notice of the program; requiring the department to accept and process applications for the payment of compensation claims under the program; specifying application procedures and requirements; requiring the department to issue application approvals or denials under specified conditions; requiring notice of application approval or denial; requiring the department to pay a specified compensation amount to approved applicants; limiting the compensation an applicant may receive related to the claim; providing for rulemaking; authorizing the Commissioner of Education to award a standard high school diploma to specified persons; providing an effective date.

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

Section 1. Section 16.63, Florida Statutes, is created to

read:

16.63 Dozier School for Boys and Okeechobee School Victim Compensation Program.—

(1) The Dozier School for Boys and Okeechobee School Victim Compensation Program is established within the Department of Legal Affairs. The purpose of the program is to compensate living persons who were confined to the Dozier School for Boys or the Okeechobee School at any time between 1940 and 1975 and who were subjected to mental, physical, or sexual abuse perpetrated by school personnel while they were so confined.

(2) The Department of Legal Affairs shall accept, review, and approve or deny applications for the payment of compensation claims under this section. Notice of the availability of such compensation must be given and any relevant forms made available for download on a page of the department's official website accessible through a direct link on the website's homepage, which link and page must be titled "The Dozier School for Boys and Okeechobee School Victim Compensation Program."

(3) An application for compensation under this section must be made by a living person who was confined to the Dozier School for Boys or the Okeechobee School between 1940 and 1975; the personal representative or estate of a decedent may not file an application for or receive compensation under this section. Such application must be made on a form approved by the department and include:

(a) The applicant's name, date of birth, mailing address, phone number, and, if available, electronic mail address.

(b) The name of the school in which the applicant was confined and the approximate dates of the applicant's confinement.

(c) Reasonable proof submitted as attachments establishing that the applicant was both:

1. Confined to the Dozier School for Boys or the Okeechobee School between 1940 and 1975, which proof may include school records submitted with a notarized certificate of authenticity signed by the records custodian or certified court records.

2. A victim of mental, physical, or sexual abuse perpetrated by school personnel during the applicant's confinement, which proof may include a notarized statement signed by the applicant attesting to the abuse the applicant suffered.

(d) A signed statement from the applicant acknowledging that, by accepting compensation under this section, the applicant waives any right to further compensation related to the applicant's confinement at the Dozier School for Boys or the Okeechobee School or any abuse suffered during such confinement.

An application for compensation under this section must be signed by the applicant under oath. A false statement in such

application, including in any attachment or exhibit submitted therewith, is subject to the penalty of perjury under s. 837.012.

(4) Applications for compensation under this section must be submitted no later than December 31, 2024.

(5) Upon completed review of an application submitted under this section, the department shall either:

(a) Subject to appropriation, approve a one-time payment to an applicant whose application meets the criteria specified in this section. Each approved applicant shall receive an equal share of the funds appropriated for this purpose.

(b) Deny the payment of compensation under this section to an applicant whose application does not meet the criteria specified in this section.

Written notice of such approval or denial must be sent by certified mail, return receipt requested, to the mailing address provided by the applicant on the application form. An applicant whose application is rejected for providing insufficient information may submit a new application as provided in subsection (4).

(6) A person compensated under this section is ineligible for any further compensation related to the person's confinement at the Dozier School for Boys or the Okeechobee School or any abuse suffered during such confinement.

(7) The department shall adopt by rule procedures and forms necessary to administer this section.

Section 2. Pursuant to rules adopted by the State Board of Education, the Commissioner of Education may award a standard high school diploma to a person compensated pursuant to s. 16.63, Florida Statutes, who has not completed high school graduation requirements.

Section 3. This act shall take effect July 1, 2024.

CS/HB 635

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 635 Child Care and Early Learning Providers
SPONSOR(S): Ways & Means Committee, McFarland
TIED BILLS: **IDEN./SIM. BILLS:** CS/CS/SB 820

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Ways & Means Committee	22 Y, 0 N, As CS	Berg	Aldridge
2) Appropriations Committee		Willson	Pridgeon
3) Health & Human Services Committee			

SUMMARY ANALYSIS

The bill provides benefits and revises requirements related to child care and early learning providers.

Specifically, the bill:

- Modifies the existing exemptions from special assessments levied by municipalities to include preschools.
- Provides various tax credits for businesses who operate a child care facility or make payments to child care facilities on behalf of employees. The credit can be taken against corporate income tax, insurance premium tax, severance taxes on oil and gas production, alcoholic beverages tax, and sales tax paid by direct pay permit holders. All credits under this program cannot exceed $5 million per fiscal year.
- Provides an exemption from licensing for certain entities operating a child care facility solely attended by its employees.
- Modifies requirements related to licensing of child care facilities by the Department of Children and Families including limitations on violations, implementation of abbreviated inspections, and requirements regarding background screening.
- Removes annual notifications that child care facilities are required to provide parents regarding influenza and leaving children in cars.
- Requires county commissions to annually affirm continued services for locally managed licensing of child care facilities.
- Clarifies cancelation and coverage from residential property insurance for large family child care homes.
- Makes conforming changes.

The Revenue Estimating Conference (REC) estimated that the bill will have no cash impact on state revenues in Fiscal Year 2024-25 due to timing provisions of the bill, but will have a -$5 million recurring impact on General Revenue beginning in FY 2024-25. The REC estimated the impact of the bill on local government revenues to be -$4.4 million in FY 2024-25 (-$4.4 million recurring).

The bill takes effect on July 1, 2024, except where otherwise specified.

This bill may be a county or municipality mandate requiring a two-thirds vote of the membership of the House. See Section III.A.1 of the analysis.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Special Assessments

Present Situation

There are 67 county governments and over 400 municipal governments in Florida. Municipalities levy and collect special assessments to fund capital improvements and municipal services including but not limited to: fire protection, emergency medical services, garbage disposal, sewer improvement, street improvement and parking facilities. Small municipalities with a population fewer than 100 persons may use special assessments to fund special security and crime prevention services and facilities.[1]

Property owned or occupied by a religious institution, a public or private elementary, middle, or high school, or by a governmentally financed, insured or subsidized housing facility that is used primarily for persons who are elderly or disabled is exempt from any special assessments levied by a municipality.[2] No specific exemption exists for preschools. There are over 8,500 licensed preschools in Florida.[3]

Effect of Proposed Changes

The bill exempts any public or private preschool from special assessments levied by municipalities. The bill defines a preschool as a licensed child care facility serving children under five years of age.

Tax Collections and Credits

Present Situation

Past Corporate Income Tax and Insurance Premium Tax Benefits Related to Child Care

In 1985, the Legislature adopted a deduction from net income for specified "child care facility start-up costs," defined as expenditures for playground equipment, kitchen appliances and cooking equipment, and real property used to establish a child care facility located on the premises or within 5 miles of the employer's location, for use exclusively by the employees of the taxpayer.[4]

In 1998, and effective for 1999 and thereafter, the Legislature replaced the deduction for child care facility start-up costs with a credit against corporate income tax or insurance premium tax for employers that opened or operated a child care facility for its employees, or which made child care payments directly to a child care facility on behalf of employees.[5] The credit, codified in ss. 220.19 and 624.5107, F.S., was for 50 percent of the startup costs, along with $50 per month per child for employer-provided child care, or 50 percent of child care payments made to independent child care facilities.[6] The total benefit per corporation was limited to $50,000 per year, and the total credits statewide were capped at $2 million each year.[7] Any credit unused in one year due to insufficient liability could be carried forward and used in any of the following five years.[8]

---

[1] Section 170.201, F.S.
[2] Section 170.201(2), F.S.
[3] Department of Children and Families, *Child Care Provider List, 11-1-2023, available at* https://www.myflfamilies.com/sites/default/files/2023-11/Public%20-%202023-11-1%20-%20Statewide.pdf (last visited Jan. 17, 2024).
[4] Ch. 85-118, L.O.F.
[5] Ch. 98-293, L.O.F.
[6] Sections 220.19(2)(a) and 624.5107(2)(a), F.S. (1999)
[7] Sections 220.19(2)(b)-(c) and 624.5107(2)(b)-(c), F.S. (1999)
[8] Sections 220.19(2)(e) and 624.5107(2)(e), F.S. (1999)

If a facility for which a taxpayer received a credit for startup costs ceased operation within the first five years, a pro rata share of the credit was required to be repaid.[9] Eligible child care facilities had to fall within the statutory definition found in s. 402.302, F.S., and had to be licensed in accordance with s. 402.305, F.S., or had to be a facility providing daily care to children who were mildly ill.[10] The child care services must have been available to all employees, or allocated on a first-come, first-served basis.[11]

The Department of Revenue was authorized to adopt rules for the credit program, and was required to approve or disapprove applications for the program in writing.[12] All approvals required verification by the Department of Children and Family Services or the local licensing agency that the facility qualified for the credit program.[13]

The program expired June 30, 2008,[14] other than the section related to carryover of unused tax credits and the section requiring pro rata repayment if a facility ceased operations within five years, which remain in statute.[15]

Corporate Income Tax

Florida imposes a 5.5 percent tax on the taxable income of certain corporations and financial institutions doing business in Florida.[16] Corporate income tax is remitted to the Department of Revenue (DOR) and distributed to General Revenue. Net collections of corporate income tax in Fiscal Year 2022-2023 were $5.21 billion.[17]

Insurance Premium Tax

Florida imposes a 1.75 percent tax on most Florida insurance premiums.[18] Insurance premium taxes are paid by insurance companies under ch. 624, F.S., and are remitted to the DOR. These revenues are distributed to General Revenue with additional distributions to the Insurance Regulatory Trust Fund, the Police & Firefighters Premium Tax Trust Fund, and the Emergency Management Preparedness & Assistance Trust Fund. Net collections of insurance premium taxes in Fiscal Year 2022-2023 were $1.38 billion with distributions to General Revenue of $1.05 billion.[19]

Severance Taxes on Oil and Gas Production

Oil and gas production severance taxes are imposed on persons who sever oil or gas in Florida for sale, transport, storage, profit, or commercial use.[20] These taxes are remitted to the DOR and distributed to General Revenue with additional distributions to the Minerals Trust Fund and to the counties where production occurred. Receipts from the severance taxes on oil and gas were $3.2 million in Fiscal Year 2022-2023 with distributions to General Revenue of $2.0 million.[21]

---

[9] Sections 220.19(2)(f) and 624.5107(2)(f), F.S. (1999)
[10] Sections 220.19(3)(a) and 624.5107(3)(a), F.S. (1999)
[11] Sections 220.19(3)(b) and 624.5107(3)(b), F.S. (1999)
[12] Sections 220.19(5) and 624.5107(5), F.S. (1999)
[13] Sections 220.19(5)(c) and 624.5107(5)(c), F.S. (1999)
[14] Sections 220.19(6) and 624.5107(6), F.S. (1999)
[15] Sections 220.19 and 624.5107, F.S.
[16] Sections 220.11(2) and 220.63(2), F.S.
[17] Office of Economic and Demographic Research, Memo, July 31, 2023, *available at* http://edr.state.fl.us/Content/conferences/generalrevenue/CITNetCollections_FY2022-23.pdf (last visited Jan 18, 2024).
[18] Section 624.509, F.S. (Different tax rates apply to wet marine and transportation insurance, self-insurance, and annuity premiums.)
[19] Florida Revenue Estimating Conference, *2023 Florida Tax Handbook* (Oct. 2023), p. 117, *available at* http://edr.state.fl.us/content/revenues/reports/tax-handbook/taxhandbook2023.pdf (last visited Jan. 18, 2024).
[20] Sections 211.02(1) and 211.025, F.S.
[21] Florida Revenue Estimating Conference, *2023 Florida Tax Handbook* (Oct. 2023), p. 185, *available at* http://edr.state.fl.us/content/revenues/reports/tax-handbook/taxhandbook2023.pdf (last visited Jan. 18, 2024).

Alcoholic Beverage Taxes

Florida imposes excise taxes on malt beverages, wines, and other beverages.[22] The taxes are due from manufacturers, distributors and vendors of malt beverages, and from manufacturers and distributors of wine, liquor, and other specified alcoholic beverages. Taxes are remitted to the Division of Alcoholic Beverages and Tobacco (Division) in the Department of Business and Professional Regulation (DBPR).

The Division is responsible for supervising the conduct, management, and operation of the manufacturing, packaging, distribution, and sale of all alcoholic beverages in Florida.[23] Distributions of the excise taxes on alcoholic beverages are made to the General Revenue Fund, the Alcoholic Beverage and Tobacco Trust Fund, and Viticulture Trust Fund. Collections of alcoholic beverage taxes were $317.4 million in Fiscal Year 2022-2023 with distributions to General Revenue of $311.9 million.[24]

Sales Taxes Paid by Direct Pay Permit Holders

Section 212.183, F.S., authorizes the DOR to establish a process for the self-accrual of sales taxes due under ch. 212, F.S. The process involves the DOR granting a direct pay permit to a taxpayer, who then pays the taxes directly to the DOR.[25]

Effect of Proposed Changes

The bill creates s. 402.261, F.S., Child Care Tax Credits. This program provides tax credits to businesses that incur costs related to specified child care services provided for their employees. The credits are generally a dollar-for-dollar credit against certain tax liabilities, up to a maximum amount per cost type and per taxpayer.

The tax credit can be taken against the business's liability for several state taxes, including:
- Corporate income tax;
- Insurance premium tax;
- Severance taxes on oil and gas production;
- Alcoholic beverage tax on beer, wine, and spirits; or
- Self-accrued sales tax liability of direct pay permit holders.

The bill provides for a credit for one or more of the following, capped as noted below:

- A credit of 50 percent of the startup costs of a child care facility for children or grandchildren that is operated by the corporate for the benefit of its employees.
    - This credit is capped in an inverse proportion to the other two credits below, to allow smaller companies a larger share of credit for investment in a childcare facility:

Number of Employees	Maximum Credit per Taxable Year
1-19	$1,000,000
20-250	$500,000
More than 250	$250,000

[22] Sections 563.05, 564.06, and 565.12, F.S.
[23] Section 561.02, F.S.
[24] Florida Revenue Estimating Conference, *2023 Florida Tax Handbook* (Oct. 2023), p. 44, *available at* http://edr.state.fl.us/content/revenues/reports/tax-handbook/taxhandbook2023.pdf (last visited Jan. 18, 2024).
[25] Section 212.183, F.S., and rule 12A-1.0911, F.A.C. Direct pay permit holders include: dealers who annually make purchases in excess of $10 million per year in any county; dealers who annually purchase at least $100,000 of tangible personal property, including maintenance and repairs for their own use; dealers who purchase promotional materials whose ultimate use is unknown at purchase; eligible air carriers, vessels, railroads, and motor vehicles engaged in interstate and foreign commerce; and dealers who lease realty from a number of independent property owners.

- An additional credit is allowed for the operation of the facility in the amount of $300 per month for each child or grandchild of an employee enrolled in the facility. Such a facility must be available to all employees or must be allocated on a first-come, first-served basis and must be used by employees of the corporation. Such a facility may be jointly established and operated by two or more corporations.

    - This credit is capped as follows:

Number of Employees	Maximum Credit per Taxable Year
1-19	$50,000
20-250	$500,000
More than 250	$1,000,000

- A credit for 100 percent of the child care payments made to an outside child care facility in the name of and for the benefit of an employee of the corporation whose child or grandchild attends the facility. The credit is limited to a maximum of $3,600 per child, per year, and the amount for which a credit is claimed may not exceed the amount charged by the facility for other children of like age and ability who are not the children of employees of the corporation.

    - This credit is capped as follows:

Number of Employees	Maximum Credit per Taxable Year
1-19	$50,000
20-250	$500,000
More than 250	$1,000,000

A business can qualify in all three categories depending on the services provided by the business during the applicable year, and the total available to the business is the total of the applicable caps listed above.

To qualify for any of the categories, the child care facility operated by the business or paid by the business must be an eligible child care facility, meaning that it must either be licensed under s. 402.305, F.S., or be exempt from licensure under s. 402.316, F.S.

The total statewide credit amount that can be approved for all applications is $5 million per year.

The program retains the five-year carryforward from the original 1998 credit, as well as the pro rata repayment provision for any child care facility that does not operate for a full five years after receiving a credit.

The bill also adopts the following administrative and conforming provisions:

The bill allows taxpayers to make application for the tax credits beginning October 1, 2024, and outlines the requirements of the application process to be developed by the Department of Revenue (DOR), priority of applications, timelines for review of applications with notices of approval or denial, and provides the DOR with rulemaking authority.

The bill creates s. 211.0254, F.S., to allow a child care tax credit beginning January 1, 2025, against any tax due for oil and gas production under ss. 211.02 and 211.025, F.S. The bill provides a limitation on the total credit that may be taken on a return in tandem with the existing credit for contributions to

scholarship funding organizations, for the New Worlds Reading Initiative, and for other charitable organizations, and provides priorities when other tax credits are being taken.

The bill creates s. 212.1835, F.S., to allow a child care tax credit beginning January 1, 2025, against any sales tax imposed from a direct pay permit holder and provides certain requirements included filing and paying taxes electronically.

The bill modifies s. 220.19, F.S., to allow for child care tax credits against corporate income tax for taxable years beginning on or after January 1, 2025, as permitted under s. 402.261, F.S., created by the bill, and to provide requirements and limitations regarding those tax credits.

The bill creates s. 561.1214, F.S., to allow child care tax credits beginning January 1, 2025, for any excise tax due for beer, wine, and liquor, except for excise taxes imposed on wine produced by manufactures in the state from products grown in the state. The credit allowed may not exceed 90 percent of the tax due on the return which the credit is taken.

The bill modifies s. 624.5107, F.S., to allow a child care tax credit for taxable years beginning on or after January 1, 2025, for any excise tax on insurance premiums due under s. 624.509, F.S. and to provide restrictions on the credit.

The bill modifies s. 624.509, F.S., to include child care tax credits under s. 624.5107, F.S. related to premium tax on insurers and to provide an order in which deductions may be taken.

Finally, the bill provides the DOR with authority to adopt emergency rules to implement the bill and allow any emergency rules to be effective for six months following adoption and may be renewed. The provision is effective upon becoming law and expires on July 1, 2025.

Child Care Licensing and Personnel

Present Situation

The child-care licensing program is a component of the services provided by the Department of Children and Families (DCF). The program is accountable for the statewide licensure of Florida's child-care facilities, specialized child-care facilities for the care of mildly ill children, large family child-care homes, and licensure or registration of family day care homes. The purpose of the program is to ensure a healthy and safe environment for the children in child-care settings and to improve the quality of their care. The DCF ensures that licensing requirements are met through on-going inspections of child-care facilities and homes.[26]

Florida law provides for any county whose licensing standards meet or exceed the state minimum standards to designate by ordinance, a local licensing agency in the county. A county choosing not to administer its own child-care licensing programs, or whose minimum standards do not exceed state minimum standards, is licensed by DCF.[27]

Currently, DCF child-care licensing staff are responsible for the inspection and licensure of child-care facilities and homes in 63 out of 67 counties. Four counties have elected to regulate licensing of child-care facilities and homes, those counties are Broward, Palm Beach, Pinellas, and Sarasota.[28]

The DCF establishes minimum standards for child care personnel that include minimum requirements for good moral character based upon background screening.[29] This screening must be conducted using

[26] DCF, *About Child Care Licensure*, https://www.myflfamilies.com/services/child-family/child-care/about-child-care-licensure (last visited Jan 18, 2024).
[27] Section 402.306, F.S.
[28] DCF, *About Child Care Licensure*, https://www.myflfamilies.com/services/child-family/child-care/about-child-care-licensure (last visited Jan 18, 2024).

the level 2 standards for screening which include employment history checks, a search of criminal history records, sexual predator and sexual offender registries, and the child abuse and neglect registry of any state in which the current or prospective child care personnel resided during the preceding 5 years.[30]

The DCF also establishes minimum training requirements for child care personnel. The DCF has adopted the Child Care Facility Handbook to describe these requirements in detail.[31] The minimum standards for training must ensure that all child care personnel take an approved 40-clock-hour introductory course in child care covering the following topic areas:[32]

- State and local rules and regulations which govern child care.
- Health, safety, and nutrition.
- Identifying and reporting child abuse and neglect.
- Child development, including typical and atypical language, cognitive, motor, social, and self-help skills development.
- Observation of developmental behaviors, including using a checklist or other similar observation tools and techniques to determine the child's developmental age level.
- Specialized areas, including computer technology for professional and classroom use and early literacy and language development of children from birth to 5 years of age, as determined by the DCF, for owner-operators and child care personnel of a child care facility.
- Developmental disabilities, including autism spectrum disorder and Down syndrome, and early identification, use of available state and local resources, classroom integration, and positive behavioral supports for children with developmental disabilities.[33]

The DCF is required to evaluate or contract for an evaluation to determine the status of and means to improve staff training requirements and testing procedures. The evaluation must be conducted every 2 years. The evaluation must include, but is not be limited to, determining: [34]

- The availability, quality, scope, and sources of current staff training.
- The need for specialty training.
- Ways to increase in-service training.
- Ways to increase the accessibility, quality, and cost-effectiveness of current and proposed staff training.

The DCF also establishes minimum standards for:

- Sanitary and safety conditions, first aid treatment, emergency procedures, and pediatric cardiopulmonary resuscitation. The minimum standards must require that at least one staff person trained in cardiopulmonary resuscitation, as evidenced by current documentation of course completion, must be present at all times that children are present.[35]
- Admissions and recordkeeping. Each year, each child care facility must provide parents of children enrolled in the facility detailed information regarding:
    - The causes, symptoms, and transmission of the influenza virus and the importance of immunizing their children.
    - The potential for a distracted adult to fail to drop off a child at the facility and instead leave the child in the adult's vehicle upon arrival at the adult's destination.[36]

[29] Section 405.305(15), F.S.
[30] Section 435.04, F.S.
[31] Florida Department of Children and Families, *Child Care Facility Handbook, October 2021, available at* https://www.myflfamilies.com/sites/default/files/2022-12/FacilityHandbook_0.pdf (last visited Jan. 18, 2024).
[32] *Id*.
[33] Section 402.305, F.S.
[34] Section 402.305(2), F.S.
[35] Section 402.305(7), F.S.
[36] Section 402.305(9), F.S.

Each child care facility is required to have a plan of activities which must ensure that each child care facility has and implements a written plan for the daily provision of varied activities and active and quiet play opportunities appropriate to the age of the child.[37]

DCF is required to develop minimum standards for specialized child care facilities for the care of mildly ill children.[38]

Effect of Proposed Changes

The bill amends s. 402.305, F.S., to modify minimum standards for child care facilities licensing standards. Specifically, the bill:

- Modifies the licensing standards to allow the DCF to create up to two classification levels for violations that relate directly to health and safety and prohibits any additional classification levels. The bill clarifies that violations of standards not directly related to health and safety can only be addressed through technical assistance.
- The bill requires the DCF to complete the background screening for personnel and provide results to the child care facility within five business days. Upon failure to do so, the bill requires the DCF to issue the current or prospective child care personnel a 45-day provisional hire status while all required information is being requested and the DCF is awaiting results. During the 45-day period, the current or prospective child care personnel must be under the direct supervision of a screened and trained staff member when in contact with children.
- Requires the 40-clock-hour introductory course in child care that must be taken by child care personnel include online training coursework that will meet minimum training standards for child care personnel and provided at no cost by the DCF.
- Clarifies that the child care personnel competency examination will be either in-person or online.
- Removes “an interdisciplinary approach to the study of children” as a requirement for the introductory course in child care.
- Limits periodic health examinations to child care facility drivers.
- Removes obsolete language related to pagers and beepers related to drop-in child care.
- Removes a requirement of child care facilities to provide parents with information related to flu shots in the months of August and September.
- Removes a requirement of child care facilities to provide parents during the months of April and September with information related to leaving children in a vehicle.
- Adds a requirement that minimum safety standards must include at least one staff person trained in person in cardiopulmonary resuscitation who is present at all time children are present;
- Removes a requirement for a program to be implemented periodically by a child care facility to assist in preventing and avoiding physical and mental abuse.
- Removes a requirement for the DCF to develop standards for specialized child care facilities for the care of mildly ill children.

The bill modifies s. 402.306, F.S., regarding local licensing to require each county commission to affirm by majority vote annually the decision to designate a local agency for child care licensing.

The bill modifies s. 402.3115, F.S., to include family day care homes and large family child care homes in the DCF’s plan to eliminate duplicative and unnecessary inspections of child care facilities and further defines that the DCF will implement the plan for a facility that meets the following conditions:

- Have been licensed for at least two consecutive years.
- Have not had a Class I violation for at least two consecutive years.
- Have not had more than three of the same Class 2 violations for at least two consecutive years.
- Have received at least two full onsite renewal inspections in the most recent two years.

[37] Section 402.305(13), F.S.
[38] Section 402.305(17), F.S.

- Do not have any current uncorrected violations.
- Do not have any open regulatory complaints or active child protective service investigations.

The bill requires the abbreviated inspection plan to be updated every five years to maintain the validity and effectiveness of inspections and requires DCF to adopt rules and policies based on the recommendation of the required reporting.

The bill modifies s. 402.316, F.S. to provide an exemption from licensing, except for screening of personnel, for a taxpayer operated child care facility which is only attended by children who meet the definition of an eligible child under s. 402.261, F.S., as long as such facility is accredited by an organization with publishes and requires compliance with its standards for health, safety, and sanitation and meets all local health, sanitation, and safety standards.

The bill modifies s. 1002.59, F.S. to update cross references.

Insurance

Present Situation

Homeowners' insurance is a specific type of property insurance. Homeowners' insurance covers damage or loss by theft and against perils which can include fire, and storm damage. It also may insure the owner for accidental injury or death for which the owner may be legally responsible. Mortgage lenders usually require homeowners' insurance as part of the mortgage terms.[39]

While homeowners' insurance can specifically refer to the insurance of a house, it also encompasses the insurance of other types of structures associated with personal residences, including tenants (renters) and condominium unit owners.[40]

Florida recognizes that family day care homes fulfill a vital role in providing child care and that residential property insurance coverage should not be canceled, denied, or fail to be renewed solely on the basis of the family day care services at the residence. The potential liability of residential property insurers is substantially increased by the operation of child care services on the premises. Contractual liabilities that arise in connection with the operation of the family day care home are excluded from residential property insurance policies unless they are specifically included in such coverage.[41]

In addition to family day care services, there are also over 400 large family day care services in Florida.[42] A large family day care home is an occupied residence in which child care is regularly provided for children from at least two unrelated families where there is payment for the care provided and which has at least two full-time child care personnel on the premise during hours of operation.[43] The insurance protections for family day care homes do not extend to large family day care homes.[44]

Effect of Proposed Changes

The bill modifies s. 627.70161, F.S., to add specific language to include large family child care homes to existing law to prevent cancelation of the residential property insurance solely on the basis of offering those services at a residence, and to include “large family child care homes” in language stating the liabilities arising out of such services are excluded from property insurance policies specifically included

[39] Florida Office of Insurance Regulation, *Homeowners' Insurance, available at* https://floir.com/Sections/PandC/Homeowners/default.aspx (last visited Jan. 18, 2024).
[40] *Id.*
[41] Section 627.70161, F.S.
[42] Department of Children and Families, *Child Care Provider List, 1-11-2024, available at* https://www.myflfamilies.com/sites/default/files/2023-03/Public%20-%202023-3-1%20-%20Statewide.pdf (last visited Jan. 18, 2024).
[43] Section 402.302(11), F.S.
[44] Section 627.70161, F.S.

in that coverage. The bill provides a definition of “large family child care home,” which is consistent with the definition in law.

B. SECTION DIRECTORY:

Section 1: Amends s. 170.201, F.S., exempting preschools from special assessments.
Section 2: Creates s. 211.0254, F.S., relating to a new credit for employer’s costs related to providing child care.
Section 3: Creates s. 212.1835, F.S., relating to a new credit for employer’s costs related to providing child care.
Section 4: Amends s. 220.19, F.S., relating to a new credit for employer’s costs related to providing child care.
Section 5: Creates s. 402.261, F.S., related to a new credit for employer’s costs related to providing childcare.
Section 6: Amends s. 402.305, F.S., relating to licensing of child care facilities.
Section 7: Amends s. 402.306, F.S., requiring annual approval of local licensing agencies.
Section 8: Amends s. 402.3115, F.S., revising inspection requirements for child care facilities.
Section 9: Amends s. 402.316, F.S., exempting certain employer-operated child care facilities from certain regulations other than personnel screening.
Section 10: Creates s. 561.1214, F.S., relating to a new credit for employer’s costs related to providing child care.
Section 11: Amends s. 624.5107. F.S., relating to a new credit for employer’s costs related to providing child care.
Section 12: Amends s. 624.509, F.S., providing a conforming change.
Section 13: Amends s. 627.70161, F.S., relating to insurance of large family child care homes.
Section 14: Amends s. 1002.59, F.S., revising cross-references.
Section 15: Provides emergency rulemaking authority to the Department of Revenue.
Section 16: Provides an effective date of July 1, 2024, except as otherwise provided in the bill.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   The Revenue Estimating Conference estimated the tax credit provisions of the bill to have no first-year cash impact on state revenues in FY 2024-25 due to timing provisions of the bill, but that there would be a recurring negative impact of -$5 million on General Revenue beginning in FY 2024-25.

2. Expenditures:

   None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   The Revenue Estimating Conference estimated the provision limiting the abilities of municipalities to collect special assessments under s. 170.201, F.S., to have a recurring negative impact on local government revenues of -$4.4 million in FY 2024-25.

2. Expenditures:

   None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Unknown.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The county/municipality mandates provision of Art. VII, section 18, of the Florida Constitution may apply because this bill reduces the ability of local governments to levy special assessments on preschools. This bill does not appear to qualify under any exemption or exception. If the bill does qualify as a mandate, final passage must be approved by two-thirds of the membership of each house of the Legislature.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill authorizes the Department of Revenue to adopt emergency rules and permanent rules to administer the tax credit provisions of the bill. The bill also requires the Department of Children and Families to adopt rules related to inspections of child care facilities.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On January 22, 2024, the Ways & Means Committee adopted a strike-all amendment and reported the bill favorably as a committee substitute. The strike-all amendment:

- Added a safety requirement for child care facilities to require that at all times when children are present, at least one staff person has received in-person CPR training;
- Clarified that the licensing exemption for employer-provided childcare is limited to facilities that provide educational programs that are accredited by organizations which require meeting specified health, safety, and sanitation standards
- Restored a provision of current law allowing for informal health and immunization records for drop in child care services; and
- Made technical and conforming changes.

The analysis is drafted to the committee substitute adopted by the Ways & Means Committee.

A bill to be entitled

An act relating to child care and early learning providers; amending s. 170.201, F.S.; providing an exemption for public and private preschools from specified special assessments levied by a municipality; defining the term "preschool"; creating s. 211.0254, F.S.; authorizing the use of credits against certain taxes beginning on a specified date; providing a limitation on such credits; providing construction; providing applicability; creating s. 212.1835, F.S.; authorizing the use of credits against certain taxes beginning on a specified date; authorizing certain expenses and payments to count toward the tax due; providing construction; providing applicability; requiring electronic filing of returns and payment of taxes; amending s. 220.19, F.S.; authorizing the use of credits against certain taxes beginning on a specified date; revising obsolete provisions; authorizing certain taxpayers to use the credit in a specified manner; providing applicability; creating s. 402.261, F.S.; defining terms; authorizing certain taxpayers to receive tax credits for certain actions; providing requirements for such credits; specifying the maximum tax credit that may be granted; authorizing tax credits be carried forward; requiring

repayment of tax credits under certain conditions and using a specified formula; requiring certain taxpayers to file specified returns and reports; requiring certain funds be redistributed; requiring taxpayers to submit applications beginning on a specified date to receive tax credits; requiring the application to include certain information; requiring the Department of Revenue to approve tax credits in a specified manner; prohibiting the transfer of a tax credit; providing an exception; requiring the department to approve certain transfers; requiring a specified approval before the transfer of certain credits; authorizing credits to be rescinded during a specified time period; requiring specified approval before certain credits may be rescinded; requiring rescinded credits to be made available for use in a specified manner; requiring the department to provide specified letters in a certain time period with certain information; authorizing the department to adopt rules; amending s. 402.305, F.S.; revising licensing standards for all licensed child care facilities and minimum standards and training requirements for child care personnel; requiring the Department of Children and Families to conduct specified screenings of child care personnel within a specified timeframe and issue

provisional approval of such personnel under certain conditions; providing an exception; revising minimum standards for sanitation and safety of child care facilities; making technical changes; deleting provisions relating to educating parents and children about specified topics; deleting provisions relating to specialized child care facilities for the care of mildly ill children; amending s. 402.306, F.S.; requiring a county commission to annually affirm certain decisions; amending s. 402.3115, F.S.; expanding the types of providers to be considered when developing and implementing a plan to eliminate duplicative and unnecessary inspections; revising requirements for an abbreviated inspection plan for certain child care facilities; requiring the department to adopt rules; amending s. 402.316, F.S.; providing that certain child care facilities are exempt from specified requirements; creating s. 561.1214, F.S.; authorizing the use of credits against certain taxes beginning on a specified date; providing a limitation on such credits; providing applicability; providing construction; amending s. 624.5107, F.S.; authorizing the use of credits against certain taxes beginning on a specified date; providing a limitation; providing construction; providing applicability;

amending s. 624.509, F.S.; revising the order in which certain credits and deductions may be taken to incorporate changes made by this act; amending s. 627.70161, F.S.; defining the term "large family child care home"; providing that specified insurance provisions apply to large family child care homes; amending s. 1002.59, F.S.; conforming cross-references; authorizing the Department of Revenue to adopt emergency rules; providing for expiration; providing effective dates.

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

Section 1. Subsection (2) of section 170.201, Florida Statutes, is amended to read:

170.201 Special assessments.—

(2) Property owned or occupied by a religious institution and used as a place of worship or education; by a public or private preschool, elementary school, middle school, or high school; or by a governmentally financed, insured, or subsidized housing facility that is used primarily for persons who are elderly or disabled shall be exempt from any special assessment levied by a municipality to fund any service if the municipality so desires. As used in this subsection, the term "religious institution" means any church, synagogue, or other established

physical place for worship at which nonprofit religious services and activities are regularly conducted and carried on and the term "governmentally financed, insured, or subsidized housing facility" means a facility that is financed by a mortgage loan made or insured by the United States Department of Housing and Urban Development under s. 8, s. 202, s. 221(d)(3) or (4), s. 232, or s. 236 of the National Housing Act and is owned or operated by an entity that qualifies as an exempt charitable organization under s. 501(c)(3) of the Internal Revenue Code. As used in this subsection, the term "preschool" means any child care facility licensed under s. 402.305 which serves children under 5 years of age.

Section 2. Section 211.0254, Florida Statutes, is created to read:

211.0254 Child care tax credits.—Beginning January 1, 2025, there is allowed a credit pursuant to s. 402.261 against any tax imposed by the state due under s. 211.02 or s. 211.025. However, the combined credit allowed under this section and ss. 211.0251, 211.0252, and 211.0253 may not exceed 50 percent of the tax due on the return on which the credit is taken. If the combined credit allowed under the foregoing sections exceeds 50 percent of the tax due on the return, the credit must first be taken under s. 211.0251, then under s. 211.0253, then under s. 211.0252. Any remaining liability must be taken under this section but may not exceed 50 percent of the tax due. For

purposes of the distributions of tax revenue under s. 211.06, the department shall disregard any tax credits allowed under this section to ensure that any reduction in tax revenue received which is attributable to the tax credits results only in a reduction in distributions to the General Revenue Fund. The provisions of s. 402.261 apply to the credit authorized by this section.

Section 3. Section 212.1835, Florida Statutes, is created to read:

212.1835 Child care tax credits.—Beginning January 1, 2025, there is allowed a credit pursuant to s. 402.261 against any tax imposed by the state and due under this chapter from a direct pay permitholder as a result of the direct pay permit held pursuant to s. 212.183. For purposes of the dealer's credit granted for keeping prescribed records, filing timely tax returns, and properly accounting and remitting taxes under s. 212.12, the amount of tax due used to calculate the credit must include any expenses or payments from a direct pay permitholder which give rise to a credit under s. 402.261. For purposes of the distributions of tax revenue under s. 212.20, the department shall disregard any tax credits allowed under this section to ensure that any reduction in tax revenue received which is attributable to the tax credits results only in a reduction in distributions to the General Revenue Fund. The provisions of s. 402.261 apply to the credit authorized by this section. A dealer

who claims a tax credit under this section must file his or her tax returns and pay his or her taxes by electronic means under s. 213.755.

Section 4. Section 220.19, Florida Statutes, is amended to read:

220.19 Child care tax credits.—

(1) For taxable years beginning on or after January 1, 2025, there is allowed a credit pursuant to s. 402.261 against any tax due for a taxable year under this chapter after the application of any other allowable credits by the taxpayer. The credit must be earned pursuant to s. 402.261 on or before the date the taxpayer is required to file a return pursuant to s. 220.222. ~~If the credit granted under this section is not fully used in any one year because of insufficient tax liability on the part of the corporation, the unused amount may be carried forward for a period not to exceed 5 years. The carryover credit may be used in a subsequent year when the tax imposed by this chapter for that year exceeds the credit for which the corporation is eligible in that year under this section after applying the other credits and unused carryovers in the order provided by s. 220.02(8).~~

(2) A taxpayer that files a consolidated return in this state as a member of an affiliated group under s. 220.131(1) may be allowed the credit on a consolidated return basis; however, the total credit taken by the affiliated group is subject to the

limitation established under s. 402.261(2)(d). ~~If a corporation receives a credit for child care facility startup costs, and the facility fails to operate for at least 5 years, a pro rata share of the credit must be repaid, in accordance with the formula:~~

~~A = C x (1 - (N/60))~~

~~Where:~~

~~(a) "A" is the amount in dollars of the required repayment.~~

~~(b) "C" is the total credits taken by the corporation for child care facility startup costs.~~

~~(c) "N" is the number of months the facility was in operation.~~

~~This repayment requirement is inapplicable if the corporation goes out of business or can demonstrate to the department that its employees no longer want to have a child care facility.~~

(3) The provisions of s. 402.261 apply to the credit authorized by this section.

(4) If a taxpayer applies and is approved for a credit under s. 402.261 after timely requesting an extension to file under s. 220.222(2):

(a) The credit does not reduce the amount of tax due for purposes of the department's determination as to whether the taxpayer was in compliance with the requirement to pay tentative taxes under ss. 220.222 and 220.32.

(b) The taxpayer's noncompliance with the requirement to pay tentative taxes shall result in the revocation and rescindment of any such credit.

(c) The taxpayer shall be assessed for any taxes, penalties, or interest due from the taxpayer's noncompliance with the requirement to pay tentative taxes.

(5) For purposes of calculating the underpayment of estimated corporate income taxes under s. 220.34, the final amount due is the amount after credits earned under s. 220.19 are deducted. For purposes of determining if a penalty or interest under s. 220.34(2)(d)1. will be imposed for underpayment of estimated corporate income tax, a taxpayer may, after earning a credit under s. 220.19, reduce any estimated payment in that taxable year by the amount of the credit.

Section 5. Section 402.261, Florida Statutes, is created to read:

402.261 Child care tax credits.—

(1) For purposes of this section, the term:

(a) "Department" means the Department of Revenue.

(b) "Division" means the Division of Alcoholic Beverages and Tobacco of the Department of Business and Professional Regulation.

(c) "Eligible child" means the child or grandchild of an employee of a taxpayer, if such employee is the child or grandchild's caregiver as defined in s. 39.01.

(d) "Eligible child care facility" means a child care facility that:

1. Is licensed under s. 402.305; or

2. Is exempt from licensure under s. 402.316.

(e) "Employee" includes full-time employees and part-time employees who work an average of at least 20 hours per week.

(f) "Maximum annual tax credit amount" means, for any state fiscal year, the sum of the amount of tax credits approved under this section, including tax credits to be taken under s. 211.0254, s. 212.1835, s. 220.19, s. 561.1214, or s. 624.5107, which are approved for taxpayers whose taxable years begin on or after January 1 of the calendar year preceding the start of the applicable state fiscal year.

(g) "Tax due" means any tax required under chapter 211, chapter 220, chapter 561, or chapter 624, or due under chapter 212 from a direct pay permitholder as a result of a direct pay permit held pursuant to s. 212.183.

(2)(a) A taxpayer who operates an eligible child care facility for the taxpayer's employees is allowed a credit of 50 percent of the startup costs of such facility against any tax due for the taxable year such facility begins operation as an eligible child care facility. The maximum credit amount a taxpayer may be granted in a taxable year under this paragraph is based on the average number of employees employed by the taxpayer during such year. For an employer that employed:

1. One to nineteen employees, the maximum credit is $1 million.

2. Twenty to two hundred fifty employees, the maximum credit is $500,000.

3. More than 250 employees, the maximum credit is $250,000.

(b) A taxpayer who operates an eligible child care facility for the taxpayer's employees is allowed a credit of $300 per month for each eligible child enrolled in such facility against any tax due for the taxable year. The maximum credit amount a taxpayer may be granted in a taxable year under this paragraph is based on the average number of employees employed by the taxpayer during such year. For an employer that employed:

1. One to nineteen employees, the maximum credit is $50,000.

2. Twenty to two hundred fifty employees, the maximum credit is $500,000.

3. More than 250 employees, the maximum credit is $1 million.

(c) A taxpayer who makes payments to an eligible child care facility in the name and for the benefit of an employee employed by the taxpayer whose eligible child attends such facility is allowed a credit of 100 percent of the amount of such payments against any tax due for the taxable year up to a maximum credit of $3,600 per child per taxable year. The

taxpayer may make payments directly to the eligible child care facility or contract with an early learning coalition to process payments. The maximum credit amount a taxpayer may be granted in a taxable year under this paragraph is based on the average number of employees employed by the taxpayer during such year. For an employer that employed:

1. One to nineteen employees, the maximum credit is $50,000.

2. Twenty to two hundred fifty employees, the maximum credit is $500,000.

3. More than 250 employees, the maximum credit is $1 million.

(d) A taxpayer may qualify for a tax credit under more than one paragraph of this subsection; however, the total credit taken by such taxpayers in a single taxable year may not exceed the sum total of the maximum credit they are granted under each applicable paragraph.

(e) Beginning in fiscal year 2024-2025, the maximum annual tax credit amount is $5 million in each state fiscal year.

(3)(a) If the credit granted under this section is not fully used within the specified state fiscal year for credits under s. 211.0254, s. 212.1835, or s. 561.1214, or against taxes due for the specified taxable year for credits under s. 220.19 or s. 624.5107, because of insufficient tax liability on the part of the taxpayer, the unused amount may be carried forward

for a period not to exceed 5 years. For purposes of s. 220.19, a credit carried forward may be used in a subsequent year after applying the other credits and unused carryovers in the order provided by s. 220.02(8).

(b)1. If a taxpayer receives a credit for startup costs pursuant to paragraph (2)(a), and the eligible child care facility fails to operate for at least 5 years, a pro rata share of the credit must be repaid, in accordance with the formula:

$$A = C \times (1 - (N/60))$$

Where:

a. "A" is the amount, in dollars, of the required repayment.

b. "C" is the total credits taken by the taxpayer for eligible child care facility startup costs against a tax due under this section.

c. "N" is the number of months the eligible child care facility was in operation.

2. A taxpayer who is required to repay a pro rata share of the credit under this paragraph shall file an amended return with the department, or such other report as the department prescribes by rule, and pay such amount within 60 days after the last day of operation of the eligible child care facility. The department shall distribute such funds in accordance with the applicable statutory provision for the tax against which such credit was taken by that taxpayer.

(4)(a) A taxpayer may claim a credit only for the creation or operation of, or payments to, an eligible child care facility.

(b) The services of an eligible child care facility for which a taxpayer claims a credit under paragraph (2)(b) must be available to all employees employed by the taxpayer, or must be allocated on a first-come, first-served basis, and must be used by at least one eligible child.

(c) Two or more taxpayers may jointly establish and operate an eligible child care facility according to the provisions of this section. If two or more taxpayers choose to jointly establish and operate an eligible child care facility, or cause a not-for-profit taxpayer to establish and operate an eligible child care facility, the taxpayers must file a joint application, or the not-for-profit taxpayer may file an application, pursuant to subsection (5) setting forth the taxpayers' proposal. The participating taxpayers may proportion the available credits in any manner they choose. In the event the child care facility does not operate for 5 years, the repayment required under paragraph (3)(b) must be allocated among, and apply to, the participating taxpayers in the proportion that such taxpayers received the credit under this section.

(d) Child care payments for which a taxpayer claims a credit under paragraph (2)(c) may not exceed the amount charged

by the eligible child care facility for other children of like age and ability of persons not employed by the taxpayer.

(5) Beginning October 1, 2024, a taxpayer may submit an application to the department for the purposes of determining qualification for a credit under this section to be applied to a taxable year beginning on or after January 1, 2025. The department must approve the application for the credit before the taxpayer is authorized to claim the credit on a return.

(a) The application must include:

1.a. For a credit under paragraph (2)(a), a proposal for establishing an eligible child care facility for use by its employees, the number of eligible children expected to be enrolled, and the expected date operations will begin. A credit may not be claimed on a return until operations have begun.

b. For a credit under paragraph (2)(b), the total number of eligible children for whom child care will be provided at the eligible child care facility and the total number of months the facility is expected to operate during the taxable year in which the credit will be earned.

c. For a credit under paragraph (2)(c), the total number of eligible children for whom child care payments will be paid and the estimated total annual amount of such payments during the taxable year in which the credit will be earned.

2. The taxable year in which the credit is expected to be earned. A taxpayer may apply for a credit to be used for a prior

taxable year at any time before the date on which the taxpayer is required to file a return for that year pursuant to s. 220.222.

3. For a credit under paragraph (2)(a) or paragraph (2)(b), a statement signed by a person authorized to sign on behalf of the taxpayer that the facility meets the definition of eligible child care facility and otherwise qualifies for the credit under this section. Such statement must be attached to the application.

(b) The department shall approve tax credits on a first-come, first-served basis, and must obtain the division's approval before approving a tax credit under s. 561.1214. Within 10 days after approving or denying an application, the Department of Revenue shall provide a copy of its approval or denial letter to the taxpayer.

(6)(a) A taxpayer may not convey, transfer, or assign an approved tax credit or a carryforward tax credit to another entity unless all of the assets of the taxpayer are conveyed, assigned, or transferred in the same transaction. However, a tax credit under s. 211.0254, s. 212.1835, s. 220.19, s. 561.1214, or s. 624.5107 may be conveyed, transferred, or assigned between members of an affiliated group of taxpayers if the type of tax credit under s. 211.0254, s. 212.1835, s. 220.19, s. 561.1214, or s. 624.5107 remains the same. A taxpayer shall notify the department of its intent to convey, transfer, or assign a tax

credit to another member within an affiliated group of corporations as defined in s. 220.03(1)(b). The amount conveyed, transferred, or assigned is available to another member of the affiliated group of corporations upon approval by the department. The department shall obtain the division's approval before approving a conveyance, transfer, or assignment of a tax credit under s. 561.1214.

(b) Within any state fiscal year, a taxpayer may rescind all or part of a tax credit approved under subsection (5). The amount rescinded shall become available for that state fiscal year to another taxpayer approved by the department under this section. The department must obtain the division's approval before accepting the rescindment of a tax credit under s. 561.1214. Any amount rescinded under this paragraph must become available to a taxpayer on a first-come, first-served basis based on tax credit applications received after the date the rescindment is accepted by the department.

(c) Within 10 days after approving or denying the conveyance, transfer, or assignment of a tax credit under paragraph (a), or the rescindment of a tax credit under paragraph (b), the department shall provide a copy of its approval or denial letter to the taxpayer requesting the conveyance, transfer, assignment, or rescindment.

(7)(a) The department may adopt rules to administer this section, including rules for the approval or disapproval of

proposals submitted by taxpayers and rules to provide for cooperative arrangements between for-profit and not-for-profit taxpayers.

(b) The department's decision to approve or disapprove a proposal must be in writing, and, if the proposal is approved, the decision must state the maximum credit authorized for the taxpayer.

(c) In addition to its existing audit and investigation authority, the department may perform any additional financial and technical audits and investigations, including examining the accounts, books, or records of the tax credit applicant, which are necessary to verify the costs included in a credit application and to ensure compliance with this section.

(d) It is grounds for forfeiture of previously claimed and received tax credits if the department determines that a taxpayer received tax credits pursuant to this section to which the taxpayer was not entitled.

Section 6. Paragraphs (a) and (c) of subsection (1), paragraphs (a), (e), and (f) of subsection (2), paragraphs (a) and (c) of subsection (7), and subsections (9), (13), and (17) of section 402.305, Florida Statutes, are amended to read:

402.305 Licensing standards; child care facilities.—

(1) LICENSING STANDARDS.—The department shall establish licensing standards that each licensed child care facility must meet regardless of the origin or source of the fees used to

operate the facility or the type of children served by the facility.

(a) The standards shall be designed to address ~~the following areas:~~

~~1. the~~ health and nutrition, ~~sanitation,~~ safety, developmental needs, and sanitary ~~adequate~~ physical conditions ~~surroundings~~ for all children served by ~~in~~ child care facilities.

~~2. The health and nutrition of all children in child care.~~

~~3. The child development needs of all children in child care.~~

(c) The minimum standards for child care facilities shall be adopted in the rules of the department and shall address the areas delineated in this section.

1. The department, in adopting rules to establish minimum standards for child care facilities, shall recognize that different age groups of children may require different standards.

2. The department may adopt different minimum standards for facilities that serve children in different age groups, including school-age children.

3. The department may create up to two classification levels for violations of licensing standards that directly relate to health and safety. No other classification levels may be created. Violations of standards not directly related to

health and safety may only be addressed through technical assistance.

4. The department shall ~~also~~ adopt by rule a definition for child care which distinguishes between child care programs that require child care licensure and after-school programs that do not require licensure. Notwithstanding any other provision of law to the contrary, minimum child care licensing standards shall be developed to provide for reasonable, affordable, and safe before-school and after-school care. After-school programs that otherwise meet the criteria for exclusion from licensure may provide snacks and meals through the federal Afterschool Meal Program (AMP) administered by the Department of Health in accordance with federal regulations and standards. The Department of Health shall consider meals to be provided through the AMP only if the program is actively participating in the AMP, is in good standing with the department, and the meals meet AMP requirements. Standards, at a minimum, shall allow for a credentialed director to supervise multiple before-school and after-school sites.

(2) PERSONNEL.—Minimum standards for child care personnel shall include minimum requirements as to:

(a) Good moral character based upon screening as defined in s. 402.302(15). This screening shall be conducted as provided in chapter 435, using the level 2 standards for screening provided ~~set forth~~ in that chapter, and include employment

history checks, a search of criminal history records, sexual predator and sexual offender registries, and child abuse and neglect registry of any state in which the current or prospective child care personnel resided during the preceding 5 years. The department shall complete the screening and provide the results to the child care facility within 5 business days. If the department is unable to complete the screening within 5 business days, the department shall issue the current or prospective child care personnel a 45-day provisional-hire status while all required information is being requested and the department is awaiting results unless the department has reason to believe a disqualifying factor may exist. During the 45-day period, the current or prospective child care personnel must be under the direct supervision of a screened and trained staff member when in contact with children.

(e) Minimum training requirements for child care personnel.

1. Such minimum standards for training shall ensure that all child care personnel take an approved 40-clock-hour introductory course in child care, which course covers ~~at least~~ the following topic areas:

a. State and local rules and regulations which govern child care.

b. Health, safety, and nutrition.

c. Identifying and reporting child abuse and neglect.

d. Child development, including typical and atypical language, cognitive, motor, social, and self-help skills development.

e. Observation of developmental behaviors, including using a checklist or other similar observation tools and techniques to determine the child's developmental age level.

f. Specialized areas, including computer technology for professional and classroom use and early literacy and language development of children from birth to 5 years of age, as determined by the department, for owner-operators and child care personnel of a child care facility.

g. Developmental disabilities, including autism spectrum disorder and Down syndrome, and early identification, use of available state and local resources, classroom integration, and positive behavioral supports for children with developmental disabilities.

h. Online training coursework, provided at no cost by the department, to meet minimum training standards for child care personnel.

Within 90 days after employment, child care personnel shall begin training to meet the training requirements. Child care personnel shall successfully complete such training within 1 year after the date on which the training began, as evidenced by passage of an in-person or online ~~a~~ competency examination.

Successful completion of the 40-clock-hour introductory course shall articulate into community college credit in early childhood education, pursuant to ss. 1007.24 and 1007.25. Exemption from all or a portion of the required training shall be granted to child care personnel based upon educational credentials or passage of competency examinations. Child care personnel possessing a 2-year degree or higher that includes 6 college credit hours in early childhood development or child growth and development, or a child development associate credential or an equivalent state-approved child development associate credential, or a child development associate waiver certificate shall be automatically exempted from the training requirements in sub-subparagraphs b., d., and e.

~~2. The introductory course in child care shall stress, to the extent possible, an interdisciplinary approach to the study of children.~~

2.~~3.~~ The introductory course shall cover recognition and prevention of shaken baby syndrome; prevention of sudden infant death syndrome; recognition and care of infants and toddlers with developmental disabilities, including autism spectrum disorder and Down syndrome; and early childhood brain development within the topic areas identified in this paragraph.

3.~~4.~~ On an annual basis in order to further their child care skills and, if appropriate, administrative skills, child care personnel who have fulfilled the requirements for the child

care training shall be required to take an additional 1 continuing education unit of approved inservice training, or 10 clock hours of equivalent training, as determined by the department.

4.~~5.~~ Child care personnel shall be required to complete 0.5 continuing education unit of approved training or 5 clock hours of equivalent training, as determined by the department, in early literacy and language development of children from birth to 5 years of age one time. The year that this training is completed, it shall fulfill the 0.5 continuing education unit or 5 clock hours of the annual training required in subparagraph 3. ~~4.~~

5.~~6.~~ Procedures for ensuring the training of qualified child care professionals to provide training of child care personnel, including onsite training, shall be included in the minimum standards. It is recommended that the state community child care coordination agencies (central agencies) be contracted by the department to coordinate such training when possible. Other district educational resources, such as community colleges and career programs, can be designated in such areas where central agencies may not exist or are determined not to have the capability to meet the coordination requirements set forth by the department.

6.~~7.~~ Training requirements do ~~shall~~ not apply to certain occasional or part-time support staff, including, but not

limited to, swimming instructors, piano teachers, dance instructors, and gymnastics instructors.

7.~~8.~~ The child care operator shall be required to take basic training in serving children with disabilities within 5 years after employment, either as a part of the introductory training or the annual 8 hours of inservice training.

(f) Periodic health examinations for child care facility drivers.

(7) SANITATION AND SAFETY.—

(a) Minimum standards must ~~shall~~ include requirements for sanitary and safety conditions, first aid treatment, emergency procedures, and pediatric cardiopulmonary resuscitation. The minimum standards must ~~shall~~ require that at least one staff person trained in person in cardiopulmonary resuscitation, as evidenced by current documentation of course completion, ~~must~~ be present at all times that children are present.

~~(c) Some type of communications system, such as a pocket pager or beeper, shall be provided to a parent whose child is in drop-in child care to ensure the immediate return of the parent to the child, if necessary.~~

(9) ADMISSIONS AND RECORDKEEPING.—

(a) Minimum standards shall include requirements for preadmission and periodic health examinations, requirements for immunizations, and requirements for maintaining emergency information and health records on all children.

~~(b) During the months of August and September of each year, each child care facility shall provide parents of children enrolled in the facility detailed information regarding the causes, symptoms, and transmission of the influenza virus in an effort to educate those parents regarding the importance of immunizing their children against influenza as recommended by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention.~~

~~(c) During the months of April and September of each year, at a minimum, each facility shall provide parents of children enrolled in the facility information regarding the potential for a distracted adult to fail to drop off a child at the facility and instead leave the child in the adult's vehicle upon arrival at the adult's destination. The child care facility shall also give parents information about resources with suggestions to avoid this occurrence. The department shall develop a flyer or brochure with this information that shall be posted to the department's website, which child care facilities may choose to reproduce and provide to parents to satisfy the requirements of this paragraph.~~

(b) ~~(d)~~ Because of the nature and duration of drop-in child care, requirements for preadmission and periodic health examinations and requirements for medically signed records of immunization required for child care facilities shall not apply. A parent of a child in drop-in child care shall, however, be

required to attest to the child's health condition and the type and current status of the child's immunizations.

(c) ~~(e)~~ Any child shall be exempt from medical or physical examination or medical or surgical treatment upon written request of the parent or guardian of such child who objects to the examination and treatment. However, the laws, rules, and regulations relating to contagious or communicable diseases and sanitary matters shall not be violated because of any exemption from or variation of the health and immunization minimum standards.

(13) PLAN OF ACTIVITIES.—Minimum standards shall ensure that each child care facility has and implements a written plan for the daily provision of varied activities and active and quiet play opportunities appropriate to the age of the child. ~~The written plan must include a program, to be implemented periodically for children of an appropriate age, which will assist the children in preventing and avoiding physical and mental abuse.~~

~~(17) SPECIALIZED CHILD CARE FACILITIES FOR THE CARE OF MILDLY ILL CHILDREN.—Minimum standards shall be developed by the department, in conjunction with the Department of Health, for specialized child care facilities for the care of mildly ill children. The minimum standards shall address the following areas: personnel requirements; staff-to-child ratios; staff training and credentials; health and safety; physical facility~~

~~requirements, including square footage; client eligibility, including a definition of "mildly ill children"; sanitation and safety; admission and recordkeeping; dispensing of medication; and a schedule of activities.~~

Section 7. Subsection (1) of section 402.306, Florida Statutes, is amended to read:

402.306 Designation of licensing agency; dissemination by the department and local licensing agency of information on child care.—

(1)(a) Any county whose licensing standards meet or exceed state minimum standards may:

1.~~(a)~~ Designate a local licensing agency to license child care facilities in the county; or

2.~~(b)~~ Contract with the department to delegate the administration of state minimum standards in the county to the department.

(b) The decision to designate a local licensing agency under subparagraph (a)1. must be annually affirmed by a majority vote of the county commission.

Section 8. Section 402.3115, Florida Statutes, is amended to read:

402.3115 Elimination of duplicative and unnecessary inspections; abbreviated inspections.—

(1) The Department of Children and Families and local governmental agencies that license child care facilities shall

develop and implement a plan to eliminate duplicative and unnecessary inspections of child care facilities, family day care homes, and large family child care homes.

(2)(a) ~~In addition,~~ The department and the local governmental agencies shall develop and implement an abbreviated inspection plan for child care facilities that meets all of the following conditions:

1. Have been licensed for at least 2 consecutive years.

2. Have not had a ~~no~~ Class 1 deficiency, as defined by rule, for at least 2 consecutive years.

3. Have not had more than three of the same ~~or~~ Class 2 deficiencies, as defined by rule, for at least 2 consecutive years.

4. Have received at least two full onsite renewal inspections in the most recent 2 years.

5. Do not have any current uncorrected violations.

6. Do not have any open regulatory complaints or active child protective services investigations.

(b) The abbreviated inspection must include those elements identified by the department ~~and the local governmental agencies~~ as being key indicators of whether the child care facility continues to provide quality care and programming and must be updated every 5 years.

(3) The department shall adopt rules and revise policies based on the recommendations in the report.

(4) The department shall revise the plan under subsection (1) as necessary to maintain the validity and effectiveness of inspections.

Section 9. Subsection (1) of section 402.316, Florida Statutes, is amended to read:

402.316 Exemptions.—

(1) The provisions of ss. 402.301-402.319, except for the requirements regarding screening of child care personnel, shall not apply to a child care facility which is an integral part of church or parochial schools, or a child care facility that solely provides child care to eligible children as defined in s. 402.261(1)(c), conducting regularly scheduled classes, courses of study, or educational programs accredited by, or by a member of, an organization which publishes and requires compliance with its standards for health, safety, and sanitation. However, such facilities shall meet minimum requirements of the applicable local governing body as to health, sanitation, and safety and shall meet the screening requirements pursuant to ss. 402.305 and 402.3055. Failure by a facility to comply with such screening requirements shall result in the loss of the facility's exemption from licensure.

Section 10. Section 561.1214, Florida Statutes, is created to read:

561.1214 Child care tax credits.—Beginning January 1, 2025, there is allowed a credit pursuant to s. 402.261 against

any tax due under s. 563.05, s. 564.06, or s. 565.12, except excise taxes imposed on wine produced by manufacturers in this state from products grown in this state. However, a credit allowed under this section may not exceed 90 percent of the tax due on the return on which the credit is taken. For purposes of the distributions of tax revenue under ss. 561.121 and 564.06(10), the division shall disregard any tax credits allowed under this section to ensure that any reduction in tax revenue received which is attributable to the tax credits results only in a reduction in distributions to the General Revenue Fund. The provisions of s. 402.261 apply to the credit authorized by this section.

Section 11. Section 624.5107, Florida Statutes, is amended to read:

624.5107 Child care tax credits.—

(1) For taxable years beginning on or after January 1, 2025, there is allowed a credit pursuant to s. 402.261 against any tax due for a taxable year under s. 624.509(1) after deducting from such tax deductions for assessments made pursuant to s. 440.51; credits for taxes paid under ss. 175.101 and 185.08; credits for income taxes paid under chapter 220; and the credit allowed under s. 624.509(5), as such credit is limited by s. 624.509(6). An insurer claiming a credit against premium tax liability under this section is not required to pay any additional retaliatory tax levied under s. 624.5091 as a result

of claiming such credit. Section 624.5091 does not limit such credit in any manner. ~~If the credit granted under this section is not fully used in any one year because of insufficient tax liability on the part of the insurer, the unused amount may be carried forward for a period not to exceed 5 years. The carryover credit may be used in a subsequent year when the tax imposed by s. 624.509 or s. 624.510 for that year exceeds the credit for which the insurer is eligible in that year under this section.~~

(2) For purposes of determining if a penalty under s. 624.5092 will be imposed, an insurer, after earning a credit under s. 624.5107 for a taxable year, may reduce any installment payment for such taxable year of 27 percent of the amount of the net tax due as reported on the return for the preceding year under s. 624.5092(2)(b) by the amount of the credit. ~~If an insurer receives a credit for child care facility startup costs, and the facility fails to operate for at least 5 years, a pro rata share of the credit must be repaid, in accordance with the formula: A = C x (1 - (N/60)), where:~~

~~(a) "A" is the amount in dollars of the required repayment.~~

~~(b) "C" is the total credits taken by the insurer for child care facility startup costs.~~

~~(c) "N" is the number of months the facility was in operation.~~

~~This repayment requirement is inapplicable if the insurer goes out of business or can demonstrate to the department that its employees no longer want to have a child care facility.~~

(3) The provisions of s. 402.261 apply to the credit authorized by this section.

Section 12. Subsection (7) of section 624.509, Florida Statutes, is amended to read:

624.509 Premium tax; rate and computation.—

(7) Credits and deductions against the tax imposed by this section shall be taken in the following order: deductions for assessments made pursuant to s. 440.51; credits for taxes paid under ss. 175.101 and 185.08; credits for income taxes paid under chapter 220 and the credit allowed under subsection (5), as these credits are limited by subsection (6); the credit allowed under s. 624.51057; the credit allowed under s. 624.51058; the credit allowed under s. 624.5107; all other available credits and deductions.

Section 13. Section 627.70161, Florida Statutes, is amended to read:

627.70161 Family day care and large family child care insurance.—

(1) PURPOSE AND INTENT.—The Legislature recognizes that family day care homes and large family child care homes fulfill a vital role in providing child care in Florida. It is the

intent of the Legislature that residential property insurance coverage should not be canceled, denied, or nonrenewed solely on the basis of the ~~family~~ day care or child care services at the residence. The Legislature also recognizes that the potential liability of residential property insurers is substantially increased by the rendition of child care services on the premises. The Legislature therefore finds that there is a public need to specify that contractual liabilities that arise in connection with the operation of the family day care home or large family child care home are excluded from residential property insurance policies unless they are specifically included in such coverage.

(2) DEFINITIONS.—As used in this section, the term:

(a) "Child care" means the care, protection, and supervision of a child, for a period of less than 24 hours a day on a regular basis, which supplements parental care, enrichment, and health supervision for the child, in accordance with his or her individual needs, and for which a payment, fee, or grant is made for care.

(b) "Family day care home" means an occupied residence in which child care is regularly provided for children from at least two unrelated families and which receives a payment, fee, or grant for any of the children receiving care, whether or not operated for a profit.

(c) "Large family child care home" means an occupied

residence in which child care is regularly provided for children from at least two unrelated families, which receives a payment, fee, or grant for any of the children receiving care, regardless of whether operated for profit, and which has at least two full-time child care personnel on the premises during the hours of operation. One of the two full-time child care personnel must be the owner or occupant of the residence. A large family child care home must first have operated as a licensed family day care home for at least 2 years, with an operator who has held a child development associate credential or its equivalent for at least 1 year, before seeking licensure as a large family child care home. Household children under 13 years of age, when on the premises of the large family child care home or on a field trip with children enrolled in child care, must be included in the overall capacity of the licensed home. A large family child care home may provide care for one of the following groups of children, which must include household children under 13 years of age:

1. A maximum of eight children from birth to 24 months of age.

2. A maximum of 12 children, with no more than four children under 24 months of age.

(3) FAMILY DAY CARE AND LARGE FAMILY CHILD CARE; COVERAGE.—A residential property insurance policy may ~~shall~~ not provide coverage for liability for claims arising out of, or in

connection with, the operation of a family day care home or large family child care home, and the insurer shall be under no obligation to defend against lawsuits covering such claims, unless:

(a) Specifically covered in a policy; or

(b) Covered by a rider or endorsement for business coverage attached to a policy.

(4) DENIAL, CANCELLATION, REFUSAL TO RENEW PROHIBITED.—An insurer may not deny, cancel, or refuse to renew a policy for residential property insurance solely on the basis that the policyholder or applicant operates a family day care home or large family child care home. In addition to other lawful reasons for refusing to insure, an insurer may deny, cancel, or refuse to renew a policy of a family day care home or large family child care home provider if one or more of the following conditions occur:

(a) The policyholder or applicant provides care for more children than authorized ~~for family day care homes~~ by s. 402.302;

(b) The policyholder or applicant fails to maintain a separate commercial liability policy or an endorsement providing liability coverage for the family day care home or large family child care home operations;

(c) The policyholder or applicant fails to comply with the applicable ~~family day care home~~ licensure and registration

requirements specified in chapter 402 ~~s. 402.313~~; or

(d) Discovery of willful or grossly negligent acts or omissions or any violations of state laws or regulations establishing safety standards for family day care homes or large family child care home by the named insured or his or her representative which materially increase any of the risks insured.

Section 14. Subsection (1) of section 1002.59, Florida Statutes, is amended to read:

1002.59 Emergent literacy and performance standards training courses.—

(1) The department, in collaboration with the Just Read, Florida! Office, shall adopt minimum standards for courses in emergent literacy for prekindergarten instructors. Each course must consist of 5 clock hours and provide instruction in strategies and techniques to address the age-appropriate progress of prekindergarten students in developing emergent literacy skills, including oral communication, knowledge of print and letters, phonological and phonemic awareness, vocabulary and comprehension development, and foundational background knowledge designed to correlate with the content that students will encounter in grades K-12, consistent with the evidence-based content and strategies grounded in the science of reading identified pursuant to s. 1001.215(7). The course standards must be reviewed as part of any review of subject

coverage or endorsement requirements in the elementary, reading, and exceptional student educational areas conducted pursuant to s. 1012.586. Each course must also provide resources containing strategies that allow students with disabilities and other special needs to derive maximum benefit from the Voluntary Prekindergarten Education Program. Successful completion of an emergent literacy training course approved under this section satisfies requirements for approved training in early literacy and language development under ss. 402.305(2)(e)4., 402.313(6), and 402.3131(5) ~~ss. 402.305(2)(e)5., 402.313(6), and 402.3131(5)~~.

Section 15. (1) The Department of Revenue is authorized, and all conditions are deemed met, to adopt emergency rules pursuant to s. 120.54(4), Florida Statutes, to implement this act. Notwithstanding any other provision of law, emergency rules adopted pursuant to this subsection are effective for 6 months after adoption and may be renewed during the pendency of procedures to adopt permanent rules addressing the subject of the emergency rules.

(2) This section shall take effect upon this act becoming a law and expires July 1, 2025.

Section 16. Except as otherwise provided in this act and except for this section, which shall take effect upon this act becoming a law, this act shall take effect July 1, 2024.

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		

Committee/Subcommittee hearing bill: Appropriations Committee

Representative McFarland offered the following:

Amendment

Remove lines 472-477 and insert:

3. The department may create up to three classification levels for violations of licensing standards that directly relate to the health and safety of a child. A class three violation is the least serious in nature and must be the same incident of noncompliance that occurs at least three times within a 2 year period.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 817 Authorized Agents of Tax Collectors
SPONSOR(S): Insurance & Banking Subcommittee, Duggan
TIED BILLS: **IDEN./SIM. BILLS:** SB 840

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Insurance & Banking Subcommittee	15 Y, 3 N, As CS	Herrera	Lloyd
2) Appropriations Committee		Hicks	Pridgeon
3) Infrastructure Strategies Committee			

SUMMARY ANALYSIS

County tax collectors are the Department of Highway Safety and Motor Vehicles' (DHSMV's) authorized agents for titling and registering motor vehicles, motor homes, and vessels. When processing these transactions, tax collectors charge and collect fees specified in state law, which are remitted to the state. However, chapters 319, 320, and 328, F.S., also require tax collectors to collect and retain certain statutorily prescribed service fees and charges.

Each tax collector is authorized to enter into contracts with private third-party license plate agents (LPAs) for the titling and registration of motor vehicles, mobile homes, and vessels. LPAs are granted online computer access to DHSMV systems and are supplied with title paper, registration decals, and license plates by the tax collector.

The bill authorizes a licensed general lines insurance agency holding an insurer appointment to write motor vehicle insurance in Florida to petition a tax collector for appointment, and requires the tax collector to make such appointment, as an authorized agent of the tax collector for the purpose of issuing titles, registration certificates, registration license plates, validation stickers, and mobile home stickers.

Also, the bill permits these insurance agencies to offer applicants the option to register emergency contact information and the choice to be contacted with information about state and federal benefits available as a result of military service, subject to the requirements of law and in accordance with the rules of DHSMV.

Further, the bill mandates that a general lines insurance agency appointed by a tax collector:

- Must file a performance bond of $2 million with DHSMV.
- Must provide DHSMV with audited financial statements, prepared by a certified public accountant licensed in Florida, for each of the two previous years, demonstrating that the agency has produced policy premiums in excess of $500 million in each of the two previous years.
- Is not obligated to provide services to the general public and may choose to offer services only to its customers in the normal course of business.
- Must offer such services at no more than five locations in each county where the agency has a branch office.
- Must be authorized by the tax collector to access DHSMV's electronic filing system.
- Is subject to all provisions of the law, as if the insurance agency were a private tag agency, except where the context indicates otherwise.

The bill may have an indeterminate negative fiscal impact on state and local governments and the private sector. See Fiscal Analysis Section.

The bill has an effective date of July 1, 2024.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

County tax collectors are the Department of Highway Safety and Motor Vehicles' (DHSMV's) authorized agents for titling and registering motor vehicles, motor homes, and vessels.[1] When processing these transactions, tax collectors charge and collect fees specified in state law,[2] which are remitted to the state. However, chapters 319, 320, and 328, F.S., also require tax collectors to collect and retain certain statutorily prescribed service fees and charges.[3]

Currently, 65 counties have elected tax collectors who are constitutional officers, while Broward and Miami-Dade Counties have appointed tax collectors under each county's charter government. However, pursuant to section 1(d), Article VIII of the State Constitution, these counties will have elected tax collectors effective January 7, 2025.[4]

Each tax collector is authorized to enter into contracts with private third-party license plate agents (LPAs) for the titling and registration of motor vehicles, mobile homes, and vessels. LPAs are granted online computer access to DHSMV's systems and are supplied with title paper, registration decals, and license plates by the tax collector.

Seventeen counties have, or until recently had, contracts with privately owned LPAs to operate 57 offices[5], primarily in Miami Dade and Broward County, to perform title and registration services for motor vehicles, mobile homes, and vessels. In counties with elected tax collectors, LPAs only charge the fees for those services as expressly authorized in statute. In these counties, the LPAs may retain all or a portion of the statutorily authorized service fee that tax collectors are allowed to collect for motor vehicle, mobile home, and vessel title and registration services, as provided in the contracts between the LPA and the tax collector.[6] The LPAs in Broward and Miami-Dade Counties charge fees[7] for motor vehicle, mobile home, and vessel title and registration fees *in addition* to the statutory fees authorized in chapters 319, 320, and 328, F.S. The additional fees levied in Broward and Miami-Dade Counties are levied pursuant to county ordinance and are retained by the LPAs.[8]

DHSMV has transitioned its driver license services from DHSMV-owned facilities to elected county tax collectors. Florida law required DHSMV to completely transition all driver license issuance services to tax collectors who are constitutional officers under section 1(d), Article VIII of the State Constitution. This transition was completed on June 30, 2015. The transition of services to appointed charter county tax collectors may occur on a limited basis as directed by DHSMV.[9]

---

[1] Ch. 320 and 328, F.S. County tax collectors are expressly made agents of the state with respect to motor vehicle registration in s. 320.03(1), F.S., and with respect to vessel registration in s. 328.73(1), F.S.
[2] *See* s. 319.32, F.S., for motor vehicle title fees, s. 320.03, for motor vehicle registration fees, s. 320.04, F.S., as to motor vehicle service charges, and s. 328.72, F.S., as to vessel registration fees.
[3] Department of Highway Safety and Motor Vehicles, Agency Analysis of 2021 SB 342, p 2. (January 14, 2021).
[4] *Id*. Art. VIII, s. 1(d), Fla. Const.
[5] Email from Jennifer Langston, Chief of Staff, Florida Highway Safety and Motor Vehicles, Re: [EXT] RE: HB 817 (Jan 11. 2024).
[6] Department of Highway Safety and Motor Vehicles, Agency Analysis of 2021 SB 342, p 2. (January 14, 2021).
[7] Formerly the LPAs in Volusia County charged fees. An elected county tax collector took office on January 5, 2021, and the LPA offices closed by February 4, 2021. *Id.*
[8] *Id.*
[9] Section 322.02(1), F.S.

Driver License Issuance Systems

DHSMV's Florida Driver License Information System (FDLIS) is the legacy driver license issuance system that will be completely replaced by 2025 with the newly launched Online Registration and Identity Operating Network (ORION) database application.[10] ORION will be used to conduct all driver license and identification card issuances. ORION provides real-time access to extensive information on every driver, including driving history, vehicle insurance information, and personal identity information and documents.

FDLIS/ORION is installed in 195 tax collector offices in 63 counties in Florida and in the 15 driver license offices DHSMV operates in Broward and Miami-Dade Counties. Only DHSMV and elected tax collectors have access to FDLIS/ORION. Access to these systems is governed by individual memoranda of understanding (MOUs) between DHSMV and each tax collector. County tax collectors are allowed to charge a $6.25 service fee for providing driver license services.[11]

Division of Insurance Agent and Agency Services

The Department of Financial Services (DFS) Division of Insurance Agent and Agency Services is responsible for the licensing and regulation of insurance agents, adjusters, insurance agencies, as well as related personnel and business entities.[12]

No person may be, act as, or advertise, or hold himself/herself out to be an insurance agent, insurance adjuster, or customer representative unless he or she is currently licensed by DFS and appointed by an appropriate appointing entity or person.[13] There are several types of insurance representatives. These include:

- General lines agents,
- Life insurance agents,
- Health insurance agents,
- Title insurance agents,
- Personal lines agents, and
- Unaffiliated insurance agents.[14]

General Lines Agent

A general lines agent[15] is one who sells the following lines of insurance: property;[16] casualty,[17] including commercial liability insurance underwritten by a risk retention group, a commercial self-insurance fund,[18] or a workers' compensation self-insurance fund;[19] surety;[20] health;[21] and, marine.[22] The general lines agent may only transact health insurance for an insurer that the general lines agent also represents for property and casualty insurance. If the general lines agent wishes to represent health insurers that are not also property and casualty insurers, they must be licensed as a health insurance agent.[23] Motor vehicle insurance is a type of casualty insurance.[24]

[10] Department of Highway Safety and Motor Vehicles, Agency Analysis of 2024 HB 817, p 7. (December 22, 2023). S. 322.135(1)(c), F.S.
[11] Department of Highway Safety and Motor Vehicles, Agency Analysis of 2021 House Bill 613, p. 5-6. (Mar. 5, 2021).
[12] Ch. 626, parts I, II, III, IV, V, VI, VIII, IX, and XIII, F.S.
[13] S. 626.112, F.S.
[14] S. 626.015, F.S.
[15] S. 626.015(5), F.S.
[16] S. 624.604, F.S.
[17] S. 624.605, F.S.
[18] As defined in s. 624.462, F.S.
[19] Pursuant to s. 624.4621, F.S.
[20] S. 626.606, F.S.
[21] Ss. 624.603 and 627.6482, F.S.
[22] S. 624.607, F.S.
[23] S. 626.829, F.S.
[24] S. 624.605, F.S.

Effect of the Bill

Tax Collector Appointment of Insurance Agency

The bill authorizes a licensed general lines insurance agency holding an insurer appointment to write motor vehicle insurance in Florida to petition a tax collector for appointment, and requires the tax collector to make such appointment, as an authorized agent of the tax collector for the purpose of issuing:

- Titles;
- Registration certificates;
- Registration license plates;
- Validation stickers; and
- Mobile home stickers.

Also, the bill permits these insurance agencies to offer applicants the option to register emergency contact information and the choice to be contacted with information about state and federal benefits available as a result of military service, subject to the requirements of law and in accordance with the rules of DHSMV.

Insurance Agency Requirements

The bill mandates that a general lines insurance agency appointed by a tax collector:

- Must file a performance bond of $2 million with DHSMV.
- Must provide DHSMV with audited financial statements, prepared by a certified public accountant licensed in Florida, for each of the two previous years, demonstrating that the agency has produced policy premiums in excess of $500 million in each of the two previous years.
- Is not obligated to provide services to the general public and may choose to offer services only to its customers in the normal course of business.
- Must offer such services at no more than five locations in each county where the agency has a branch office.
- Must be authorized by the tax collector to access DHSMV's electronic filing system.
- Is subject to all provisions of the law, as if the insurance agency were a private tag agency, except where the context indicates otherwise.

B. SECTION DIRECTORY:

Section 1. Amends section 320.03, F.S., relating to registration; duties of tax collectors; international registration plan.

Section 2. Provides an effective date of July 1, 2024.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   None.

2. Expenditures:

   According to DHSMV, there will be a significant cost associated with providing equipment such as computers, printers, servers, ports, cabling, and software, as well as registration inventory, which

includes license plates and decals, to insurance agencies.[25] Additionally, DHSMV would require additional staff to ensure that the bill is implemented properly.[26] For instance, DHSMV will likely need to hire more employees in the Tax Collection Liaison Unit to oversee the proper collection of motor vehicle registration fees by insurance agencies.[27]

DHSMV projects a startup cost of $12,965,840, followed by recurring costs of $4,603,955 for each of the following four fiscal years. In the fifth fiscal year, when outdated equipment must be refreshed, DHSMV estimates a cost of $9,377,997.[28]

In addition, the department estimates programming cost of $900,000 to implement changes to its computer systems and expects additional recurring cost to purchase software licenses for each insurance agency that elects to offer services.[29]

It should be noted that DHSMV projections are based on equipping multiple workstations in five separate insurance agency locations in all 67 counties. However, the actual number of insurance agencies that avail themselves of this new authority cannot be quantified at this time. Using the cost assumptions provided by DHSMV, the cost to open one insurance agency location would be $37,592. If only one insurance agency location were to be opened in each of the 67 counties, the startup cost is projected to be $2,518,664 in comparison to the department's projections.

Because the actual number of insurance agencies that could avail themselves of this new authority is indeterminate, including the wide deviation in variables such as the number of workstations, locations, and counties, the department may submit a future budget request when actual data is available to adequately evaluate the budgetary needs for implementation.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

County tax collectors are allowed to charge a service fee for services rendered. The MOU between a tax collector and an insurance agency that elects to offer these new services would determine how the service fees are shared between the two entities. Therefore, the impact on revenues is indeterminate.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Eligible general lines agencies that are appointed for this purpose may experience increased revenues.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

[25] Department of Highway Safety and Motor Vehicles, Agency Analysis of 2024 HB 817, p 3. (December 22, 2023).
[26] *Id*. at 4.
[27] *Id*.
[28] Department of Highway Safety and Motor Vehicles, Agency Analysis of 2024 HB 817, p 5. (December 22, 2023).
[29] Department of Highway Safety and Motor Vehicles, Agency Analysis of 2024 HB 817, p 6. (December 22, 2023).

The county/municipality mandates provision of Art. VII, section 18, of the Florida Constitution may apply because this bill requires a county tax collector to appoint a general lines agency as a local plate agency in certain circumstances which may require the expenditure of funds by the tax collector; however, an exemption may apply if the fiscal impact associated with the appointment is insignificant.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill grants DHSMV the authority to adopt rules, including those that establish the information required in the petition submitted by an insurance agent to a tax collector to offer services, the necessary details within the audited financial statements that an insurance agency must submit to DHSMV, and the enforcement authority for noncompliance.

The rulemaking authority related to DHSMV establishing enforcement authority for noncompliance may be an invalid delegation of legislative authority as it provides no guidelines or limitations for such enforcement.

Since neither the general lines agency nor the tax collectors are licensees of DHSMV, it is unclear how DHSMV will be able to effectively discipline either for noncompliance.

C. DRAFTING ISSUES OR OTHER COMMENTS:

In their agency bill analysis, DHSMV suggests multiple amendments to: 1) delay the effective date until January 1, 2026, to allow it to be implemented after the rollout of ORION and avoid the cost of reprograming the soon to be phased out FRVIS, 2) remove surplus language related to issuance of titles, which is not within the scope of work for general lines agencies proposed by the bill, and 3) revise language to exclude the issuance of International Registration Plan registrations and permits.[30]

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On January 11, 2024, the Insurance & Banking Subcommittee considered the bill, adopted an amendment, and reported the bill favorably as a committee substitute. The amendment made the following changes to the bill:

- Authorized general lines insurance agency to issue titles, in addition to registration certificates, registration license plates, validation stickers, and mobile home stickers, as proposed by the bill.
- Clarified that insurance agencies are not authorized to handle International Registration Plan transactions.

The analysis is drafted to the committee substitute as passed by the Insurance & Banking Subcommittee.

[30] Department of Highway Safety and Motor Vehicles, Agency Analysis of 2024 HB 817, p 7. (December 22, 2023).

A bill to be entitled

An act relating to authorized agents of tax collectors; amending s. 320.03, F.S.; requiring a tax collector, upon petition, to appoint a general lines insurance agency as an authorized agent of the tax collector for the purpose of issuing titles, registration certificates, registration license plates, validation stickers, and mobile home stickers; requiring the agency to file a performance bond with the Department of Highway Safety and Motor Vehicles; requiring the agency to provide audited financial statements to the department; authorizing the agency to provide services solely to its customers; limiting the number of locations at which the agency may offer services; requiring the tax collector to authorize the agency to access the electronic filing system; specifying provisions of law to which the agency is subject; authorizing the department to adopt rules; providing an effective date.

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

Section 1. Subsection (11) is added to section 320.03, Florida Statutes, to read:

320.03 Registration; duties of tax collectors;

International Registration Plan.—

(11)(a) Upon petition by the agent in charge of a general lines insurance agency licensed under chapter 626 and appointed to write motor vehicle insurance, each tax collector must appoint such agency as an authorized agent of the tax collector for the purpose of issuing titles, registration certificates, registration license plates, validation stickers, and mobile home stickers to applicants, excluding issuance of registration or trip permits pursuant to s. 320.0715, and providing to applicants for each the option to register emergency contact information and the option to be contacted with information about state and federal benefits available as a result of military service, subject to the requirements of law, in accordance with rules of the department.

(b) A general lines insurance agency appointed as an authorized agent of a tax collector under this subsection:

1. Must file a performance bond of $2 million with the department.

2. Must provide to the department audited financial statements, prepared by a certified public accountant licensed to practice in this state, for each of the previous 2 years demonstrating that the agency has produced policy premium in excess of $500 million in each of the previous 2 years.

3. Is not required to provide services described in paragraph (a) to the general public and may choose to provide

such services solely to its customers in the normal course of business.

4. May offer such services at no more than five locations in each county in which the agency has a branch office.

5. Must be authorized by the tax collector pursuant to paragraph (10)(c) to access the electronic filing system.

6. Is subject to all provisions of law as though such agent were a private tag agency or agent, except where the context clearly indicates otherwise.

(c) The department may adopt rules to administer this subsection, including, but not limited to, rules establishing information that must be contained in the petition to offer services under this subsection, information that must be contained in the audited financial statements required under subparagraph (b)2., and enforcement authority for noncompliance.

Section 2. This act shall take effect July 1, 2024.

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	_____

Committee/Subcommittee hearing bill: Appropriations Committee
Representative Duggan offered the following:

Amendment (with title amendment)

Between lines 65 and 66, insert:

Section 2. For the 2024-2025 fiscal year, the sum of $939,800 in nonrecurring funds from the Highway Safety Operating Trust Fund is appropriated to the Department of Highway Safety and Motor Vehicles to provide equipment and installation to a general lines insurance agency licensed under chapter 626, Florida Statutes, and appointed to write motor vehicle insurance that has been appointed by a tax collector as an authorized agent for issuing titles, registration certificates, registration license plates, validation stickers, and mobile home stickers.

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

Between lines 18 and 19, insert:

providing an appropriation;

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 1077 Clerks of Court
SPONSOR(S): Justice Appropriations Subcommittee, Botana and others
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Civil Justice Subcommittee	18 Y, 0 N	Leshko	Jones
2) Justice Appropriations Subcommittee	9 Y, 3 N, As CS	Smith	Keith
3) Appropriations Committee		Smith	Pridgeon

SUMMARY ANALYSIS

The Florida Constitution mandates that there be an elected clerk of the circuit court (clerk) in each of Florida's 67 counties. The clerks collect court fines, fees, service charges, and court costs related to court dispositions and are authorized to charge fees to perform various functions. Much of the funding for the clerks' annual operating budgets comes from such fees, services charges, fines, and court costs that are deposited into the Florida Clerk of Court Trust Fund. However, such revenue does not go entirely to the clerks. Florida law directs the Florida Department of Revenue to distribute such revenue among the clerks, municipalities, counties, 51 state trust funds of various statutory function, and the state's General Revenue Fund.

Under ss. 318.15 and 322.245, F.S., a person's driver license and driving privilege may be suspended for various reasons, including failing to comply with civil penalties or other court directives within a specified time period; failing to enter into or comply with the terms of a penalty payment plan; or failing to pay child support. A person's driver license and privilege may not be reinstated until the person complies with all obligations and penalties imposed or with other specified court directives; and presents a certificate of compliance to a driver license office along with a nonrefundable service charge of $60.

CS/HB 1077 amends a number of statutes which increase revenue for clerks through reimbursement for certain petitions and applications and through redistribution of cumulative excess clerk revenue and other specified fees. Specifically, the bill:

- Amends ss. 27.52, 27.54, 57.082, and 501.2101, F.S., to revise which trust funds certain moneys are deposited into.
- Amends s. 34.041, F.S., to reduce the amount of fees distributed to the General Revenue Fund.
- Creates s. 322.76, F.S., to authorize the establishment of the Miami-Dade County Clerk of Court Driver License Reinstatement Pilot Program.
- Amends s. 27.703, F.S., to require appointed capital collateral regional counsel or other appointed attorney to be paid from funds appropriated to the Justice Administrative Commission (JAC).
- Amends s. 110.112, F.S., to eliminate state attorney and public defender reporting requirements regarding affirmative action programs.
- Amends s. 186.003, F.S., to update the definition of "state agency" or "agency" in the state and regional planning chapter of the Florida Statutes.

The bill has a significant fiscal impact on state and local governments. *See* Fiscal Comments.

The bill provides an effective date of upon becoming a law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Clerks of the Circuit Court

The Florida Constitution mandates that there be an elected clerk of the circuit court (clerk) in each of Florida's 67 counties. The clerk may also serve as ex officio clerk of the board of county commissioners, auditor, official records recorder, and custodian of all county funds.[1] As an officer of the court, the clerk serves in a ministerial capacity, and his or her duties and authority are conferred entirely by law.[2] Such duties include the performance of court-related functions, such as:

- Case maintenance;
- Records management;
- Court preparation and attendance;
- Collection and distribution of fines, fees, service charges, and court costs;
- Processing case assignment, reopening, reassignment, and appeals;
- Processing of bond forfeiture payments;
- Data collection and reporting;
- Determination of indigent status; and
- Paying reasonable administrative costs to enable the clerks to carry out these functions.[3]

Funding for the Clerks of the Circuit Courts

Annual Operating Budgets

Much of the funding for the clerks' annual operating budgets comes from collected revenues including judicial proceeding fees,[4] services charges,[5] fines,[6] and court costs that are deposited into the Florida Clerk of Court Trust Fund (FCC Trust Fund).[7] However, such revenue does not go entirely to the clerks. Florida law directs the Florida Department of Revenue (DOR) to distribute such revenue among the clerks, municipalities, counties, 51 state trust funds of various statutory functions, and the state's General Revenue Fund.

Court-Related Functions

The Florida Constitution mandates that funding for much of the clerks' court-related functions come from collected revenue deposited into the FCC Trust Fund.[8] Additionally, each clerk must create a Fine and Forfeiture Fund for use by the clerk's office in its execution of court-related functions. The Fine and Forfeiture Fund must consist of specified fines, fees, and costs which the clerk is authorized to retain or which are otherwise directed to the Fund.[9]

---

[1] The clerk of the circuit court is elected by the county's electors to serve a four-year term. Art. V, s. 16 and art. VIII, s. 1, Fla. Const.
[2] "Ministerial" means acting "in a prescribed manner in obedience to the mandate of legal authority, without the exercise of the person's own judgment or discretion as to the propriety of the action taken." The clerk may appoint deputies, for whose acts the clerk is liable, which deputies have the same power as the clerk, excepting the power to appoint deputies. Ss. 28.06 and 112.312(17), F.S.
[3] S. 28.35(3)(a), F.S.
[4] Filing fees which the clerks must charge are generally set out in s. 28.241, F.S.
[5] Service charges which the clerks must charge are generally set out in s. 28.24, F.S.
[6] Ten percent of all court-related fines collected by the clerk, except for penalties or fines distributed to counties or municipalities, must be deposited into the fine and forfeiture fund to be used exclusively for clerk court-related functions. S. 28.37(6), F.S.
[7] Other funding sources include grants and payments remitted by counties for the performance of county-related functions.
[8] Selected salaries, costs, and expenses of the state courts system and court-related functions may also be funded from such fines, fees, charges, and costs. Art. V, s. 14, Fla. Const.; s. 28.37(1), F.S.
[9] S. 142.01, F.S.

Budget Procedures

On or prior to June 1st of each year, each clerk must prepare, summarize, and submit a proposed budget to CCOC in the manner and form prescribed by CCOC.[10] The proposed budget must:

- Provide detailed information on the anticipated revenues available and expenditures necessary for the performance of court-related functions for the fiscal year beginning October 1; and
- Be balanced such that the total of the estimated revenues available[11] equals or exceeds the total of the anticipated expenditures.[12]

If a clerk estimates that his or her available funds in addition to projected revenues are insufficient to meet anticipated expenditures, the clerk must report the revenue deficit to CCOC. If the CCOC verifies that a revenue deficit is likely, the CCOC must certify the deficit and notify DOR that the clerk will, as required by statute, retain collected revenues in an amount necessary to fully fund the projected revenue deficit, which revenues the clerk would otherwise have to remit to DOR for deposit into the FCC Trust Fund.[13]

If a revenue deficit is still projected for that clerk after retaining revenues as described above, the CCOC must certify the revenue deficit amount to the Executive Office of the Governor (EOG) and request release authority for additional funds from the FCC Trust Fund. The EOG may approve the release of such funds and provide notice of such approval to DOR and the Chief Financial Officer (CFO). The DOR must then request monthly distributions from the CFO in equal amounts to each clerk certified to have a revenue deficit.[14]

Once a clerk receives his or her court-related budget allocation for the fiscal year, the total is divided by 12 to give an estimated monthly budget allocation. In the event that the clerk collects more than the monthly projection, the clerk must submit such additional amount to the FCC Trust Fund by the 10th of the following month.[15] Such revenue is then redistributed to clerks in counties that do not bring in sufficient revenue to fund their budget allocations.

Each year the clerks are required to remit to DOR for deposit into the FCC Trust Fund the cumulative excess[16] of all fines, fees, service charges, and court costs retained by the clerks, plus any funds received from the FCC Trust Fund based on revenue deficiency, which exceed the amount needed to meet the clerks' authorized budget amounts.[17] Thereafter, DOR must transfer 50 percent of the cumulative excess of the original revenue projection from the FCC Trust Fund to the General Revenue Fund. The remaining 50 percent in the FCC Trust Fund may be used in the development of the total combined budges of the clerks.[18]

Florida Clerks of Court Operations Corporation

In 2003, the Florida Legislature created the Florida Clerks of Court Operations Corporation (CCOC) to provide budget support to the clerks. All clerks of the circuit courts are members of the CCOC and hold

[10] S. 28.36, F.S.
[11] "Estimated revenues available" may include the fines, fees, charges, and costs to be collected by the clerk in the upcoming fiscal year; the total of unspent budgeted funds for court-related functions carried forward by the clerk from the previous county fiscal year; and the portion of the balance of funds remaining in the FCC Trust Fund after the transfer of funds to the General Revenue Fund which has been allocated to each clerk by the CCOC. S. 28.36(2)(b), F.S.
[12] *Id.*
[13] S. 28.36(4), F.S.
[14] *Id.*
[15] S. 28.37(3), F.S.
[16] Section 28.37(2)(a), F.S., defines "cumulative excess" to mean revenues derived from fines, fees, service charges, and court costs collected by the clerks of the court which are greater than the original revenue projection.
[17] S. 28.37(4)(a), F.S.
[18] S. 28.37(4)(b), F.S.

their positions and authority in an ex officio capacity.[19] CCOC is funded through appropriations by general law pursuant to a contract with the CFO.[20]

The CCOC is responsible for approving the combined budgets submitted by the clerks, and ensuring that the total combined budgets of all 67 clerks does not exceed the total estimated revenues from fees, service charges, court costs, and fines for court-related functions available for court-related expenditures; plus the balance of funds remaining in the Clerks of Court Trust Fund after the transfer of funds to the General Revenue Fund; and plus any appropriations for court-related functions.[21] Additional CCOC duties include, but are not limited to:

- Adopting a plan of operations.
- Recommending to the Legislature changes in the amounts and distribution of various court-related fines, fees, service charges, and costs to ensure reasonable and adequate funding of the clerks in the performance of their court-related functions.
- Entering into a contract with the Department of Financial Services for the department to audit the court-related expenditures of individual clerks.
- Preparing and submitting a report to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the chairs of the legislative appropriations committees by January 1 of each year on the operations and activities of the CCOC and detailing the budget development for the clerks of the court and the end-of-year reconciliation of actual expenditures versus projected expenditures for each clerk of court.
- Preparing an annual budget request which provides the anticipated amount necessary for reimbursement pursuant to s. 40.29(6), F.S., for certain petitions and orders.[22] The request for reimbursement shall be submitted to the Governor for transmittal to the Legislature.[23]
- Participating in the Florida Retirement System (FRS) for its eligible employees.[24]

No Fee Court Functions

There are certain filings for which clerks may not charge a filing fee, including:

- A filing by an indigent party;[25]
- A petition for habeas corpus filed by a person detained as a mental health patient;[26]
- An ex parte order for an involuntary examination;[27]
- A petition for an involuntary commitment;[28]
- Appellate filings for an indigent person determined to be, and involuntarily committed as, a sexually violent predator;[29]
- A petition for involuntary assessment and stabilization for substance abuse impairment;[30]
- A petition for a risk protection order;[31] and
- A petition for a protective injunction against domestic violence;[32] repeat, sexual, or dating violence;[33] or stalking.[34]

[19] S. 28.35(1)(a), F.S.
[20] S. 28.35(4), F.S.
[21] S. 28.35(2)(f), F.S.
[22] JAC is not authorized to make changes to the budget request except for technical changes necessary to conform to the legislative budget instructions. S. 28.35(2)(i), F.S.
[23] S. 28.35(2), F.S.
[24] S. 28.35(4), F.S.
[25] Ss. 57.081 and 57.082, F.S. This does not include prisoners as defined in s. 57.085, F.S.
[26] S. 394.459, F.S.
[27] S. 394.463, F.S.
[28] S. 394.467, F.S.
[29] S. 394.917, F.S.
[30] S. 397.6814, F.S.
[31] S. 790.401, F.S.
[32] S. 741.30, F.S.
[33] S. 784.046, F.S.
[34] S. 784.0485, F.S.

However, subject to legislative appropriation, clerks may, on a quarterly basis, submit to the Office of the State Courts Administrator a certified request for reimbursement for petitions for protection against domestic violence; repeat, sexual, or dating violence; or stalking issued by the court, at the rate of $40 per petition. From this reimbursement, if any, the clerk must pay any law enforcement agency that served such an injunction a fee requested by the agency, not to exceed $20.[35]

Driver License Suspension in Florida

Section 318.15, F.S., requires a clerk to notify the Department of Highway Safety and Motor Vehicles (DHSMV) if a person fails to:

- Comply with civil penalties within a specified time period;
- Enter into or comply with the terms of a penalty payment plan;
- Attend driver improvement school; or
- Appear at a scheduled hearing.[36]

Section 322.245, F.S., requires a clerk to notify DHSMV if a person fails to:

- Comply with all directives of a court, imposed based on a violation of a criminal offense, within the time allotted by the court; or
- Pay child support.[37]

Upon receipt of such notice from a clerk, pursuant to either ss. 318.15 or 322.245, F.S., DHSMV must immediately issue an order suspending the driver license and driving privilege of such person. The order must inform the person that he or she may contact the clerk to establish a payment plan to make partial payments for court-related fines, fees, service charges, and court costs.[38]

A person's driver license and privilege may not be reinstated until the person:

- Complies with the terms of a periodic payment plan or a revised payment plan with the clerk; complies with all obligations and penalties imposed; or complies with all court directives including payment of a delinquency fee; and
- Presents a certificate of compliance issued by the court to a driver license office along with a nonrefundable service charge of $60.[39, 40]

Effect of Proposed Changes

Trust Fund Deposits

The bill amends ss. 27.52, 27.54, 57.082, and 501.2101, F.S., to:

- Require 25 percent of any costs recovered by a state attorney from a fraudulent indigency application to be remitted to DOR for deposit into the Grants and Donations Trust Fund of the applicable state attorney instead of into the Grants and Donations Trust Fund of the Justice Administrative Commission (JAC).
- Require any payments received from a county or municipality in support of the operation of the offices of the various public defenders and regional counsel to be deposited into the Grants and Donations Trust Fund of the applicable public defender or criminal conflict and civil regional counsel instead of into the Grants and Donations Trust Fund of JAC.
- Require any moneys received by an enforcing authority for attorney fees and costs of investigation or litigation for specified proceedings to be deposited into the Grants and Donations Trust Fund of a state attorney if the action is brought by the state attorney.

[35] Ss. 741.30(2)(a), 784.046(3)(b), and 784.0485(2)(a), F.S.
[36] S. 318.15(1)(a), F.S.
[37] S. 322.245(1-2), F.S.
[38] Ss. 318.15(1) and 322.245(3), F.S.
[39] S. 318.15(2), F.S.
[40] S. 322.29(2), F.S.

Deposit and Distribution of Fees

The bill amends s. 34.041, F.S., to:

- Require the filing fee received from a party filing a cross-claim, counterclaim, counterpetition, or third-party complaint, or notice of cross-appeal or notice of joinder or motion to intervene as an appellate, cross-appellant, or petitioner in a civil action to be deposited into the clerk's Fine and Forfeiture Fund if the relief sought by the party exceeds $2,500 but is not more than $15,000 instead of being remitted to DOR for deposit into the General Revenue Fund.
- Require service charges collected for issuing a summons to be deposited into the clerk's Fine and Forfeiture Fund instead of being remitted to DOR for deposit into the General Revenue Fund.

Miami-Dade County Clerk of Court Driver License Reinstatement Pilot Program

The bill creates s. 322.76, F.S., to authorize the establishment of the Miami-Dade County Clerk of Court Driver License Reinstatement Pilot Program. The bill authorizes the clerk of the circuit court for Miami-Dade County to reinstate or provide an affidavit to the department to reinstate a suspended driver license that was originally suspended for the following reasons when the obligations have been met or the suspension period has lapsed:

- Failure to fulfill a court-ordered child support obligation.
- Driving record points.
- Failure to comply with any provision of chs. 318 or 322, F.S.

The bill requires a person to comply with the provisions of s. 322.29, F.S., in order to qualify to have his or her license reinstated under this pilot program.

The bill requires DHSMV to ensure that its technology system allows the Miami-Dade County Clerk to reinstate suspended driver licenses within the system under the pilot program beginning on July 1, 2024.

The bill requires the Miami-Dade County Clerk to submit a report containing the following information to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Executive Director of the CCOC by December 31, 2025:

- The number of driver licenses reinstated.
- The amount of fees and costs collected, including the aggregate funds received by the clerk and local and state governmental entities, including from the General Revenue Fund.
- The personnel, operating, and other expenditures incurred by the clerk.
- Feedback received from the community, if any, in response to the Clerk's participation in the pilot program.
- Information regarding whether the pilot program provided more expeditious reinstatement of driver licenses.
- The Clerk's recommendation as to whether the pilot program should be extended in Miami-Dade County or to other clerks' offices.
- Any other information the Clerk deems necessary.

The bill repeals this pilot program on July 1, 2026.

Other Changes

The bill amends s. 27.703, F.S., to require appointed capital collateral regional counsel or other appointed attorney to be paid from funds appropriated to JAC instead of from funds appropriated to the CFO.

The bill amends s. 110.112, F.S., to eliminate state attorney and public defender reporting requirements regarding affirmative action programs for the previous fiscal year.

The bill amends s. 186.003, F.S., to remove an improper reference to state attorneys, public defenders, capital collateral regional counsel, and JAC from the definition of "state agency" or "agency" in the state and regional planning chapter of the Florida Statutes.

The bill makes other technical and conforming changes.

The bill provides an effective date of upon becoming a law.

B. SECTION DIRECTORY:

Section 1: Amends s. 27.52, F.S., relating to determination of indigent status.
Section 2: Amends s. 27.54, F.S., relating to limitation on payment of expenditures other than by the state.
Section 3: Amends s. 27.703, F.S., relating to conflict of interest and substitute counsel.
Section 4: Amends s. 34.041, F.S., relating to filing fees.
Section 5: Amends s. 57.082, F.S., relating to determination of civil indigent status.
Section 6: Amends s. 110.112, F.S., relating to affirmative action; equal employment opportunity.
Section 7: Amends s. 186.003, F.S., relating to definitions.
Section 8: Creates s. 322.76, F.S., relating to Miami-Dade County the Clerk of Court Driver License Reinstatement Pilot Program.
Section 9: Amends s. 501.2101, F.S., relating to enforcing authorities; moneys received in certain proceedings.

Section 10: Provides an effective date of upon becoming a law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   See Fiscal Comments.

2. Expenditures:

   See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   See Fiscal Comments.

2. Expenditures:

   See Fiscal Comments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The bill provides for the redistribution of specified revenue collected by the clerks, away from the General Revenue Fund and into other trust funds for use by the clerks. The Revenue Estimating Conference determined that such redistributions would result in a significant negative fiscal impact to General Revenue Fund receipts and a significant positive fiscal impact to trust funds utilized by the clerks. The estimated total impact of funds being redirected in the bill from the General Revenue Fund to the clerks' local trust funds is approximately $8.7 million in fiscal year 2024-25, and will average $8.9 million annually over the next five years.[41] The incremental portions of the $8.7 million fiscal year 2024-25 impact are explained below.

Counterclaim Filing Fees

Section 34.041(1)(c), F.S., authorizes counterclaim filing fees which are currently remitted to DOR and deposited into the General Revenue Fund. The bill revises such distributions so that they are not remitted to DOR for deposit into the General Revenue Fund, but are instead deposited into the clerk's Fine and Forfeiture Fund. This results in an estimated $300,000 being redirected from the General Revenue Fund annually over the next five years.[42]

Summons Issuance Fees

Section 34.041(1)(d), F.S., authorizes the clerk of the court to collect a $10 service charge for issuance of a summons, or an electronic certified copy of a summons, which is currently remitted to DOR for deposit into the General Revenue Fund. The bill revises such distributions so that they are not remitted to DOR for deposit into the General Revenue Fund, but are instead deposited into the clerk's Fine and Forfeiture Fund. This results in an estimated $8.4 million being redirected from the General Revenue Fund in fiscal year 2024-25, and averaging $8.6 million annually over the next five years.[43]

Miami-Dade County Clerk of the Court Driver License Reinstatement Pilot Program

The bill may require the Miami-Dade County Clerk's Office to spend funds to develop and implement the pilot program created in the bill.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The county/municipality mandates provision of Art. VII, section 18, of the Florida Constitution may apply because this bill may require the Miami-Dade County clerk's office to spend funds to develop and implement the pilot program created in the bill; however, an exemption may apply as the bill may have only an insignificant fiscal impact on Miami-Dade County.

2. Other:

None.

[41] Office of Economic and Demographic Research, Revenue Estimating Impact Conference, 2024 House Bill 1077, pp. 147-153, Jan. 12, 2024, http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2024/_pdf/impact0112.pdf (last visited Feb. 13, 2024).
[42] *Id.*
[43] *Id.*

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On February 13, 2024, the Justice Appropriations Subcommittee adopted one amendment and reported the bill favorably as a committee substitute. The amendment:

- removes language amending ss. 28.241 and 318.18, F.S., which would have reduced the amount of fees distributed to the General Revenue Fund;
- removes language amending ss. 28.35, 28.37, 40.29, 741.30, 784.046, and 784.0485, F.S., expanding the duties of the Florida Clerks of Court Operations Corporation; and
- corrects a statutory cross-reference.

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

A bill to be entitled

An act relating to clerks of court; amending s. 27.52, F.S.; revising the fund into which moneys recovered by certain state attorneys must be remitted; amending s. 27.54, F.S.; revising the fund into which certain payments received must be remitted as related to public defenders or regional counsels; amending s. 27.703, F.S.; revising the entity that funds the capital collateral regional counsel; amending s. 34.041, F.S.; revising the fund into which certain filing fees are to be deposited; amending 57.082, F.S.; conforming provisions to changes made by the act; amending s. 110.112, F.S.; removing a provision requiring each state attorney to publish an annual report addressing results of his or her affirmative action program; amending s. 186.003, F.S.; revising the definition of "state agency" for certain purposes; creating s. 322.76, F.S.; creating the Clerk of the Court Driver License Reinstatement Pilot Program; authorizing the Clerk of the Circuit Court for Miami-Dade County to reinstate or provide an affidavit to the department to reinstate certain suspended driver licenses; establishing requirements for the clerk under the program to be performed by a date certain; providing for expiration of the program; amending s.

501.2101, F.S.; revising the funds into which certain moneys received by state attorneys must be deposited; providing an effective date.

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

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

27.52 Determination of indigent status.—

(7) FINANCIAL DISCREPANCIES; FRAUD; FALSE INFORMATION.—

(b) If the court has reason to believe that any applicant, through fraud or misrepresentation, was improperly determined to be indigent or indigent for costs, the matter shall be referred to the state attorney. Twenty-five percent of any amount recovered by the state attorney as reasonable value of the services rendered, including fees, charges, and costs paid by the state on the person's behalf, shall be remitted to the Department of Revenue for deposit into the Grants and Donations Trust Fund of the applicable state attorney ~~within the Justice Administrative Commission~~. Seventy-five percent of any amount recovered shall be remitted to the Department of Revenue for deposit into the General Revenue Fund.

Section 2. Paragraph (c) of subsection (2) of section 27.54, Florida Statutes, is amended to

27.54 Limitation on payment of expenditures other than by

the state.—

(2) A county or municipality may contract with, or appropriate or contribute funds to, the operation of the offices of the various public defenders and regional counsels ~~counsel~~ as provided in this subsection. A public defender or regional counsel defending violations of special laws or county or municipal ordinances punishable by incarceration and not ancillary to a state charge shall contract with counties and municipalities to recover the full cost of services rendered on an hourly basis or reimburse the state for the full cost of assigning one or more full-time equivalent attorney positions to work on behalf of the county or municipality. Notwithstanding any other provision of law, in the case of a county with a population of less than 75,000, the public defender or regional counsel shall contract for full reimbursement, or for reimbursement as the parties otherwise agree. In local ordinance violation cases, the county or municipality shall pay for due process services that are approved by the court, including deposition costs, deposition transcript costs, investigative costs, witness fees, expert witness costs, and interpreter costs. The person charged with the violation shall be assessed a fee for the services of a public defender or regional counsel and other costs and fees paid by the county or municipality, which assessed fee may be reduced to a lien, in all instances in which the person enters a plea of guilty or no contest or is

found to be in violation or guilty of any count or lesser included offense of the charge or companion case charges, regardless of adjudication. The court shall determine the amount of the obligation. The county or municipality may recover assessed fees through collections court or as otherwise permitted by law, and any fees recovered pursuant to this section shall be forwarded to the applicable county or municipality as reimbursement.

(c) Any payments received pursuant to this subsection shall be deposited into the Grants and Donations Trust Fund of ~~within~~ the applicable public defender or criminal conflict and civil regional counsel ~~Justice Administrative Commission~~ for appropriation by the Legislature.

Section 3. Subsection (2) of section 27.703, Florida Statutes, is amended to read:

27.703 Conflict of interest and substitute counsel.—

(2) Appointed counsel shall be paid from funds appropriated to the Justice Administrative Commission ~~Chief Financial Officer~~. The hourly rate may not exceed $100. However, all appointments of private counsel under this section shall be in accordance with ss. 27.710 and 27.711.

Section 4. Paragraphs (c) and (d) of subsection (1) of section 34.041, Florida Statutes, are amended to read:

34.041 Filing fees.—

(1)

(c) A party in addition to a party described in paragraph (a) who files a pleading in an original civil action in the county court for affirmative relief by cross-claim, counterclaim, counterpetition, or third-party complaint, or who files a notice of cross-appeal or notice of joinder or motion to intervene as an appellant, cross-appellant, or petitioner, shall pay the clerk of court a fee of $295 if the relief sought by the party under this paragraph exceeds $2,500 but is not more than $15,000 and $395 if the relief sought by the party under this paragraph exceeds $15,000. The clerk shall deposit ~~remit~~ the fee if the relief sought by the party under this paragraph exceeds $2,500 but is not more than $15,000 ~~to the Department of Revenue for deposit~~ into the fine and forfeiture fund established pursuant to s. 142.01 ~~General Revenue Fund~~. This fee does not apply if the cross-claim, counterclaim, counterpetition, or third-party complaint requires transfer of the case from county to circuit court. However, the party shall pay to the clerk the standard filing fee for the court to which the case is to be transferred.

(d) The clerk of court shall collect a service charge of $10 for issuing a summons or an electronic certified copy of a summons, which the clerk shall deposit into the fine and forfeiture fund established pursuant to s. 142.01 ~~remit to the Department of Revenue for deposit into the General Revenue Fund~~. The clerk shall assess the fee against the party seeking to have the summons issued.

Section 5. Paragraph (b) of subsection (7) of section 57.082, Florida Statutes, is amended to read:

57.082 Determination of civil indigent status.—

(7) FINANCIAL DISCREPANCIES; FRAUD; FALSE INFORMATION.—

(b) If the court has reason to believe that any applicant, through fraud or misrepresentation, was improperly determined to be indigent, the matter shall be referred to the state attorney. Twenty-five percent of any amount recovered by the state attorney as reasonable value of the services rendered, including fees, charges, and costs paid by the state on the person's behalf, shall be remitted to the Department of Revenue for deposit into the Grants and Donations Trust Fund of ~~within~~ the applicable state attorney ~~Justice Administrative Commission~~. Seventy-five percent of any amount recovered shall be remitted to the Department of Revenue for deposit into the General Revenue Fund.

Section 6. Paragraph (d) of subsection (4) of section 110.112, Florida Statutes, is amended to read:

110.112 Affirmative action; equal employment opportunity.—

(4) Each state attorney and public defender shall:

~~(d) Report annually to the Justice Administrative Commission on the implementation, continuance, updating, and results of his or her affirmative action program for the previous fiscal year.~~

Section 7. Subsection (6) of section 186.003, Florida

Statutes, is amended to read:

186.003 Definitions; ss. 186.001-186.031, 186.801-186.901.—As used in ss. 186.001-186.031 and 186.801-186.901, the term:

(6) "State agency" or "agency" means any official, officer, commission, board, authority, council, committee, or department of the executive branch of state government. For purposes of this chapter, "state agency" or "agency" includes ~~state attorneys, public defenders, the capital collateral regional counsel, the Justice Administrative Commission, and~~ the Public Service Commission.

Section 8. Section 322.76, Florida Statutes, is created to read:

322.76 Miami-Dade County the Clerk of Court Driver License Reinstatement Pilot Program.-There is created in Miami-Dade County the Clerk of Court Driver License Reinstatement Pilot Program.

(1) As used in this section, the term "clerk" means the Clerk of the Circuit Court for Miami-Dade County.

(2) Notwithstanding any other provision to the contrary in this chapter, the clerk may reinstate or provide an affidavit to the department to reinstate a suspended driver license:

(a) For a person's failure to fulfill a court-ordered child support obligation.

(b) As a result of the end of suspension because of

points, under s. 322.27, notwithstanding hardship license.

(c) For failure to comply with any provision of chapter 318 or this chapter.

(3) Notwithstanding s. 322.29(1), an examination is not required for the reinstatement of a driver license suspended under s. 318.15 or s. 322.245 unless an examination is otherwise required by this chapter. A person applying for the reinstatement of a driver license suspended under s. 318.15 or s. 322.245 must present to the clerk certification from the court that he or she has either complied with all obligations and penalties imposed pursuant to s. 318.15 or with all directives of the court and the requirements of s. 322.245.

(4) A nonrefundable service fee must be paid pursuant to s. 322.29(2).

(5) Before July 1, 2024, the department shall work with the clerk, through its association, to ensure the ability within its technology system for the clerk to reinstate suspended driver licenses under the pilot program, to begin on July 1, 2024.

(6) By December 31, 2025, the clerk must submit the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Executive Director of the Florida Clerks of Court Operations Corporation a report containing the following information:

(a) Number of driver license reinstatements.

(b) Amount of fees and costs collected, including the aggregate funds received by the clerk, local governmental entities, and state entities, including the General Revenue Fund.

(c) The personnel, operating, and other expenditures incurred by the clerk.

(d) Feedback received from the community, if any, in response to the clerk's participation in the pilot program.

(e) Whether the pilot program led to improved timeliness for the reinstatement of driver licenses.

(f) The clerk's recommendation as to whether the pilot program should be extended in Miami-Dade County or to other clerks' offices.

(g) Any other information the clerk deems necessary.

(7) This section is repealed on July 1, 2026.

Section 9. Subsection (1) of section 501.2101, Florida Statutes, is amended to read:

501.2101 Enforcing authorities; moneys received in certain proceedings.—

(1) Any moneys received by an enforcing authority for attorney ~~attorney's~~ fees and costs of investigation or litigation in proceedings brought under the provisions of s. 501.207, s. 501.208, or s. 501.211 shall be deposited as received in the Legal Affairs Revolving Trust Fund if the action is brought by the Department of Legal Affairs, and in the Grants

and Donations ~~Consumer Frauds~~ Trust Fund of a state attorney ~~the Justice Administrative Commission~~ if the action is brought by the ~~a~~ state attorney.

Section 10. This act shall take effect upon becoming a law.

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	_____

Committee/Subcommittee hearing bill: Appropriations Committee
Representative Botana offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause and insert:

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

27.52 Determination of indigent status.—

(7) FINANCIAL DISCREPANCIES; FRAUD; FALSE INFORMATION.—

(b) If the court has reason to believe that any applicant, through fraud or misrepresentation, was improperly determined to be indigent or indigent for costs, the matter shall be referred to the state attorney. Twenty-five percent of any amount recovered by the state attorney as reasonable value of the services rendered, including fees, charges, and costs paid by the state on the person's behalf, shall be remitted to the

Department of Revenue for deposit into the Grants and Donations Trust Fund of the applicable state attorney ~~within the Justice Administrative Commission~~. Seventy-five percent of any amount recovered shall be remitted to the Department of Revenue for deposit into the General Revenue Fund.

Section 2. Paragraph (c) of subsection (2) of section 27.54, Florida Statutes, is amended to

27.54 Limitation on payment of expenditures other than by the state.—

(2) A county or municipality may contract with, or appropriate or contribute funds to, the operation of the offices of the various public defenders and regional counsels ~~counsel~~ as provided in this subsection. A public defender or regional counsel defending violations of special laws or county or municipal ordinances punishable by incarceration and not ancillary to a state charge shall contract with counties and municipalities to recover the full cost of services rendered on an hourly basis or reimburse the state for the full cost of assigning one or more full-time equivalent attorney positions to work on behalf of the county or municipality. Notwithstanding any other provision of law, in the case of a county with a population of less than 75,000, the public defender or regional counsel shall contract for full reimbursement, or for reimbursement as the parties otherwise agree. In local ordinance violation cases, the county or municipality shall pay for due

process services that are approved by the court, including deposition costs, deposition transcript costs, investigative costs, witness fees, expert witness costs, and interpreter costs. The person charged with the violation shall be assessed a fee for the services of a public defender or regional counsel and other costs and fees paid by the county or municipality, which assessed fee may be reduced to a lien, in all instances in which the person enters a plea of guilty or no contest or is found to be in violation or guilty of any count or lesser included offense of the charge or companion case charges, regardless of adjudication. The court shall determine the amount of the obligation. The county or municipality may recover assessed fees through collections court or as otherwise permitted by law, and any fees recovered pursuant to this section shall be forwarded to the applicable county or municipality as reimbursement.

(c) Any payments received pursuant to this subsection shall be deposited into the Grants and Donations Trust Fund of ~~within~~ the applicable public defender or criminal conflict and civil regional counsel ~~Justice Administrative Commission~~ for appropriation by the Legislature.

Section 3. Subsection (2) of section 27.703, Florida Statutes, is amended to read:

27.703 Conflict of interest and substitute counsel.—

(2) Appointed counsel shall be paid from funds appropriated to the Justice Administrative Commission ~~Chief Financial Officer~~. The hourly rate may not exceed $100. However, all appointments of private counsel under this section shall be in accordance with ss. 27.710 and 27.711.

Section 4. Paragraph (a) of subsection (3) of section 28.35, Florida Statutes is amended to read:

28.35 Florida Clerks of Court Operations Corporation.—

(3)(a) The list of court-related functions that clerks may fund from filing fees, service charges, court costs, and fines is limited to those functions expressly authorized by law or court rule. Those functions include the following: case maintenance; records management; court preparation and attendance; processing the assignment, reopening, and reassignment of cases; processing of appeals; collection and distribution of fines, fees, service charges, and court costs; processing of bond forfeiture payments; data collection and reporting; determinations of indigent status; improving court technology; and paying reasonable administrative support costs to enable the clerk of the court to carry out these court-related functions.

Section 5. Paragraph (d) of subsection (1) of section 34.041, Florida Statutes is amended to read:

34.041 Filing fees.—

(1)

(d) The clerk of court shall collect a service charge of $10 for issuing a summons or an electronic certified copy of a summons, which the clerk shall deposit into the fine and forfeiture fund established pursuant to s. 142.01 ~~remit to the Department of Revenue for deposit into the General Revenue Fund~~. The clerk shall assess the fee against the party seeking to have the summons issued.

Section 6. Paragraph (b) of subsection (7) of section 57.082, Florida Statutes, is amended to read:

57.082 Determination of civil indigent status.—

(7) FINANCIAL DISCREPANCIES; FRAUD; FALSE INFORMATION.—

(b) If the court has reason to believe that any applicant, through fraud or misrepresentation, was improperly determined to be indigent, the matter shall be referred to the state attorney. Twenty-five percent of any amount recovered by the state attorney as reasonable value of the services rendered, including fees, charges, and costs paid by the state on the person's behalf, shall be remitted to the Department of Revenue for deposit into the Grants and Donations Trust Fund of ~~within~~ the applicable state attorney ~~Justice Administrative Commission~~. Seventy-five percent of any amount recovered shall be remitted to the Department of Revenue for deposit into the General Revenue Fund.

Section 7. Paragraph (d) of subsection (4) of section 110.112, Florida Statutes, is amended to read:

110.112 Affirmative action; equal employment opportunity.—

(4) Each state attorney and public defender shall:

~~(d) Report annually to the Justice Administrative Commission on the implementation, continuance, updating, and results of his or her affirmative action program for the previous fiscal year.~~

Section 8. Subsection (6) of section 186.003, Florida Statutes, is amended to read:

186.003 Definitions; ss. 186.001-186.031, 186.801-186.901.—As used in ss. 186.001-186.031 and 186.801-186.901, the term:

(6) "State agency" or "agency" means any official, officer, commission, board, authority, council, committee, or department of the executive branch of state government. For purposes of this chapter, "state agency" or "agency" includes ~~state attorneys, public defenders, the capital collateral regional counsel, the Justice Administrative Commission, and~~ the Public Service Commission.

Section 9. Subsection (18) of section 318.18, Florida Statutes is amended to read:

318.18 Amount of penalties.—The penalties required for a noncriminal disposition pursuant to s. 318.14 or a criminal offense listed in s. 318.17 are as follows:

(18) In addition to any penalties imposed, an administrative fee of $12.50 must be paid for all noncriminal

moving and nonmoving violations under chapters 316, 320, and 322. Of this administrative fee, $6.25 must be deposited into the Public Records Modernization Trust Fund and used exclusively for funding court-related technology needs of the clerk, as defined in s. 29.008(1)(f)2. and (h), and $6.25 must be deposited into the fine and forfeiture fund established pursuant to s. 142.01. ~~The clerk shall remit the administrative fee to the Department of Revenue for deposit into the General Revenue Fund.~~

Section 10. Section 322.76, Florida Statutes, is created to read:

322.76 Miami-Dade County the Clerk of Court Driver License Reinstatement Pilot Program.-There is created in Miami-Dade County the Clerk of Court Driver License Reinstatement Pilot Program.

(1) As used in this section, the term "clerk" means the Clerk of the Circuit Court for Miami-Dade County.

(2) Notwithstanding any other provision to the contrary in this chapter, the clerk may reinstate or provide an affidavit to the department to reinstate a suspended driver license:

(a) For a person's failure to fulfill a court-ordered child support obligation.

(b) As a result of the end of suspension because of points, under s. 322.27, notwithstanding hardship license.

(c) For failure to comply with any provision of chapter 318 or this chapter.

(3) Notwithstanding s. 322.29(1), an examination is not required for the reinstatement of a driver license suspended under s. 318.15 or s. 322.245 unless an examination is otherwise required by this chapter. A person applying for the reinstatement of a driver license suspended under s. 318.15 or s. 322.245 must present to the clerk certification from the court that he or she has either complied with all obligations and penalties imposed pursuant to s. 318.15 or with all directives of the court and the requirements of s. 322.245.

(4) A nonrefundable service fee must be paid pursuant to s. 322.29(2).

(5) Before July 1, 2024, the department shall work with the clerk, through its association, to ensure the ability within its technology system for the clerk to reinstate suspended driver licenses under the pilot program, to begin on July 1, 2024.

(6) By December 31, 2025, the clerk must submit the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Executive Director of the Florida Clerks of Court Operations Corporation a report containing the following information:

(a) Number of driver license reinstatements.

(b) Amount of fees and costs collected, including the aggregate funds received by the clerk, local governmental entities, and state entities, including the General Revenue Fund.

(c) The personnel, operating, and other expenditures incurred by the clerk.

(d) Feedback received from the community, if any, in response to the clerk's participation in the pilot program.

(e) Whether the pilot program led to improved timeliness for the reinstatement of driver licenses.

(f) The clerk's recommendation as to whether the pilot program should be extended in Miami-Dade County or to other clerks' offices.

(g) Any other information the clerk deems necessary.

(7) This section is repealed on July 1, 2026.

Section 11. Subsection (1) of section 501.2101, Florida Statutes, is amended to read:

501.2101 Enforcing authorities; moneys received in certain proceedings.—

(1) Any moneys received by an enforcing authority for attorney ~~attorney's~~ fees and costs of investigation or litigation in proceedings brought under the provisions of s. 501.207, s. 501.208, or s. 501.211 shall be deposited as received in the Legal Affairs Revolving Trust Fund if the action is brought by the Department of Legal Affairs, and in the Grants

and Donations ~~Consumer Frauds~~ Trust Fund of a state attorney ~~the Justice Administrative Commission~~ if the action is brought by the ~~a~~ state attorney.

Section 12. This act shall take effect upon becoming a law.

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

Remove everything before the enacting clause and insert: An act relating to clerks of court; amending s. 27.52, F.S.; revising the fund into which moneys recovered by certain state attorneys must be remitted; amending s. 27.54, F.S.; revising the fund into which certain payments received must be remitted as related to public defenders or regional counsels; amending s. 27.703, F.S.; revising the entity that funds the capital collateral regional counsel; amending s. 28.35, F.S.; revising the list of court-related functions that clerks may fund from filing fees, service charges, court costs, and fines; amending s. 34.041, F.S.; revising the fund into which certain filing fees are to be deposited; amending 57.082, F.S.; conforming provisions to changes made by the act; amending s. 110.112, F.S.; removing a provision requiring each state attorney to publish an annual report addressing results of his or her affirmative action program; amending s. 186.003, F.S.; revising the definition of "state agency" for certain purposes; amending

s. 318.18, F.S.; revising the distribution of certain administrative fees; creating s. 322.76, F.S.; creating the Clerk of the Court Driver License Reinstatement Pilot Program; authorizing the Clerk of the Circuit Court for Miami-Dade County to reinstate or provide an affidavit to the department to reinstate certain suspended driver licenses; establishing requirements for the clerk under the program to be performed by a date certain; providing for expiration of the program; amending s. 501.2101, F.S.; revising the funds into which certain moneys received by state attorneys must be deposited; providing an effective date.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 1239 Affordable Housing
SPONSOR(S): State Affairs Committee, Lopez, V. and others
TIED BILLS: **IDEN./SIM. BILLS:** CS/CS/SB 328

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) State Affairs Committee	18 Y, 1 N, As CS	Burgess	Williamson
2) Appropriations Committee		McAuliffe	Pridgeon

SUMMARY ANALYSIS

In 2023, the Legislature passed the Live Local Act, which preempts certain county and municipal zoning and land use decisions to encourage development of affordable multi-family rental housing in targeted land use areas. Counties and municipalities must allow a multi-family or mixed-use residential rental development in any area zoned for commercial, industrial, or mixed-use if the development meets certain affordability requirements.

The bill amends various provisions of the Live Local Act (act). As it pertains to the act's preemption of certain local zoning and land use regulations to expedite development of affordable housing, the bill:

- Clarifies that qualifying affordable units must be rental units and the highest allowed density and height subject to the preemption does not include bonuses, variances, or other special exceptions.
- Modifies the height preemption for developments adjacent to single-family residential uses.
- Limits the ability of local governments to restrict the intensity, as measured in floor area ratio (FAR), of a proposed development beyond the highest amount currently authorized.
- Prohibits qualifying developments located near a military installation and exempts certain airport impacted areas.
- Clarifies the act does not limit a local government's ability to grant a bonus, variance, or other special exception for height, density, or FAR and provides that a proposed development is still eligible for height, density, or intensity bonuses provided by local ordinance if certain conditions are satisfied.
- Requires developments authorized under the act be treated as a conforming use even after expiration of the development's affordability period and after the expiration of the act.
- Modifies parking reduction requirements for qualifying developments.
- Grandfathers in applicants for proposed developments under current law, but allows those applicants to submit a revised application to account for changes made by the bill.

As it pertains to the act's ad valorem tax exemptions for affordable housing development, the bill:

- Requires fewer units for developments located in the Florida Keys to be set aside for income-limited persons and families.
- Clarifies that the Florida Housing Finance Corporation's (FHFC) duties are ministerial, while local property appraisers maintain authority to grant tax exemptions, and outlines the method for property appraisers to determine values of tax-exempt units.

The bill also expands the authority of the FHFC to preclude certain developers from participating in its programs.

The bill appropriates $100 million in nonrecurring funds from the General Revenue Fund to the FHFC to administer the Florida Hometown Hero Program in the 2024-2025 fiscal year. The bill will have an indeterminate negative impact on local governments. *See* FISCAL COMMENTS for further discussion.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Affordable Housing

Housing is considered affordable when it costs less than 30 percent of a family's gross income.[1] A family paying more than 30 percent of its income for housing is considered "cost burdened," while those paying more than 50 percent are considered "extremely cost burdened." Severely cost burdened households are more likely to sacrifice other necessities such as healthy food and healthcare to pay for housing, and to experience unstable housing situations such as eviction.

Affordable housing is defined in terms of household income. Resident eligibility for Florida's state and federally-funded housing programs is governed by area median income (AMI) or statewide median family income,[2] published annually by the United States Department of Housing and Urban Development (HUD).[3] The following are standard household income level definitions and their relationship to the 2023 Florida statewide AMI of $85,500 for a family of four (as family size changes, the income range also varies):[4]

- Extremely low income – earning up to 30 percent AMI (at or below $ 24,850).[5]
- Very low income – earning from 30.01 to 50 percent AMI ($24,851 to $41,450).[6]
- Low income – earning from 50.01 to 80 percent AMI ($41,451 to $66,350).[7]
- Moderate income – earning from 80.01 to 120 percent of AMI ($66,351 to $102,600).[8]

Florida Housing Finance Corporation[9]

The Florida Housing Finance Corporation (FHFC) was created in 1997 as a public-private entity to assist in providing a range of affordable housing opportunities for Floridians.[10] FHFC is a corporation held by the state and housed within the Department of Commerce (Commerce). FHFC is a separate budget entity and its operations are not subject to control, supervision, or direction by Commerce.[11]

The goal of FHFC is to increase the supply of safe, affordable housing for individuals and families with very low to moderate incomes by stimulating investment of private capital and encouraging public and private sector housing partnerships. As a financial institution, FHFC administers federal and state

---

[1] S. 420.0004(3), F.S.
[2] The 2023 Florida SMI for a family of four was $85,500. U.S. Dept. of Housing and Urban Development, *Income Limits, Access Individual Income Limits Areas*, available at https://www.huduser.gov/portal/datasets/il.html#year2023 (last visited Jan. 24, 2024).
[3] HUD User, Office of Policy Development and Research, "Income Limits," available at https://www.huduser.gov/portal/datasets/il.html#2023 (last visited Jan. 24, 2024) (SMI and AMI available under the "Access Individual Income Limits Area" dataset).
[4] U.S. Dept. of Housing and Urban Development, *Income Limits*, *Access Individual Income Limits Areas*, available at https://www.huduser.gov/portal/datasets/il.html#2023 (last visited Jan. 24, 2024).
[5] S. 420.0004(9), F.S.
[6] S. 420.0004(17), F.S.
[7] S. 420.0004(11), F.S.
[8] S. 420.0004(12), F.S.
[9] *See generally* National Council of State Housing Agencies, "About HFAs," available at https://www.ncsha.org/about-us/about-hfas/ (last visited Jan. 24, 2024); *See generally* State of Florida Auditor General, "Florida Housing Finance Corporation Audit Performed Pursuant to Chapter 2013-83, Laws of Florida," https://flauditor.gov/pages/pdf_files/2017-047.pdf (last visited Jan. 24, 2024) (pursuant to Ch. 2013-83, Laws of Fla., codified as s. 420.511(5), F.S., the Florida Auditor General conducted an operational audit of the accounts and records of FHFC in November 2016).
[10] Ch. 97-167, Laws of Fla. From 1980 through 1997, the former Florida Housing Finance Agency, placed within the former Department of Community Affairs, performed similar duties.
[11] S. 420.504(1), F.S.

resources to finance the development and preservation of affordable rental housing and assist homebuyers with financing and down payment assistance.[12]

FHFC may preclude an applicant or an affiliate from participation in any of its programs under certain circumstances if the applicant or affiliate has:

- Made a material misrepresentation or engaged in fraudulent actions in connection with any corporation program.
- Been convicted or found guilty of, or entered a plea of guilty or no contest to, a crime in any jurisdiction which directly relates to the financing, construction, or management of affordable housing or the fraudulent procurement of state or federal funds.
- Been excluded from any federal funding program related to the provision of housing.
- Been excluded from any Florida procurement programs.
- Offered or given consideration, other than the consideration to provide affordable housing, with respect to a local contribution.
- Demonstrated a pattern of noncompliance and a failure to correct any such noncompliance after notice from the corporation in the construction, operation, or management of one or more developments funded through a corporation program.[13]

Land Use for Affordable Housing Development

All development, both public and private, and all development orders[14] approved by a local government must be consistent with the local government's comprehensive plan.[15] The Growth Management Act requires every county and municipality to create and implement a comprehensive plan to guide future development.[16] A comprehensive plan is intended to provide for the future use of land, which contemplates a gradual and ordered growth, and establishes a long-range maximum limit on the possible intensity of land use.

A locality's comprehensive plan lays out the locations for future public facilities, including roads, water and sewer facilities, neighborhoods, parks, schools, and commercial and industrial developments. A comprehensive plan is made up of 10 required elements, each laying out regulations for a different facet of development.[17] The future land use element and the housing element are the most pertinent to the bill.

The future land use element designates proposed future general distribution, location, and extent of the uses of land. Specified use designations include those for residential, commercial, industry, agriculture, recreation, conservation, education, and public facilities. The approximate acreage and the general range of density or intensity of use must be provided for each land use category.[18] The specific use and intensities for specific parcels are decided by a more detailed, implementing zoning map.[19]

The housing element sets forth guidelines and strategies for the creation and preservation of affordable housing for all current and anticipated future residents of the jurisdiction, elimination of substandard

[12] *See* Fla. Housing Finance Corp., *About Florida Housing*, https://www.floridahousing.org/about-florida-housing (last accessed Jan. 24, 2024).
[13] S. 420.518(1)(a-f), F.S.
[14] "Development order" means any order granting, denying, or granting with conditions an application for a development permit. See s. 163.3164(15), F.S. "Development permit" includes any building permit, zoning permit, subdivision approval, rezoning, certification, special exception, variance, or any other official action of local government having the effect of permitting the development of land. See s. 163.3164(16), F.S.
[15] S. 163.3194(3), F.S
[16] S. 163.3167(2), F.S.
[17] S. 163.3177(6), F.S. The 10 required elements include capital improvements; future land use plan; transportation; general sanitary sewer, solid waste, drainage, potable water, and natural groundwater aquifer recharge; conservation; recreation and open space; housing; coastal management; intergovernmental coordination; and property rights. Throughout statutes exist plans and programs that may be added as optional elements.
[18] S. 163.3177(6)(a), F.S.
[19] Richard Grosso, A Guide to Development Order "Consistency" Challenges Under Florida Statutes Section 163.3215, 34 J. Envtl. L. & Litig. 129, 154 (2019) citing *Brevard Cty. v. Snyder*, 627 So. 2d 469, 475 (Fla. 1993).

housing conditions, provision of adequate sites for future housing, and distribution of housing for a range of incomes and types.[20]

A comprehensive plan is implemented through the adoption of land development regulations[21] that are consistent with the plan and that contain specific and detailed provisions necessary to implement the plan.[22] Such regulations must, among other prescriptions, regulate the subdivision of land and the use of land for the land use categories in the land use element of the comprehensive plan.[23] Substantially affected persons have the right to maintain administrative actions that ensure land development regulations implement and are consistent with the comprehensive plan.[24]

Development that does not conform to the comprehensive plan may not be approved by a local government unless the local government amends its comprehensive plan first. State law requires a proposed comprehensive plan amendment to receive two public hearings, the first held by the local planning board and subsequently by the governing board.[25] Following the hearings, the local government must transmit the plan to several statutorily identified reviewing agencies, including Commerce, for review.[26] Most plan amendments are placed into the expedited state review process, while plan amendments relating to large-scale developments are placed into the state coordinated review process.[27]

Live Local Act

The Live Local Act, which became law in 2023, preempts certain county and municipal zoning and land use decisions to encourage development of affordable multifamily rental housing in targeted land use areas.[28] Specifically, counties and municipalities must allow a multi-family or mixed-use residential[29] rental development in any area zoned for commercial, industrial, or mixed-use if the development meets certain affordability requirements.[30] To qualify, the proposed development must reserve 40 percent of the units for residents with incomes up to 120 percent AMI, for a period of at least 30 years.

Local governments are prohibited from restricting the density[31] of qualifying developments below the highest allowed density on land within its jurisdiction where residential development is allowed and may not restrict the height below the highest currently allowed height for a commercial or residential development in its jurisdiction within one mile of the proposed development or three stories, whichever is higher.[32]

---

[20] S. 163.3177(6)(f), F.S.
[21] "Land development regulations" means ordinances enacted by governing bodies for the regulation of any aspect of development and includes any local government zoning, rezoning, subdivision, building construction, or sign regulations or any other regulations controlling the development of land, except that this definition does not apply in s. 163.3213. See s. 163.3164(26), F.S.
[22] S. 163.3202, F.S.
[23] *Id.*
[24] S. 163.3213, F.S.
[25] Ss. 163.3174(4)(a) and 163.3184, F.S.
[26] S. 163.3184, F.S.
[27] *See* ss. 163.3184 and 380.06, F.S. In the Expedited State Review Process, DEO reviews and approves or amends the proposed comprehensive plan amendment. This process can take 4 to 6 months. The State Coordinated Review Process is a more thorough, complex, multi-phase process. For more information, *see* Florida Department of Economic Opportunity, *Amendments that Must Follow the State Coordinated Review Process; Procedures and Timeframes*, https://floridajobs.org/community-planning-and-development/programs/community-planning-table-of-contents/amendments-that-must-follow-the-state-coordinated-review-process-procedures-and-timeframes (last visited Jan. 24, 2024).
[28] Ch. 2023-17, ss. 3, 5, Laws of Fla., codified as ss. 125.01055(7) and 166.04151(7), F.S.
[29] For mixed-use residential, at least 65 percent of the total square footage must be used for residential purposes. Ss. 125.01055(7)(a) and 166.04151(7)(a), F.S.
[30] Ss. 125.01055(7)(a) and 166.04151(7)(a), F.S.
[31] "Density" means an objective measurement of the number of people or residential units allowed per unit of land, such as residents or employees per acre, *see* s. 163.3164(12), F.S. While the act expressly preempted density, it did not address intensity. *See* s. 163.3164(22), F.S. Intensity is often measured in terms of floor area ratio (FAR). FAR is the measurement of a building's floor area in relation to the parcel or lot that the structure is built on. For a general overview of FAR, *see*: Metropolitan Council, Local Planning Handbook, *Calculating Floor Area Ratio*, https://metrocouncil.org/Handbook/Files/Resources/Fact-Sheet/LAND-USE/How-to-Calculate-Floor-Area-Ratio.aspx (last visited Jan. 24, 2024).
[32] Ss. 125.01055(7)(b)-(c) and 166.04151(7)(b)-(c), F.S.

An application for a development must be administratively approved, and no further action is required from the governing body of the local government if the development satisfies the local government's land development regulations for multifamily in areas zoned for such use and is otherwise consistent with the jurisdiction's comprehensive plan, with the exception of density, height, and land use requirements.[33]

A local government must consider reducing parking requirements for these developments if they are located within one-half mile of a major transit stop, as the term is defined in the local government's land development code, and the major transit stop is accessible from the development.[34]

These provisions do not apply to recreational and commercial working waterfronts in industrial areas, and only mixed-use residential developments must be authorized under these provisions in certain areas where commercial or industrial capacity is exceptionally limited.[35]

Qualifying developments must comply with all other applicable state and local laws and regulations.[36]

These provisions are effective until October 1, 2033.

Ad Valorem Tax Exemption for Affordable Housing

The ad valorem tax or "property tax" is an annual tax levied by counties, municipalities, school districts, and some special districts. The tax is based on the taxable value of property as of January 1 of each year.[37] The property appraiser annually determines the "just value"[38] of property within the taxing jurisdiction and then applies relevant exclusions, assessment limitations, and exemptions to determine the property's "taxable value."[39] Tax bills are mailed in November of each year based on the previous January 1 valuation, and payment is due by March 31 of the following year.

The Florida Constitution prohibits the state from levying ad valorem taxes,[40] and it limits the Legislature's authority to provide for property valuations at less than just value, unless expressly authorized.[41]

Ad Valorem Tax Exemption for Newly Constructed Affordable Housing

The Live Local Act established a new ad valorem tax exemption for owners of newly constructed multifamily rental developments who use a portion of the development to provide affordable housing.[42] Eligible property includes units in a newly constructed multifamily development containing more than 70 units dedicated to housing natural persons or families below certain income thresholds.[43] However, units subject to an agreement with FHFC are not eligible for the exemption.[44]

---

[33] Ss. 125.01055(7)(d) and 166.04151(7)(d), F.S.
[34] Ss. 125.01055(7)(e) and 166.04151(7)(e), F.S.
[35] Ss. 125.01055(7)(f) and (h) and 166.04151(7)(f) and (h), F.S.
[36] Ss. 125.01055(7)(g) and 166.04151(7)(g), F.S.
[37] Both real property and tangible personal property are subject to tax. S. 192.001(12), F.S., defines "real property" as land, buildings, fixtures, and all other improvements to land. S. 192.001(11)(d), F.S., defines "tangible personal property" as all goods, chattels, and other articles of value capable of manual possession and whose chief value is intrinsic to the article itself.
[38] Property must be valued at "just value" for purposes of property taxation, unless the Florida Constitution provides otherwise. FLA. CONST. art VII, s. 4. Just value has been interpreted by the courts to mean the fair market value that a willing buyer would pay a willing seller for the property in an arm's-length transaction. *See Walter v. Shuler,* 176 So. 2d 81 (Fla. 1965); *Deltona Corp. v. Bailey*, 336 So. 2d 1163 (Fla. 1976); *Southern Bell Tel. & Tel. Co. v. Dade County,* 275 So. 2d 4 (Fla. 1973).
[39] *See* s. 192.001(2) and (16), F.S.
[40] FLA. CONST. art. VII, s. 1(a).
[41] *See* FLA. CONST. art. VII, s. 4.
[42] Ch. 2023-17, s. 8, Laws of Fla, codified as s. 196.1978(3), F.S.
[43] S. 196.1978(3)(b), F.S.
[44] S. 196.1978(3)(k), F.S.

"Newly constructed" is defined as an improvement substantially completed within five years before the property owner's first application for the exemption.[45] The units must be occupied by such individuals or families and rent limited so as to provide affordable housing at either the 80 or 120 percent AMI threshold.[46] Rent for such units may not exceed 90 percent of the fair market value of rent as determined by a rental market study.[47]

Qualified property used to provide affordable housing at the 80 to 120 percent AMI threshold receives an exemption of 75 percent of the assessed value of the affordable units, while such property providing affordable housing up to the 80 percent AMI threshold receives a complete ad valorem tax exemption for the affordable units.[48]

To receive this exemption, a property owner must apply by March 1 to the property appraiser, accompanied by a certification notice from FHFC.[49] To receive FHFC certification, a property owner must submit a request on a form including the most recent market study, which must have been conducted by an independent certified general appraiser in the preceding three years, a list of units for which the exemption is sought, the rent amount received for each unit, and a sworn statement restricting the property for a period of not less than three years to provide affordable housing.[50]

The certification process is administered within FHFC. FHFC is responsible for publishing the deadline for submission, reviewing each request, sending certification notices to both the successful property owner and the appropriate property appraiser, and notifying unsuccessful property owners with reasons for denial.[51]

This exemption first applied to the 2024 tax roll and will expire on December 31, 2059.

Local Option Affordable Housing Ad Valorem Exemption

The Live Local Act authorizes counties and municipalities to enact an ad valorem tax exemption for certain property used for providing affordable housing.[52]

Portions of property eligible for the exemption must be utilized to house persons or families meeting the extremely-low- limit[53] or with incomes between 30 to 60 percent of AMI, be contained in a multifamily project of at least 50 units where at least 20 percent are reserved for affordable housing, and have rent set such that it provides affordable housing to people in the target income bracket, or no higher than 90 percent of the fair market rent value as determined by a rental market study, whichever is less.[54] Additionally, the property must not have been cited for code violations on three or more occasions in the preceding 24 months and must not have outstanding code violations or related fines.[55]

In adopting this exemption, a local government may choose to offer either or both an exemption for extremely-low-income (up to 30 percent AMI) and for incomes between 30 to 60 percent AMI targets. The value of the exemption is up to 75 percent of the assessed value of each unit if less than 100 percent of the multifamily project's units are used to provide affordable housing, or up to 100 percent of the assessed value if all of the project's units are used to provide affordable housing.[56]

[45] S. 196.1978(3)(a)2., F.S.
[46] S. 196.1978(3)(b)1., F.S.
[47] S. 196.1978(3)(b)3., F.S.
[48] S. 196.1978(3)(d), F.S.
[49] S. 196.1978(3)(e), F.S.
[50] S. 196.1978(3)(f), F.S.
[51] S. 196.1978(3)(g), F.S.
[52] Ch. 2023-17, s. 9, Laws of Fla., codified as s. 196.1979, F.S.
[53] S. 420.0004(9), F.S.
[54] S. 196.1979(1)(a)1.-3., F.S.
[55] S. 196.1979(1)(a)4., F.S.
[56] S. 196.1979(1)(b), F.S.

An ordinance enacting such an exemption must:

- Be adopted under normal non-emergency procedures.
- Designate the local entity under the supervision of the governing body that must develop, receive, and review applications for certification and develop notices of determination of eligibility.
- Require the property owner to apply for certification on a form including the most recent market study, which must have been conducted by an independent certified general appraiser in the preceding three years; a list of units for which the exemption is sought; and the rent amount received for each unit.
- Require the designated entity to verify and certify the property as having met the requirements for the exemption, and notify unsuccessful applicants with the reasons for denial.
- Set out the requirements for each unit discussed above.
- Require the property owner to submit an application for exemption accompanied by certification to the property appraiser by March 1.
- Specify that such exemption only applies to taxes levied by the unit of government granting the exemption.
- Specify that the property may not receive such an exemption after the expiration of the ordinance granting the exemption.
- Identify the percentage of assessed value to be exempted, and whether such exemption applies to very-low-income, extremely-low-income, or both.
- Require that the deadline to submit an application and a list of certified properties be published on the local government's website.[57]

The ordinance must expire before the fourth January 1 after adoption; however, the local governing body may adopt a new ordinance renewing the exemption.[58]

If the property appraiser determines that such an exemption has been improperly granted within the last 10 years, the property appraiser must serve the owner with a notice of intent to record a tax lien. Such property will be subject to the taxes improperly exempted, plus a penalty of 50 percent and 15 percent annual interest. Penalty and interest amounts do not apply to exemptions erroneously granted due to clerical mistake or omission by the property appraiser.[59]

Florida Hometown Hero Program

The Florida Hometown Hero Program is a homeownership assistance program administered by FHFC.[60] Under the program, eligible first-time homebuyers, servicemembers, or veterans may access zero-interest loans to reduce the amount of down payment and closing costs by a minimum of $10,000 to a maximum of 5 percent or $35,000, whichever is less.[61] Loans must be repaid when the property is sold, refinanced, rented, or transferred unless otherwise approved by FHFC. Repayments for loans made under this program must be retained within the program to make additional loans.[62]

Loans under the program are available to qualifying homebuyers seeking first mortgages whose family incomes do not exceed 150 percent of the state or local AMI, whichever is greater, and are employed full-time by a Florida-based employer.[63] The borrower must provide documentation of full-time employment, or full-time status for self-employed individuals, of 35 hours or more per week.

[57] S. 196.1979(3), F.S.
[58] S. 196.1979(5), F.S.
[59] S. 196.1979(6), F.S.
[60] Ch. 2013-17, s. 35, Laws of Fla., codified as s. 420.5096, F.S.
[61] S. 420.5096(2), F.S.
[62] S. 420.5096(5), F.S.
[63] S. 420.5096(3), F.S.

For Fiscal Year (FY) 2023-24, $100 million in nonrecurring funds was appropriated to FHFC to implement the Florida Hometown Hero Program.[64] FHFC obligated the full appropriation by August 22, 2023, assisting over 6,400 families and leveraging approximately $2 billion in first mortgages.[65]

Effect of Proposed Changes

Land Use for Affordable Housing Development

The bill provides that affordable units in a development qualifying for the preemption of certain county and municipal zoning and land use decisions in targeted land use areas must be rental units.

The bill clarifies that the prohibition on restricting the density of qualifying development is based on the highest currently allowed density for residential development, not including the density of any building that has received a bonus, variance, or other special exception for density.

The bill prohibits local governments from restricting the intensity of a proposed development, as expressed in floor area ratio (FAR), below 150 percent of the highest currently allowed FAR under the county's land development regulations. The bill provides that the highest currently allowed FAR does not include the FAR of any building that has received a bonus, variance, or other special exception for FAR. For purposes of this prohibition, FAR includes floor lot ratio.

The bill clarifies that the prohibition on restricting the height of a qualifying development is based on the highest currently allowed height for a commercial or residential building located in the local government's jurisdiction within one mile of the proposed development or three stories, whichever is higher, not including the density of any building that has received a bonus, variance, or other special exception for density. The bill creates an exception to this prohibition for a proposed development that is adjacent to, on two or more sides, a parcel zoned for single-family residential use that is within a single-family residential development with at least 25 contiguous single-family homes. In those areas, the bill limits the height of the proposed development to 150 percent of the tallest building on any property adjacent to the proposed development, the highest currently allowed height for the property, or three stories, whichever is higher. The bill defines "adjacent to" for the purpose of the exception as those properties sharing more than one point of a property line, but not including properties separated by a public road.

The bill precludes a proposed development located within one-quarter mile of a military installation from being approved administratively, and requires counties and municipalities to publish on their website a policy containing procedures and expectations for the administrative approval of qualifying developments.

The bill modifies the parking reduction requirements for qualifying developments by requiring local governments to:

- Reduce parking requirements by at least 20 percent for developments within one-half mile of a "major transportation hub"[66] accessible from the proposed development and has alternative parking available within 600 feet. A county may not require that the available parking be sufficient to compensate for the reduction in parking requirements.
- Eliminate parking requirements for developments within a transit-oriented development or area, as recognized by the local government. The proposed development must be mixed-use residential and otherwise comply with the local government's regulations concerning transit-

[64] Ch. 2013-17, s. 44, Laws of Fla.
[65] *See* Florida Senate Committee on Community Affairs, *Presentation by the Florida Housing Finance Corporation on its implementation of the Live Local Act (SB 102 – 2023 Regular Session)*, Nov. 7, 2023, https://www.flsenate.gov/Committees/Show/CA/MeetingPacket/5940/10486_MeetingPacket_5940_2.pdf (last visited Jan. 24, 2024).
[66] The bill defines "major transportation hub" as any transit station, whether bus, train, or light rail, which is served by public transit with a mix of other transportation options.

oriented development, except for use, height, density, FAR, and parking provided by this exception or otherwise agreed to by the local government and the developer.

The bill clarifies that these provisions do not limit a local government's ability to grant a bonus, variance, or other special exception for height, density, or FAR in addition to the required entitlements. The bill does not preclude a proposed development from receiving a bonus for height, density, or FAR pursuant to a local government's ordinance or regulation, provided the development meets the conditions to receive the bonus except for any conditions that conflict with this provision. If a proposed development qualifies for such bonus, the bonus must be administratively approved by the local government and no further action by the local governing body is required.

The bill provides that qualifying developments must be treated as a conforming use after expiration of the development's affordability period of at least 30 years and after the sunset of ss. 125.01055(7) and 166.04151(7), F.S., on October 1, 2033. However, if at any point during the development's affordability period the development violates the affordability requirement, the development must be allowed a reasonable time to cure such violation. If the violation is not cured within a reasonable time, the development must be treated as a nonconforming use.

The bill does not apply to proposed developments:

- Near a runway within one-quarter of a mile laterally from the runway edge and within the area that is the width of one-quarter of a mile extending at right angles from the end of the runway for a distance of 10,000 feet;
- In any airport noise zone identified in a federal land use compatibility table or land-use zoning or airport noise regulation adopted by the local government; or
- That exceed the maximum height restrictions identified in a local government's airport zoning regulation.

The bill provides that an applicant for a proposed development who applied, gave written request, or notice of intent to utilize such provisions to the county or municipality and which has been received by the county or municipality before the effective date of the bill may notify the county or municipality by July 1, 2024, of its intent to proceed under the provisions of s. 125.01055(7), F.S., or s. 166.04151(7), as they existed at the time of submittal. A county or municipality must allow an applicant who submitted an application, written request, or notice of intent before the effective date of the bill the opportunity to submit a revised application, written request, or notice of intent to account for the changes made by the bill.

Ad Valorem Tax Exemptions

The bill makes the following changes to the ad valorem tax exemption for newly constructed developments:

- Requires fewer units in developments located in the Florida Keys to be set aside for income-limited persons and families (10 instead of 70). This acknowledges the stricter land development regulations for that area as compared to the rest of the state.
- Clarifies that FHFC's duties are ministerial while property appraisers maintain the ultimate authority to grant exemptions.
- Outlines the method for property appraisers to determine values of exempted units in a manner that is similar to other exemptions in statute.

The bill also clarifies that the local option ad valorem exemption applies to 100 percent of the assessed value of each residential unit used to provide affordable housing and requires the property appraiser to include the preparation share of residential common areas, including land, to each unit when determining the value of the exemption. The bill also clarifies the duties of the property appraiser in determining when a property is eligible for the exemption.

The bill provides that the changes to the tax exemptions are intended to be remedial and clarifying in nature and apply retroactively to January 1, 2024.

Florida Hometown Hero Program

The bill removes the requirement for borrowers to provide documentation to FHFC to prove their full-time employment or self-employment status equates to 35 hours or more per week. The bill also appropriates $100 million in nonrecurring funds from the General Revenue Fund to FHFC to implement the Florida Hometown Hero Program.

Florida Housing Finance Corporation

The bill authorizes FHFC to preclude sponsors and affiliates of sponsors from participating in programs for certain violations. The bill expands the list of violations to include:

- Being debarred from participation in federal housing programs by HUD.
- Being excluded from any federal procurement programs.
- Materially or repeatedly violating any condition imposed by FHFC in connection with the administration of its programs, including a land use restriction agreement, an extended use agreement, or any other financing or regulatory agreement with FHFC.

B. SECTION DIRECTORY:

Section 1: Amends s. 125.01055, F.S., relating to county affordable housing.

Section 2: Amends s. 166.04151, F.S., relating to municipal affordable housing.

Section 3: Grandfathers in certain applications.

Section 4: Amends s. 196.1978, F.S., relating to affordable housing property exemption.

Section 5: Amends s. 196.1979, F.S., relating to county and municipal affordable housing property exemption.

Section 6: Provides for applicability of changes to ss. 196.1978 and 196.1979, F.S.

Section 7: Amends s. 333.03, F.S., relating to airport zoning regulations.

Section 8: Amends s. 420.507, F.S., relating to powers of FHFC.

Section 9: Amends s. 420.5096, F.S., relating to the Florida Hometown Hero Program.

Section 10: Amends s. 420.518, F.S., relating to preclusion from participating in FHFC programs.

Section 11: Provides an appropriation for FY 2024-25.

Section 12: Provides an effective date of upon becoming a law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

   The bill appropriates $100 million in nonrecurring funds from the General Revenue Fund to the Florida Housing Finance Corporation to implement the Florida Hometown Hero Program in the 2024-2025 fiscal year.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   See Fiscal Comments.

2. Expenditures:

   See Fiscal Comments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

With the funding of the Florida Hometown Hero Program, Floridians who are first-time homebuyers will have access to zero-interest loans to help pay for their down payment and closing costs.

D. FISCAL COMMENTS:

The Revenue Estimating Conference reviewed the portions of the bill related to the ad valorem tax exemption on newly constructed affordable housing developments, which lowers the minimum number of affordable units in a development from 70 units to 10 units in order to qualify for the exemption for those projects located in an area of critical state concern and adopted a negative indeterminate estimate.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

   The county/municipality mandates provision of Art. VII, s. 18 of the Florida Constitution may apply because this bill expands the eligibility for an ad valorem tax exemption on newly constructed affordable housing developments from 70 or more units to projects of 10 or more units located in an area of critical state concern. An exemption may apply if it is determined that the fiscal impact of the bill is insignificant. If the fiscal impact is not insignificant, then the bill must be approved by a two-thirds vote of the membership of each house to be binding.

2. Other:

   None.

B. RULE-MAKING AUTHORITY:

FHFC will have to revise its rules to conform with the changes proposed by the bill; however, FHFC has sufficient rulemaking authority to do so and does not require any additional authority.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On February 7, 2024 the State Affairs Committee adopted a proposed committee substitute (PCS) and reported the bill favorably as a committee substitute. The PCS differs from the bill in that it:

- Retained current law allowing qualifying affordable housing developments to be constructed in industrial areas.
- Revised prohibitions on restricting the density, intensity, or height of a qualifying development to be measured against the buildings instead of developments.
- Prohibited local governments from restricting the intensity of a proposed development below 150 percent of the highest currently allowed FAR under the local government's land development regulations.
- Revised the prohibition on restricting the height of a qualifying development when the development is adjacent to a single-family residential use to 150 percent of the tallest building on any property adjacent to the proposed development, the highest currently allowed height for the property, or three stories, whichever is higher.
- Required local governments to reduce parking requirements by at least 20 percent for developments meeting certain requirements and eliminate parking requirements for proposed mixed-use residential development in a transit-oriented development or area.
- Required a local government to administratively approve any bonus a development would qualify for under local regulations but for the provisions of the bill.
- Grandfathered in applicants for proposed developments under current law, but allowed those applicants to submit a revised application to account for changes made by the bill.

This analysis is drafted to the committee substitute as passed by the State Affairs Committee.

A bill to be entitled

An act relating to affordable housing; amending ss. 125.01055 and 166.04151, F.S.; clarifying application; prohibiting counties and municipalities, respectively, from restricting the floor area ratio of certain proposed developments under certain circumstances; providing that the density, floor area ratio, or height of certain developments, bonuses, variances, or other special exceptions are not included in the calculation of the currently allowed density, floor area ratio, or height by counties and municipalities, respectively; authorizing counties and municipalities, respectively, to restrict the height of proposed developments under certain circumstances; prohibiting the administrative approval by counties and municipalities, respectively, of a proposed development within a specified proximity to a military installation; requiring counties and municipalities, respectively, to maintain a certain policy on their websites; requiring counties and municipalities, respectively, to consider reducing parking requirements under certain circumstances; requiring counties and municipalities, respectively, to reduce or eliminate parking requirements for certain proposed mixed-use developments that meet certain requirements;

providing certain requirements for developments located within a transit-oriented development or area; defining the term "major transportation hub"; providing requirements for developments authorized located within a transit-oriented development or area; clarifying that a county or municipality, respectively, is not precluded from granting additional exceptions; clarifying that a proposed development is not precluded from receiving a bonus for density, height, or floor area ratio if specified conditions are satisfied; requiring that such bonuses be administratively approved by counties and municipalities, respectively; revising applicability; authorizing that specified developments be treated as a conforming use under certain circumstances; authorizing that specified developments be treated as a nonconforming use under certain circumstances; authorizing an applicant for certain proposed development to notify a county or municipality, as applicable, of its intent to proceed under certain provisions; requiring counties and municipalities to allow certain applicants to submit a revised application, written request, or notice of intent; amending s. 196.1978, F.S.; revising the definition of the term "newly constructed"; revising conditions for

when multifamily projects are considered property used for a charitable purpose and are eligible to receive an ad valorem property tax exemption; requiring property appraisers to make certain exemptions from ad valorem property taxes; providing the method for determining the value of a unit for certain purposes; requiring property appraisers to review certain applications and make certain determinations; authorizing property appraisers to request and review additional information; authorizing property appraisers to grant exemptions only under certain conditions; revising requirements for property owners seeking a certification notice from the Florida Housing Finance Corporation; providing that a certain determination by the corporation does not constitute an exemption; conforming provisions to changes made by the act; amending s. 196.1979, F.S.; revising the value to which a certain ad valorem property tax exemption applies; revising a condition of eligibility for vacant residential units to qualify for a certain ad valorem property tax exemption; revising the deadline for an application for exemption; revising deadlines by which boards and governing bodies must deliver to or notify the Department of Revenue of the adoption, repeal, or expiration of certain ordinances;

requiring property appraisers to review certain applications and make certain determinations; authorizing property appraisers to request and review additional information; authorizing property appraisers to grant exemptions only under certain conditions; providing the method for determining the value of a unit for certain purposes; providing for retroactive application; amending s. 333.03, F.S.; excluding certain proposed developments from specified airport zoning provisions; amending s. 420.507, F.S.; revising the enumerated powers of the corporation; amending s. 420.5096, F.S.; deleting required working hours under the Florida Hometown Hero Program; amending s. 420.518, F.S.; specifying conditions under which the corporation may preclude applicants from corporation programs; providing an appropriation; providing an effective date.

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

Section 1. Subsection (7) of section 125.01055, Florida Statutes, is amended, and subsection (8) is added to that section, to read:

125.01055 Affordable housing.—

(7)(a) A county must authorize multifamily and mixed-use

residential as allowable uses in any area zoned for commercial, industrial, or mixed use if at least 40 percent of the residential units in a proposed multifamily ~~rental~~ development are rental units that, for a period of at least 30 years, are affordable as defined in s. 420.0004. Notwithstanding any other law, local ordinance, or regulation to the contrary, a county may not require a proposed multifamily development to obtain a zoning or land use change, special exception, conditional use approval, variance, or comprehensive plan amendment for the building height, zoning, and densities authorized under this subsection. For mixed-use residential projects, at least 65 percent of the total square footage must be used for residential purposes.

(b) A county may not restrict the density of a proposed development authorized under this subsection below the highest currently allowed density on any unincorporated land in the county where residential development is allowed under the county's land development regulations. For purposes of this paragraph, the term "highest currently allowed density" does not include the density of any building that met the requirements of this subsection or the density of any building that has received any bonus, variance, or other special exception for density provided in the county's land development regulations as an incentive for development.

(c) A county may not restrict the floor area ratio of a

proposed development authorized under this subsection below 150 percent of the highest currently allowed floor area ratio on any unincorporated land in the county where development is allowed under the county's land development regulations. For purposes of this paragraph, the term "highest currently allowed floor area ratio" does not include the floor area ratio of any building that met the requirements of this subsection or the floor area ratio of any building that has received any bonus, variance, or other special exception for floor area ratio provided in the county's land development regulations as an incentive for development. For purposes of this subsection, the term "floor area ratio" includes floor lot ratio.

(d)1.~~(c)~~ A county may not restrict the height of a proposed development authorized under this subsection below the highest currently allowed height for a commercial or residential building ~~development~~ located in its jurisdiction within 1 mile of the proposed development or 3 stories, whichever is higher. For purposes of this paragraph, the term "highest currently allowed height" does not include the height of any building that met the requirements of this subsection or the height of any building that has received any bonus, variance, or other special exception for height provided in the county's land development regulations as an incentive for development.

2. If the proposed development is adjacent to, on two or more sides, a parcel zoned for single-family residential use

which is within a single-family residential development with at least 25 contiguous single-family homes, the county may restrict the height of the proposed development to 150 percent of the tallest building on any property adjacent to the proposed development, the highest currently allowed height for the property provided in the county's land development regulations, or 3 stories, whichever is higher. For the purposes of this paragraph, the term "adjacent to" means those properties sharing more than one point of a property line, but does not include properties separated by a public road.

(e) ~~(d)~~ A proposed development authorized under this subsection must be administratively approved and no further action by the board of county commissioners is required if the development satisfies the county's land development regulations for multifamily developments in areas zoned for such use and is otherwise consistent with the comprehensive plan, with the exception of provisions establishing allowable densities, floor area ratios, height, and land use. Such land development regulations include, but are not limited to, regulations relating to setbacks and parking requirements. A proposed development located within one-quarter mile of a military installation identified in s. 163.3175(2) may not be administratively approved. Each county shall maintain on its website a policy containing procedures and expectations for administrative approval pursuant to this subsection.

(f)1. ~~(e)~~ A county must consider reducing parking requirements for a proposed development authorized under this subsection if the development is located within one-quarter ~~one-half~~ mile of a ~~major~~ transit stop, as defined in the county's land development code, and the ~~major~~ transit stop is accessible from the development.

2. A county must reduce parking requirements by at least 20 percent for a proposed development authorized under this subsection if the development:

a. Is located within one-half mile of a major transportation hub that is accessible from the proposed development by safe, pedestrian-friendly means, such as sidewalks, crosswalks, elevated pedestrian or bike paths, or other multimodal design features; and

b. Has available parking within 600 feet of the proposed development which may consist of options such as on-street parking, parking lots, or parking garages available for use by residents of the proposed development. However, a county may not require that the available parking compensate for the reduction in parking requirements.

3. A county must eliminate parking requirements for a proposed mixed-use residential development authorized under this subsection within an area recognized by the county as a transit-oriented development or area, as provided in paragraph (h).

4. For purposes of this paragraph, the term "major

transportation hub" means any transit station, whether bus, train, or light rail, which is served by public transit with a mix of other transportation options.

(g) ~~(f)~~ For proposed multifamily developments in an unincorporated area zoned for commercial or industrial use which is within the boundaries of a multicounty independent special district that was created to provide municipal services and is not authorized to levy ad valorem taxes, and less than 20 percent of the land area within such district is designated for commercial or industrial use, a county must authorize, as provided in this subsection, such development only if the development is mixed-use residential.

(h) A proposed development authorized under this subsection which is located within a transit-oriented development or area, as recognized by the county, must be mixed-use residential and otherwise comply with requirements of the county's regulations applicable to the transit-oriented development or area except for use, height, density, floor area ratio, and parking as provided in this subsection or as otherwise agreed to by the county and the applicant for the development.

(i) ~~(g)~~ Except as otherwise provided in this subsection, a development authorized under this subsection must comply with all applicable state and local laws and regulations.

(j)1. Nothing in this subsection precludes a county from

granting a bonus, variance, conditional use, or other special exception for height, density, or floor area ratio in addition to the height, density, and floor area ratio requirements in this subsection.

2. Nothing in this subsection precludes a proposed development authorized under this subsection from receiving a bonus for density, height, or floor area ratio pursuant to an ordinance or regulation of the jurisdiction where the proposed development is located if the proposed development satisfies the conditions to receive the bonus except for any condition which conflicts with this subsection. If a proposed development qualifies for such bonus, the bonus must be administratively approved by the county and no further action by the board of county commissioners is required.

(k) ~~(h)~~ This subsection does not apply to:

1. Airport-impacted areas as provided in s. 333.03.

2. Property defined as recreational and commercial working waterfront in s. 342.201(2)(b) in any area zoned as industrial.

(l) ~~(i)~~ This subsection expires October 1, 2033.

(8) Any development authorized under paragraph (7)(a) must be treated as a conforming use even after the expiration of subsection (7) and the development's affordability period as provided in paragraph (7)(a), notwithstanding the county's comprehensive plan, future land use designation, or zoning. If at any point during the development's affordability period the

development violates the affordability period requirement provided in paragraph (7)(a), the development must be allowed a reasonable time to cure such violation. If the violation is not cured within a reasonable time, the development must be treated as a nonconforming use.

Section 2. Subsection (7) of section 166.04151, Florida Statutes, is amended, and subsection (8) is added to that section, to read:

166.04151 Affordable housing.—

(7)(a) A municipality must authorize multifamily and mixed-use residential as allowable uses in any area zoned for commercial, industrial, or mixed use if at least 40 percent of the residential units in a proposed multifamily ~~rental~~ development are rental units that, for a period of at least 30 years, are affordable as defined in s. 420.0004. Notwithstanding any other law, local ordinance, or regulation to the contrary, a municipality may not require a proposed multifamily development to obtain a zoning or land use change, special exception, conditional use approval, variance, or comprehensive plan amendment for the building height, zoning, and densities authorized under this subsection. For mixed-use residential projects, at least 65 percent of the total square footage must be used for residential purposes.

(b) A municipality may not restrict the density of a proposed development authorized under this subsection below the

highest currently allowed density on any land in the municipality where residential development is allowed under the municipality's land development regulations. For purposes of this paragraph, the term "highest currently allowed density" does not include the density of any building that met the requirements of this subsection or the density of any building that has received any bonus, variance, or other special exception for density provided in the municipality's land development regulations as an incentive for development.

(c) A municipality may not restrict the floor area ratio of a proposed development authorized under this subsection below 150 percent of the highest currently allowed floor area ratio on any land in the municipality where development is allowed under the municipality's land development regulations. For purposes of this paragraph, the term "highest currently allowed floor area ratio" does not include the floor area ratio of any building that met the requirements of this subsection or the floor area ratio of any building that has received any bonus, variance, or other special exception for floor area ratio provided in the municipality's land development regulations as an incentive for development. For purposes of this subsection, the term "floor area ratio" includes floor lot ratio.

(d)1.~~(c)~~ A municipality may not restrict the height of a proposed development authorized under this subsection below the highest currently allowed height for a commercial or residential

building ~~development~~ located in its jurisdiction within 1 mile of the proposed development or 3 stories, whichever is higher. For purposes of this paragraph, the term "highest currently allowed height" does not include the height of any building that met the requirements of this subsection or the height of any building that has received any bonus, variance, or other special exception for height provided in the municipality's land development regulations as an incentive for development.

2. If the proposed development is adjacent to, on two or more sides, a parcel zoned for single-family residential use that is within a single-family residential development with at least 25 contiguous single-family homes, the municipality may restrict the height of the proposed development to 150 percent of the tallest building on any property adjacent to the proposed development, the highest currently allowed height for the property provided in the municipality's land development regulations, or 3 stories, whichever is higher. For the purposes of this paragraph, the term "adjacent to" means those properties sharing more than one point of a property line, but does not include properties separated by a public road.

(e) ~~(d)~~ A proposed development authorized under this subsection must be administratively approved and no further action by the governing body of the municipality is required if the development satisfies the municipality's land development regulations for multifamily developments in areas zoned for such

use and is otherwise consistent with the comprehensive plan, with the exception of provisions establishing allowable densities, floor area ratios, height, and land use. Such land development regulations include, but are not limited to, regulations relating to setbacks and parking requirements. A proposed development located within one-quarter mile of a military installation identified in s. 163.3175(2) may not be administratively approved. Each municipality shall maintain on its website a policy containing procedures and expectations for administrative approval pursuant to this subsection.

(f)1. ~~(e)~~ A municipality must consider reducing parking requirements for a proposed development authorized under this subsection if the development is located within one-quarter ~~one-half~~ mile of a ~~major~~ transit stop, as defined in the municipality's land development code, and the ~~major~~ transit stop is accessible from the development.

2. A municipality must reduce parking requirements by at least 20 percent for a proposed development authorized under this subsection if the development:

a. Is located within one-half mile of a major transportation hub that is accessible from the proposed development by safe, pedestrian-friendly means, such as sidewalks, crosswalks, elevated pedestrian or bike paths, or other multimodal design features.

b. Has available parking within 600 feet of the proposed

development which may consist of options such as on-street parking, parking lots, or parking garages available for use by residents of the proposed development. However, a municipality may not require that the available parking compensate for the reduction in parking requirements.

3. A municipality must eliminate parking requirements for a proposed mixed-use residential development authorized under this subsection within an area recognized by the municipality as a transit-oriented development or area, as provided in paragraph (h).

4. For purposes of this paragraph, the term "major transportation hub" means any transit station, whether bus, train, or light rail, which is served by public transit with a mix of other transportation options.

(g) ~~(f)~~ A municipality that designates less than 20 percent of the land area within its jurisdiction for commercial or industrial use must authorize a proposed multifamily development as provided in this subsection in areas zoned for commercial or industrial use only if the proposed multifamily development is mixed-use residential.

(h) A proposed development authorized under this subsection which is located within a transit-oriented development or area, as recognized by the municipality, must be mixed-use residential and otherwise comply with requirements of the municipality's regulations applicable to the transit-

oriented development or area except for use, height, density, floor area ratio, and parking as provided in this subsection or as otherwise agreed to by the municipality and the applicant for the development.

(i) ~~(g)~~ Except as otherwise provided in this subsection, a development authorized under this subsection must comply with all applicable state and local laws and regulations.

(j)1. Nothing in this subsection precludes a municipality from granting a bonus, variance, conditional use, or other special exception to height, density, or floor area ratio in addition to the height, density, and floor area ratio requirements in this subsection.

2. Nothing in this subsection precludes a proposed development authorized under this subsection from receiving a bonus for density, height, or floor area ratio pursuant to an ordinance or regulation of the jurisdiction where the proposed development is located if the proposed development satisfies the conditions to receive the bonus except for any condition which conflicts with this subsection. If a proposed development qualifies for such bonus, the bonus must be administratively approved by the municipality and no further action by the governing body of the municipality is required.

(k) ~~(h)~~ This subsection does not apply to:

1. Airport-impacted areas as provided in s. 333.03.

2. Property defined as recreational and commercial working

waterfront in s. 342.201(2)(b) in any area zoned as industrial.

(l)~~(i)~~ This subsection expires October 1, 2033.

(8) Any development authorized under paragraph (7)(a) must be treated as a conforming use even after the expiration of subsection (7) and the development's affordability period as provided in paragraph (7)(a), notwithstanding the municipality's comprehensive plan, future land use designation, or zoning. If at any point during the development's affordability period the development violates the affordability period requirement provided in paragraph (7)(a), the development must be allowed a reasonable time to cure such violation. If the violation is not cured within a reasonable time, the development must be treated as a nonconforming use.

Section 3. An applicant for a proposed development authorized under s. 125.01055(7) or s. 166.04151(7), Florida Statutes, who submitted an application, written request, or notice of intent to utilize such provisions to the county or municipality and which has been received by the county or municipality, as applicable, before the effective date of this act may notify the county or municipality by July 1, 2024, of its intent to proceed under the provisions of ss. 125.01055(7) or 166.04151(7), Florida Statutes, as they existed at the time of submittal. A county or municipality shall allow an applicant who submitted such application, written request, or notice of intent before the effective date of this act the opportunity to

submit a revised application, written request, or notice of intent to account for the changes made by this act.

Section 4. Subsection (3) of section 196.1978, Florida Statutes, is amended to read:

196.1978 Affordable housing property exemption.—

(3)(a) As used in this subsection, the term:

1. "Corporation" means the Florida Housing Finance Corporation.

2. "Newly constructed" means an improvement to real property which was substantially completed within 5 years before the date of an applicant's first submission of a request for a certification notice ~~or an application for an exemption~~ pursuant to this subsection ~~section, whichever is earlier~~.

3. "Substantially completed" has the same meaning as in s. 192.042(1).

(b) Notwithstanding ss. 196.195 and 196.196, portions of property in a multifamily project are considered property used for a charitable purpose and are eligible to receive an ad valorem property tax exemption if such portions meet all of the following conditions:

1. Provide affordable housing to natural persons or families meeting the income limitations provided in paragraph (d).~~;~~

2.a. Are within a newly constructed multifamily project that contains more than 70 units dedicated to housing natural

persons or families meeting the income limitations provided in paragraph (d); or

b. Are within a newly constructed multifamily project in an area of critical state concern, as designated by s. 380.0552 or chapter 28-36, Florida Administrative Code, which contains more than 10 units dedicated to housing natural persons or families meeting the income limitations provided in paragraph (d). ~~and~~

3. Are rented for an amount that does not exceed the amount as specified by the most recent multifamily rental programs income and rent limit chart posted by the corporation and derived from the Multifamily Tax Subsidy Projects Income Limits published by the United States Department of Housing and Urban Development or 90 percent of the fair market value rent as determined by a rental market study meeting the requirements of paragraph (l) ~~(m)~~, whichever is less.

(c) If a unit that in the previous year received ~~qualified for~~ the exemption under this subsection and was occupied by a tenant is vacant on January 1, the vacant unit is eligible for the exemption if the use of the unit is restricted to providing affordable housing that would otherwise meet the requirements of this subsection and a reasonable effort is made to lease the unit to eligible persons or families.

(d)1. The property appraiser shall exempt:

a. Seventy-five percent of the assessed value of the units

in multifamily projects that meet the requirements of this subsection and are ~~Qualified property~~ used to house natural persons or families whose annual household income is greater than 80 percent but not more than 120 percent of the median annual adjusted gross income for households within the metropolitan statistical area or, if not within a metropolitan statistical area, within the county in which the person or family resides; and~~, must receive an ad valorem property tax exemption of 75 percent of the assessed value.~~

b.~~2.~~ From ad valorem property taxes the units in multifamily projects that meet the requirements of this subsection and are ~~Qualified property~~ used to house natural persons or families whose annual household income does not exceed 80 percent of the median annual adjusted gross income for households within the metropolitan statistical area or, if not within a metropolitan statistical area, within the county in which the person or family resides~~, is exempt from ad valorem property taxes~~.

2. When determining the value of a unit for purposes of applying an exemption pursuant to this paragraph, the property appraiser must include in such valuation the proportionate share of the residential common areas, including the land, fairly attributable to such unit.

(e) To be eligible to receive an exemption under this subsection, a property owner must submit an application on a

form prescribed by the department by March 1 for the exemption, accompanied by a certification notice from the corporation to the property appraiser. The property appraiser shall review the application and determine whether the applicant meets all of the requirements of this subsection and is entitled to an exemption. A property appraiser may request and review additional information necessary to make such determination. A property appraiser may grant an exemption only for a property for which the corporation has issued a certification notice and which the property appraiser determines is entitled to an exemption.

(f) To receive a certification notice, a property owner must submit a request to the corporation ~~for certification~~ on a form provided by the corporation which includes all of the following:

1. The most recently completed rental market study meeting the requirements of paragraph (l) ~~(m)~~.

2. A list of the units for which the property owner seeks an exemption.

3. The rent amount received by the property owner for each unit for which the property owner seeks an exemption. If a unit is vacant and qualifies for an exemption under paragraph (c), the property owner must provide evidence of the published rent amount for each vacant unit.

4. A sworn statement, under penalty of perjury, from the applicant restricting the property for a period of not less than

3 years to housing persons or families who meet the income limitations under this subsection.

(g) The corporation shall review the request for a certification notice and certify whether a property ~~that~~ meets the ~~eligibility~~ criteria of paragraphs (b) and (c) ~~this subsection~~. A determination by the corporation regarding a request for a certification notice does not constitute a grant of an exemption pursuant to this subsection or final agency action pursuant to chapter 120.

1. If the corporation determines that the property meets the ~~eligibility~~ criteria ~~for an exemption under this subsection~~, the corporation must send a certification notice to the property owner and the property appraiser.

2. If the corporation determines that the property does not meet the ~~eligibility~~ criteria, the corporation must notify the property owner and include the reasons for such determination.

(h) The corporation shall post on its website the deadline to submit a request for a certification notice. The deadline must allow adequate time for a property owner to submit a timely application for exemption to the property appraiser.

(i) ~~The property appraiser shall review the application and determine if the applicant is entitled to an exemption. A property appraiser may grant an exemption only for a property for which the corporation has issued a certification notice.~~

~~(j)~~ If the property appraiser determines that for any year during the immediately previous 10 years a person who was not entitled to an exemption under this subsection was granted such an exemption, the property appraiser must serve upon the owner a notice of intent to record in the public records of the county a notice of tax lien against any property owned by that person in the county, and that property must be identified in the notice of tax lien. Any property owned by the taxpayer and situated in this state is subject to the taxes exempted by the improper exemption, plus a penalty of 50 percent of the unpaid taxes for each year and interest at a rate of 15 percent per annum. If an exemption is improperly granted as a result of a clerical mistake or an omission by the property appraiser, the property owner improperly receiving the exemption may not be assessed a penalty or interest.

(j)~~(k)~~ Units subject to an agreement with the corporation pursuant to chapter 420 recorded in the official records of the county in which the property is located to provide housing to natural persons or families meeting the extremely-low-income, very-low-income, or low-income limits specified in s. 420.0004 are not eligible for this exemption.

(k)~~(l)~~ Property receiving an exemption pursuant to s. 196.1979 is not eligible for this exemption.

(l)~~(m)~~ A rental market study submitted as required by subparagraph (f)1. ~~paragraph (f)~~ must identify the fair market

value rent of each unit for which a property owner seeks an exemption. Only a certified general appraiser as defined in s. 475.611 may issue a rental market study. The certified general appraiser must be independent of the property owner who requests the rental market study. In preparing the rental market study, a certified general appraiser shall comply with the standards of professional practice pursuant to part II of chapter 475 and use comparable property within the same geographic area and of the same type as the property for which the exemption is sought. A rental market study must have been completed within 3 years before submission of the application.

(m) ~~(n)~~ The corporation may adopt rules to implement this section.

(n) ~~(o)~~ This subsection first applies to the 2024 tax roll and is repealed December 31, 2059.

Section 5. Subsections (6) and (7) of section 196.1979, Florida Statutes, are renumbered as subsections (8) and (9), respectively, paragraph (b) of subsection (1), subsection (2), paragraphs (d), (f), and (l) of subsection (3), and subsection (5) are amended, and new subsections (6) and (7) are added to that section, to read:

196.1979 County and municipal affordable housing property exemption.—

(1)

(b) Qualified property may receive an ad valorem property

tax exemption of:

1. Up to 75 percent of the assessed value of each residential unit used to provide affordable housing if fewer than 100 percent of the multifamily project's residential units are used to provide affordable housing meeting the requirements of this section.

2. Up to 100 percent of the assessed value of each residential unit used to provide affordable housing if 100 percent of the multifamily project's residential units are used to provide affordable housing meeting the requirements of this section.

(2) If a residential unit that in the previous year received ~~qualified for~~ the exemption under this section and was occupied by a tenant is vacant on January 1, the vacant unit may qualify for the exemption under this section if the use of the unit is restricted to providing affordable housing that would otherwise meet the requirements of this section and a reasonable effort is made to lease the unit to eligible persons or families.

(3) An ordinance granting the exemption authorized by this section must:

(d) Require the local entity to verify and certify property that meets the requirements of the ordinance as qualified property and forward the certification to the property owner and the property appraiser. If the local entity denies the

application for certification ~~exemption~~, it must notify the applicant and include reasons for the denial.

(f) Require the property owner to submit an application for exemption, on a form prescribed by the department, accompanied by the certification of qualified property, to the property appraiser no later than the deadline specified in s. 196.011 ~~March 1~~.

(l) Require the county or municipality to post on its website a list of ~~certified~~ properties receiving the exemption for the purpose of facilitating access to affordable housing.

(5) An ordinance adopted under this section must expire before the fourth January 1 after adoption; however, the board of county commissioners or the governing body of the municipality may adopt a new ordinance to renew the exemption. The board of county commissioners or the governing body of the municipality shall deliver a copy of an ordinance adopted under this section to the department and the property appraiser within 10 days after its adoption, but no later than January 1 of the year such exemption will take effect. If the ordinance expires or is repealed, the board of county commissioners or the governing body of the municipality must notify the department and the property appraiser within 10 days after its expiration or repeal, but no later than January 1 of the year the repeal or expiration of such exemption will take effect.

(6) The property appraiser shall review each application

for exemption and determine whether the applicant meets all of the requirements of this section and is entitled to an exemption. A property appraiser may request and review additional information necessary to make such determination. A property appraiser may grant an exemption only for a property for which the local entity has certified as qualified property and which the property appraiser determines is entitled to an exemption.

(7) When determining the value of a unit for purposes of applying an exemption pursuant to this section, the property appraiser must include in such valuation the proportionate share of the residential common areas, including the land, fairly attributable to such unit.

Section 6. The amendments made by this act to ss. 196.1978 and 196.1979, Florida Statutes, are intended to be remedial and clarifying in nature and apply retroactively to January 1, 2024.

Section 7. Subsection (5) of section 333.03, Florida Statutes, is renumbered as subsection (6), and a new subsection (5) is added to that section, to read:

333.03 Requirement to adopt airport zoning regulations.—

(5) Sections 125.01055(7) and 166.04151(7) do not apply to any of the following:

(a) A proposed development near a runway within one-quarter of a mile laterally from the runway edge and within an area that is the width of one-quarter of a mile extending at

right angles from the end of the runway for a distance of 10,000 feet of any existing airport runway or planned airport runway identified in the local government's airport master plan.

(b) A proposed development within any airport noise zone identified in the federal land use compatibility table or in a land-use zoning or airport noise regulation adopted by the local government.

(c) A proposed development that exceeds maximum height restrictions identified in the political subdivision's airport zoning regulation adopted pursuant to this section.

Section 8. Subsection (35) of section 420.507, Florida Statutes, is amended to read:

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

(35) To preclude any applicant, sponsor, or affiliate of an applicant or sponsor from further participation in any of the corporation's programs as provided in s. 420.518~~, any applicant or affiliate of an applicant which has made a material misrepresentation or engaged in fraudulent actions in connection with any application for a corporation program~~.

Section 9. Subsection (3) of section 420.5096, Florida Statutes, is amended to read:

420.5096 Florida Hometown Hero Program.—

(3) For loans made available pursuant to s. 420.507(23)(a)1. or 2., the corporation may underwrite and make those mortgage loans through the program to persons or families who have household incomes that do not exceed 150 percent of the state median income or local median income, whichever is greater. A borrower must be seeking to purchase a home as a primary residence; must be a first-time homebuyer and a Florida resident; and must be employed full-time by a Florida-based employer. The borrower must provide documentation of full-time employment~~,~~ or full-time status for self-employed individuals~~,~~ ~~of 35 hours or more per week~~. The requirement to be a first-time homebuyer does not apply to a borrower who is an active duty servicemember of a branch of the armed forces or the Florida National Guard, as defined in s. 250.01, or a veteran.

Section 10. Section 420.518, Florida Statutes, is amended to read:

420.518 Preclusion from participation in corporation programs ~~Fraudulent or material misrepresentation~~.—

(1) An applicant, a sponsor, or an affiliate of an applicant or a sponsor may be precluded from participation in any corporation program if the applicant, the sponsor, or the affiliate of the applicant or sponsor has:

(a) Made a material misrepresentation or engaged in fraudulent actions in connection with any corporation program.

(b) Been convicted or found guilty of, or entered a plea of guilty or nolo contendere to, regardless of adjudication, a crime in any jurisdiction which directly relates to the financing, construction, or management of affordable housing or the fraudulent procurement of state or federal funds. The record of a conviction certified or authenticated in such form as to be admissible in evidence under the laws of the state shall be admissible as prima facie evidence of such guilt.

(c) Been excluded from any federal funding program related to the provision of housing, including debarment from participation in federal housing programs by the United States Department of Housing and Urban Development.

(d) Been excluded from any federal or Florida procurement programs.

(e) Offered or given consideration, other than the consideration to provide affordable housing, with respect to a local contribution.

(f) Demonstrated a pattern of noncompliance and a failure to correct any such noncompliance after notice from the corporation in the construction, operation, or management of one or more developments funded through a corporation program.

(g) Materially or repeatedly violated any condition imposed by the corporation in connection with the administration of a corporation program, including a land use restriction agreement, an extended use agreement, or any other financing or

regulatory agreement with the corporation.

(2) Upon a determination by the board of directors of the corporation that an applicant or affiliate of the applicant be precluded from participation in any corporation program, the board may issue an order taking any or all of the following actions:

(a) Preclude such applicant or affiliate from applying for funding from any corporation program for a specified period. The period may be a specified period of time or permanent in nature. With regard to establishing the duration, the board shall consider the facts and circumstances, inclusive of the compliance history of the applicant or affiliate of the applicant, the type of action under subsection (1), and the degree of harm to the corporation's programs that has been or may be done.

(b) Revoke any funding previously awarded by the corporation for any development for which construction or rehabilitation has not commenced.

(3) Before any order issued under this section can be final, an administrative complaint must be served on the applicant, affiliate of the applicant, or its registered agent that provides notification of findings of the board, the intended action, and the opportunity to request a proceeding pursuant to ss. 120.569 and 120.57.

(4) Any funding, allocation of federal housing credits,

credit underwriting procedures, or application review for any development for which construction or rehabilitation has not commenced may be suspended by the corporation upon the service of an administrative complaint on the applicant, affiliate of the applicant, or its registered agent. The suspension shall be effective from the date the administrative complaint is served until an order issued by the corporation in regard to that complaint becomes final.

Section 11. For the 2024-2025 fiscal year, from the funds received and deposited into the General Revenue Fund from the state's allocation from the federal Coronavirus State Fiscal Recovery Fund created under the American Rescue Plan Act of 2021, Pub. L. No. 117-2, the sum of $100 million in nonrecurring funds is appropriated to the State Housing Trust Fund for use by the Florida Housing Finance Corporation to implement the Florida Hometown Hero Program established in s. 420.5096, Florida Statutes.

Section 12. This act shall take effect upon becoming a law.

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	_____

Committee/Subcommittee hearing bill: Appropriations Committee
Representative Lopez, V. offered the following:

Amendment (with title amendment)

Remove lines 96-698 and insert:

Section 1. Subsection (7) of section 125.01055, Florida Statutes, is amended, and subsection (8) is added to that section, to read:

125.01055 Affordable housing.—

(7)(a) A county must authorize multifamily and mixed-use residential as allowable uses on any site owned by a county and in any area zoned for commercial, industrial, or mixed use if at least 40 percent of the residential units in a proposed multifamily ~~rental~~ development are rental units that, for a period of at least 30 years, are affordable as defined in s. 420.0004. Notwithstanding any other law, local ordinance, or

regulation to the contrary, a county may not require a proposed multifamily development to obtain a zoning or land use change, special exception, conditional use approval, variance, or comprehensive plan amendment for the building height, zoning, and densities authorized under this subsection. For mixed-use residential projects, at least 65 percent of the total square footage must be used for residential purposes.

(b) A county may not restrict the density of a proposed development authorized under this subsection below the highest currently allowed density on any unincorporated land in the county where residential development is allowed under the county's land development regulations. For purposes of this paragraph, the term "highest currently allowed density" does not include the density of any building that met the requirements of this subsection or the density of any building that has received any bonus, variance, or other special exception for density provided in the county's land development regulations as an incentive for development.

(c) A county may not restrict the floor area ratio of a proposed development authorized under this subsection below 150 percent of the highest currently allowed floor area ratio on any unincorporated land in the county where development is allowed under the county's land development regulations. For purposes of this paragraph, the term "highest currently allowed floor area ratio" does not include the floor area ratio of any building

that met the requirements of this subsection or the floor area ratio of any building that has received any bonus, variance, or other special exception for floor area ratio provided in the county's land development regulations as an incentive for development. For purposes of this subsection, the term "floor area ratio" includes floor lot ratio.

(d)1.~~(c)~~ A county may not restrict the height of a proposed development authorized under this subsection below the highest currently allowed height for a commercial or residential building ~~development~~ located in its jurisdiction within 1 mile of the proposed development or 3 stories, whichever is higher. For purposes of this paragraph, the term "highest currently allowed height" does not include the height of any building that met the requirements of this subsection or the height of any building that has received any bonus, variance, or other special exception for height provided in the county's land development regulations as an incentive for development.

2. If the proposed development is adjacent to, on two or more sides, a parcel zoned for single-family residential use which is within a single-family residential development with at least 25 contiguous single-family homes, the county may restrict the height of the proposed development to 150 percent of the tallest building on any property adjacent to the proposed development, the highest currently allowed height for the property provided in the county's land development regulations,

or 3 stories, whichever is higher. For the purposes of this paragraph, the term "adjacent to" means those properties sharing more than one point of a property line, but does not include properties separated by a public road.

(e)1.~~(d)~~ A proposed development authorized under this subsection must be administratively approved and no public hearings or any further action by the board of county commissioners or any other quasi-judicial board or reviewing body is required if the development satisfies the county's land development regulations for multifamily developments in areas zoned for such use and is otherwise consistent with the comprehensive plan, with the exception of provisions establishing allowable densities, floor area ratios, height, and land use. Such land development regulations include, but are not limited to, regulations relating to setbacks and parking requirements.

2. A county may not restrict the maximum lot size of a proposed development authorized under this paragraph below the highest currently allowed maximum lot size on any unincorporated land in the county where multifamily or mixed-use residential development is allowed under the county's land development regulations.

3. A proposed development located within one-quarter mile of a military installation identified in s. 163.3175(2) may not be administratively approved. Each county shall maintain on its

website a policy containing procedures and expectations for administrative approval pursuant to this subsection.

(f)1.~~(e)~~ A county must reduce ~~consider reducing~~ parking requirements by at least 20 percent for a proposed development authorized under this subsection if the development:

a. Is located within one-quarter ~~one-half~~ mile of a ~~major~~ transit stop, as defined in the county's land development code, and the ~~major~~ transit stop is accessible from the development.

b. Is located within one-half mile of a major transportation hub that is accessible from the proposed development by safe, pedestrian-friendly means, such as sidewalks, crosswalks, elevated pedestrian or bike paths, or other multimodal design features.

c. Has available parking within 600 feet of the proposed development which may consist of options such as on-street parking, parking lots, or parking garages available for use by residents of the proposed development. However, a county may not require that the available parking compensate for the reduction in parking requirements.

2. A county must eliminate parking requirements for a proposed mixed-use residential development authorized under this subsection within an area recognized by the county as a transit-oriented development or area, as provided in paragraph (h).

3. For purposes of this paragraph, the term "major transportation hub" means any transit station, whether bus,

train, or light rail, which is served by public transit with a mix of other transportation options.

(g) ~~(f)~~ For proposed multifamily developments in an unincorporated area zoned for commercial or industrial use which is within the boundaries of a multicounty independent special district that was created to provide municipal services and is not authorized to levy ad valorem taxes, and less than 20 percent of the land area within such district is designated for commercial or industrial use, a county must authorize, as provided in this subsection, such development only if the development is mixed-use residential.

(h) A proposed development authorized under this subsection which is located within a transit-oriented development or area, as recognized by the county, must be mixed-use residential and otherwise comply with requirements of the county's regulations applicable to the transit-oriented development or area except for use, height, density, floor area ratio, and parking as provided in this subsection or as otherwise agreed to by the county and the applicant for the development.

(i) ~~(g)~~ Except as otherwise provided in this subsection, a development authorized under this subsection must comply with all applicable state and local laws and regulations.

(j)1. Nothing in this subsection precludes a county from granting a bonus, variance, conditional use, or other special

exception for height, density, or floor area ratio in addition to the height, density, and floor area ratio requirements in this subsection.

2. Nothing in this subsection precludes a proposed development authorized under this subsection from receiving a bonus for density, height, or floor area ratio pursuant to an ordinance or regulation of the jurisdiction where the proposed development is located if the proposed development satisfies the conditions to receive the bonus except for any condition which conflicts with this subsection. If a proposed development qualifies for such bonus, the bonus must be administratively approved by the county and no further action by the board of county commissioners is required.

(k) As used in this subsection, the term "commercial use" means activities associated with the sale, rental, or distribution of products or the sale or performance of services. The term includes, but is not limited to, retail, office, entertainment, and other for-profit business activities.

(l) ~~(h)~~ This subsection does not apply to:

1. Airport-impacted areas as provided in s. 333.03.

2. Property defined as recreational and commercial working waterfront in s. 342.201(2)(b) in any area zoned as industrial.

(m) ~~(i)~~ This subsection expires October 1, 2033.

(8) Any development authorized under paragraph (7)(a) must be treated as a conforming use even after the expiration of

subsection (7) and the development's affordability period as provided in paragraph (7)(a), notwithstanding the county's comprehensive plan, future land use designation, or zoning. If at any point during the development's affordability period the development violates the affordability period requirement provided in paragraph (7)(a), the development must be allowed a reasonable time to cure such violation. If the violation is not cured within a reasonable time, the development must be treated as a nonconforming use.

Section 2. Subsection (7) of section 166.04151, Florida Statutes, is amended, and subsection (8) is added to that section, to read:

166.04151 Affordable housing.—

(7)(a) A municipality must authorize multifamily and mixed-use residential as allowable uses on any site owned by a municipality and in any area zoned for commercial, industrial, or mixed use if at least 40 percent of the residential units in a proposed multifamily ~~rental~~ development are rental units that, for a period of at least 30 years, are affordable as defined in s. 420.0004. Notwithstanding any other law, local ordinance, or regulation to the contrary, a municipality may not require a proposed multifamily development to obtain a zoning or land use change, special exception, conditional use approval, variance, or comprehensive plan amendment for the building height, zoning, and densities authorized under this subsection. For mixed-use

residential projects, at least 65 percent of the total square footage must be used for residential purposes.

(b) A municipality may not restrict the density of a proposed development authorized under this subsection below the highest currently allowed density on any land in the municipality where residential development is allowed under the municipality's land development regulations. For purposes of this paragraph, the term "highest currently allowed density" does not include the density of any building that met the requirements of this subsection or the density of any building that has received any bonus, variance, or other special exception for density provided in the municipality's land development regulations as an incentive for development.

(c) A municipality may not restrict the floor area ratio of a proposed development authorized under this subsection below 150 percent of the highest currently allowed floor area ratio on any land in the municipality where development is allowed under the municipality's land development regulations. For purposes of this paragraph, the term "highest currently allowed floor area ratio" does not include the floor area ratio of any building that met the requirements of this subsection or the floor area ratio of any building that has received any bonus, variance, or other special exception for floor area ratio provided in the municipality's land development regulations as an incentive for development. For purposes of this subsection, the term "floor

area ratio" includes floor lot ratio.

(d)1.~~(c)~~ A municipality may not restrict the height of a proposed development authorized under this subsection below the highest currently allowed height for a commercial or residential building ~~development~~ located in its jurisdiction within 1 mile of the proposed development or 3 stories, whichever is higher. For purposes of this paragraph, the term "highest currently allowed height" does not include the height of any building that met the requirements of this subsection or the height of any building that has received any bonus, variance, or other special exception for height provided in the municipality's land development regulations as an incentive for development.

2. If the proposed development is adjacent to, on two or more sides, a parcel zoned for single-family residential use that is within a single-family residential development with at least 25 contiguous single-family homes, the municipality may restrict the height of the proposed development to 150 percent of the tallest building on any property adjacent to the proposed development, the highest currently allowed height for the property provided in the municipality's land development regulations, or 3 stories, whichever is higher. For the purposes of this paragraph, the term "adjacent to" means those properties sharing more than one point of a property line, but does not include properties separated by a public road.

(e)1.~~(d)~~ A proposed development authorized under this

subsection must be administratively approved and no public hearings or any further action by the governing body of the municipality or any other quasi-judicial board or reviewing body is required if the development satisfies the municipality's land development regulations for multifamily developments in areas zoned for such use and is otherwise consistent with the comprehensive plan, with the exception of provisions establishing allowable densities, floor area ratios, height, and land use. Such land development regulations include, but are not limited to, regulations relating to setbacks and parking requirements.

2. A municipality may not restrict the maximum lot size of a proposed development authorized under this paragraph below the highest currently allowed maximum lot size on any unincorporated land in the municipality where multifamily or mixed-use residential development is allowed under the municipality's land development regulations.

3. A proposed development located within one-quarter mile of a military installation identified in s. 163.3175(2) may not be administratively approved. Each municipality shall maintain on its website a policy containing procedures and expectations for administrative approval pursuant to this subsection.

(f)1.~~(e)~~ A municipality must reduce ~~consider reducing~~ parking requirements by at least 20 percent for a proposed development authorized under this subsection if the development:

a. Is located within one-quarter ~~one-half~~ mile of a ~~major~~ transit stop, as defined in the municipality's land development code, and the ~~major~~ transit stop is accessible from the development.

b. Is located within one-half mile of a major transportation hub that is accessible from the proposed development by safe, pedestrian-friendly means, such as sidewalks, crosswalks, elevated pedestrian or bike paths, or other multimodal design features.

c. Has available parking within 600 feet of the proposed development which may consist of options such as on-street parking, parking lots, or parking garages available for use by residents of the proposed development. However, a municipality may not require that the available parking compensate for the reduction in parking requirements.

2. A municipality must eliminate parking requirements for a proposed mixed-use residential development authorized under this subsection within an area recognized by the municipality as a transit-oriented development or area, as provided in paragraph (h).

3. For purposes of this paragraph, the term "major transportation hub" means any transit station, whether bus, train, or light rail, which is served by public transit with a mix of other transportation options.

(g) ~~(f)~~ A municipality that designates less than 20 percent

of the land area within its jurisdiction for commercial or industrial use must authorize a proposed multifamily development as provided in this subsection in areas zoned for commercial or industrial use only if the proposed multifamily development is mixed-use residential.

(h) A proposed development authorized under this subsection which is located within a transit-oriented development or area, as recognized by the municipality, must be mixed-use residential and otherwise comply with requirements of the municipality's regulations applicable to the transit-oriented development or area except for use, height, density, floor area ratio, and parking as provided in this subsection or as otherwise agreed to by the municipality and the applicant for the development.

(i) ~~(g)~~ Except as otherwise provided in this subsection, a development authorized under this subsection must comply with all applicable state and local laws and regulations.

(j)1. Nothing in this subsection precludes a municipality from granting a bonus, variance, conditional use, or other special exception to height, density, or floor area ratio in addition to the height, density, and floor area ratio requirements in this subsection.

2. Nothing in this subsection precludes a proposed development authorized under this subsection from receiving a bonus for density, height, or floor area ratio pursuant to an

ordinance or regulation of the jurisdiction where the proposed development is located if the proposed development satisfies the conditions to receive the bonus except for any condition which conflicts with this subsection. If a proposed development qualifies for such bonus, the bonus must be administratively approved by the municipality and no further action by the governing body of the municipality is required.

(k) As used in this subsection, the term "commercial use" means activities associated with the sale, rental, or distribution of products or the sale or performance of services. The term includes, but is not limited to, retail, office, entertainment, and other for-profit business activities.

(l) ~~(h)~~ This subsection does not apply to:

1. Airport-impacted areas as provided in s. 333.03.

2. Property defined as recreational and commercial working waterfront in s. 342.201(2)(b) in any area zoned as industrial.

(m) ~~(i)~~ This subsection expires October 1, 2033.

(8) Any development authorized under paragraph (7)(a) must be treated as a conforming use even after the expiration of subsection (7) and the development's affordability period as provided in paragraph (7)(a), notwithstanding the municipality's comprehensive plan, future land use designation, or zoning. If at any point during the development's affordability period the development violates the affordability period requirement provided in paragraph (7)(a), the development must be allowed a

reasonable time to cure such violation. If the violation is not cured within a reasonable time, the development must be treated as a nonconforming use.

Section 3. An applicant for a proposed development authorized under s. 125.01055(7) or s. 166.04151(7), Florida Statutes, who submitted an application, written request, or notice of intent to utilize such provisions to the county or municipality and which has been received by the county or municipality, as applicable, before the effective date of this act may notify the county or municipality by July 1, 2024, of its intent to proceed under the provisions of ss. 125.01055(7) or 166.04151(7), Florida Statutes, as they existed at the time of submittal. A county or municipality shall allow an applicant who submitted such application, written request, or notice of intent before the effective date of this act the opportunity to submit a revised application, written request, or notice of intent to account for the changes made by this act.

Section 4. Subsection (3) of section 196.1978, Florida Statutes, is amended to read:

196.1978 Affordable housing property exemption.—

(3)(a) As used in this subsection, the term:

1. "Corporation" means the Florida Housing Finance Corporation.

2. "Newly constructed" means an improvement to real property which was substantially completed within 5 years before

the date of an applicant's first submission of a request for a certification notice ~~or an application for an exemption~~ pursuant to this subsection ~~section, whichever is earlier~~.

3. "Substantially completed" has the same meaning as in s. 192.042(1).

(b) Notwithstanding ss. 196.195 and 196.196, portions of property in a multifamily project are considered property used for a charitable purpose and are eligible to receive an ad valorem property tax exemption if such portions meet all of the following conditions:

1. Provide affordable housing to natural persons or families meeting the income limitations provided in paragraph (d).~~;~~

2.a. Are within a newly constructed multifamily project that contains more than 70 units dedicated to housing natural persons or families meeting the income limitations provided in paragraph (d); or

b. Are within a newly constructed multifamily project in an area of critical state concern, as designated by s. 380.0552 or chapter 28-36, Florida Administrative Code, which contains more than 10 units dedicated to housing natural persons or families meeting the income limitations provided in paragraph (d). ~~and~~

3. Are rented for an amount that does not exceed the amount as specified by the most recent multifamily rental

programs income and rent limit chart posted by the corporation and derived from the Multifamily Tax Subsidy Projects Income Limits published by the United States Department of Housing and Urban Development or 90 percent of the fair market value rent as determined by a rental market study meeting the requirements of paragraph (l) ~~(m)~~, whichever is less.

(c) If a unit that in the previous year received ~~qualified for~~ the exemption under this subsection and was occupied by a tenant is vacant on January 1, the vacant unit is eligible for the exemption if the use of the unit is restricted to providing affordable housing that would otherwise meet the requirements of this subsection and a reasonable effort is made to lease the unit to eligible persons or families.

(d)1. The property appraiser shall exempt:

a. Seventy-five percent of the assessed value of the units in multifamily projects that meet the requirements of this subsection and are ~~Qualified property~~ used to house natural persons or families whose annual household income is greater than 80 percent but not more than 120 percent of the median annual adjusted gross income for households within the metropolitan statistical area or, if not within a metropolitan statistical area, within the county in which the person or family resides; and~~, must receive an ad valorem property tax exemption of 75 percent of the assessed value.~~

b.~~2.~~ From ad valorem property taxes the units in

multifamily projects that meet the requirements of this subsection and are ~~Qualified property~~ used to house natural persons or families whose annual household income does not exceed 80 percent of the median annual adjusted gross income for households within the metropolitan statistical area or, if not within a metropolitan statistical area, within the county in which the person or family resides~~, is exempt from ad valorem property taxes~~.

2. When determining the value of a unit for purposes of applying an exemption pursuant to this paragraph, the property appraiser must include in such valuation the proportionate share of the residential common areas, including the land, fairly attributable to such unit.

(e) To be eligible to receive an exemption under this subsection, a property owner must submit an application on a form prescribed by the department by March 1 for the exemption, accompanied by a certification notice from the corporation to the property appraiser. The property appraiser shall review the application and determine whether the applicant meets all of the requirements of this subsection and is entitled to an exemption. A property appraiser may request and review additional information necessary to make such determination. A property appraiser may grant an exemption only for a property for which the corporation has issued a certification notice and which the property appraiser determines is entitled to an exemption.

(f) To receive a certification notice, a property owner must submit a request to the corporation ~~for certification~~ on a form provided by the corporation which includes all of the following:

1. The most recently completed rental market study meeting the requirements of paragraph (l) ~~(m)~~.

2. A list of the units for which the property owner seeks an exemption.

3. The rent amount received by the property owner for each unit for which the property owner seeks an exemption. If a unit is vacant and qualifies for an exemption under paragraph (c), the property owner must provide evidence of the published rent amount for each vacant unit.

4. A sworn statement, under penalty of perjury, from the applicant restricting the property for a period of not less than 3 years to housing persons or families who meet the income limitations under this subsection.

(g) The corporation shall review the request for a certification notice and certify whether a property ~~that~~ meets the ~~eligibility~~ criteria of paragraphs (b) and (c) ~~this subsection~~. A determination by the corporation regarding a request for a certification notice does not constitute a grant of an exemption pursuant to this subsection or final agency action pursuant to chapter 120.

1. If the corporation determines that the property meets

the ~~eligibility~~ criteria ~~for an exemption under this subsection~~, the corporation must send a certification notice to the property owner and the property appraiser.

2. If the corporation determines that the property does not meet the ~~eligibility~~ criteria, the corporation must notify the property owner and include the reasons for such determination.

(h) The corporation shall post on its website the deadline to submit a request for a certification notice. The deadline must allow adequate time for a property owner to submit a timely application for exemption to the property appraiser.

(i) ~~The property appraiser shall review the application and determine if the applicant is entitled to an exemption. A property appraiser may grant an exemption only for a property for which the corporation has issued a certification notice.~~

~~(j)~~ If the property appraiser determines that for any year during the immediately previous 10 years a person who was not entitled to an exemption under this subsection was granted such an exemption, the property appraiser must serve upon the owner a notice of intent to record in the public records of the county a notice of tax lien against any property owned by that person in the county, and that property must be identified in the notice of tax lien. Any property owned by the taxpayer and situated in this state is subject to the taxes exempted by the improper exemption, plus a penalty of 50 percent of the unpaid taxes for

each year and interest at a rate of 15 percent per annum. If an exemption is improperly granted as a result of a clerical mistake or an omission by the property appraiser, the property owner improperly receiving the exemption may not be assessed a penalty or interest.

(j) ~~(k)~~ Units subject to an agreement with the corporation pursuant to chapter 420 recorded in the official records of the county in which the property is located to provide housing to natural persons or families meeting the extremely-low-income, very-low-income, or low-income limits specified in s. 420.0004 are not eligible for this exemption.

(k) ~~(l)~~ Property receiving an exemption pursuant to s. 196.1979 is not eligible for this exemption.

(l) ~~(m)~~ A rental market study submitted as required by subparagraph (f)1. ~~paragraph (f)~~ must identify the fair market value rent of each unit for which a property owner seeks an exemption. Only a certified general appraiser as defined in s. 475.611 may issue a rental market study. The certified general appraiser must be independent of the property owner who requests the rental market study. In preparing the rental market study, a certified general appraiser shall comply with the standards of professional practice pursuant to part II of chapter 475 and use comparable property within the same geographic area and of the same type as the property for which the exemption is sought. A rental market study must have been completed within 3 years

before submission of the application.

(m) ~~(n)~~ The corporation may adopt rules to implement this section.

(n) ~~(o)~~ This subsection first applies to the 2024 tax roll and is repealed December 31, 2059.

Section 5. Subsections (6) and (7) of section 196.1979, Florida Statutes, are renumbered as subsections (8) and (9), respectively, paragraph (b) of subsection (1), subsection (2), paragraphs (d), (f), and (l) of subsection (3), and subsection (5) are amended, and new subsections (6) and (7) are added to that section, to read:

196.1979 County and municipal affordable housing property exemption.—

(1)

(b) Qualified property may receive an ad valorem property tax exemption of:

1. Up to 75 percent of the assessed value of each residential unit used to provide affordable housing if fewer than 100 percent of the multifamily project's residential units are used to provide affordable housing meeting the requirements of this section.

2. Up to 100 percent of the assessed value of each residential unit used to provide affordable housing if 100 percent of the multifamily project's residential units are used to provide affordable housing meeting the requirements of this

section.

(2) If a residential unit that in the previous year received ~~qualified for~~ the exemption under this section and was occupied by a tenant is vacant on January 1, the vacant unit may qualify for the exemption under this section if the use of the unit is restricted to providing affordable housing that would otherwise meet the requirements of this section and a reasonable effort is made to lease the unit to eligible persons or families.

(3) An ordinance granting the exemption authorized by this section must:

(d) Require the local entity to verify and certify property that meets the requirements of the ordinance as qualified property and forward the certification to the property owner and the property appraiser. If the local entity denies the application for certification ~~exemption~~, it must notify the applicant and include reasons for the denial.

(f) Require the property owner to submit an application for exemption, on a form prescribed by the department, accompanied by the certification of qualified property, to the property appraiser no later than the deadline specified in s. 196.011 ~~March 1~~.

(l) Require the county or municipality to post on its website a list of ~~certified~~ properties receiving the exemption for the purpose of facilitating access to affordable housing.

(5) An ordinance adopted under this section must expire before the fourth January 1 after adoption; however, the board of county commissioners or the governing body of the municipality may adopt a new ordinance to renew the exemption. The board of county commissioners or the governing body of the municipality shall deliver a copy of an ordinance adopted under this section to the department and the property appraiser within 10 days after its adoption, but no later than January 1 of the year such exemption will take effect. If the ordinance expires or is repealed, the board of county commissioners or the governing body of the municipality must notify the department and the property appraiser within 10 days after its expiration or repeal, but no later than January 1 of the year the repeal or expiration of such exemption will take effect.

(6) The property appraiser shall review each application for exemption and determine whether the applicant meets all of the requirements of this section and is entitled to an exemption. A property appraiser may request and review additional information necessary to make such determination. A property appraiser may grant an exemption only for a property for which the local entity has certified as qualified property and which the property appraiser determines is entitled to an exemption.

(7) When determining the value of a unit for purposes of applying an exemption pursuant to this section, the property

appraiser must include in such valuation the proportionate share of the residential common areas, including the land, fairly attributable to such unit.

Section 6. The amendments made by this act to ss. 196.1978 and 196.1979, Florida Statutes, are intended to be remedial and clarifying in nature and apply retroactively to January 1, 2024.

Section 7. Subsection (5) of section 333.03, Florida Statutes, is renumbered as subsection (6), and a new subsection (5) is added to that section, to read:

333.03 Requirement to adopt airport zoning regulations.—

(5) Sections 125.01055(7) and 166.04151(7) do not apply to any of the following:

(a) A proposed development near a commercial service airport, as defined in s. 332.0075(1), runway within one-quarter of a mile laterally from the runway edge and within an area that is the width of one-quarter of a mile extending at right angles from the end of the runway for a distance of 10,000 feet of any existing runway or planned runway identified in the local government's airport master plan.

(b) A proposed development within any airport noise zone identified in the federal land use compatibility table or currently in a land-use zoning or airport noise regulation adopted by the local government.

(c) A proposed development that exceeds maximum height restrictions identified in the political subdivision's airport

zoning regulation adopted pursuant to this section.

Section 8. Subsection (35) of section 420.507, Florida Statutes, is amended to read:

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

(35) To preclude any applicant, sponsor, or affiliate of an applicant or sponsor from further participation in any of the corporation's programs as provided in s. 420.518~~, any applicant or affiliate of an applicant which has made a material misrepresentation or engaged in fraudulent actions in connection with any application for a corporation program~~.

Section 9. Paragraph (b) of subsection (1) of section 420.50871, Florida Statutes, is amended, and subsection (6) is added to that section, to read:

420.50871 Allocation of increased revenues derived from amendments to s. 201.15 made by ch. 2023-17.—Funds that result from increased revenues to the State Housing Trust Fund derived from amendments made to s. 201.15 made by chapter 2023-17, Laws of Florida, must be used annually for projects under the State Apartment Incentive Loan Program under s. 420.5087 as set forth in this section, notwithstanding ss. 420.507(48) and (50) and 420.5087(1) and (3). The Legislature intends for these funds to

provide for innovative projects that provide affordable and attainable housing for persons and families working, going to school, or living in this state. Projects approved under this section are intended to provide housing that is affordable as defined in s. 420.0004, notwithstanding the income limitations in s. 420.5087(2). Beginning in the 2023-2024 fiscal year and annually for 10 years thereafter:

(1) The corporation shall allocate 70 percent of the funds provided by this section to issue competitive requests for application for the affordable housing project purposes specified in this subsection. The corporation shall finance projects that:

(b)1. Address urban infill, including conversions of vacant, dilapidated, or functionally obsolete buildings or the use of underused commercial property.

2. As used in this paragraph, the term "urban infill" has the same meaning as in s. 163.3164. The term includes the development or redevelopment of mobile home parks and manufactured home communities that meet the urban infill criteria, in addition to the criteria of redevelopment of affordable housing development as provided under paragraph (1)(a).

(6) A project financed under this section may not require that low-income housing tax credits under s. 42 of the Internal

Revenue Code or tax-exempt bond financing be a part of the financing structure for the project.

Section 10. Subsection (2) of section 420.50872, Florida Statutes, is amended to read:

420.50872 Live Local Program.—

(2) RESPONSIBILITIES OF THE CORPORATION; PROHIBITIONS.—

(a) The corporation shall:

1.~~(a)~~ Expend 100 percent of eligible contributions received under this section for the State Apartment Incentive Loan Program under s. 420.5087. However, the corporation may use up to $25 million of eligible contributions to provide loans for the construction of large-scale projects of significant regional impact. Such projects must include a substantial civic, educational, or health care use and may include a commercial use, any of which must be incorporated within or contiguous to the project property. Such a loan must be made, except as otherwise provided in this subsection, in accordance with the practices and policies of the State Apartment Incentive Loan Program. Such a loan is subject to the competitive application process and may not exceed 25 percent of the total project cost. The corporation must find that the loan provides a unique opportunity for investment alongside local government participation that would enable creation of a significant amount of affordable housing. Projects approved under this section are intended to provide housing that is affordable as defined in s.

420.0004, notwithstanding the income limitations in s. 420.5087(2).

2.~~(b)~~ Upon receipt of an eligible contribution, provide the taxpayer that made the contribution with a certificate of contribution. A certificate of contribution must include the taxpayer's name; its federal employer identification number, if available; the amount contributed; and the date of contribution.

3.~~(c)~~ Within 10 days after issuing a certificate of contribution, provide a copy to the Department of Revenue.

(b) A project financed under this section may not require that low-income housing tax credits under s. 42 of the Internal Revenue Code or tax-exempt bond financing be a part of the financing structure for the project.

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

Remove lines 14-86 and insert:

developments under certain circumstances; prohibiting counties and municipalities, respectively, from using public hearings or any other quasi-judicial board or reviewing body to approve a proposed development in certain circumstances; prohibiting counties and municipalities, respectively, from restricting the maximum lot size of a proposed development below a specified size allowed under land development

regulations; prohibiting the administrative approval by counties and municipalities, respectively, of a proposed development within a specified proximity to a military installation; requiring counties and municipalities, respectively, to maintain a certain policy on their websites; requiring counties and municipalities, respectively, to reduce parking requirements by a specified percentage under certain circumstances; requiring counties and municipalities, respectively, to reduce or eliminate parking requirements for certain proposed mixed-use developments that meet certain requirements; providing certain requirements for developments located within a transit-oriented development or area; defining the term "major transportation hub"; providing requirements for developments authorized located within a transit-oriented development or area; clarifying that a county or municipality, respectively, is not precluded from granting additional exceptions; clarifying that a proposed development is not precluded from receiving a bonus for density, height, or floor area ratio if specified conditions are satisfied; requiring that such bonuses be administratively approved by counties and municipalities, respectively; defining the term

"commercial use"; revising applicability; authorizing that specified developments be treated as a conforming use under certain circumstances; authorizing that specified developments be treated as a nonconforming use under certain circumstances; authorizing an applicant for certain proposed development to notify a county or municipality, as applicable, of its intent to proceed under certain provisions; requiring counties and municipalities to allow certain applicants to submit a revised application, written request, or notice of intent; amending s. 196.1978, F.S.; revising the definition of the term "newly constructed"; revising conditions for when multifamily projects are considered property used for a charitable purpose and are eligible to receive an ad valorem property tax exemption; requiring property appraisers to make certain exemptions from ad valorem property taxes; providing the method for determining the value of a unit for certain purposes; requiring property appraisers to review certain applications and make certain determinations; authorizing property appraisers to request and review additional information; authorizing property appraisers to grant exemptions only under certain conditions; revising requirements for property owners seeking a

certification notice from the Florida Housing Finance Corporation; providing that a certain determination by the corporation does not constitute an exemption; conforming provisions to changes made by the act; amending s. 196.1979, F.S.; revising the value to which a certain ad valorem property tax exemption applies; revising a condition of eligibility for vacant residential units to qualify for a certain ad valorem property tax exemption; revising the deadline for an application for exemption; revising deadlines by which boards and governing bodies must deliver to or notify the Department of Revenue of the adoption, repeal, or expiration of certain ordinances; requiring property appraisers to review certain applications and make certain determinations; authorizing property appraisers to request and review additional information; authorizing property appraisers to grant exemptions only under certain conditions; providing the method for determining the value of a unit for certain purposes; providing for retroactive application; amending s. 333.03, F.S.; excluding certain proposed developments from specified airport zoning provisions; amending s. 420.507, F.S.; revising the enumerated powers of the corporation; amending s. 420.50871, F.S.; defining the term "urban infill";

prohibiting certain projects from requiring certain tax credits or bond financing; amending s. 420.50872, F.S.; prohibiting certain projects from requiring certain tax credits or bond financing;

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	_____

Committee/Subcommittee hearing bill: Appropriations Committee
Representative Duggan offered the following:

Amendment to Amendment (548371) by Representative Lopez, V.

Remove line 12 of the amendment and insert:
in any area zoned for commercial, industrial, or mixed use, or any zoning district permitting commercial, industrial, or mixed uses, if at

Remove line 183 of the amendment and insert:
or mixed use, or any zoning district permitting commercial, industrial, or mixed-use uses, if at least 40 percent of the residential units in

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	_____

Committee/Subcommittee hearing bill: Appropriations Committee
Representative Duggan offered the following:

Amendment to Amendment (548371) by Representative Lopez, V. (with directory and title amendments)

Between lines 175 and 176 of the amendment, insert:

(9)(a) County review or approval of an application for development permit or development order may not be conditioned upon the waiver, forbearance, or abandonment of any development right authorized by this section. Any such waiver, forbearance, or abandonment is void.

(b) County review of any application for development of nonresidential uses is limited to the requested uses and may not consider whether other uses are allowed under this section.

Between lines 344 and 345 of the amendment, insert:

(9)(a) Municipality review or approval of an application for development permit or development order may not be conditioned upon the waiver, forbearance, or abandonment of any development right authorized by this section. Any such waiver, forbearance, or abandonment is void.

(b) Municipality review of any application for development of nonresidential uses is limited to the requested uses and may not consider whether other uses are allowed under this section.

D I R E C T O R Y A M E N D M E N T

Remove line 7 of the amendment and insert:
Statutes, is amended, and subsections (8) and (9) are added to that

Remove line 177 of the amendment and insert:
Statutes, is amended, and subsections (8) and (9) are added to that

---

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

Remove line 751 of the amendment and insert:
request, or notice of intent; prohibiting review or approval by a county or municipality of an application for development permit or order from being conditioned on the waiver, forbearance, or abandonment of any development right; deeming

any such waiver, forbearance, or abandonment void; limiting review or approval by a county or municipality of an application for development of nonresidential uses to requested uses; amending s. 196.1978,

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 1319 Trust Funds/Institute of Food and Agricultural Sciences Relocation and Reconstruction Trust Fund/DOE
SPONSOR(S): Postsecondary Education & Workforce Subcommittee, Tuck
TIED BILLS: None. **IDEN./SIM. BILLS:** SB 1476

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Postsecondary Education & Workforce Subcommittee	14 Y, 0 N, As CS	Dixon	Kiner
2) Appropriations Committee		Smith	Pridgeon
3) Education & Employment Committee			

SUMMARY ANALYSIS

The bill establishes the Institute of Food and Agricultural Sciences Renovations, Relocations, and Construction Trust Fund (trust fund) within the State University System. The trust fund is created to serve as a depository for funds received from the sale, trade, exchange, or disposal of state agricultural research and education real property and improvements that are leased to the University of Florida Board of Trustees (UF BOT) by the Board of Trustees of the Internal Improvement Trust Fund (BOT) and used by the University of Florida Institute of Food and Agricultural Sciences (UF/IFAS).

Pursuant to the bill, the BOT, at the request of the UF BOT, may sell, trade, exchange, or otherwise dispose of state agricultural research and education real property and improvements leased to the UF BOT and used by the UF/IFAS. The BOT must deposit the proceeds from the sale or other disposition into the trust fund to be used:

- By the UF BOT for the upgrade, renovation, and repair of existing properties, the relocation or construction of new agricultural research and education facilities.
- At the request of the UF BOT, by the BOT for the purchase of real property or improvements for the relocation or construction of new agricultural research and education facilities.

The bill requires any such sale to be at fair market value and any trade or exchange to be for property which has a fair market value equal to or greater than the property traded or exchanged.

The trust fund will terminate on July 1, 2028, unless terminated sooner. Before its scheduled termination, the bill requires the Legislature to review it as provided by law.

The bill has an indeterminate fiscal impact on state revenues and expenditures. *See* Fiscal Comments.

The bill has an effective date of July 1, 2024.

Article III, s. 19(f) of the State Constitution requires every trust fund to be created by a three-fifths vote of the membership of each house of the Legislature in a separate bill for the sole purpose of creating a trust fund. The bill creates a trust fund; thus, it requires a three-fifths vote for final passage.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

University of Florida, Institute of Food and Agricultural Sciences

The University of Florida, Institute of Food and Agricultural Sciences (UF/IFAS) is a federal-state-county partnership dedicated to developing knowledge in agriculture, human and natural resources, and the life sciences. UF/IFAS fulfills the university's land grant mission by working to enhance and sustain the quality of human life through its research facilities, extension services offered in every Florida county, and top-ranked education at the UF College of Agricultural and Life Sciences.[1]

In addition to having extension services in every Florida county, UF/IFAS includes 16 Research and Education Centers, five Research and Demonstration Sites, and four 4-H camps.[2] In 2022, UF/IFAS reported holding 53,893 acres of land across the state, including 1,287 buildings. This accounts for 23 percent of all UF state-owned inventory.[3]

Internal Improvement Trust Fund

The state received 500,000 acres of land for internal improvement purposes through an Act of Congress passed on March 3, 1845. A portion of the granted land remains unsold. The funds generated from the sale of the land, both from previous sales and future sales, are considered part of this arrangement. Additionally, swampland or lands subject to overflow was granted to the state by an Act of Congress approved on September 28, 1850. All these lands and the proceeds from their sales were set apart and declared a separate fund known as the Internal Improvement Trust Fund of the state.[4]

All revenues accruing from sources designated by law, such as the sale of lands in possession of the BOT, for deposit in the Internal Improvement Trust Fund must be used for the acquisition, management, administration, protection, and conservation of state-owned lands.[5]

Board of Trustees of the Internal Improvement Trust Fund

The Board of Trustees (BOT) of the Internal Improvement Trust Fund is comprised of four trustees: the Governor, the Attorney General, the Chief Financial Officer, the Commissioner of Agriculture, and their successors in office. The BOT, as a collegial body, serves as the agency head, with the governor serving as the chair.[6]

The BOT is vested and charged with the acquisition, administration, management, control, supervision, conservation, protection, and disposition of all lands owned by the state or any of its agencies,

---

[1] University of Florida, *About UF/IFAS*, https://ifas.ufl.edu/about-us/ (last visited Feb. 15, 2024).
[2] University of Florida Institute of Food and Agricultural Sciences, *Extension Offices and Research and Education Centers* map, https://directory.ifas.ufl.edu/googleearthdisplay?pageID=1 (last visited Feb. 15, 2024).
[3] University of Florida, *Cultivating Florida's Future*, at 8, https://ifas.ufl.edu/media/ifasufledu/ifas-main-2020/documents/pdf/annual-reports/ADMIN-IFAS-Annual-Report-2022.pdf. (last visited Feb. 15, 2024).
[4] Section 253.01(1)(a), F.S.
[5] Section 253.01(2), F.S.
[6] Section 253.02(1), F.S.; *see also*, Board of Trustees of the Internal Improvement Trust Fund of the State of Florida, Statement of Agency Organization and Operation, https://floridadep.gov/sites/default/files/BOT_Statement_of_Agency_Organization_and_Operation_10.24.19.pdf#:~:text=The%20Board%20of%20Trustees%20of%20the%20Internal%20Improvement,the%20attorney%20general%2C%20and%20the%20commissioner%20of%20agriculture (last visited Feb. 15, 2024).

departments, boards, or commissions, subject to certain exclusions specified in law.[7] In addition, the BOT is granted a comprehensive set of rights and powers, including ownership rights, legal claims, remedies in case of issues, the ability to take legal actions, and control over various matters that are relevant to their responsibilities.[8]

The BOT is not authorized to sell, transfer, or otherwise dispose of any lands the title to which is vested in the BOT except by vote of at least three of the four trustees.[9] Apart from this restriction, the BOT possesses additional authority concerning easements for rights-of-way and submerged tidal lands. This includes the authority to approve easements for the construction and operations of electric transmission and distribution facilities, with the provision to delegate this authority to the Secretary of Environmental Protection. Additionally, the BOT is granted the power to acquire submerged lands through condemnations if it serves a public interest and purpose.[10] Furthermore, a state entity holding the title to conservation lands may only dispose of such property by a two-thirds vote of the entity's governing board after the board determines the lands are no longer necessary for conservation purposes.[11]

The Florida Department of Environmental Protection's Division of State Lands is Florida's lead agency for environmental management and stewardship, serving as staff to the BOT.[12] The Division of State Lands also provides oversight for the management of activities on more than 12 million acres of public lands, including lakes, rivers and islands. These public lands help ensure all Florida residents and visitors have the opportunity to truly appreciate Florida's unique landscapes.[13]

Trust Funds

A trust fund may be created by law only by the Legislature and only if passed by a three-fifths vote of the membership of each house in a separate bill for that purpose only. Except for trust funds being re-created by the Legislature, each trust fund must be created by statutory language that specifies at least the following:[14]

- The name of the trust fund.
- The agency or branch of state government responsible for administering the trust fund.
- The requirements or purposes that the trust fund is established to meet.
- The sources of moneys to be credited to the trust fund or specific sources of receipts to be deposited in the trust fund.

State trust funds are required to terminate, and are authorized to exist a maximum of four years from the effective date of the act authorizing the initial creation of the trust fund. The legislature may set a shorter time period for which any trust fund is authorized.[15] However, certain trust funds are not subject to the termination provision. Among these are trust funds for institutions under the management of the

[7] Section 253.03(1), F.S. Lands vested in the BOT of the Internal Improvement Trust Fund are: swamp and overflowed lands held by the state; all lands owned by the state by right of its sovereignty; internal improvements lands proper; tidal lands; lands covered by shallow waters of the ocean or gulf, or bays and lagoons, and all lands owned by the state covered in fresh water; all parks, reservations, and lands set aside in the name of the state, excluding certain transportation facilities and corridors; all lands which have accrued, or will accrue, to the state, with certain exceptions for transportation, spoil areas, flood control district, water management district, or navigation district. *Id.*
[8] Section 253.02(1), F.S.
[9] Section 253.02(2)(a), F.S.
[10] Section 253.02(2)(b) and (c), F.S.
[11] *See* art. X, s. 18, Fla. Const.
[12] Florida Department of Environmental Protection, *Division of State Lands*, https://floridadep.gov/lands (last visited Feb. 15, 2024).
[13] *Id.*
[14] Section 215.3207, F.S.
[15] Art. III, s. 19(f)(2), Fla. Const.

Board of Governors, where such trust funds are for auxiliary enterprises[16] and contracts, grants, and donations[17], as those terms are defined by general law.[18]

Before the regular session of the Legislature preceding the termination date of any trust fund, the agency responsible for the administration of the trust fund and the Governor, for executive branch trust funds, or the Chief Justice, for judicial branch trust funds, must review the purpose and use of the trust fund. Based on this review, a recommendation must be provided to the President of the Senate and the Speaker of the House of Representatives regarding whether the trust fund should be allowed to terminate or if it should be re-created. A recommendation to re-create a trust fund may also include suggested modifications to the purpose, sources of receipts, and allowable expenditures for the trust fund. Recommendations from agencies or the Chief Justice must be made as part of the legislative budget request to the Legislature, and recommendations from the Governor must be made part of the recommended budget presented to the Legislature.[19]

If the decision is made to terminate the trust fund and not immediately re-create it, all cash balances and income of the trust fund are to be deposited into the General Revenue Fund.

The responsible agency or Chief Justice is required to promptly pay any outstanding debts of the trust fund. The Chief Financial Officer must close out and remove the trust fund from various state financial systems, adhering to generally accepted accounting practices related to outstanding warrants, assets, and liabilities. No appropriation or budget amendment is authorized to encumber funds from a trust fund after its termination date or if it is judicially determined to be invalid.[20]

Effect of Proposed Changes

The bill establishes the Institute of Food and Agricultural Sciences Renovations, Relocations, and Construction Trust Fund (trust fund) within the State University System. The trust fund is created to serve as a depository for funds received from the sale, trade, exchange, or disposal of state agricultural research and education real property and improvements that are leased to the University of Florida Board of Trustees (UF BOT) by the Board of Trustees (BOT) of the Internal Improvement Trust Fund and used by the University of Florida Institute of Food and Agricultural Sciences (UF/IFAS).

Pursuant to the bill, the BOT, at the request of the UF BOT, may sell, trade, exchange, or otherwise dispose of state agricultural research and education real property and improvements leased to the UF BOT and used by the UF/IFAS. The BOT must deposit the proceeds from the sale or other disposition into the trust fund to be used:

- By the UF BOT for the upgrade, renovation, and repair of existing properties, the relocation or construction of new agricultural research and education facilities.
- At the request of the UF BOT, by the BOT for the purchase of real property or improvements for the relocation or construction of new agricultural research and education facilities.

The bill requires any such sale to be at fair market value and any trade or exchange shall be for property which has a fair market value equal to or greater than the property traded or exchanged.

---

[16] Section 1011.47(1), F.S., provides the term, “auxiliary enterprises” includes “activities that directly or indirectly provide a product or a service, or both, to a university or its students, faculty, or staff and for which a charge is made. These auxiliary enterprises are business activities of a university which require no support from the General Revenue Fund, and include activities such as housing, bookstores, student health services, continuing education programs, food services, college stores, operation of vending machines, specialty shops, day care centers, golf courses, student activities programs, data center operations, and intercollegiate athletics programs.”

[17] Section 1011.47(2), F.S., provides the term, “contracts, grants, and donations” includes noneducational and general funding sources in support of research, public services, and training. The term includes grants and donations, sponsored-research contracts, and Department of Education funding for lab schools and other activities for which the funds are deposited outside the State Treasury.

[18] Art. III, s. 19(f)(3), Fla. Const.

[19] Section 215.3206(1), F.S.

[20] Section 215.3206(2), F.S.

The trust fund will terminate on July 1, 2028, unless terminated sooner. Before its scheduled termination, the bill requires the Legislature to review it as provided by law.

B. SECTION DIRECTORY:

Section 1: Creates s. 1004.331, F.S.; creating the Institute of Food and Agricultural Sciences Renovation, Relocation, and Construction Trust Fund for specified purposes; authorizing the Board of Trustees of the Internal Improvement Trust Fund, at the request of the University of Florida Board of Trustees, to sell, trade, exchange, or otherwise dispose of specified real property and improvements; requiring such funds to be deposited into the trust fund for specified purposes; authorizing the Board of Trustees of the Internal Improvement Trust Fund, at the request of the University of Florida Board of Trustees, to purchase real property or improvements for specified facilities; providing requirements for such sales and trades or exchanges; providing for future review and termination or re-creation of the fund.

Section 2: Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   See Fiscal Comments.

2. Expenditures:

   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 has an indeterminate fiscal impact on state revenues and expenditures. To the extent the bill changes the current process for the sale, trade, exchange, or disposal of state agricultural research and education real property, the entities currently receiving those revenues for the acquisition, management, administration, protection and conservation of state-owned lands may be negatively impacted by an indeterminate amount.

The bill will have an indeterminate positive fiscal impact on the University of Florida Institute of Food and Agricultural Sciences that will be able to utilize this revenue source for upgrades to, and renovation and repair of, existing properties and the relocation or construction of new agricultural research and education facilities.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

   None.

2. Other:

   State trust funds are required to terminate, and are authorized to exist a maximum of four years from the effective date of the act authorizing the initial creation of the trust fund. The Legislature may set a shorter time period for which any trust fund is authorized.[21]

   The trust fund will terminate on July 1, 2028, unless terminated sooner. Before its scheduled termination, the bill requires the Legislature to review it as provided by law.

B. RULE-MAKING AUTHORITY:

   None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

   None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On Jan. 25, 2024, the Postsecondary Education & Workforce Subcommittee adopted an amendment and reported the bill favorably as a committee substitute. The amendment specifies that, under Article III., s. 19(f)(2), the trust fund will terminate on July 1, 2028, unless terminated sooner. Before its scheduled termination, the bill requires the Legislature to review it as provided by law.

The bill analysis is drafted to the committee substitute adopted by the Postsecondary Education & Workforce Subcommittee.

[21] FLA. CONST. art. III, s. 19(f)(2).

A bill to be entitled

An act relating to trust funds; creating s. 1004.331, F.S.; creating the Institute of Food and Agricultural Sciences Renovation, Relocation, and Construction Trust Fund for specified purposes; authorizing the Board of Trustees of the Internal Improvement Trust Fund, at the request of the University of Florida Board of Trustees, to sell, trade, exchange, or otherwise dispose of specified real property and improvements; requiring such funds to be deposited into the trust fund for specified purposes; authorizing the Board of Trustees of the Internal Improvement Trust Fund, at the request of the University of Florida Board of Trustees, to purchase real property or improvements for specified facilities; providing requirements for such sales and trades or exchanges; providing for future review and termination or re-creation of the fund; providing an effective date.

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

Section 1. Section 1004.331, Florida Statutes, is created to read:

1004.331 The Institute of Food and Agricultural Sciences

Renovation, Relocation, and Construction Trust Fund.—

(1) The Institute of Food and Agricultural Sciences Renovation, Relocation, and Construction Trust Fund is created within the State University System. The trust fund is established for use as a depository for funds received from the sale, trade, exchange, or disposal of state agricultural research and education real property and improvements that are leased to the University of Florida Board of Trustees by the Board of Trustees of the Internal Improvement Trust Fund and used by the University of Florida Institute of Food and Agricultural Sciences.

(2) Notwithstanding any provision of law to the contrary, the Board of Trustees of the Internal Improvement Trust Fund, at the request of the University of Florida Board of Trustees, may sell, trade, exchange, or otherwise dispose of state agricultural research and education real property and improvements leased to the University of Florida Board of Trustees and used by the University of Florida Institute of Food and Agricultural Sciences. The Board of Trustees of the Internal Improvement Trust Fund shall deposit the proceeds from such sale or other disposition into the trust fund to be used by the University of Florida Board of Trustees for the upgrade, renovation, and repair of existing properties, the relocation or construction of new agricultural research and education facilities, and, at the request of the University of Florida

Board of Trustees, by the Board of Trustees of the Internal Improvement Trust Fund for the purchase of real property or improvements for the relocation or construction of new agricultural research and education facilities.

(3) Any such sale shall be at fair market value and any trade or exchange shall be for property which has a fair market value equal to or greater than the property traded or exchanged.

(4) In accordance with s. 19(f)(2), Art. III of the State Constitution, the Institute of Food and Agricultural Sciences Renovation, Relocation, and Construction Trust Fund shall, unless terminated sooner, be terminated on July 1, 2028. Before its scheduled termination, the fund shall be reviewed as provided in s. 215.3206(1) and (2).

Section 2. This act shall take effect July 1, 2024.

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	_____

Committee/Subcommittee hearing bill: Appropriations Committee

Representative Tuck offered the following:

Amendment

Remove line 29 and insert:

within the State University System under the jurisdiction of the Board of Governors and shall be administered by the Department of Education. The trust fund is

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 1417 Funding for Environmental Resource Management
SPONSOR(S): Infrastructure Strategies Committee, Buchanan and others
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Infrastructure Strategies Committee	25 Y, 0 N, As CS	Gawin	Harrington
2) Appropriations Committee		Byrd	Pridgeon

SUMMARY ANALYSIS

The state administers various programs such as the Florida Forever Program and Rural and Family Lands Protection program to conserve and protect Florida's natural resources. The state also invests in improving water quality throughout the state through programs such as the water quality improvement grant program, which is administered by the Department of Environmental Protection (DEP). In 2021, the State of Florida entered into a gaming compact (the 2021 Compact) with the Seminole Tribe of Florida (Seminole Tribe), which was approved by the United States Department of the Interior. The 2021 Compact establishes a guaranteed minimum payment period for the first five years of the compact, during which the Seminole Tribe is required to make specified revenue share payments to the state.

The bill requires the Department of Revenue to, upon receipt, deposit 96 percent of any revenue share payment received under the 2021 Compact into the Indian Gaming Revenue Trust Fund within the Department of Financial Services. The funds must be distributed in the following manner:

- $100 million to support the Florida Wildlife Corridor (Corridor).
- $100 million for the management of uplands and removal of invasive species, divided between the Florida Fish and Wildlife Conservation Commission (FWC), DEP, and the Department of Agriculture and Consumer Services (DACS).
- $100 million to DEP for the Statewide Flooding and Sea Level Rise Resilience Plan; and
- The remainder to DEP for the Water Quality Improvement Grant Program.

The bill also creates the Local Trail Management Grant Program within DEP; authorizes FWC to enter into voluntary agreements with private landowners for environmental services within the Corridor; revises the criteria for prioritizing projects within the Water Quality Improvement Grant Program; and requires the Land Management Uniform Accounting Council to recommend the most efficient and effective use of the funds available to state agencies for land management activities.

Additionally, the bill provides the following nonrecurring appropriations for the 2024-2025 Fiscal Year:

- $32 million to FWC for control of invasive species and upland management;
- $32 million to DACS for land management activities;
- $100 million for land acquisition;
- $150 million to the South Florida Water Management District for operations and maintenance; and
- $220 million to DEP for various programs and a study.

The bill also provides a $2 million recurring appropriation beginning in fiscal year 2024-2025 to the University of Florida to continually update the Wildlife Corridor plan and the Florida Ecological Greenways Network plan.

The bill will have a negative fiscal impact on the General Revenue Fund, but an offsetting positive fiscal impact on state environmental programs that receive funding.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Conservation Lands

Florida Forever Program
The Florida Forever Program is the state's conservation and recreation lands acquisition program.[1] Since 2001, the state has purchased more than 902,011 acres of land for approximately $3.3 billion.[2] Florida Forever supports a wide range of goals, including water resource protection, coastal resiliency, preservation of cultural resources, public access to outdoor recreation, and the restoration and maintenance of public lands.[3]

The Acquisition and Restoration Council (ARC) is a 10-member body that makes recommendations on the acquisition, management, and disposal of state-owned lands.[4] The Department of Environmental Protection (DEP) provides primary staff to support ARC. ARC is responsible for developing the Florida Forever priority list, which consists of ranked land acquisition projects that are deemed suitable as conservation property and meet Florida Forever goals.[5] ARC members determine the priority of lands based on weighted criteria.[6]

Anyone can propose a project for consideration for the priority list. To develop the list, ARC accepts applications from state agencies, local governments, nonprofit and for-profit organizations, private land trusts, and private individuals for project proposals eligible for Florida Forever funding.[7] ARC then submits the list to the Board of Trustees of the Internal Improvement Trust Fund (Board) for approval.[8] The Board comprises the Governor, Attorney General, Chief Financial Officer, and Commissioner of Agriculture. The Florida Forever priority list is used by DEP to prioritize projects with the available Florida Forever funds allocated annually by the Legislature. To be considered for acquisition, a project must have a willing seller and be on the list.

Rural and Family Lands Protection Program
The Rural and Family Lands Protection Program (RFLPP) is a land preservation program within the Department of Agriculture and Consumer Services (DACS) that was created to protect agricultural lands through the acquisition of permanent agricultural land conservation easements.[9] Through the RFLPP, DACS, on behalf of the Board, is authorized to allocate money to acquire perpetual, less-than-fee interests in land, enter into agricultural protection agreements, and enter into resource conservation agreements.[10] To qualify for acquisition, the agricultural land must protect the integrity and function of working landscapes, ensure opportunities for viable agricultural activities on working lands threatened by conversion to other uses, and meet certain public purposes.[11]

---

[1] Section 259.105, F.S. Such acquisitions include less-than-fee agreements.
[2] Department of Environmental Protection (DEP), *Florida Forever*, https://floridadep.gov/floridaforever (last visited Jan. 26, 2024).
[3] *See* s. 259.105(2)(a), F.S.
[4] Section 259.035(3), F.S.
[5] Section 259.105(8)-(9), F.S.
[6] Section 259.105(10), F.S.
[7] Section 259.105(7)(a), F.S.
[8] Section 259.04(1)(c), F.S.
[9] DACS, *Rural and Family Lands Protection Program*, https://www.fdacs.gov/Consumer-Resources/Protect-Our-Environment/Rural-and-Family-Lands-Protection-Program (last visited Jan. 26, 2024).
[10] Section 570.71(1), F.S.
[11] *Id.*

Under the RFLPP, lands must be acquired pursuant to a priority ranking process that is similar to the process for creating the Florida Forever priority list.[12] Through the RFLPP, the state has acquired conservation easements for over 69,000 acres of working agricultural land.[13] All perpetual easements acquired under the RFLPP must adhere to best management practices established by DACS.[14]

Florida Wildlife Corridor

The Florida Wildlife Corridor (Corridor), depicted below,[15] is a geographically defined area comprising over 18 million acres of land, which include 10 million acres of conservation lands and 8 million acres of opportunity areas that do not have conservation status.[16]

In 2021, the Legislature created the Wildlife Corridor Act (Act) to codify the Corridor and recognize that lands and waters that provide the state's green infrastructure and vital habitat for wide-ranging wildlife need to be preserved and protected.[17] The purpose of the Act was to create incentives for conservation and sustainable development while preserving the green infrastructure.[18] The Act, in pertinent part, directed DEP to promote and encourage various methods of investing in and protecting the Corridor, including encouraging all agencies that acquire lands to include in their land-buying efforts the acquisition of sufficient legal interest in opportunity areas to ensure the continued viability of the Corridor.[19] Because there is no land acquisition program specifically for acquiring lands that are located within the Corridor, initiatives such as the Florida Forever Program and the Rural and Family Lands Protection Program are used to acquire such lands.

[12] Section 259.105(3)(i)1., F.S.
[13] DACS, *Rural and Family Lands Protection Program*, https://www.fdacs.gov/Consumer-Resources/Protect-Our-Environment/Rural-and-Family-Lands-Protection-Program (last visited Jan. 26, 2024).
[14] Rule 5I-7.014(3), F.A.C.
[15] Florida Wildlife Corridor, *FL Wildlife Corridor*, available at https://floridawildlifecorridor.org/wp-content/uploads/2021/08/FLWildlifeCorridor.pdf (last visited Jan. 26, 2024).
[16] DEP, *Florida Wildlife Corridor*, available at https://floridadep.gov/sites/default/files/Florida_Wildlife_Corridor.pdf (last visited Jan. 26, 2024).
[17] Chapter 2021-181, L.O.F.
[18] Section 259.1055(3), F.S.
[19] Section 259.1055(5), F.S.

Conservation Land Management

The Board is charged with the management, control, supervision, conservation, and protection of all lands owned or vested to the state or any of its agencies, departments, boards, or commissions.[20] State lands acquired as part of the Florida Forever Program or other land conservation programs are required to be managed to ensure the conservation of the state's plant and animal species and to ensure the accessibility of state lands for the benefit and enjoyment of all people of the state, both present and future.[21] Additionally, all such lands are required to be managed in a manner that provides the greatest combination of benefits to the public and to the natural resources, that provides opportunities for public outdoor recreation that are compatible with the conservation and protection of public lands, and that aligns with the purposes for which the lands were acquired.[22]

The Florida Fish and Wildlife Conservation Commission (FWC) is the lead land management entity for the state.[23] DACS and DEP also manage state lands. During the 2022-2023 fiscal year, FWC managed over 1,506,852 acres of land, the Florida Forest Service within DACS managed 1,177,078 acres, and the Division of State Lands and Division of Recreation and Parks within DEP managed 292,619 acres and 813,586 acres, respectively.[24]

Land Management Uniform Accounting Council

The Land Management Uniform Accounting Council (LMUAC) implements a uniform method for compiling and reporting accurate costs of land management activities.[25] LMUAC consists of one representative each from the Division of State Lands, the Division of Recreation and Parks, the Office of Coastal and Aquatic Managed Areas, the Florida Forest Service, FWC, and the Division of Historical Resources.[26] LMUAC releases an annual report that details the accounting of all land management activities from all the representative agencies and divisions and additional information related to the land use, resources and funds used for management, and estimated economic benefit to the public for ecosystem services provided by conservation lands.[27]

Invasive Species and Upland Management

Nonnative[28] species are animals or plants living in Florida outside captivity or human cultivation that were not historically present in the state.[29] More than 500 fish and wildlife nonnative species have been documented in Florida, and over 1,180 nonnative plant species have become established outside of human cultivation.[30] Not all nonnative species pose a threat to Florida's ecology, but some nonnative species become invasive species by causing harm to native species, posing a threat to human health and safety, or causing economic damage.[31]

---

[20] Section 253.03(1), F.S.
[21] Section 253.034(1), F.S.
[22] *Id.*
[23] Florida Fish and Wildlife Conservation Commission, *Terrestrial Habitat Management Plans*, https://myfwc.com/conservation/management-plans/terrestrial/ (last visited Feb. 12, 2024).
[24] DEP, *2023 LMUAC Annual Report Fact Sheet*, available at https://floridadep.gov/sites/default/files/2023%20LMUAC%20Annual%20Report_Factsheet_0.pdf (last visited Feb. 14, 2024).
[25] State of Florida, *Land Management Uniform Accounting Council 2023 Annual Report (Fiscal Year 2022-23)*, 1, available at https://floridadep.gov/sites/default/files/2023%20LMUAC%20Annual%20Report_0.pdf (last visited Feb. 14, 2024).
[26] Section 259.037(1), F.S.
[27] Section 259.036, F.S.; *See* State of Florida, *Land Management Uniform Accounting Council 2023 Annual Report (Fiscal Year 2022-23)*, 1, available at https://floridadep.gov/sites/default/files/2023%20LMUAC%20Annual%20Report_0.pdf (last visited Feb. 14, 2024).
[28] The terms "nonnative" and "exotic" have the same meaning and are used interchangeably.
[29] FWC, *Nonnative Species Information*, https://myfwc.com/wildlifehabitats/nonnatives/exotic-information/ (last visited Feb. 14, 2024).
[30] Nicole Dodds, Mary Miller, and Alexa Lamm, University of Florida Institute of Food and Agricultural Sciences, *Floridians' Perceptions of Invasive Species,* Feb. 2014, p. 1, available at http://edis.ifas.ufl.edu/pdffiles/WC/WC18600.pdf (last visited Feb. 14, 2024).
[31] FWC, *Florida's Nonnative Fish and Wildlife*, https://myfwc.com/wildlifehabitats/nonnatives/ (last visited Feb. 14, 2024).

FWC's Upland Invasive Exotic Plant Management Program conducts invasive plant removal on public conservation lands throughout the state.[32] Invasive plant removal projects are recommended by a network of regional invasive plant working groups, which are comprised of local land managers who are interested in or responsible for maintaining and restoring federal, state, and local government conservation land. The program identifies areas that need restoration and hires private vegetation management contractors to do the removal.[33] The Upland Invasive Plant Management Program has conducted 2,000 invasive plant control operations targeting 2.7 million acres and has assisted land managers on 700 federal, state, and county-managed natural areas that comprise over 10 million acres, or 90 percent of public conservation land in the state.[34]

The Florida Greenways and Trails System

The Florida Greenways and Trails System (FGTS) is made up of existing planned and conceptual nonmotorized trails and ecological greenways that form an integrated statewide system. The system includes paddling, hiking, biking, multi-use, and equestrian trails. In 1995, the Legislature created the Florida Greenways Coordinating Council (FGCC), tasking the FGCC with promoting the creation of a statewide greenways and trails system and designating DEP as the lead agency of the system.[35] The most recent FGTS plan and maps was updated for the 2024-2028 Fiscal Years.[36]

DEP is authorized to acquire lands, both public and private, to establish and expand a statewide system of greenways and trails for recreational and conservation purposes,[37] using funds from the Florida Forever Trust Fund distributed to DEP for acquisition of lands under the Florida Greenways and Trails Program, and to designate lands as part of the FGTS.[38] Since January 2013, 59 projects totaling over 225,000 acres and 756 trail miles have been designated in the statewide Greenways and Trails System, including state trails and parks, national forest lands and trails, locally managed greenways and trails, blueways and many other areas.[39]

The Office of Greenways and Trails (OGT) within DEP also operates the trail town program.[40] A trail town is a community located along, or in proximity to, one or more long-distance nonmotorized recreational trails where users can venture off the main path to enjoy the services and unique heritage of the nearby community.[41] The Department of Commerce estimates the combined economic benefit of all Florida state trails is $95 million to their host communities.[42] Current trail towns include Dunedin, Titusville, Malabar, Vilano Beach, Clermont, Palatka, Inverness, Deltona, Everglades City, Winter Garden, Gainesville, and Debary.[43] Signs, stickers, and publicity are provided free of charge to recognized trail towns.[44]

---

[32] FWC, *Upland Plant Management*, https://myfwc.com/wildlifehabitats/habitat/invasive-plants/upland-plant/ (last visited Feb. 14, 2024); s. 369.252, F.S.
[33] *Id.*
[34] *Id*.
[35] Chapter 95-260, L.O.F.
[36] *See* DEP, *Florida Greenways and Trails System Plan and Maps*, https://floridadep.gov/parks/ogt/content/florida-greenways-and-trails-system-plan-and-maps (last visited Jan. 26, 2024).
[37] Section 260.012, F.S.
[38] Section 259.105(3)(h), F.S.
[39] DEP, *Florida Greenways & Trails System Plan 2019-2023*, 6, available at https://floridadep.gov/sites/default/files/FL-Greenway%2BTrails-System-Plan-2019%2C%202023_0.pdf (last visited Jan. 26, 2024).
[40] DEP, *Trail Town Program,* https://floridadep.gov/parks/ogt/content/trail-town-program (last visited Feb. 14, 2024).
[41] DEP, *Trail Towns Guidelines and Self-Assessment*, 3, available at https://floridadep.gov/sites/default/files/Trail%20Town%20Assessment%20Final.pdf (last visited Feb. 14, 2024).
[42] Florida Commerce, *The Economic Benefits of Ecotourism*, https://floridajobs.org/community-planning-and-development/community-planning/community-planning-table-of-contents/ecotourism/the-economic-benefit-of-ecotourism (last visited Feb. 14, 2024).
[43] DEP, *Trail Town Program,* https://floridadep.gov/parks/ogt/content/trail-town-program (last visited Feb. 14, 2024).
[44] *Id*.

The Florida Ecological Greenways Network

The Florida Ecological Greenways Network (FEGN) created by the University of Florida Center for Landscape Conservation Planning is a statewide database that identifies and prioritizes a functionally connected statewide ecological network of public and private conservation lands.[45] The FEGN provides guidance to the OGT ecological greenway conservation efforts.[46] Additionally, the FEGN provides primary data layers for the Florida Forever program, the RFLPP, and the Corridor.[47]

Water Quality

Phosphorus and nitrogen are naturally present in water and are essential nutrients for the healthy growth of plant and animal life.[48] The correct balance of both nutrients is necessary for a healthy ecosystem; however, excessive nitrogen and phosphorus can cause significant water quality problems.[49] Phosphorus and nitrogen are derived from natural and human-made sources.[50] Human-made sources include sewage disposal systems (wastewater treatment facilities and septic systems), overflows of storm and sanitary sewers (untreated sewage), agricultural production and irrigation practices, and stormwater runoff.[51]

Water Quality Regulation

The federal Clean Water Act (CWA)[52] establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters.[53] The CWA requires states to develop lists of waterbodies that do not meet water quality standards, which are called impaired waters.[54] If DEP determines that any waters are impaired, the waterbody or segment must be placed on the verified list of impaired waters and a total maximum daily load (TMDL) must be calculated.[55] DEP is the lead agency coordinating the development and implementation of TMDLs.[56] Once a TMDL is adopted,[57] DEP may develop and implement a basin management action plan (BMAP), which is a restoration plan for the watersheds and basins connected to the impaired water body[58] that is included on DEP's Verified List. BMAPs address the pollutant-causing impairments to a water body and are one of the primary mechanisms DEP utilizes to achieve TMDLs.[59]

Water Quality Improvement Grant Program

The Water Quality Improvement Grant Program,[60] previously known as the wastewater grant program, is managed by DEP.[61] The Water Quality Improvement Grant Program must be used for projects that improve the quality of water bodies that are not attaining nutrient or nutrient-related standards, have an established TMDL, or are located within a BMAP, a reasonable assurance plan, an accepted alternative restoration plan area, or a rural area of opportunity. These grants may be used for specified

[45] University of Florida (UF), *Florida Ecological Greenways Network*, https://conservation.dcp.ufl.edu/fegn/ (last visited Feb. 14, 2024).
[46] *Id.*
[47] *Id.*
[48] U.S. Environmental Protection Agency (EPA), *The Issue*, https://www.epa.gov/nutrientpollution/problem (last visited Jan. 26, 2024).
[49] *Id.*
[50] *Id.*
[51] EPA, *Sources and Solutions*, https://www.epa.gov/nutrientpollution/sources-and-solutions (last visited Jan. 26, 2024).
[52] 33 U.S.C. section 1251 *et seq.*
[53] EPA, *Summary of the Clean Water Act*, https://www.epa.gov/laws-regulations/summary-clean-water-act (last visited Jan. 17, 2024).
[54] Rule 62-300.200(7), F.A.C. Impaired water means mean a waterbody or waterbody segment that does not meet its applicable water quality standards established in rule due in whole or in part to discharges of pollutants from point or nonpoint sources.
[55] Sections 403.067(1) and 403.067(4), F.S.; DEP, *Verified List Waterbody IDs* (WBIDs), https://geodata.dep.state.fl.us/datasets/FDEP::waterbody-ids-wbids/about (last visited Jan. 26, 2024).
[56] Section 403.061, F.S.
[57] Section 403.067(6)(c), F.S. TMDLs are established in rule for each water body or water body segment.
[58] Section 403.067(7)(a)1., F.S.
[59] DEP, *Guidance on Developing Restoration Plans as Alternatives to TMDLs – Assessment Category 4b and 4e Plans,* June 2015, 2, https://floridadep.gov/sites/default/files/4b4ePlansGuidance.pdf (last visited Jan. 26, 2024).
[60] Section 403.0673, F.S.
[61] Chapter 2023-169, L.O.F.

projects related to onsite sewage treatment and disposal systems, domestic wastewater treatment facilities, stormwater treatment facilities, projects in BMAPs, or projects listed in city or county capital improvement elements.[62]

DEP is required to coordinate with the WMDs to identify grant recipients in each district and to coordinate with local governments and other stakeholders to identify the most effective and beneficial projects. DEP must consider and prioritize the estimated reduction in nutrient load per project; project readiness; the cost-effectiveness of the project; the cost share identified by the applicant, except for rural areas of opportunity; the overall environmental benefit of the project; the location of the project; and previous state involvement in the project.

DEP submits an annual report identifying the projects funded through the grant program to the Governor and Legislature.[63] The report must include a list of those projects receiving funding and include the following information for each project:

- A description of the project;
- The cost of the project;
- The estimated nutrient load reduction;
- The location of the projection;
- The waterbody or waterbodies where the project would reduce nutrients; and
- The total cost-share being provided.[64]

South Florida Water Management District

The South Florida Water Management District (SFWMD) manages the water resources in the southern half of the state, covering 18,000 square-miles in all or part of 16 counties from Orlando to the Florida Keys. The SFWMD is responsible for the operation and maintenance of a multi-purpose water management system comprising approximately 2,175 miles of canals and 2,130 miles of levees/berms, 89 pumping stations, 915 water control structures, and 620 project culverts, including the Central and Southern Florida Project.[65]

Lake Okeechobee

Lake Okeechobee is Florida's largest lake and the second largest body of fresh water in the contiguous United States.[66] The lake spans 730 square miles with an average depth of nine feet.[67] It supports commercial and sport fisheries, provides flood control, and acts as a reservoir for potable and irrigation water for much of South Florida.[68] There is controversy surrounding the management of vegetation among federal and state agencies with regulatory authority for aquatic plant management, water quality and supply, flood control, and fish and wildlife management as it relates to Lake Okeechobee.[69]

Statewide Flooding and Sea Level Rise Resilience Plan

In 2021, the Legislature passed SB 1954,[70] which established several new programs and initiatives aimed at addressing the impacts of flooding and sea level rise on the state. SB 1954 directed DEP to annually develop a three-year Statewide Flooding and Sea Level Rise Resilience Plan and submit it to the Legislature, which must review and approve funding for the plan, subject to appropriation.[71] The

[62] Section 403.0673(2), F.S.
[63] Section 403.0673(7), F.S.
[64] *Id.*
[65] SFWMD, *Fiscal Year 2024-25 Preliminary Budget Submission*, https://www.sfwmd.gov/sites/default/files/documents/FY2024-2025%20Preliminary%20Budget%20Submission%20January%2012%2C%202024.pdf (last visited Feb. 14, 2024).
[66] FWC, *Lake Okeechobee*, https://myfwc.com/fishing/freshwater/sites-forecasts/s/lake-okeechobee/ (last visited Feb. 14, 2024).
[67] *Id.*
[68] *Id.*
[69] *Id.* SFWMD, *Lake Okeechobee*, https://www.sfwmd.gov/our-work/lake-okeechobee (last visited Feb. 14, 2024).
[70] Chapter 2021-28, Laws of Fla.
[71] Section 380.093(5)(a), F.S.

plan must consist of ranked projects that address risks of flooding and sea level rise to coastal and inland communities.[72] DEP publishes the Statewide Resilience Plan on its website each December.[73]

2021 Seminole Gaming Compact

Gaming compacts are regulated by the Federal Indian Gaming Regulatory Act (IGRA)[74] and state law.[75] The State of Florida entered into a gaming compact with the Seminole Tribe of Florida (Seminole Tribe) on April 7, 2010 (the 2010 Compact). In 2021, the Governor entered into a new compact with the Seminole Tribe on April 17, 2021, which was amended on May 17, 2021 (the 2021 Compact).[76] The Legislature subsequently ratified the 2021 Compact in a special legislative session.[77] The U.S. Department of the Interior approved the 2021 Compact on August 6, 2021,[78] which became effective upon publication of notice in the Federal Register.[79] The 2021 Compact supersedes the 2010 Compact.

Revenue Sharing under the 2021 Compact

The 2021 Compact establishes a guaranteed minimum payment period for the first five years of the compact. During the five-year period, the Seminole Tribe is required to make guaranteed minimum revenue share payments as specified, to total $2.5 billion. The revenue share payments must be paid by the Seminole Tribe to the state as follows:

- Percentage payments for slots, raffles, drawings, and new games range from 12 percent of net win[80] up to $2 billion, to 25 percent of net win greater than $3.5 billion.[81]
- Percentage payments for table games range from 15 percent of net win up to $1 billion, to 25 percent of net win greater than $2 billion.[82]
- Percentage payment for tribal sports betting is 13.75 percent of net win, excluding the net win received by the Seminole Tribe on pari-mutuel sports betting.[83]
- Percentage payment for pari-mutuel sports betting is 10 percent of net win received by the Seminole Tribe on pari-mutuel sports betting.[84]
- The Seminole Tribe's guaranteed minimum revenue share payment is $400 million per year for the first five years.[85]
- At the end of the third year of the five-year guaranteed minimum payment period, if the total revenue share payments are less than $1.5 billion, the Seminole Tribe must pay the difference to the state.[86]

---

[72] *Id.*

[73] The fiscal year 2024-2025 Statewide Resilience Plan is the most up to date plan, published in December 2023. DEP, *Statewide Resilience Plan 2024-2025*, https://floridadep.gov/sites/default/files/2024-2025%20Statewide%20Resilience%20Plan-FINAL.pdf (last visited Feb. 14, 2024).

[74] 25 U.S.C. s. 2701, *et seq*.

[75] Sections 285.710, F.S., and 285.712, F.S.

[76] Office of Economic & Demographic Research (EDR), *Revenue Estimating Conference Indian Gaming Revenues*, http://www.edr.state.fl.us/Content/conferences/Indian-gaming/IndianGamingSummary.pdf (last visited Jan. 24, 2024).

[77] Chapter 2021-268, L.O.F.

[78] The Secretary of the Interior may approve or disapprove of a compact within 45 days of submission, but if no action is taken within the 45-day timeframe, the compact is considered to have been approved but only to the extent that the compact is consistent with federal law. 25 U.S.C. s. 2701(10)(d). The Secretary of the Interior did not act on the 2021 Compact.

[79] U.S. Department of the Interior, *Seminole Tribe and State of Florida Tribal State Gaming Compact*, available at https://www.bia.gov/sites/default/files/dup/assets/as-ia/oig/pdf/508%20Compliant%202021.08.11%20Seminole%20Tribe%20Gaming%20Compact.pdf (last visited Jan. 24, 2024).

[80] "Net Win" means the total receipts from the play of all covered games less all prize payouts and free play or promotional credits issued by the Seminole Tribe. *2021 Gaming Compact Between the Seminole Tribe of Florida and the State of Florida*, 13, available at https://www.flgov.com/wp-content/uploads/pdfs/2021%20Gaming%20Compact.pdf (last visited Jan. 23, 2024).

[81] *Id.* at 46-47.

[82] *Id.* at 48.

[83] *Id.* at 48-49.

[84] *Id.*

[85] *Id.* at 51-52.

[86] *Id.* at 51.

- At the end of the fifth year of the five-year guaranteed minimum payment period, if the total revenue share payments are less than $2.5 billion, the Seminole Tribe must pay the difference to the state.[87]

The specific revenue share payment amounts the Seminole Tribe is required to pay to the state are calculated as outlined in the chart below in accordance with the 2021 Compact.

SUMMARY OF REVENUE SHARE PAYMENTS - 2021 Gaming Compact (Revenue Share Payments by the Seminole Tribe to the State in Billions)	
Slots, Raffles and Drawings, and New Games Net Win	**Revenue Share**
$0-2B	12%
$2-2.5B	17.5%
$2.5-3B	20%
$3-3.5B	22.5%
> $3.5B	25%
Table Games Net Win	**Revenue Share**
$0-1B	15%
$1-1.5B	17.5%
$1.5-2B	22.5%
> $2B	25%

The state began receiving payments pursuant to the 2021 Compact in October of 2021.[88] The Seminole Tribe continued revenue sharing with the state through February 2022, after which time they discontinued all payments. Between October 2021 and February 2022, the state received five payments of $37.5 million, totaling $187.5 million.[89] So far in 2024, the Seminole Tribe has made two revenue sharing payments of $57.8 million and $62.2 million to the state.

Litigation

The 2021 Compact has been subject to litigation in federal and state courts. In federal court, the Secretary of the Interior's approval of the 2021 Compact was challenged on the basis that the sports betting provision was illegal under various federal laws, including the IGRA.[90] The U.S. District Court for the District of Columbia set aside federal approval of the 2021 Compact on November 22, 2021. On June 30, 2023, the U.S. Court of Appeals for the District of Columbia vacated the lower court's opinion, finding the 2021 Compact did not violate federal law.[91] The plaintiffs then requested the U.S. Supreme Court to issue a stay to prevent the 2021 Compact from being executed while they filed an appeal with the Supreme Court. The stay was ultimately denied.[92]

Additionally, litigation relating to the legality of the 2021 Compact is currently pending in the Florida Supreme Court.[93] The 2021 Compact is being challenged on the basis that the Governor's and Legislature's actions expanded casino gambling in violation of the Florida Constitution.

---

[87] *Id.*

[88] EDR, *Revenue Estimating Conference Indian Gaming Revenues*, http://www.edr.state.fl.us/Content/conferences/Indian-gaming/IndianGamingSummary.pdf (last visited Jan. 24, 2024).

[89] *Id*.

[90] *West Flagler Associates, Ltd. v. Haaland*, 573 F. Supp. 3d 260, 265 (D.D.C. 2021).

[91] *West Flagler Associates, Ltd. v. Haaland*, 71 F. 4th 1059, 1068-1070 (D.C. 2023).

[92] *West Flagler Associates, Ltd. v. Haaland*, 144 S. Ct. 10 (2023). The Chief Justice initially granted the temporary stay, but later vacated it.

[93] *See West Flagler Associates, Ltd. v. DeSantis*, SC2023-1333, (Fla. Sept. 26, 2023). The plaintiffs allege that the execution and ratification of the 2021 Compact and the enactment of implementing legislation are unconstitutional under Art. X, s. 30, Fla. Const.; *See also* Florida Courts, *West Flagler Associates, Ltd. v. DeSantis*, https://acis.flcourts.gov/portal/court/68f021c4-6a44-4735-9a76-5360b2e8af13/case/0e5d7fd2-697d-4da7-a447-b1e4bccb450b (last visited Feb. 1, 2024).

Effect of the Bill

Gaming Compact Revenues

The bill requires the Department of Revenue to, upon receipt, deposit 96 percent of any revenue share payment received under the 2021 Compact into the Indian Gaming Revenue Trust Fund within the Department of Financial Services. The funds must be distributed in the following manner:

- $100 million to support the Corridor. To be eligible for funding, the acquisition project must be on the Florida Forever or RLFPP priority lists. The funds must be appropriated each year. Each eligible agency may, on a first-come, first-served basis, submit a budget amendment to request the release of funds.
- $100 million for the management of uplands and removal of invasive species:
    - $36 million is appropriated to DEP, of which $32 million is distributed to the State Park Trust Fund for land management activities within the state park system and $4 million is distributed to the Internal Improvement Trust Fund for the purpose of implementing the Local Trail Management Grant Program;
    - $32 million is appropriated to DACS for land management activities;
    - $32 million is appropriated to FWC for land management activities, including management activities for gopher tortoises and Florida panthers.
    - For the above funds intended for land management, a land manager may not use more than 25 percent of the distribution for operation capital outlay or capital assets;
- $100 million to DEP for the Statewide Flooding and Sea Level Rise Resilience Plan; and
- The remainder to DEP for the Water Quality Improvement Grant Program.

Local Trail Management Grant Program

The bill creates the Local Trail Management Grant Program within DEP to assist local governments with costs associated with the operation and maintenance of trails within the FGTS. The bill specifies that the funding for the program is subject to appropriation. A local government may receive multiple grant awards per application cycle.

The bill requires DEP to give priority to trails within the Corridor as well as to a local government that provides cost share for the costs associated with the maintenance of the trails, except for trails within fiscally constrained counties or rural areas of opportunity.

The bill specifies that a local government may only use grant funds for the operation and maintenance of trails, including, but not limited to, the purchase of equipment and capital assets; the funding of necessary repairs to ensure the safety of trail users; and other necessary maintenance, such as pressure washing, bush pruning, and clearing debris. The bill prohibits a local government from using grant funds for the planning, design, or construction of trails.

Beginning January 15, 2024, and each January 15 thereafter, the bill requires DEP to submit a report to the Governor and the Legislature listing the grants awarded pursuant to the Local Trail Management Grant Program. The report must include the following information for each grant award:

- The grant recipient's name;
- A description of the individual components of the trail;
- A description of the maintenance activities funded;
- The total management cost for the trail components; and
- The cost share, if any, provided by the recipient.

Florida Wildlife Corridor Management

The bill authorizes FWC to enter into voluntary agreements with private landowners for environmental services within the Corridor. The agreements must require that the landowner protect and restore water resources; improve management of wildlife habitat, including the long-term conservation of forest and grassland soils and native plants; manage the land in a manner that keeps the desired ecosystem healthy for protected species such as the gopher tortoise and Florida panther; or provide other

incentives to landowners to continue and improve land uses that are both economically sustainable and beneficial to the environment.

The bill requires FWC to ensure that any agreement for environmental services entered into requires the landowner to manage the land in a manner that improves or enhances the land beyond what is required under any other agreement or contract the landowner may have with the state.

The bill authorizes FWC to use funds appropriated from the Indian Gaming Revenue Trust Fund for this purpose.

LMUAC

The bill requires the LMUAC to recommend the most efficient and effective use of the funds available to state agencies for land management activities from the Indian Gaming Revenue Trust Fund. The recommendations must be based on a review of the resources of each land management agency to determine current expenditures, including personnel costs, spent specifically on upland management activities and invasive species removal. The recommendations must include a calculation methodology to distribute the funds to the state agencies.

The bill requires the LMUAC to adopt its initial recommendation and submit it to the Governor and Legislature by January 3, 2027. Thereafter, the LMUAC is required to update its recommendation in its biennial report.

Water Quality Improvement Grant Program

The bill revises the criteria for prioritizing projects for the Water Quality Improvement Grant Program to require DEP to prioritize projects that have multi-year project implementation schedules or that were determined eligible in a previous application cycle and demonstrated project readiness but were not awarded a grant.

The bill requires DEP to include in its annual report on the Water Quality Improvement Grant Program a list of projects that were eligible and demonstrated project readiness but were not awarded a grant as well as the progress made in implementing multi-year projects.

Nonrecurring Appropriations for Fiscal Year 2024-2025

Contingent upon sufficient funds being distributed to the Indian Gaming Revenue Trust Fund, the bill provides the following nonrecurring appropriations to DEP:

- $5 million from the Water Protection and Sustainability Trust Fund for DEP to coordinate with the Water School at Florida Gulf Coast University (Water School) to identify and analyze potential regional projects that meet the criteria for the Water Quality Improvement Grant Program.
    - At a minimum, the study must include the collection and consolidation of data regarding water quality to identify potential regional projects, including stormwater, hydrologic improvements, and innovative technologies, which reduce nutrient loading to water bodies.
    - DEP must submit the report to the Governor and Legislature by January 3, 2025.
- $4 million from the Internal Improvement Trust Fund to implement the Local Trail Management Grant Program.
- $32 million from the State Park Trust Fund for land management activities.
- $100 million from the Resilient Florida Trust Fund for the Statewide Flooding and Sea Level Rise Resilience Plan.
- $79 million from the Water Protection and Sustainability Trust Fund for the Water Quality Improvement Grant Program.

Contingent upon sufficient funds being distributed to the Indian Gaming Revenue Trust Fund, the bill also provides the following nonrecurring appropriations:

- $100 million from the Indian Gaming Revenue Trust Fund within the Department of Financial Services to Administered Funds for land acquisition.
- $32 million from the Incidental Trust Fund to DACS for land management activities.
- $32 million from the State Game Trust Fund to FWC for control of invasive species and upland land management activities.

The bill also appropriates $150 million nonrecurring from the General Revenue Fund to SFWMD for operations and maintenance responsibilities under the purview of the district. The funds must be placed in reserve. From the funds, SFWMD must enter into a contract with the Water School to conduct a study of the health and ecosystem of Lake Okeechobee. The study must take into account the health of plant, fish, and wildlife to be used for future planning of invasive plant control, planting of native vegetation, and fish and game management. The study must be submitted by January 1, 2025, to the Governor and Legislature. DEP is authorized to submit budget amendments to request release of funds where release is contingent upon the submission of a spend plan and negotiated draft contract between SFWMD and the Water School.

Recurring Appropriation for Fiscal Year 2024-2025
Contingent on sufficient funds being distributed to the Indian Gaming Revenue Trust Fund, the bill appropriates $2 million in recurring funds from the General Revenue Fund to the University of Florida to continually update the Florida Wildlife Corridor plan and the Florida Ecological Greenways Network plan.

B. SECTION DIRECTORY:

Section 1. Creates s. 380.095, F.S., related to dedicated funding for conservation lands, resiliency, and clean water infrastructure.

Section 2. Creates s. 260.0145, F.S., related to the Local Trial Management Grant Program.

Section 3. Amends s. 259.1055, F.S., related to the Florida Wildlife Corridor.

Section 4. Creates an unnumbered section of law related to LMUAC.

Section 5. Amends s. 403.0673, F.S., related to the water quality improvement grant program.

Section 6. Creates an unnumbered section of law to appropriate funds to the University of Florida.

Section 7. Creates an unnumbered section of law to appropriate funds to DEP for a study.

Section 8. Creates an unnumbered section of law to appropriate funds for land acquisition.

Section 9. Creates an unnumbered section of law to appropriate funds to DEP for the Local Trail Management Grant Program.

Section 10. Creates an unnumbered section of law to appropriate funds to DEP for land management activities.

Section 11. Creates an unnumbered section of law to appropriate funds to DACS for land management activities.

Section 12. Creates an unnumbered section of law to appropriate funds to FWC for control of invasive species and upland land management activities.

Section 13. Creates an unnumbered section of law to appropriate funds to DEP for the Statewide Flooding and Sea Level Rise Resilience Plan.

Section 14. Creates an unnumbered section of law to appropriate funds to DEP for the Water Quality Improvement Grant Program.

Section 15. Creates an unnumbered section of law to appropriate funds to SFWMD.

Section 16. Provides an effective date of upon becoming a law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   See Fiscal Comments.

2. Expenditures:

   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 dedicates funding for various environmental programs and purposes. Specifically, the bill requires 96 percent of the revenue share payments received under the 2021 Compact to be appropriated for land conservation, the management of conservation lands, resilience projects, and water quality improvement projects. Currently, revenue share payments are credited to General Revenue, therefore the bill would have a negative impact to General Revenue balances, but an offsetting positive impact to environmental programs receiving appropriations from this legislation. The overall revenue impact is indeterminate. The Revenue Estimating Conference is scheduled to meet on February 20, 2024, to forecast expected revenues.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

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

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On February 15, 2024, the Infrastructure Strategies Committee adopted an amendment and reported the bill favorably as a committee substitute. The amendment:

- Created a statutory framework directing the Department of Revenue to distribute the 2021 Compact funds for supporting the Corridor; land management agencies for the management of uplands and removal of invasive species; the Statewide Flooding and Sea Level Rise Resilience Plan; and the Water Quality Improvement Grant Program.
- Created the Local Trail Management Grant Program within DEP.
- Authorized FWC to enter into voluntary agreements with private landowners for environmental services within the Corridor.
- Revised the criteria for prioritizing projects within the Water Quality Improvement Grant Program.
- Required the LMUAC to recommend the most efficient and effective use of the funds available to state agencies for land management activities.
- Provided nonrecurring appropriations for the 2024-2025 fiscal year for land acquisition and to FWC, DEP, DACS, and SFWMD.
- Provided a recurring appropriation to the University of Florida.

This analysis is drafted to the committee substitute as approved by the Infrastructure Strategies Committee.

A bill to be entitled

An act relating to funding for environmental resource management; creating s. 380.095, F.S.; providing legislative findings and intent; requiring the Department of Revenue to deposit into the Indian Gaming Revenue Trust Fund within the Department of Financial Services a specified percentage of the revenue share payments received under the gaming compact between the Seminole Tribe of Florida and the State of Florida; providing requirements for the distribution of such funds; creating s. 260.0145, F.S.; creating the Local Trail Management Grant Program within the Department of Environmental Protection for a specified purpose; providing for the administration and prioritization of awards; specifying the authorized and prohibited uses of grant funds; requiring the department to submit an annual report to the Governor and the Legislature by a specified date; providing requirements for the report; amending s. 259.1055, F.S.; authorizing the Fish and Wildlife Conservation Commission to enter into voluntary agreements with private landowners for environmental services within the wildlife corridor; providing requirements for such agreements; authorizing the use of land management funds;

requiring the Land Management Uniform Accounting Council to recommend the efficient and effective use of certain funds available to state agencies for land management activities; providing requirements for such recommendations; requiring the council to adopt and submit its initial recommendation to the Executive Office of the Governor and the Legislature by a specified date; requiring biennial updates; amending s. 403.0673, F.S.; revising the projects the department is required to prioritize within the water quality improvement grant program; revising the components required for the grant program's annual report; providing appropriations; requiring the department to coordinate with the Water School at Florida Gulf Coast University for specified purposes; requiring the Water School to conduct a specified study; providing requirements for the study; requiring the department to submit a report to the Executive Office of the Governor and the Legislature by a specified date; providing appropriations; requiring the South Florida Water Management District to enter into a contract with the Water School at Florida Gulf Coast University to conduct a study of the health and ecosystem of Lake Okeechobee; providing requirements for the study; requiring a report to the Executive

Office of the Governor and the Legislature by a specified date; authorizing the Department of Environmental Protection to submit budget amendments for the release of specified funds; providing an effective date.

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

Section 1. Section 380.095, Florida Statutes, is created to read:

380.095 Dedicated funding for conservation lands, resiliency, and clean water infrastructure.—

(1) LEGISLATIVE INTENT.—The Legislature recognizes that the conservation and preservation of the land and water resources of this state are essential to maintaining the quality of life enjoyed by Floridians and to sustaining and growing a thriving state economy, including legacy industries such as tourism, agriculture, and fishing.

(a) The Legislature recognizes that historic investments in land conservation have fostered and will continue to foster the preservation of Florida's heritage, allow for the strategic expansion and interconnectivity of the Florida wildlife corridor, and promote the protection of crucial habitat necessary for the survival, protection, and recovery of

threatened and endangered native species, including the Florida panther.

(b) The Legislature further recognizes that as the state acquires land, the state needs to be a good steward of the land, which necessitates the need for a commitment to provide funding at levels sufficient to ensure the proper management of such lands. These investments provide opportunities for expanded public access to state lands, including state parks, the Florida Greenways and Trails System, and game lands, among others, for recreation; and promote opportunities to protect such lands from wildfire damage and the infiltration of dangerous nonnative plant and animal species, among other benefits.

(c) The Legislature finds that the state is particularly vulnerable to adverse impacts from increases in the frequency and duration of rainfall events and sea level rise. The consequences of such events not only endanger human lives and properties, but also threaten Florida's natural habitats and biodiversity. The Legislature further recognizes that enhancing the state's resiliency to storm events and sea level rise is essential to Florida's economic stability and growth.

(d) Furthermore, the Legislature recognizes the need for additional revenue sources to address the gap in funding needs necessary to address water quality impacts, and that the projections for significant population growth further exacerbate such need.

(e) Therefore, the Legislature finds that it is in the best interest of the residents of the State of Florida to dedicate revenues from the gaming compact between the Seminole Tribe of Florida and the State of Florida to acquire and manage conservation lands, and to make significant investments in resiliency efforts and clean water infrastructure.

(2) DISTRIBUTION.—Notwithstanding s. 285.710, the Department of Revenue shall, upon receipt, deposit 96 percent of any revenue share payment received under the compact as defined in s. 285.710 into the Indian Gaming Revenue Trust Fund within the Department of Financial Services. The funds deposited into the trust fund shall be distributed as follows:

(a) The sum of $100 million to support the Florida wildlife corridor as defined in s. 259.1055, including the acquisition of lands or conservation easements within the Florida wildlife corridor. To be eligible for funding, the acquisition project must be included on a land acquisition priority list developed pursuant to s. 259.035 or s. 570.71. The funds must be appropriated in Administered Funds each fiscal year. Eligible state agencies may, on a first-come, first-served basis, submit a budget amendment to request release of funds pursuant to chapter 216. Release is contingent upon approval, if required.

(b) The sum of $100 million for the management of uplands and the removal of invasive species, which must be divided as follows:

1. Thirty-six million to the Department of Environmental Protection, of which:

a. Thirty-two million to the State Park Trust Fund within the department for land management activities within the state park system; and

b. Four million to the Internal Improvement Trust Fund within the department for the purpose of implementing the Local Trail Management Grant Program created pursuant to s. 260.0145.

2. Thirty-two million to the Incidental Trust Fund within the Department of Agriculture and Consumer Services for land management activities.

3. Thirty-two million to the State Game Trust Fund within the Fish and Wildlife Conservation Commission for land management activities, including management activities for gopher tortoises and Florida panthers.

For sub-subparagraph 1.a. and subparagraphs 2. and 3., a land manager may not use more than 25 percent of the distribution for operation capital outlay or capital assets.

(c) The sum of $100 million to the Resilient Florida Trust Fund within the Department of Environmental Protection for the

Statewide Flooding and Sea Level Rise Resilience Plan to be used in accordance with s. 380.093.

(d) The remainder to the Water Protection and Sustainability Program Trust Fund within the Department of Environmental Protection for the Water Quality Improvement Grant Program, to be used in accordance with s. 403.0673.

Section 2. Section 260.0145, Florida Statutes, is created to read:

260.0145 Local Trail Management Grant Program.—

(1) The Local Trail Management Grant Program is created within the department to assist local governments with costs associated with the operation and maintenance of trails within the Florida Greenways and Trails System. Funding for the program is subject to appropriation.

(2) A local government may receive multiple grant awards per application cycle.

(3) The department shall give priority to each of the following:

(a) A local government that provides cost share for the costs associated with the operation and maintenance of the trails, except for trails within fiscally constrained counties or rural areas of opportunity.

(b) Trails within the Florida wildlife corridor as defined in s. 259.1055.

(4) A local government may only use grant funds for the operation and maintenance of trails, including, but not limited to, the purchase of equipment and capital assets; the funding of necessary repairs to ensure the safety of trail users; and other necessary maintenance, such as pressure washing, bush pruning, and clearing debris. A local government may not use grant funds for the planning, design, or construction of trails.

(5) Beginning January 15, 2025, and each January 15 thereafter, the department shall submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives in accordance with s. 286.001 listing the grants awarded pursuant to this section. The report must include the following information for each grant award: the grant recipient's name, a description of the individual components of the trail, a description of the maintenance activities funded, the total management cost for the trail components, and the cost share, if any, provided by the recipient.

Section 3. Present subsection (6) of section 259.1055, Florida Statutes, is redesignated as subsection (7), and a new subsection (6) is added to that section, to read:

259.1055 Florida wildlife corridor.—

(6) MANAGEMENT TECHNIQUES.—The Fish and Wildlife Conservation Commission is authorized to enter into voluntary

agreements with private landowners for environmental services within the Florida wildlife corridor.

(a) The agreements must require that the landowner protect and restore water resources; improve management of wildlife habitat, including the long-term conservation of forest and grassland soils and native plants; manage the land in a manner that keeps the desired ecosystem healthy for protected species, such as the gopher tortoise and the Florida panther; or provide other incentives to landowners to continue and improve land uses that are both economically sustainable and beneficial to the environment of this state.

(b) The commission shall ensure that any agreement for environmental services entered into requires the landowner to manage the land in a manner that improves or enhances the land beyond what is required under any other agreement or contract the landowner may have with the state.

(c) Subject to appropriation, the commission may use land management funds received pursuant to s. 380.095 for this purpose.

Section 4. (1) The Land Management Uniform Accounting Council (LMUAC) shall recommend the most efficient and effective use of the funds available to state agencies for land management activities pursuant to s. 380.095, Florida Statutes. The recommendations must be based on a review of the resources of each land management agency to determine current expenditures,

including personnel costs, spent specifically on upland management activities and invasive species removal. The recommendations must include a calculation methodology to distribute the funds to the state agencies specified in s. 380.095(2)(b), Florida Statutes.

(2) The LMUAC shall adopt its initial recommendation and submit it to the Executive Office of the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 3, 2027. Thereafter, the LMUAC shall update its recommendation in the biennial report developed pursuant to s. 259.037, Florida Statutes.

Section 5. Subsections (3) and (7) of section 403.0673, Florida Statutes, are amended to read:

403.0673 Water quality improvement grant program.—A grant program is established within the Department of Environmental Protection to address wastewater, stormwater, and agricultural sources of nutrient loading to surface water or groundwater.

(3) The department shall consider and prioritize those projects that:

(a) Have the maximum estimated reduction in nutrient load per project;

(b) Demonstrate project readiness;

(c) Are cost-effective;

(d) Have a cost share identified by the applicant, except for rural areas of opportunity;

(e) Have multi-year project implementation schedules with previous state commitment and involvement in the project, considering previously funded phases, the total amount of previous state funding, and previous partial appropriations for the proposed project; ~~or~~

(f) Are in a location where reductions are needed most to attain the water quality standards of a waterbody not attaining nutrient or nutrient-related standards; or

(g) Were determined eligible in a previous application cycle and were able to demonstrate project readiness but were not awarded a grant.

Any project that does not result in reducing nutrient loading to a waterbody identified in subsection (1) is not eligible for funding under this section.

(7) Beginning January 15, 2024, and each January 15 thereafter, the department shall submit a report regarding the projects funded pursuant to this section to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The report must include a list of those projects receiving funding and those projects not receiving funding which were determined eligible by the department and were able to demonstrate project readiness. The report must include ~~and~~ the following information for each project:

(a) A description of the project;

(b) The cost of the project;

(c) The estimated nutrient load reduction of the project;

(d) The location of the project;

(e) The waterbody or waterbodies where the project will reduce nutrients; ~~and~~

(f) The total cost share being provided for the project; and

(g) The progress made in the implementation of multi-year projects, including the funds spent, remaining costs, and remaining timeline for full implementation.

Section 6. Contingent upon sufficient funds being distributed to the Indian Gaming Revenue Trust Fund pursuant to s. 380.095, Florida Statutes, and for the 2024-2025 fiscal year, the sum of $2 million in recurring funds from the General Revenue Fund is appropriated to the University of Florida to continually update the Florida Wildlife Corridor plan and the Florida Ecological Greenways Network plan.

Section 7. Contingent upon sufficient funds being distributed to the Department of Environmental Protection pursuant to s. 380.095(2)(c), Florida Statutes, and for the 2024-2025 fiscal year, the sum of $5 million in nonrecurring funds from the Water Protection and Sustainability Trust Fund within the Department of Environmental Protection is appropriated to the department to coordinate with the Water School at Florida Gulf Coast University to conduct a study to

identify and analyze potential regional projects that meet the eligibility criteria set forth in s. 403.0673, Florida Statutes. At a minimum, the study must include the collection and consolidation of data regarding water quality to identify potential regional projects, including stormwater, hydrologic improvements, and innovative technologies, which reduce nutrient loading to water bodies identified in s. 403.0673(1), Florida Statutes. The department shall submit the report to the Executive Office of the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 3, 2025.

Section 8. Contingent upon sufficient funds being distributed to the Indian Gaming Revenue Trust Fund within the Department of Financial Services pursuant to s. 380.095, Florida Statutes, and for the 2024-2025 fiscal year, the sum of $100 million in nonrecurring funds from trust funds is appropriated to Administered Funds for land acquisition pursuant to s. 380.095(2)(a), Florida Statutes.

Section 9. Contingent upon sufficient funds being distributed to the Department of Environmental Protection pursuant to s. 380.095(2)(b)1., Florida Statutes, and for the 2024-2025 fiscal year, the sum of $4 million in nonrecurring funds from the Internal Improvement Trust Fund within the Department of Environmental Protection is appropriated for the purpose of implementing the Local Trail Management Grant Program

created pursuant to s. 260.0145, Florida Statutes.

Section 10. Contingent upon sufficient funds being distributed to the Department of Environmental Protection pursuant to s. 380.095(2)(b)1., Florida Statutes, and for the 2024-2025 fiscal year, the sum of $32 million in nonrecurring funds from the State Park Trust Fund within the Department of Environmental Protection is appropriated for land management activities as specified in s. 380.095(2)(b)1., Florida Statutes.

Section 11. Contingent upon sufficient funds being distributed to the Department of Agriculture and Consumer Services pursuant to s. 380.095(2)(b)2., Florida Statutes, and for the 2024-2025 fiscal year, the sum of $32 million in nonrecurring funds from the Incidental Trust Fund within the Department of Agriculture and Consumer Services is appropriated for land management activities as specified in s. 380.095(2)(b)2., Florida Statutes.

Section 12. Contingent upon sufficient funds being distributed to the Fish and Wildlife Conservation Commission pursuant to s. 380.095(2)(b)3., Florida Statutes, and for the 2024-2025 fiscal year, the sum of $32 million in nonrecurring funds from the State Game Trust Fund within the Fish and Wildlife Conservation Commission is appropriated for control of invasive species and upland land management activities pursuant to s. 380.095(2)(b)3., Florida Statutes, or s. 259.1055, Florida Statutes.

Section 13. Contingent upon sufficient funds being distributed to the Resilient Florida Trust Fund pursuant to s. 380.095(2)(c), Florida Statutes, and for the 2024-2025 fiscal year, the sum of $100 million in nonrecurring funds from the Resilient Florida Trust Fund within the Department of Environmental Protection is appropriated for the Statewide Flooding and Sea Level Rise Resilience Plan pursuant to s. 380.093, Florida Statutes.

Section 14. Contingent upon sufficient funds being distributed to the Water Protection and Sustainability Program Trust Fund pursuant to s. 380.095(2)(d), Florida Statutes, and for the 2024-2025 fiscal year, the sum of $79 million in nonrecurring funds from the Water Protection and Sustainability Program Trust Fund within the Department of Environmental Protection is appropriated for the Water Quality Improvement Grant Program pursuant to s. 403.0673, Florida Statutes.

Section 15. For the 2024-2025 fiscal year, the sum of $150 million in nonrecurring funds from the General Revenue Fund is appropriated in the Aid to Local Governments – Grants and Aids - South Florida Water Management District - Operations appropriation category to the South Florida Water Management District for operations and maintenance responsibilities under the purview of the district. The funds must be placed in reserve. From the funds, the district shall enter into a contract with the Water School at Florida Gulf Coast University

to conduct a study of the health and ecosystem of Lake Okeechobee. The study must take into account the health of plant, fish, and wildlife to be used for future planning of invasive plant control, replanting of native vegetation, and fish and game management. The study must be submitted by January 1, 2025, to the Executive Office of the Governor, the President of the Senate, and the Speaker of the House of Representatives. The Department of Environmental Protection is authorized to submit budget amendments to request release of funds pursuant to chapter 216, Florida Statutes. Release is contingent upon the submission of a spend plan and negotiated draft contract between the South Florida Water Management District and the Florida Gulf Coast University Water School.

Section 16. This act shall take effect upon becoming a law.

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		

Committee/Subcommittee hearing bill: Appropriations Committee
Representative Buchanan offered the following:

Amendment (with title amendment)

Remove lines 109-384 and insert:

in s. 285.710 into the Indian Gaming Revenue Clearing Trust Fund within the Department of Financial Services. The funds deposited into the trust fund shall be distributed as follows:

(a) The lesser of 26.042 percent or $100 million each fiscal year to support the Florida wildlife corridor as defined in s. 259.1055, including the acquisition of lands or conservation easements within the Florida wildlife corridor. To be eligible for funding, the acquisition project must be included on a land acquisition priority list developed pursuant to s. 259.035 or s. 570.71. The funds must be appropriated in Administered Funds each fiscal year. Eligible state agencies

may, on a first-come, first-served basis, submit a budget amendment to request release of funds pursuant to chapter 216. Release is contingent upon approval, if required.

(b) The lesser of 26.042 percent or $100 million each fiscal year for the management of uplands and the removal of invasive species. From these funds, amounts shall be applied as follows:

1. The lesser of 36 percent or $36 million to the Department of Environmental Protection, of which:

a. The lesser of 88.889 percent of the funds available pursuant to subparagraph 1. or $32 million to the State Park Trust Fund within the department for land management activities within the state park system; and

b. The lesser of 11.111 percent of the funds available pursuant to subparagraph 1. or $4 million to the Internal Improvement Trust Fund within the department for the purpose of implementing the Local Trail Management Grant Program created pursuant to s. 260.0145.

2. The lesser of 32 percent or $32 million to the Incidental Trust Fund within the Department of Agriculture and Consumer Services for land management activities.

3. The lesser of 32 percent or $32 million to the State Game Trust Fund within the Fish and Wildlife Conservation Commission for land management activities, including management activities for gopher tortoises and Florida panthers.

For sub-subparagraph 1.a. and subparagraphs 2. and 3., a land manager may not use more than 25 percent of the distribution for operation capital outlay or capital assets.

(c) The lesser of 26.042 percent or $100 million each fiscal year to the Resilient Florida Trust Fund within the Department of Environmental Protection for the Statewide Flooding and Sea Level Rise Resilience Plan to be used in accordance with s. 380.093.

(d) After the distributions pursuant to paragraphs (a) through (c), the remainder each fiscal year to the Water Protection and Sustainability Program Trust Fund within the Department of Environmental Protection for the Water Quality Improvement Grant Program, to be used in accordance with s. 403.0673.

Allocations to trust funds shall be transferred monthly by nonoperating authority to the named trust fund.

Section 2. Section 260.0145, Florida Statutes, is created to read:

260.0145 Local Trail Management Grant Program.—

(1) The Local Trail Management Grant Program is created within the department to assist local governments with costs associated with the operation and maintenance of trails within

the Florida Greenways and Trails System. Funding for the program is subject to appropriation.

(2) A local government may receive multiple grant awards per application cycle.

(3) The department shall give priority to each of the following:

(a) A local government that provides cost share for the costs associated with the operation and maintenance of the trails, except for trails within fiscally constrained counties or rural areas of opportunity.

(b) Trails within the Florida wildlife corridor as defined in s. 259.1055.

(4) A local government may only use grant funds for the operation and maintenance of trails, including, but not limited to, the purchase of equipment and capital assets; the funding of necessary repairs to ensure the safety of trail users; and other necessary maintenance, such as pressure washing, bush pruning, and clearing debris. A local government may not use grant funds for the planning, design, or construction of trails.

(5) Beginning January 15, 2025, and each January 15 thereafter, the department shall submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives in accordance with s. 286.001 listing the grants awarded pursuant to this section. The report must include the following information for each grant award: the

grant recipient's name, a description of the individual components of the trail, a description of the maintenance activities funded, the total management cost for the trail components, and the cost share, if any, provided by the recipient.

Section 3. Present subsection (6) of section 259.1055, Florida Statutes, is redesignated as subsection (7), and a new subsection (6) is added to that section, to read:

259.1055 Florida wildlife corridor.—

(6) MANAGEMENT TECHNIQUES.—The Fish and Wildlife Conservation Commission is authorized to enter into voluntary agreements with private landowners for environmental services within the Florida wildlife corridor.

(a) The agreements must require that the landowner protect and restore water resources; improve management of wildlife habitat, including the long-term conservation of forest and grassland soils and native plants; manage the land in a manner that keeps the desired ecosystem healthy for protected species, such as the gopher tortoise and the Florida panther; or provide other incentives to landowners to continue and improve land uses that are both economically sustainable and beneficial to the environment of this state.

(b) The commission shall ensure that any agreement for environmental services entered into requires the landowner to manage the land in a manner that improves or enhances the land

beyond what is required under any other agreement or contract the landowner may have with the state.

(c) Subject to appropriation, the commission may use land management funds received pursuant to s. 380.095 for this purpose.

Section 4. (1) The Land Management Uniform Accounting Council (LMUAC) shall recommend the most efficient and effective use of the funds available to state agencies for land management activities pursuant to s. 380.095, Florida Statutes. The recommendations must be based on a review of the resources of each land management agency to determine current expenditures, including personnel costs, spent specifically on upland management activities and invasive species removal. The recommendations must include a calculation methodology to distribute the funds to the state agencies specified in s. 380.095(2)(b), Florida Statutes.

(2) The LMUAC shall adopt its initial recommendation and submit it to the Executive Office of the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 3, 2027. Thereafter, the LMUAC shall update its recommendation in the biennial report developed pursuant to s. 259.037, Florida Statutes.

Section 5. Subsections (3) and (7) of section 403.0673, Florida Statutes, are amended to read:

403.0673 Water quality improvement grant program.—A grant program is established within the Department of Environmental Protection to address wastewater, stormwater, and agricultural sources of nutrient loading to surface water or groundwater.

(3) The department shall consider and prioritize those projects that:

(a) Have the maximum estimated reduction in nutrient load per project;

(b) Demonstrate project readiness;

(c) Are cost-effective;

(d) Have a cost share identified by the applicant, except for rural areas of opportunity;

(e) Have multi-year project implementation schedules with previous state commitment and involvement in the project, considering previously funded phases, the total amount of previous state funding, and previous partial appropriations for the proposed project; ~~or~~

(f) Are in a location where reductions are needed most to attain the water quality standards of a waterbody not attaining nutrient or nutrient-related standards; or

(g) Were determined eligible in a previous application cycle and were able to demonstrate project readiness but were not awarded a grant.

Any project that does not result in reducing nutrient loading to a waterbody identified in subsection (1) is not eligible for funding under this section.

(7) Beginning January 15, 2024, and each January 15 thereafter, the department shall submit a report regarding the projects funded pursuant to this section to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The report must include a list of those projects receiving funding and those projects not receiving funding which were determined eligible by the department and were able to demonstrate project readiness. The report must include ~~and~~ the following information for each project:

(a) A description of the project;

(b) The cost of the project;

(c) The estimated nutrient load reduction of the project;

(d) The location of the project;

(e) The waterbody or waterbodies where the project will reduce nutrients; ~~and~~

(f) The total cost share being provided for the project; and

(g) The progress made in the implementation of multi-year projects, including the funds spent, remaining costs, and remaining timeline for full implementation.

Section 6. For the 2024-2025 fiscal year, the sum of $2 million in recurring funds is appropriated from the General

Revenue Fund to the University of Florida to continually update the Florida Wildlife Corridor plan and the Florida Ecological Greenways Network plan.

Section 7. From the funds distributed to the Department of Environmental Protection pursuant to s. 380.095(2)(d), Florida Statutes, and for the 2024-2025 fiscal year, the sum of $5 million in nonrecurring funds is appropriated from the Water Protection and Sustainability Program Trust Fund within the Department of Environmental Protection to the department to coordinate with the Water School at Florida Gulf Coast University to conduct a study to identify and analyze potential regional projects that meet the eligibility criteria set forth in s. 403.0673, Florida Statutes. At a minimum, the study must include the collection and consolidation of data regarding water quality to identify potential regional projects, including stormwater, hydrologic improvements, and innovative technologies, which reduce nutrient loading to water bodies identified in s. 403.0673(1), Florida Statutes. The department shall submit the report to the Executive Office of the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 3, 2025.

Section 8. From the funds distributed to the Indian Gaming Revenue Clearing Trust Fund within the Department of Financial Services pursuant to s. 380.095(2)(a), Florida Statutes, and for the 2024-2025 fiscal year, the sum of $100 million in

nonrecurring funds is appropriated from trust funds to Administered Funds for land acquisition pursuant to s. 380.095(2)(a), Florida Statutes.

Section 9. From the funds distributed to the Department of Environmental Protection pursuant to s. 380.095(2)(b)1., Florida Statutes, and for the 2024-2025 fiscal year, the sum of $4 million in nonrecurring funds is appropriated from the Internal Improvement Trust Fund within the Department of Environmental Protection for the purpose of implementing the Local Trail Management Grant Program created pursuant to s. 260.0145, Florida Statutes.

Section 10. From the funds distributed to the Department of Environmental Protection pursuant to s. 380.095(2)(b)1., Florida Statutes, and for the 2024-2025 fiscal year, the sum of $32 million in nonrecurring funds is appropriated from the State Park Trust Fund within the Department of Environmental Protection for land management activities as specified in s. 380.095(2)(b)1.a., Florida Statutes.

Section 11. From the funds distributed to the Department of Agriculture and Consumer Services pursuant to s. 380.095(2)(b)2., Florida Statutes, and for the 2024-2025 fiscal year, the sum of $32 million in nonrecurring funds is appropriated from the Incidental Trust Fund within the Department of Agriculture and Consumer Services for land

management activities as specified in s. 380.095(2)(b)2., Florida Statutes.

Section 12. From the funds distributed to the Fish and Wildlife Conservation Commission pursuant to s. 380.095(2)(b)3., Florida Statutes, and for the 2024-2025 fiscal year, the sum of $32 million in nonrecurring funds is appropriated from the State Game Trust Fund within the Fish and Wildlife Conservation Commission for control of invasive species and upland land management activities pursuant to s. 380.095(2)(b)3., Florida Statutes, or s. 259.1055, Florida Statutes.

Section 13. From the funds distributed to the Department of Environmental Protection pursuant to s. 380.095(2)(c), Florida Statutes, and for the 2024-2025 fiscal year, the sum of $100 million in nonrecurring funds is appropriated from the Resilient Florida Trust Fund within the Department of Environmental Protection for the Statewide Flooding and Sea Level Rise Resilience Plan pursuant to s. 380.093, Florida Statutes.

Section 14. From the funds distributed to the Department of Environmental Protection pursuant to s. 380.095(2)(d), Florida Statutes, and for the 2024-2025 fiscal year, the sum of $79 million in nonrecurring funds is appropriated from the Water Protection and Sustainability Program Trust Fund within the Department of Environmental Protection for the Water Quality

Improvement Grant Program pursuant to s. 403.0673, Florida Statutes.

Section 15. For the 2024-2025 fiscal year, the sum of $150 million in nonrecurring funds from the General Revenue Fund is appropriated in the Aid to Local Governments – Grants and Aids - South Florida Water Management District - Operations appropriation category to the South Florida Water Management District for operations and maintenance responsibilities under the purview of the district. The funds must be placed in reserve. From the funds, the district shall enter into a contract with the Water School at Florida Gulf Coast University to conduct a study of the health and ecosystem of Lake Okeechobee. The study must take into account the health of plant, fish, and wildlife to be used for future planning of invasive plant control, replanting of native vegetation, and fish and game management. The study must be submitted by January 1, 2025, to the Executive Office of the Governor, the President of the Senate, and the Speaker of the House of Representatives. The Department of Environmental Protection is authorized to submit budget amendments to request release of funds pursuant to chapter 216, Florida Statutes. Release is contingent upon the submission of a spend plan and negotiated draft contract between the South Florida Water Management District and the Florida Gulf Coast University Water School.

Section 16. This act shall take effect upon becoming a law if PCB APC 24-05 or similar legislation is adopted in the same legislative session or an extension thereof and becomes a law.

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

Remove line 6 and insert:
Gaming Revenue Clearing Trust Fund within the Department of

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/CS/HB 1613 Hemp
SPONSOR(S): Infrastructure Strategies Committee, Agriculture, Conservation & Resiliency Subcommittee, Gregory
TIED BILLS: **IDEN./SIM. BILLS:** CS/SB 1698

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Agriculture, Conservation & Resiliency Subcommittee	11 Y, 5 N, As CS	Gawin	Moore
2) Agriculture & Natural Resources Appropriations Subcommittee	8 Y, 4 N	Byrd	Pigott
3) Infrastructure Strategies Committee	15 Y, 10 N, As CS	Gawin	Harrington
4) Appropriations Committee		Pigott	Pridgeon

SUMMARY ANALYSIS

Hemp, also called industrial hemp, is defined as the plant *Cannabis sativa L.* and any part of that plant, including seeds, derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers thereof, whether growing or not, with a delta-9 tetrahydrocannabinol (THC) concentration that does not exceed 0.3 percent on a dry-weight basis, with the exception of hemp extract, which may not exceed 0.3 percent total delta-9 THC on a wet-weight basis. Hemp is used to create hemp extract, which is defined as "a substance or compound intended for ingestion, containing more than trace amounts of cannabinoid, or for inhalation which is derived from or contains hemp and which does not contain other controlled substances." In 2019, the Legislature created the State Hemp Program within the Department of Agriculture and Consumer Services (DACS), which authorizes the cultivation of hemp and sale of hemp extract products.

Hemp extract products are available throughout the state in various forms, including, but not limited to, oils, lotions, and gummies. Hemp extract products are only authorized to be distributed in the state if the product meets certain requirements established by DACS. Hemp extract products meant for ingestion or inhalation may not be sold to individuals under the age of 21.

The bill revises the definition of "hemp" and specifies that it does not include synthetically or naturally occurring versions of controlled substances such as delta-8 THC. As such, products containing these substances could no longer be legally sold as hemp. The bill also revises the definition of "attractive to children" to expand the types of hemp products that are considered attractive to children and therefore prohibited.

The bill expands the laboratory testing and packaging requirements that are currently applicable to hemp extract that is distributed or sold in the state to also apply such requirements to hemp extract that is manufactured, delivered, held, or offered for sale in the state.

The bill prohibits an event organizer from promoting, advertising, or facilitating an event where hemp extract products that do not comply with general law are sold or marketed or where hemp extract products are sold or marketed by businesses that are not properly permitted.

The bill appropriates $2 million in nonrecurring funds from the General Revenue Fund to the Department of Law Enforcement for the purchase of testing equipment necessary to implement the bill.

The bill may have an indeterminate fiscal impact on state government and an indeterminate negative fiscal impact on the private sector.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Hemp

Hemp, also called industrial hemp, is defined as the plant *Cannabis sativa L.* and any part of that plant, including seeds, derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers thereof, whether growing or not, with a delta-9 tetrahydrocannabinol (THC) concentration[1] that does not exceed 0.3 percent on a dry-weight basis, with the exception of hemp extract, which may not exceed 0.3 percent total delta-9 THC on a wet-weight basis.[2]

While hemp and marijuana are both grown from the *Cannabis sativa L.* plant, they are different varieties that have been genetically bred and grown for different uses. Hemp can be distinguished from marijuana by its lower concentrations of THC and higher concentrations of cannabidiol (CBD).[3] CBD does not have psychoactive properties like marijuana does and does not produce a "high."[4]

Hemp is used to create hemp extract, which is defined as "a substance or compound intended for ingestion, containing more than trace amounts of cannabinoid, or for inhalation which is derived from or contains hemp and which does not contain other controlled substances."[5] The term does not include synthetic CBD or seeds or seed-derived ingredients that are generally recognized as safe by the United States Food and Drug Administration (FDA).[6]

Hemp Cultivation

The Agricultural Act of 2014 authorized an institution of higher education or a state department of agriculture to grow or cultivate industrial hemp if it is grown or cultivated for research conducted under an agricultural pilot program or other agricultural or academic research program, provided the growing or cultivating of industrial hemp is allowed under state law where the university or state department of agriculture is located.[7]

In 2017, the Legislature authorized the Department of Agriculture and Consumer Services (DACS) to oversee the development of industrial hemp pilot projects for the Institute of Food and Agricultural Sciences (IFAS) at the University of Florida, Florida Agricultural and Mechanical University, and any land grant university in the state that has a college of agriculture.[8] The purpose of the pilot projects was to cultivate, process, test, research, create, and market safe and effective commercial applications for industrial hemp in the agricultural sector.[9]

---

[1] "Total delta-9 THC concentration" means delta-9 THC + (0.877 x THC acid). Rule 5B-57.014(1)(i), F.A.C.
[2] Section 581.217(3)(e), F.S.
[3] Marijuana is identified in the United States drug laws as cannabis having high THC levels that are associated with psychotropic effects and is typically made from the flowering tops and leaves of the *Cannabis sativa L.* plant (sativa or indica varieties). The Controlled Substances Act was enacted as Title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970; 84 s. 1236 (1970).
[4] Centers for Disease Control and Prevention (CDC), *CBD: What You Need to Know*, https://www.cdc.gov/marijuana/featured-topics/CBD.html (last visited Jan. 17, 2024).
[5] Section 581.217(3)(f), F.S.
[6] *Id.*
[7] 7 U.S.C. s. 5940 (2014); Mindy Bridges and Karmen Hanson, *Regulating Hemp and Cannabis-Based Products*, NCSL (April 2022), available at https://documents.ncsl.org/wwwncsl/Agriculture/lb_2537.pdf (last visited Jan. 17, 2024).
[8] Chapter 2017-124, Laws of Fla.; s. 1004.4473, F.S.
[9] Section 1004.4473(2)(a), F.S.

Section 10113 of the Agriculture Improvement Act of 2018 (2018 Farm Bill) created the Hemp Farming Act to allow the cultivation of hemp beyond industrial hemp pilot programs. The 2018 Farm Bill removed hemp-derived products from Schedule I of the Controlled Substances Act. While the law legalized hemp as an agricultural product, the law did not legalize CBD generally.[10] CBDs derived from hemp are considered legal if the hemp is grown by a licensed grower, produced in a manner that is consistent with the 2018 Farm Bill, and complies with other federal and state regulations.[11]

In 2019, the Legislature created the state hemp program within DACS,[12] which was approved by the Secretary of the U.S. Department of Agriculture in 2020.[13] To grow hemp in Florida, each potential hemp grower must obtain a cultivation license from DACS.[14] Within 30 days prior to harvest, DACS, or its agent, is required to collect a representative sample from each lot to be tested for total delta-9 THC concentration.[15] DACS, or its agent, will then send those samples to an independent testing laboratory,[16] and if the sample comes back with an acceptable level of THC, the hemp grower may harvest their hemp crop.[17]

Sale of Hemp Extract Products

Hemp extract products are available throughout the state in various forms, including, but not limited to, oils, lotions, and gummies. Hemp extract products may only be distributed in the state if the product has a certificate of analysis prepared by an independent testing laboratory that verifies the hemp extract does not exceed 0.3 percent total delta-9 THC on a dry-weight basis; does not contain contaminants unsafe for human consumption; and the container includes, among other information, the expiration date and number of milligrams of each marketed cannabinoid per serving.[18] Hemp extract products meant for ingestion or inhalation may not be sold to individuals under the age of 21.[19]

Since the passage of the 2018 Farm Bill and approval of the state hemp program, various other cannabinoid products have appeared on the market.[20] While such cannabinoids can naturally occur within the cannabis plant, certain cannabinoids like delta-8 THC are not found in significant amounts and must be synthetically derived from CBD.[21] States have taken various approaches to regulate these substances, including, but not limited to, developing caps on total THC in hemp products[22] and

[10] 7 U.S.C. s. 1639o (2018).
[11] John Hudak, *The Farm Bill, hemp legalization and the status of CBD: An Explainer*, Brookings Dec. 14, 2018, available at https://www.brookings.edu/blog/fixgov/2018/12/14/the-farm-bill-hemp-and-cbd-explainer/ (last visited Jan. 17, 2024).
[12] Ch. 2019-132, L.O.F.
[13] USDA, *Status of State and Tribal Hemp Production Plans for USDA Approval*, https://www.ams.usda.gov/rules-regulations/hemp/state-and-tribal-plan-review (last visited Jan. 17, 2024); USDA, *Florida State Hemp Plan*, available at https://www.ams.usda.gov/sites/default/files/media/FloridaStateHempPlan.pdf (last visited Jan. 17, 2024).
[14] Rule 5B-57.014(4), F.A.C.
[15] Rule 5B-57.014(8)(a), F.A.C.
[16] *See* Rule 5B-57.014(1)(d), F.A.C. for lab requirements. *See also* DACS, *Approved Designated Laboratories for THC Testing*, available at https://www.fdacs.gov/content/download/92484/file/approved-designated-labs-01-18-2023.pdf (last visited Jan. 17, 2024).
[17] Rule 5B-57.014(8)(g), F.A.C.
[18] Section 581.217(7), F.S.
[19] Section 581.217(7)(d), F.S.
[20] The federal and state hemp regulations do not specifically address THCs other than delta-9 THC in the definition of hemp, which has caused debate and concern among various stakeholders.
[21] United States Food and Drug Administration (FDA), *5 Things to Know about Delta-8 Tetrahydrocannabinol- Delta-8 THC*, https://www.fda.gov/consumers/consumer-updates/5-things-know-about-delta-8-tetrahydrocannabinol-delta-8-thc (last visited Jan. 17, 2024).
[22] *See* Virginia Acts of Assembly – 2023 Reconvened Session, *Chapter 744*, available at https://lis.virginia.gov/cgi-bin/legp604.exe?231+ful+CHAP0744+pdf (last visited Jan. 17, 2024). Hemp manufacturers in Virginia filed a motion for a preliminary injunction on the grounds that the law was preempted by the 2018 Farm Bill, and that the law violates the commerce clause and dormant commerce clause. The injunction was denied and such denial is being appealed. *N. Va. Hemp & Agric. LLC. v. Virginia*, 2023 WL 7130853 (E.D. Va. 2023).

regulating delta-8 THC as part of legal marijuana programs.[23] The FDA has issued a warning stating delta-8 THC products have not been approved by the FDA for safe use.[24] Additionally, the CDC recommends that all CBD and THC products be kept in childproof containers and placed out of reach of children due to the unknown effect of such products on children.[25]

In 2023, the Legislature passed SB 1676,[26] which specified that hemp extract products are food products that DACS can regulate under its food safety regulations.[27] The bill required any hemp extract that will be distributed and sold in the state to have come from a batch that was processed in a facility that holds a current and valid permit issued by a human health or food safety regulatory entity with authority over the facility, and that meets the human health or food safety sanitization requirements of the regulatory entity.[28] Additionally, hemp extract products must be sold in containers that are suitable to contain products for human consumption; are composed of materials designed to minimize exposure to light; mitigate exposure to high temperatures; are not attractive to children;[29] and are compliant with the U.S. Poison Prevention Packaging Act of 1970 without regard to provided exemptions.[30] Products sold in violation of these guidelines are subject to embargo, detainment, or destruction.[31] Any products that are found to be mislabeled or attractive to children are subject to immediate stop-sale.[32] Additionally, the bill prohibited the sale of hemp extract products such as snuff, chewing gum, and other smokeless products to children under 21.[33]

Food Safety

DACS is the agency responsible for the enforcement of the production, manufacture, transportation, and sale of food in the state. DACS's Division of Food Safety is directly responsible for assuring the public of a safe, wholesome, and properly represented food supply.[34] The division accomplishes this through the permitting and inspection of food establishments, the inspection and evaluation of food products, and the performance of specialized laboratory testing on a variety of food products sold or produced in Florida. The division also proactively monitors food from manufacturing and distribution to retail.

DACS, as part of its responsibilities, can impose a variety of disciplinary actions against food establishments for specified violations.[35] This includes, but is not limited to, revoking or suspending the permit of a food establishment[36] or imposing Class III[37] administrative fines.[38] DACS, or its duly authorized agent, can also issue and enforce a stop-sale, stop-use, removal, or hold order if DACS or

[23] *See* State of Connecticut, *Adult-Use Cannabis in Connecticut*, https://portal.ct.gov/cannabis/knowledge-base/articles/buying-or-selling-products-with-delta-8-thc-or-delta-10-thc-in-connecticut?language=en_US (last visited Jan. 17, 2024); State of Vermont Cannabis Control Board, *Emergency Rule: Synthetic and Hemp-Derived Cannabinoids*, available at https://ccb.vermont.gov/sites/ccb/files/2023-04/Emergency.Hemp_.Rule_2023-4-24.pdf (last visited Jan. 17, 2024).
[24] FDA, *5 Things to Know about Delta-8 Tetrahydrocannabinol- Delta-8 THC*, https://www.fda.gov/consumers/consumer-updates/5-things-know-about-delta-8-tetrahydrocannabinol-delta-8-thc (last visited Jan. 17, 2024).
[25] CDC, *CBD: What You Need to Know*, https://www.cdc.gov/marijuana/featured-topics/CBD.html (last visited Jan. 17, 2024).
[26] Chapter 2023-299, Laws of Fla.
[27] Section 500.03(1)(n), F.S.
[28] Section 581.217(7)(a)1.d., F.S.
[29] "Attractive to children" means manufactured in the shape of humans, cartoons, or animals; manufactured in a form that bears any reasonable resemblance to an existing candy product that is familiar to the public as a widely distributed, branded food product such that a product could be mistaken for the branded product, especially by children; or containing any color additives. Section 581.217(3)(a), F.S.
[30] Section 581.217(7)(a)3., F.S.
[31] Section 581.217(7)(e), F.S.
[32] *Id.*
[33] Section 581.217(7)(d), F.S.
[34] DACS, *Division of Food Safety*, https://www.fdacs.gov/Divisions-Offices/Food-Safety (last visited Jan. 17, 2024).
[35] Section 500.121(1), F.S.
[36] *Id.*
[37] The fine for each Class III violation cannot exceed $10,000. Section 570.971(1)(c), F.S.
[38] Section 500.121(1), F.S.

its agent finds that any food, food processing equipment, food processing area, or food storage area is in violation of the Florida Food Safety Act.[39]

Effect of the Bill

The bill revises the definition of "attractive to children" to expand the types of hemp extract products that are considered attractive to children and are therefore prohibited. Specifically, products that are manufactured in the shape of or packaged in containers displaying humans, cartoons, animals, toys, or other features that target children; products that bear any reasonable resemblance to an existing snack product; and products intended for inhalation that are flavored are all deemed attractive to children.

The bill revises the definition of hemp to specify that hemp extract may not exceed 0.3 percent total delta-9 THC concentration on a wet-weight basis or may not exceed 2 milligrams per serving and 10 milligrams per container on a wet-weight basis, whichever is less. Additionally, the bill specifies that synthetically or naturally occurring versions of controlled substances listed in statute such as delta-8 THC, delta-10 THC, hexahydrocannabinol, tetrahydrocannabinol acetate, tetrahydrocannabiphorol, and tetrahydrocannabivarin are not included in the definition of hemp. As such, products containing these substances could no longer be legally sold as hemp.

The bill defines "total delta-9 tetrahydrocannabinol concentration" to mean a concentration calculated as follows: [delta-9-THC] + (0.877 x [delta-9 THC acid]).

The bill expands the laboratory testing and packaging requirements that are currently applicable to hemp extract that is distributed or sold in the state to also apply such requirements to hemp extract that is manufactured, delivered, held, or offered for sale in the state. Additionally, the bill adds a new requirement related to lab testing such products that specifies that if the batch from which the hemp extract comes is sold at retail, the batch must meet the total delta-9 THC concentration limits established for hemp extract products. The bill also requires that hemp extract product containers include the Poison Control Help Line number.

The bill specifies that to procure hemp extract products in the state, a business must be properly permitted. The bill prohibits a business or food establishment from possessing hemp extract products that are attractive to children.

Hemp extract possessed, manufactured, delivered, held, or offered for sale by an entity regulated under ch. 500, F.S., in violation of these regulations is subject to embargo, detainment, destruction, or stop-sale. DACS may not grant permission to remove or use, except for disposal, hemp extract products subject to a stop-sale order that are attractive to children until DACS determines that the hemp extract products comply with state law.

The bill prohibits an event organizer from promoting, advertising, or facilitating an event where hemp extract products that do not comply with general law, including hemp extract products that are not from an approved source, are sold or marketed, or where hemp extract products are sold or marketed by businesses that are not properly permitted. Additionally, before an event where hemp extract products are sold or marketed, the bill requires an event organizer to provide to DACS a list of the businesses selling or marketing hemp extract products at the event and verify that each business is only selling hemp products from an approved source. The event organizer must ensure that each participating business is properly permitted. An individual who violates these regulations is subject to an administrative fine in the Class III category for each violation.

The bill appropriates $2 million in nonrecurring funds from the General Revenue Fund to the Department of Law Enforcement (FDLE) for the purchase of testing equipment necessary to implement the bill.

[39] Section 500.172(1), F.S.

B. SECTION DIRECTORY:

Section 1. Amends s. 581.217, F.S., related to the state hemp program.

Section 2. Provides an appropriation to FDLE.

Section 3. Provides an effective date of October 1, 2024.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill may have an indeterminate positive fiscal impact on DACS related to the regulation of hemp extract which may increase the number of violations and the collection of administrative fines.

2. Expenditures:

The bill may have an indeterminate negative fiscal impact on DACS related to ensuring compliance with the requirements of the bill. Additionally, the bill appropriates $2 million in nonrecurring General Revenue Funds to FDLE for the purchase of testing equipment necessary to implement the bill.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill may have an indeterminate negative fiscal impact on the private sector associated with the requirements and restrictions on hemp products established in the bill.

D. FISCAL COMMENTS:

None.

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:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On January 29, 2024, the Agriculture, Conservation & Resiliency Subcommittee adopted an amendment and reported the bill favorably as a committee substitute. The amendment required that the Poison Control Helpline number be included on hemp extract product containers.

On February 15, 2024, the Infrastructure Strategies Committee adopted three amendments and reported the bill favorably as a committee substitute. The amendments removed novel shapes, animations, promotional characters, and licensed characters from the definition of “attractive to children,” provided an appropriation to FDLE, and changed the effective date from July 1, 2024, to October 1, 2024.

This analysis is drafted to the committee substitute as approved by the Infrastructure Strategies Committee.

A bill to be entitled

An act relating to hemp; amending s. 581.217, F.S.; revising legislative findings; revising definitions; defining the term "total delta-9-tetrahydrocannabinol concentration"; providing conditions for the manufacture, delivery, hold, offer for sale, distribution, or sale of hemp extract; prohibiting businesses and food establishments from possessing hemp extract products that are attractive to children; prohibiting the Department of Agriculture and Consumer Services from granting permission to remove or use certain hemp extract products until it determines that such hemp extract products comply with state law; prohibiting event organizers from promoting, advertising, or facilitating certain events; requiring organizers of certain events to provide a list of certain vendors to the department, verify that vendors are only selling hemp products from approved sources, and ensure that such vendors are properly permitted; providing for administrative fines; providing an appropriation; providing an effective date.

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

Section 1. Paragraph (b) of subsection (2), paragraphs

(a), (e), and (f) of subsection (3), and subsection (7) of section 581.217, Florida Statutes, are amended, and paragraph (h) is added to subsection (3) of that section, to read:

581.217 State hemp program.—

(2) LEGISLATIVE FINDINGS.—The Legislature finds that:

(b) Hemp and hemp extract as defined in this section ~~Hemp-derived cannabinoids, including, but not limited to, cannabidiol,~~ are not controlled substances ~~or adulterants if they are in compliance with this section~~.

(3) DEFINITIONS.—As used in this section, the term:

(a) "Attractive to children" means manufactured in the shape of or packaged in containers displaying humans, cartoons, ~~or~~ animals, toys, or other features that target children; manufactured in a form or packaged in a container that bears any reasonable resemblance to an existing candy or snack product that is familiar to the public; manufactured in a form or packaged in a container that bears any reasonable resemblance to a ~~as a widely distributed,~~ branded food product such that the ~~a~~ product could be mistaken for the branded food product, especially by children; ~~or~~ containing any color additives; or, for hemp extract intended for inhalation, the addition of any flavoring.

(e) "Hemp" means the plant *Cannabis sativa* L. and any part of that plant, including the seeds thereof, and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of

isomers thereof, whether growing or not, that has a total delta-9-tetrahydrocannabinol concentration that does not exceed 0.3 percent on a dry-weight basis, with the exception of hemp extract, which may not exceed 0.3 percent total delta-9-tetrahydrocannabinol concentration on a wet-weight basis or that does not exceed 2 milligrams per serving and 10 milligrams per container on a wet-weight basis, whichever is less.

(f) "Hemp extract" means a substance or compound intended for ingestion, containing more than trace amounts of a cannabinoid, or for inhalation which is derived from or contains hemp but ~~and which~~ does not contain synthetic or naturally occurring versions of controlled substances listed in s. 893.03, such as delta-8-tetrahydrocannabinol, delta-10-tetrahydrocannabinol, hexahydrocannabinol, tetrahydrocannabinol acetate, tetrahydrocannabiphorol, and tetrahydrocannabivarin. The term does not include synthetic cannabidiol or seeds or seed-derived ingredients that are generally recognized as safe by the United States Food and Drug Administration.

(h) "Total delta-9-tetrahydrocannabinol concentration" means a concentration calculated as follows: [delta-9-tetrahydrocannabinol] + (0.877 x [delta-9-tetrahydrocannabinolic acid]).

(7) MANUFACTURE, DELIVERY, HOLD, OFFER FOR SALE, DISTRIBUTION, AND ~~RETAIL~~ SALE OF HEMP EXTRACT.—

(a) Hemp extract may only be manufactured, delivered,

held, offered for sale, distributed, or ~~and~~ sold in this ~~the~~ state if the product:

1. Has a certificate of analysis prepared by an independent testing laboratory that states:

a. The hemp extract is the product of a batch tested by the independent testing laboratory;

b. The batch contained a total delta-9-tetrahydrocannabinol concentration that did not exceed 0.3 percent pursuant to the testing of a random sample of the batch. However, if the batch is sold at retail, the batch must meet the total delta-9-tetrahydrocannabinol concentration limits set forth in paragraph (3)(e) for hemp extract;

c. The batch does not contain contaminants unsafe for human consumption; and

d. The batch was processed in a facility that holds a current and valid permit issued by a human health or food safety regulatory entity with authority over the facility, and that facility meets the human health or food safety sanitization requirements of the regulatory entity. Such compliance must be documented by a report from the regulatory entity confirming that the facility meets such requirements.

2. Is manufactured, delivered, held, offered for sale, distributed, or sold in a container that includes:

a. A scannable barcode or quick response code linked to the certificate of analysis of the hemp extract batch by an

independent testing laboratory;

b. The batch number;

c. The Internet address of a website where batch information may be obtained;

d. The expiration date; ~~and~~

e. The number of milligrams of each marketed cannabinoid per serving; and

f. The toll-free telephone number for the national Poison Control Help line, (800) 222-1222.

3. Is manufactured, delivered, held, offered for sale, distributed, or sold in a container that:

a. Is suitable to contain products for human consumption;

b. Is composed of materials designed to minimize exposure to light;

c. Mitigates exposure to high temperatures;

d. Is not attractive to children; and

e. Is compliant with the United States Poison Prevention Packaging Act of 1970, 15 U.S.C. ss. 1471 et seq., without regard to provided exemptions.

(b) Hemp extract may only be sold to or procured by a business in this state if that business is properly permitted as required by this section. A business or food establishment may not possess hemp extract products that are attractive to children.

(c) Hemp extract manufactured, delivered, held, offered

for sale, distributed, or sold in this state is subject to the applicable requirements of chapter 500, chapter 502, or chapter 580.

(d) Products that are intended for human ingestion or inhalation and that contain hemp extract, including, but not limited to, snuff, chewing gum, and other smokeless products, may not be sold in this state to a person who is under 21 years of age. A person who violates this paragraph commits a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083. A person who commits a second or subsequent violation of this paragraph within 1 year after the initial violation commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

(e) Hemp extract possessed, manufactured, delivered, held, offered for sale, distributed, or sold in violation of this subsection by an entity regulated under chapter 500 is subject to s. 500.172 and penalties as provided in s. 500.121. Hemp extract products found to be mislabeled or attractive to children are subject to an immediate stop-sale order. The department may not grant permission to remove or use, except for disposal, hemp extract products subject to a stop-sale order which are attractive to children until the department determines that the hemp extract products comply with state law.

(f)1. An event organizer may not promote, advertise, or facilitate an event where:

a. Hemp extract products that do not comply with general law, including hemp extract products that are not from an approved source as provided in sub-subparagraph (a)1.d, are sold or marketed; or

b. Hemp extract products are sold or marketed by businesses that are not properly permitted as required by this section and chapter 500.

2. Before an event where hemp extract products are sold or marketed, an event organizer must provide to the department a list of the businesses selling or marketing hemp extract products at the event and verify that each business is only selling hemp products from an approved source. The event organizer must ensure that each participating business is properly permitted as required by this section and chapter 500.

3. A person who violates this paragraph is subject to an administrative fine in the Class III category under s. 570.971 for each violation.

Section 2. For the 2024-2025 fiscal year, the sum of $2 million in nonrecurring funds is appropriated from the General Revenue Fund to the Department of Law Enforcement for the purchase of testing equipment necessary to implement this act.

Section 3. This act shall take effect October 1, 2024.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7073 PCB WMC 24-05 Taxation
SPONSOR(S): Ways & Means Committee, McClain
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Ways & Means Committee	16 Y, 6 N	Rexford	Aldridge
1) Appropriations Committee		Trexler	Pridgeon

SUMMARY ANALYSIS

The bill provides for the following tax-related provisions designed to benefit both families and businesses.

For sales taxes, the bill:

- Creates a 14-day "back-to-school" tax holiday, in July and August 2024, for certain clothing, school supplies, learning aids and puzzles, and personal computers; two 14-day "disaster preparedness" holidays in June and parts of August and September of 2024 for specified disaster preparedness supplies for families and their pets; a "Freedom Month" tax holiday for July 2024 for specified recreational items and activities; and a seven-day "Tool Time" tax holiday in September for tools and equipment needed in skilled trades;
- Decreases the business rent tax rate to 1.25 percent for one year;
- Expands the ability for a leasing company to pay tax up front on the purchase of a motor vehicle, instead of collecting and remitting tax on the subsequent long-term lease or rental of the vehicle;
- Requires all new local discretionary sales surtax ordinances to be approved by referendum at least once every 10 years; and
- Allows Duval County to levy an indigent care sales surtax if approved by voters.

For corporate income tax, the bill:

- Adopts the Internal Revenue Code in effect on January 1, 2024, to conform with federal provisions; and
- Creates a corporate income tax credit for businesses that hire persons with disabilities.

For property taxes, the bill:

- Expands the ad valorem tax benefits for renewable energy source devices to include facilities used to capture and convert biogas to renewable natural gas; and
- Clarifies that for tangible personal property constructed by an electric utility, construction work in progress is not deemed substantially completed unless all permits/approvals required for commercial operation have been received or approved.

The bill also limits all new tourist development taxes (TDTs) to 6 years, requires existing TDTs to be approved by voters by July 1, 2029, to continue (with exceptions), allows certain counties designated as an area of critical state concern to use specified local tax surpluses to provide affordable housing for workers; provides automatic filing extensions for sales tax dealers and corporate income taxpayers in certain emergencies; increases the annual cap of the Strong Families Tax Credit Program to $40 million; limits documentary stamp tax assessments for reverse mortgages; increases the percentage of revenue collected from the Sales Tax Collection Enforcement Diversion Program that goes to the James Patrick Memorial Work Incentive Personal Attendant Services and Employment Assistance (JP-PAS) Program; distributes $27.5 million for two additional fiscal years to promote the breeding and racing of horses in Florida; and makes technical and clarifying updates.

The total state and local government impact of the bill in Fiscal Year 2024-25 is -$619.6 million (-$31.9 million recurring). See Fiscal Comments section for details.

The bill is effective July 1, 2024, except as otherwise provided.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Sales Tax

Florida's sales and use tax is a 6 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 (projected 75.2 percent for Fiscal Year 2023-24)[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 Holidays

Since 1998, the Legislature has enacted more than two dozen 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 Sales Tax Holiday

Current Situation

Florida has enacted a "back-to-school" sales tax holiday twenty-two times since 1998. The length of the exemption periods has varied from three to fourteen days. The type and value of exempt items has also varied. The following table describes the history of back-to-school sales tax holidays in Florida.

[1] Commercial real estate rentals are subject to a 4.5 percent sales tax pursuant to s. 212.031(1)(c), F.S.
[2] The Office of Economic and Demographic Research, *2023 Florida Tax Handbook,* p. 16, available at http://edr.state.fl.us/Content/revenues/reports/tax-handbook/taxhandbook2023.pdf (last visited Feb. 10, 2024).
[3] Office of Economic and Demographic Research, *Florida Local Government Financial Information Handbook 2023*, p. 51, available at http://edr.state.fl.us/Content/local-government/reports/lgfih23.pdf (last visited Feb. 10, 2024).
[4] *Id.*

Dates	Length	TAX EXEMPTION THRESHOLDS				
		Clothing/ Footwear	Wallets/ Bags	Books/ Learning Aids/ Puzzles	Computers	School Supplies
August 15-21, 1998	7 days	$50 or less	N/A	N/A	N/A	N/A
July 31-August 8, 1999	9 days	$100 or less	$100 or less	N/A	N/A	N/A
July 29-August 6, 2000	9 days	$100 or less	$100 or less	N/A	N/A	N/A
July 28-August 5, 2001	9 days	$50 or less	$50 or less	N/A	N/A	$10 or less
July 24-August 1, 2004	9 days	$50 or less	$50 or less	$50 or less (Books)	N/A	$10 or less
July 23-31, 2005	9 days	$50 or less	$50 or less	$50 or less (Books)	N/A	$10 or less
July 22-30, 2006	9 days	$50 or less	$50 or less	$50 or less (Books)	N/A	$10 or less
August 4-13, 2007	10 days	$50 or less	$50 or less	$50 or less (Books)	N/A	$10 or less
August 13-15, 2010	3 days	$50 or less	$50 or less	$50 or less (Books)	N/A	$10 or less
August 12-14, 2011	3 days	$75 or less	$75 or less	N/A	N/A	$15 or less
August 3-5, 2012	3 days	$75 or less	$75 or less	N/A	N/A	$15 or less
August 2-4, 2013	3 days	$75 or less	$75 or less	N/A	$750 or less	$15 or less
August 1-3, 2014	3 days	$100 or less	$100 or less	N/A	First $750 of the sales price	$15 or less
August 7-16, 2015	10 days	$100 or less	$100 or less	N/A	First $750 of the sales price	$15 or less
August 5-7, 2016	3 days	$60 or less	$60 or less	N/A	N/A	$15 or less
August 4-6, 2017	3 days	$60 or less	$60 or less	N/A	$750 or less	$15 or less
August 3-5, 2018	3 days	$60 or less	$60 or less	N/A	N/A	$15 or less
August 2-6, 2019	5 days	$60 or less	$60 or less	N/A	$1,000 or less	$15 or less
August 7-9, 2020	3 days	$60 or less	$60 or less	N/A	First $1,000 of the sales price	$15 or less
July 31-August 9, 2021	10 days	$60 or less	$60 or less	N/A	First $1,000 of the sales price	$15 or less
July 25-August 7, 2022	14 days	$100 or less	$100 or less	$30 (Learning Aids/Puzzles)	$1,500 or less	$50 or less
July 24-August 6, 2023; Jan 1-14, 2024	14 days each	$100 or less	$100 or less	$30 (Learning Aids/Puzzles)	$1,500 or less	$50 or less

Effect of Proposed Changes

The bill provides for a sales tax holiday from July 29, 2024, through August 11, 2024. During the holiday, the following items that cost $100 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 $50 or less per item during the holiday, and learning aids and jigsaw puzzles that cost $30 or less per item. "Learning aids" are defined as "flashcards or other learning cards, matching or other memory games, puzzle books and search-and-find books, interactive or electronic books and toys intended to teach reading or math skills, and stacking or nesting blocks or sets."

Additionally, the bill exempts personal computers and related accessories with a sales price of $1,500 or less which are purchased for noncommercial home or personal use. This includes tablets, laptops, monitors, calculators, input devices, and non-recreational software. Cell phones, furniture and devices or software intended primarily for recreational use are not exempted.

The "back-to-school" sales tax holiday applies at the option of the dealer if less than 5 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 July 15, 2024, the dealer must notify the Department of Revenue 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.

Disaster Preparedness Sales Tax Holiday

Current Situation

The Florida Office of Insurance Regulation estimated insured losses of over $309 million due to Hurricane Idalia in 2023,[5] $19.6 billion due to Hurricanes Ian and Nicole in 2022,[6] $9.1 billion due to Hurricane Michael in 2018,[7] $20.7 billion due to Hurricane Irma in 2017, [8] and $1.3 billion due to Hurricanes Hermine and Matthew in 2016.[9]

The Florida Division of Emergency Management recommends having a disaster supply kit with items such as a battery-operated radio, flashlight, batteries, pet care items, and first-aid kit.[10]

Since 2006, the Legislature has enacted ten sales tax holidays related to disaster preparedness. During these holidays, the following items were exempted as indicated:

[5] Florida Office of Insurance Regulation, Catastrophe Report, available at: https://floir.com/home/idalia (last visited Feb. 4, 2024).
[6] Florida Office of Insurance Regulation, Catastrophe Report, available at: https://www.floir.com/home/ian ($19.3 billion) and https://www.floir.com/home/hurricane-nicole ($253 million) (last visited Feb. 4, 2024).
[7] Florida Office of Insurance Regulation, Catastrophe Report, available at: https://floir.com/Office/HurricaneSeason/HurricaneMichaelClaimsData.aspx (last visited Feb. 4, 2024).
[8] Florida Office of Insurance Regulation, Catastrophe Report, available at: https://www.floir.com/Office/HurricaneSeason/HurricaneIrmaClaimsData.aspx (last visited Feb. 4, 2024).
[9] Florida Office of Insurance Regulation, Catastrophe Report, available at: https://floir.com/Office/HurricaneSeason/HurricaneMatthewClaimsData.aspx and https://floir.com/Office/HurricaneSeason/HurricaneHermineClaimsData.aspx (last visited Feb. 4, 2024).
[10] Florida Division of Emergency Management, *Disaster Supply Kit Checklist*, available at: https://www.floridadisaster.org/planprepare/hurricane-supply-checklist/ (last visited Feb. 4, 2024).

Dates	Length	TAX EXEMPTION THRESHOLDS							
		Reusable Ice	Light Source	Fuel Contain-ers	Batteries	Coolers and Ice Chests	Radios	Tie down tools and sheeting	Genera-tors
May 21-June 1, 2006[11]	12 days	$10 or less	$20 or less	$25 or less	$30 or less	$30 or less	$50 or less	$50 or less	$1000 or less
June 1-June 12, 2007[12]	12 days	$10 or less	$20 or less	$25 or less	$30 or less	$30 or less	$75 or less	$50 or less	$1000 or less
May 31-June 8, 2014[13]	9 days	$10 or less	$20 or less	$25 or less	$30 or less	$30 or less	$50 or less	$50 or less	$750 or less
June 2 – June 4, 2017	3 days	$10 or less	$20 or less	$25 or less	$30 or less	$30 or less	$50 or less	$50 or less	$750 or less
June 1-7, 2018	7 days	$10 or less	$20 or less	$25 or less	$30 or less	$30 or less	$50 or less	$50 or less	$750 or less
May 31-June 6, 2019	7 days	$10 or less	$20 or less	$25 or less	$30 or less	$30 or less	$50 or less	$50 or less	$750 or less
May 29-June 4, 2020	7 days	$10 or less	$20 or less	$25 or less	$30 or less	$30 or less	$50 or less	$50 or less	$750 or less
May 28 – June 6, 2021[14]	10 days	$20 or less	$40 or less	$50 or less	$50 or less	$60 or less	$50 or less	$100 or less	$1000 or less
May 28 – June 10, 2022[15]	14 days	$20 or less	$40 or less	$50 or less	$50 or less	$60 or less	$50 or less	$100 or less	$1000 or less
May 27 – June 9, 2023; Aug. 26 – Sept. 8, 2023[16]	14 days each	$20 or less	$40 or less	$50 or less	$50 or less	$60 or less	$50 or less	$100 or less	$3000 or less

Effect of Proposed Changes

The bill provides for sales tax holidays from June 1, 2024, through June 14, 2024, and from August 24, 2024, through September 6, 2024, for specified items related to disaster preparedness. During the sales tax holiday, the following items are exempt from the state sales tax and county discretionary sales surtaxes:

- A portable self-powered light source selling for $40 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 $100 or less;
- An item normally sold as, or generally advertised as, a ground anchor system or tie-down kit selling for $100 or less;
- A gas or diesel fuel tank selling for $50 or less;

[11] This holiday also included cell phone batteries ($60 or less), cell phone charger ($40 or less), storm shutters ($200 or less), carbon monoxide detectors ($75 or less), and any combination of items exempt under the holiday or existing law which were sold together for $75 or less.
[12] *Id.*
[13] This holiday included an exemption for first aid kits selling for $30 or less; however, these items are always exempt under s. 212.08(2)(a), F.S.; *see* form DR-46NT, *Nontaxable Medical Items and General Grocery List,* available at: http://floridarevenue.com/Forms_library/current/dr46nt.pdf (last visited Feb. 4, 2024).
[14] This holiday also included portable power banks selling for $60 or less.
[15] This holiday also included portable power banks selling for $60 or less, smoke detectors, smoke alarms, fire extinguishers, or carbon monoxide detectors selling for $70 or less; and specified items necessary for the evacuation of household pets, with item thresholds ranging from $2 (wet pet food) to $100 (portable kennels or carriers).
[16] This holiday also included portable power banks selling for $60 or less, smoke detectors, smoke alarms, fire extinguishers, or carbon monoxide detectors selling for $70 or less; specified items necessary for the evacuation of household pets, with item thresholds ranging from $10 (wet pet food) to $100 (portable kennels or carriers); and common household consumable items for $30 or less, such as toilet paper, paper towels, and dish soap.

- A package of AA-cell, AAA-cell, C-cell, D-cell, 6-volt, or 9-volt batteries, excluding automobile and boat batteries, selling for $50 or less;
- A nonelectric food storage cooler selling for $60 or less;
- A portable generator used to provide light or communications or preserve food in the event of a power outage selling for $3,000 or less;
- Reusable ice selling for $20 or less;
- A portable power bank selling for $60 or less;
- A smoke detector or smoke alarm selling for $70 or less;
- A fire extinguisher selling for $70 or less;
- A carbon monoxide detector selling for $70 or less; and
- Supplies necessary for the evacuation of household pets. For purposes of this exemption, necessary supplies are the non-commercial purchase of:
    - Bags of dry dog or cat food weighing 50 or fewer pounds with a sales price of $100 or less per bag;
    - Cans or pouches of wet dog or cat food selling for $10 or less per can or pouch or the equivalent if sold in a box or case;
    - Over-the-counter pet medications selling for $100 or less;
    - Portable kennels or pet carriers selling for $100 or less;
    - Manual can openers selling for $15 or less;
    - Leashes, collars, and muzzles selling for $20 or less;
    - Collapsible or travel-size food or water bowls selling for $15 or less;
    - Cat litter weighing 25 or fewer pounds and selling for $25 or less;
    - Cat litter pans selling for $15 or less;
    - Pet waste disposal bags selling for $15 or less;
    - Pet pads selling for $20 or less per box;
    - Hamster or rabbit substrate selling for $15 or less; and
    - Pet beds selling for $40 or less.

Freedom Month Sales Tax Holiday

Current Situation

In 2021 and 2022, the Legislature enacted a seven-day sales tax holiday during the week surrounding the Fourth of July on specified recreational items and activities. In 2023, the Legislature enacted a 3-month long summer sales tax holiday on similar specified recreational items and activities.

Effect of Proposed Changes

The bill provides for a one-month sales tax holiday from July 1, 2024, through July 31, 2024, for specified admissions and items related to recreational activities. During the sales tax holiday, the following admissions, if purchased during this month, are exempt from the state sales tax and county discretionary sales surtaxes:[17]

- A live music event scheduled to be held between July 1, 2024, and December 31, 2024;
- A live sporting event scheduled to be held between July 1, 2024, and December 31, 2024;
- A movie shown in a movie theater between July 1, 2024, and December 31, 2024;
- Entry to a museum, including annual passes;
- Entry to state parks, including annual passes;
- Entry to a ballet, play, or musical theatre performance scheduled to be held between July 1, 2024, and December 31, 2024;
- Season tickets to ballet, play, music events, or musical theatre performances;

[17] If an admission is purchased exempt under this section and is subsequently resold outside of the holiday period, tax will be collected on the resale price.

- Entry to a fair, festival, or cultural event scheduled to be held between July 1, 2024, and December 31, 2024; and
- Use of or access to gyms and physical fitness facilities between July 1, 2024, and December 31, 2024.

During the sales tax holiday, the following items are exempt from the state sales tax and county discretionary sales surtax:

- Boating and Water Activity Supplies
  - Life jackets, coolers, paddles, and oars selling for $75 or less;
  - Recreational pool tubes, pool floats, inflatable chairs, and pool toys selling for $35 or less;
  - Safety flares selling for $50 or less;
  - Water skis, wakeboards, kneeboards, and recreational inflatable tubes or floats capable of being towed selling for $150 or less;
  - Paddleboards and surfboards selling for $300 or less;
  - Canoes and kayaks selling for $500 or less; and
  - Snorkels, goggles, and swimming masks selling for $25 or less.
- Camping Supplies
  - Tents selling for $200 or less;
  - Sleeping bags, portable hammocks, camping stoves, and collapsible camping chairs selling for $50 or less; and
  - Camping lanterns or flashlights selling for $30 or less.
- Fishing Supplies[18]
  - Rods and reels selling for $75 or less, if sold individually, or selling for $150 or less if sold as a set;
  - Tackle boxes or bags selling for $30 or less; and
  - Bait or fishing tackle selling for $5 or less, if sold per item, or selling for $10 or less if multiple items are sold together.
- General Outdoor Supplies
  - Sunscreen or insect repellant selling for less than $15 or less;
  - Sunglasses selling for $100 or less;
  - Binoculars selling for $200 or less;
  - Water bottles selling for $30 or less;
  - Hydration packs selling for $50 or less;
  - Outdoor gas or charcoal grills selling for $250 or less;
  - Bicycle helmets selling for $50 or less; and
  - Bicycles selling for $500 or less.
- Residential Pool Supplies
  - Individual residential pool and spa replacement parts, nets, filters, lights, and covers selling for $100 or less; and
  - Residential pool and spa chemicals purchased by an individual selling for $150 or less.

Skilled Worker "Tool Time" Sales Tax Holiday

Current Situation

According to the Florida Department of Commerce, a number of skilled trade occupations are in high demand.[19] The cost of educational materials, tools, and other items can be a barrier to education, training, and employment for skilled trade workers.

[18] The exemption for fishing supplies does not apply to supplies used for commercial fishing purposes.
[19] Regional Demand Occupations List, available at: https://lmsresources.labormarketinfo.com/library/rdol/rdol_all_2324.xlsx (last visited Feb. 11, 2024).

In 2022 and 2023, the Legislature enacted a seven-day sales tax holiday that included exemptions on tools used by skilled trade workers, such as carpenters, electricians, plumbers, welders, pipefitters, masons, painters, heating and air conditioning technicians, and other service technicians.

Effect of Proposed Changes

The bill provides a seven-day sales tax holiday from September 1, 2024, through September 7, 2024, for specified tools commonly used by skilled trade workers. During the sales tax holiday, the following items are exempt from the state sales tax and county discretionary sales surtaxes:

- Hand tools selling for $50 or less;
- Power tools selling for $300 or less;
- Power tool batteries selling for $150 or less;
- Work gloves selling for $25 or less;
- Safety glasses selling for $50 or less;
- Protective coveralls selling for $50 or less;
- Work boots selling for $175 or less;
- Tool belts selling for $100 or less;
- Duffle/tote bags selling for $50 or less;
- Tool boxes selling for $75 or less;
- Tool boxes for vehicles selling for $300 or less;
- Industry text books and code books selling for $125 or less;
- Electrical voltage and testing equipment selling for $100 or less;
- LED flashlights selling for $50 or less;
- Shop lights selling for $100 or less;
- Handheld pipe cutters, drain opening tools, and plumbing inspection equipment selling for $150 or less;
- Shovels selling for $50 or less;
- Rakes selling for $50 or less;
- Hard hats and other head protection selling for $100 or less;
- Hearing protection items selling for $75 or less;
- Ladders selling for $250 or less;
- Fuel cans selling for $50 or less; and
- High visibility safety vest selling for $30 or less.

The four sales tax holidays listed above 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.

Sales Tax Exemption on Certain Motor Vehicles

Current Situation

Sales and Use Tax on Motor Vehicle Leases

The lease or rental of tangible personal property, including vehicles, is subject to state and local sales and use tax.[20] When a motor vehicle is leased or rented in Florida, the entire amount of such rental is taxable at the rate of 6 percent[21] of the gross proceeds derived from the lease or rental.[22] A "lease or

[20] S. 212.05(1), F.S.
[21] Discretionary county sales surtax, if any, is also owed if the 6 percent Florida state sales tax applies. *See* s. 212.054, F.S.
[22] S. 212.05(1)(c), F.S.

rental" is defined as the leasing or renting of tangible personal property and the possession or use of property by the lessee or renter for a consideration, without transfer of title.[23] The lessor is required to be registered as a dealer and to collect tax on the total amount of the lease or rental charges from the lessee.[24] The lessor normally does not pay tax on the purchase of the vehicle, as that purchase is considered a sale for resale, and instead tax is normally collected and remitted on each lease payment.[25]

Long Term Leases of Commercial Motor Vehicles

There is an exception to the general rule that sales tax is not paid on the purchase of the car and is instead due and collected on lease or rental payments. The exception is for commercial motor vehicles in certain long-term leases. For the exemption to apply, the lease or rental must be for a period of at least 12 months, and the lessor must have paid sales tax on the vehicle when it was purchased.[26] In addition, the lessor must be an established business, or part of or related to an established business, that leases or rents commercial motor vehicles. Commercial motor vehicles are defined as any self-propelled or towed vehicle used on the public highways in commerce to transport passengers or cargo, if the vehicle has a gross vehicle weight rating of 10,000 pounds or more.[27]

Effect of Proposed Changes

The bill expands the existing ability for a leasing company to pay tax up front on the purchase of a motor vehicle, instead of collecting and remitting tax on the subsequent long-term lease or rental of the vehicle, to apply to any motor vehicle as long as it is leased for use in the lessee's trade or business. "Motor vehicle" is defined as a self-propelled vehicle not operated upon rails or guideway, but not including any bicycle, electric bicycle, motorized scooter, electric personal assistive mobility device, mobile carrier, personal delivery device swamp buggy, or moped.[28]

Business Rent Tax Rate Reduction

Current Situation

Since 1969, Florida has imposed a sales tax on the total rent charged under a commercial lease of real property.[29] Sales tax is due at the rate of 4.5 percent on the total rent paid for the right to use or occupy commercial real property. Local option sales surtaxes can also apply.[30] 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 include licenses granting the use of real property for the 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

[23] S. 212.02(10)(g), F.S.
[24] Rule 12A-1.007(13)(a)1, F.A.C.
[25] Rule 12A-1.007(13)(a)2., F.A.C.
[26] S. 212.05(1)(c)3., F.S.
[27] S. 316.003(14)(a), F.S.
[28] S. 316.003(46), F.S.
[29] Ch. 1969-222, L.O.F.
[30] S. 212.031, F.S., and Rule 12A-1.070, F.A.C.

- Public streets or roads used for transportation purposes.

In 2021, the Legislature approved a reduction to the business rent tax from 5.5 percent to 2 percent, effective the first day of the second month after the Office of Economic and Demographic Research notifies the Department of Revenue that the Unemployment Compensation Trust Fund has reached its pre-pandemic balance[31]. This notification is expected to happen in April 2024, resulting in the business rent tax rate lowering to 2 percent beginning June 1, 2024.[32]

Florida is the only state to charge sales tax on commercial rentals of real property.

Effect of Proposed Changes

The bill reduces the business rent tax rate for one year to 1.25 percent, from July 1, 2024, through June 30, 2025.

Local Discretionary Sales Surtaxes

Counties have been granted limited authority to levy a discretionary sales surtaxes for specific purposes on all transactions occurring in the county subject to the state tax imposed on sales, use, services, rental, admissions, and other transactions by ch. 212, F.S., and on communications services as defined in ch. 202, F.S.[33] A discretionary sales surtax is based on the rate in the county where the taxable goods or services are sold, or delivered into, and is levied in addition to the state sales and use tax of 6 percent. The surtax does not apply to the sales price above $5,000 on any item of tangible personal property. This $5,000 cap does not apply to the sale of any service, rentals of real property, or transient rentals. Rates range from 0.5 percent to 1.5 percent, and are levied by 65 of the 67 counties.[34] Approved purposes include:

a. Operating a transportation system in a charter county;[35]
b. Financing local government infrastructure projects;[36]
c. Providing additional revenue for specified small counties;[37]
d. Providing medical care for indigent persons;[38]
e. Funding trauma centers;[39]
f. Operating, maintaining, and administering a county public general hospital;[40]
g. Constructing and renovating schools;[41]
h. Providing emergency fire rescue services and facilities; and[42]
i. Funding pension liability shortfalls.[43]

Discretionary Sales Surtax Referendums

[31] See s. 14, ch. 2021-2, as amended by s. 46, ch. 2021-31, L.O.F.
[32] The Office of Economic & Demographic Research, *Unemployment Compensation Trust Fund Forecast*, available at http://edr.state.fl.us/Content/conferences/unemployment-compensation-trust-fund/January2024ForecastSummary.pdf (last visited Feb. 10, 2024).
[33] The tax rates, duration of the surtax, method of imposition, and proceed uses are individually specified in s. 212.055, F.S. General limitations, administration, and collection procedures are set forth in s. 212.054, F.S.
[34] Discretionary Sales Surtax Information for Calendar Year 2024, Form DR-15DSS, available at https://floridarevenue.com/Forms_library/current/dr15dss.pdf (last visited January 25, 2024).
[35] S. 212.055(1), F.S.
[36] S. 212.055(2), F.S.
[37] S. 212.055(3), F.S. Note that the small county surtax may be levied by extraordinary vote of the county governing board if the proceeds are to be expended only for operating purposes.
[38] S. 212.055(4)(a), F.S. (for counties with more than 800,000 residents); s. 212.055(7), F.S. (for counties with less than 800,000 residents).
[39] S. 212.055(4)(b), F.S.
[40] S. 212.055(5), F.S.
[41] S. 212.055(6), F.S.
[42] S. 212.055(8), F.S.
[43] S. 212.055(9), F.S.

Current Situation

Most local discretionary sales surtaxes may only be approved by referendum, while some may be approved by a vote of the county commission.[44] Some of the surtaxes have set periods of time that they can be enacted for before requiring reenactment, others have no such specified time limit.

The Florida Election Code provides the general requirements for a referendum.[45] The question presented to voters must contain a ballot summary with clear and unambiguous language, such that a "yes" or "no" vote on the measure indicates approval or rejection, respectively.[46] The ballot summary should explain the chief purpose of the measure and may not exceed 75 words.[47] The ballot summary and title must be included in the resolution or ordinance calling for the referendum.[48] For some discretionary sales surtaxes, the form of the ballot question is specified by statute.[49]

Five types of elections exist under the Florida Election Code: primary elections, special primary elections, special elections, general elections, and presidential preference primary elections.[50] Historically, voter turnout during a general election is higher than during other elections.[51] A referendum to adopt, amend, or reenact a local government discretionary sales surtax under must be held at a general election. A referendum to reenact an expiring surtax must be held at a general election occurring within the 48-month period immediately preceding the effective date of the reenacted surtax Such a referendum may appear on the ballot only once within the 48-month period.[52]

Effect of Proposed Changes

The bill requires that a referendum be held in order to enact, reenact, extend, or amend any discretionary sales surtax. The bill also establishes a 10-year maximum time limit for all new surtax ordinances, except for the .25 percent trauma center surtax that may be levied for counties with a population of less than 800,000 residents.[53] The bill retains the existing four-year limitation for that surtax.

Indigent Care and Trauma Center Surtax

Current Situation

Section 212.055(4)(a), F.S., authorizes certain counties with a total population of at least 800,000 to levy an Indigent Care and Trauma Center surtax not to exceed 0.5 percent. However, counties consolidated with one or more municipalities (Duval County) and counties authorized to levy a county public hospital surtax (Miami-Dade County) are not authorized to levy the Indigent Care and Trauma Center surtax. The proceeds of the surtax must be used to fund health care services, including but not limited to, primary care, preventative care, and hospital care for indigent and medically needy poor[54]

---

[44] *See generally* s. 212.055, F.S.; *but see* s. 212.055(3), F.S. (small county surtax may be approved by extraordinary vote of the county commission as long as surtax revenues are not used for servicing bond indebtedness), s. 212.055(4), F.S. (indigent care and trauma center surtax may be approved by extraordinary vote of the county commission), and s. 212.055(5), F.S. (county public hospital surtax may be approved by extraordinary vote of the county commission).
[45] S. 101.161, F.S.
[46] S. 101.161(1), F.S.
[47] *Id*.
[48] *Id*.
[49] *See* s. 212.055(4)(b)1., F.S.
[50] S. 97.021(13), F.S.
[51] Department of State, Division of Elections, Data and Statistics, Election Data, Voter Turnout, available at: http://dos.myflorida.com/elections/data-statistics/elections-data/voter-turnout/ (last viewed Feb. 7, 2024).
[52] S. 212.055(10), F.S.
[53] S. 212.055(4)(b)4., F.S.
[54] Medically needy poor are persons having "insufficient income, resources, and assets to provide the needed medical care without using resources required to meet basic needs for shelter, food, clothing, and personal expenses; or not being eligible for any other state or federal program, or having medical needs that are not covered by any such program; or having insufficient third-party insurance coverage." Section 212.055(4)(a)4.b., F.S.

persons, as well as Level I trauma center services.[55] This tax is imposed by ordinance approved by an extraordinary vote of the governing body or conditioned upon approval by referendum.[56]

Effect of Proposed Changes

The bill removes current statutory language excluding counties consolidated with one or more municipalities[57] from the authority to levy the surtax. In addition, the bill removes the ability of a county to authorize levy of the surtax by an extraordinary vote of the governing body of the county and instead requires voters to approve such levy.

Tourist Development Taxes

The Local Option Tourist Development Act[58] authorizes counties to levy five separate taxes on transient rental[59] transactions (tourist development taxes or TDTs).

TDT Referenda

Current Situation

Prior to the authorization of any TDTs, the levy must be approved by a countywide referendum held at a general election[60] and approved by a majority of the electors voting in the county.[61] A referendum to reenact an expiring TDT must be held at a general election occurring within the 48-month period immediately preceding the effective date of the reenacted tax and the referendum may only appear on the ballot once with the 48-month period.

Each county proposing to levy the original 1 or 2 percent tax must adopt an ordinance for the levy and imposition of the tax,[62] which must include a plan for tourist development prepared by the tourist development council.[63] 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.[64] 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.[65]

Depending on a county's eligibility to levy such taxes, the maximum potential tax rate varies:

- The original TDT may be levied at the rate of 1 or 2 percent.[66]
- An additional 1 percent tax may be levied by counties who have previously levied the original TDT at the 1 or 2 percent rate for at least three years.[67]

[55] S. 212.055(4)(a)3., F.S.
[56] S. 212.055(4)(a)1., F.S.
[57] Currently this is only Duval County.
[58] S. 125.0104, F.S.
[59] S. 125.0104(3)(a)(1), F.S. considers "transient rental" to be the rental or lease of any accommodation for a term of six months or less.
[60] See generally s. 125.0104, F.S.
[61] *Id.*
[62] S. 125.0104(4)(a), F.S.
[63] S. 125.0104(4), F.S.
[64] *See* s. 125.0104(4), F.S.
[65] *See* s. 125.0104(4), F.S. The provisions found in s. 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.
[66] S. 125.0104(3)(c), F.S. All sixty-seven of Florida's counties are eligible to levy this tax, but only sixty-two counties have done so, all at a rate of 2 percent. Office of Economic & Demographic Research (EDR), *County Tax Rates: CY 2007-2024*, available at http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm (last visited February 10, 2024). These counties are estimated to realize $709 million in revenue from these taxes in the 2023-24 fiscal year. EDR, *2023 Local Government Financial Information Handbook* (January 2024), p. 259, http://edr.state.fl.us/Content/local-government/reports/lgfih23.pdf (last visited February 10, 2024).

- A high tourism impact tax may be levied at an additional 1 percent.[68]
- A professional sports franchise facility tax may be levied up to an additional 1 percent.[69]
- 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.[70]

Effect of Proposed Changes

The bill provides that ordinances that levy and impose a TDT expire six years after the date the ordinance is approved in a referendum, but may be renewed for a subsequent period of up to six years if approved in a referendum. Further, any TDT in effect on June 30, 2024, must be renewed by an ordinance approved in a referendum on or before July 1, 2029, to remain in effect. In order to avoid impairment of existing local debt obligations, the bill provides exceptions for current levies if such levies have been pledged for debt service.

TDT Transfer in Areas of Critical State Concern

Current Situation

Tourist Development Tax Uses

Current law authorizes counties to levy and spend TDTs as a mechanism for funding a variety of tourist-related uses, including tourism promotion, financing and constructing of public facilities needed to increase tourist-related business activities in the county, beach restoration and maintenance projects, convention centers, and professional sports franchise facilities.[71] Such uses are tied to the specific TDT being levied.

Tourist Impact Tax

In addition to tourist development tax, any county that has created a land authority may levy a tourist impact tax of 1 percent on all transient rental facilities within the county located in areas designated as an area of critical state concern.[72] If more than 50 percent of the land area of the county is located in an area of critical state concern, the tax may be levied countywide. The proceeds of the tax are used to purchase property in the area of critical state concern and to offset the loss of ad valorem taxes due to those land acquisitions.[73] Currently, Monroe County is the only county eligible to levy this tax.[74]

Effect of Proposed Changes

The bill provides for a county that has been designated as an area of critical state concern that levies a tourist development tax and a tourist impact tax to use its accumulated surplus from those taxes collected through September 30, 2024, for the purpose of providing affordable housing for employees

---

[67] S. 125.0104(3)(d), F.S. Fifty-six of the eligible fifty-nine counties levy this tax, with an estimated 2023-24 state fiscal year collection of $291 million in revenue. EDR, *2023 Local Government Financial Information Handbook* (January 2024), p. 263, http://edr.state.fl.us/Content/local-government/reports/lgfih23.pdf (last visited February 10, 2024).
[68] S. 125.0104(3)(m), F.S. Ten of the fourteen eligible counties levy this tax, with an estimated 2023-24 state fiscal year collection of $201 million in revenue. *Id.* at p. 269.
[69] S. 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-six of the sixty-seven eligible counties levy this additional tax, with an estimated 2023-24 state fiscal year collection of $330 million in revenue. *Id.* at p. 267.
[70] S. 125.0104(3)(n), F.S. Thirty-six of sixty-five eligible counties levy the additional professional sports franchise facility tax, with an estimated 2023-24 state fiscal year collection of $252 million in revenue. *Id*. at p.273.
[71] S. 125.0104, F.S.
[72] S. 125.0108, F.S.
[73] S. 125.0108(3), F.S.
[74] Office of Economic and Demographic Research, *2023 Florida Tax Handbook*, 306 http://edr.state.fl.us/Content/revenues/reports/tax-handbook/taxhandbook2023.pdf (last visited Feb. 10, 2024).

of tourism-related businesses in the county. Any housing financed with funds from this surplus must be used as affordable housing for a minimum of 99 years.

Local Food and Beverage Tax - Votes Needed in Referendum

Current Situation

In 1967, Florida authorized the municipal resort tax.[75] The law authorized cities and towns meeting certain population requirements located within counties also meeting certain population requirements to levy the tax.[76] The tax could be levied on rentals of hotel rooms and similar accommodations, and it could also be levied on sales of food and certain beverages.[77]

The municipal resort tax continues to be levied today in the cities of Bal Harbour, Surfside, and Miami Beach, all of which are located within Miami-Dade County.

Florida has since authorized Miami Dade County to levy the local option food and beverage tax.[78] The local option food and beverage tax consists of two taxes: a 2 percent tax on the sale of food, beverages, and alcoholic beverages sold in hotels and motels, and a 1 percent tax on the sale of food, beverages, and alcoholic beverages sold at an establishment licensed by the state to sell alcoholic beverages on site.[79]

In 2023, the Legislature authorized the imposition of the 1 percent local option food and beverage tax in a city or town that levies the municipal resort tax if the levy is approved by referendum in the city or town at a general election.[80]

Effect of Proposed Changes

The bill makes a technical change to clarify that in a referendum to adopt a 1 percent local option food and beverage tax in a city or town that levies the municipal resort tax, the ordinance must pass by a majority vote of the voters voting in the election, rather than by a majority of the registered voters.

Corporate Income Tax

Florida levies a 5.5 percent tax on the taxable income of corporations and financial institutions doing business in Florida.[81] Florida utilizes the taxable income determined for federal income tax purposes as a starting point to determine the total amount of Florida corporate income tax due.[82] This means that a corporation paying taxes in Florida generally receives the same benefits from deductions allowed when determining taxable income for federal tax purposes as it does when determining taxable income for state taxation purposes, unless the state chooses not to adopt specific federal provisions.

Adoption of the Internal Revenue Code

Current Situation

Florida maintains its relationship with the federal Internal Revenue Code (IRC) by annually adopting the IRC as it exists on January 1.[83] By doing this, Florida adopts any changes related to determining federal taxable income that were made during the previous year. However, a state may choose to not

[75] Ch. 67-930, L.O.F.
[76] S. 1, ch. 67-930, L.O.F.
[77] S. 1, ch. 67-930, L.O.F.
[78] S. 212.0306, F.S.
[79] S. 212.0306(1), F.S.
[80] S. 21, ch. 2023-157, L.O.F.
[81] S. 220.11(2), F.S.
[82] S. 220.12, F.S.
[83] Ss. 220.03(1)(n) and (2)(c), F.S.

adopt or to "decouple" from particular changes made to the IRC in the prior year, and instead specify its own treatment of the issue, or allow the previous IRC treatment to continue for Florida tax purposes.

Effect of Proposed Changes

The bill updates the Florida corporate income tax code by adopting the IRC as in effect on January 1, 2024.

This section of the bill is effective upon becoming law and applies retroactively to January 1, 2024.

Individuals with Unique Abilities Tax Credit

Current Situation

The Legislature adopted a number of provisions in 2016 aimed at improving the quality of life and integration of individuals with disabilities in the workforce.[84] These included modifying the state's equal employment opportunity policy to provide enhanced executive agency employment opportunities for those with a disability; creating the Employment First Act, which requires certain state agencies and organizations to develop an agreement to improve employment outcomes for those with a disability;[85] and creating the Florida Unique Abilities Partner Program to recognize businesses that demonstrate commitment to the independence of individuals who have a disability through employment or support.[86]

Effect of Proposed Changes

The bill creates s. 220.19912, F.S., providing for a corporate income tax credit for corporations that employ individuals with disabilities in this state. The credit is for $1 per hour worked, up to $1,000 per employee per year. The maximum amount of credit that can be earned by a corporation in any year is $10,000, and unused credits may be carried forward for up to five taxable years. The maximum credit amount that can be awarded statewide is $5 million per state fiscal year. The credit is available for three fiscal years, 2024-25, 2025-26, and 2026-27.

The bill amends s. 220.02(8), F.S., to include the new tax credit at the end of the Legislature's intended order of tax credit application.

Credits Available Against Multiple Taxes

Strong Families Tax Credit Program

Current Situation

The Strong Families Tax Credit Program, established in s. 402.62, F.S., was created in 2021 to provide tax credits for businesses that make monetary donations to certain eligible charitable organizations that provide services focused on child welfare and well-being.[87] The organizations are certified by the Department of Children and Families (DCF).[88] The tax credits are a dollar-for-dollar credit against the business's 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 on

[84] Ch. 2016-3, L.O.F.
[85] The Employment First Florida website is available at https://www.employmentfirstfl.org/ (last visited February 7, 2024).
[86] The Unique Abilities Partner Program is housed within the Department of Commerce; additional information is available at https://floridajobs.org/unique-abilities-partner-program (last visited February 7, 2024).
[87] Ch. 2021-31., L.O.F.
[88] *See,* https://www.myflfamilies.com/about/strong-families-tax-credit (last visited Feb. 4, 2024).

beer, wine and spirits.[89] The credit is equal to 100 percent of the eligible contributions made to the charitable organization.

Businesses that wish to participate in the program by making a donation to an eligible charitable organization must apply to DOR for an allocation of tax credit available for a given fiscal year.[90] The application period begins at 12:01am on January 1st each year. The taxpayer must specify in the application each tax for which the taxpayer requests a credit, the applicable taxable year for a credit under ss. 220.1877 or 624.51057, F.S., relating to the corporate income and insurance premium tax credits, and the applicable state fiscal year for a credit under ss. 211.0253, 212.1834, or 561.1213, F.S., relating to oil and gas production, direct pay permit sales, and alcoholic beverage tax credits, respectively.[91] In 2023, the Legislature increased the annual tax credit cap for all credits under this program from $10 million to $20 million per state fiscal year.[92] DOR is required to approve the tax credits on a first-come, first-served basis and must obtain the approval of DBPR before approving an alcoholic beverage tax credit under s. 561.1213, F.S.[93]

Effect of Proposed Changes

The bill increases the annual cap for the Strong Families program from $20 million per state fiscal year to $40 million per state fiscal year, beginning in Fiscal Year 2024-25.

The bill also provides that the application window for the Strong Families tax credit begins at 9 a.m. on the first day of the calendar year preceding the fiscal year that is not a Saturday, Sunday, or legal holiday, beginning in Fiscal Year 2025-26. For Fiscal Year 2024-25, taxpayers may apply for the additional $20 million credit beginning at 9:00 a.m. on July 1, 2024.

Ad Valorem Taxation

The ad valorem tax, or "property tax," is an annual tax levied by local government. The Florida Constitution prohibits the state from levying ad valorem taxes on real property,[94] and instead authorizes local governments, including counties, school districts, and municipalities to levy ad valorem taxes. Special districts may also be given this authority by law.[95]

The property appraiser annually determines the "just value"[96] of property within the taxing authority and then applies relevant exclusions, assessment limitations, and exemptions to determine the property's "taxable value."[97] Tax bills are mailed in November of each year, and payment is due by March 31.[98] The tax is based on the taxable value of property as of January 1 of each year.[99]

Ad valorem taxes are also levied on certain tangible personal property (TPP). "Tangible personal property" means 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.[100] All tangible personal

[89] S. 402.62, F.S., along with ss. 211.0253, 212.1834, 220.1877, 561.1213, and 624.51057, F.S.
[90] S. 402.62(5)(b), F.S.
[91] S. 402.62(5)(b)1., F.S.
[92] Ch. 2023-157, s. 38, L.O.F.; S. 402.62(5)(a), F.S.
[93] S. 402.62(5)(b)1., F.S.
[94] Art. VII, s. 1(a), Fla. Const.
[95] Art. VII, s. 9., Fla. Const.
[96] Property must be valued at "just value" for purposes of property taxation, unless the Florida Constitution provides otherwise. (Art. VII, s. 4, Fla. Const.). 4. Just value has been interpreted by the courts to mean the fair market value that a willing buyer would pay a willing seller for the property in an arm's-length transaction. See Walter v. Shuler, 176 So. 2d 81 (Fla. 1965); Deltona Corp. v. Bailey, 336 So. 2d 1163 (Fla. 1976); Southern Bell Tel. & Tel. Co. v. Dade County, 275 So. 2d 4 (Fla. 1973).
[97] Ss. 192.001(2) and (16), F.S.
[98] Ss. 197.322 and 197.333, F.S.
[99] S. 192.042, F.S.
[100] S. 192.001(11)(d), F.S.

property is subject to ad valorem taxation unless expressly exempted.[101] Household goods and personal effects,[102] items of inventory,[103] and up to $25,000 of assessed value for each tangible personal property tax return[104] are exempt from ad valorem taxation.

TPP taxes apply to persons conducting business operations. Anyone who owns TPP and has a proprietorship, partnership, corporation, who leases, lends, or rents property, or who is a self-employed agent or contractor, must file a TPP return to the property appraiser by April 1 each year.[105]

Tax Benefits for Property and Equipment used in Renewable Natural Gas Production

Current Situation

Limitations on Assessment of Real Property

Current law prohibits a property appraiser who is determining the assessed value of real property from considering any increase in the just value of residential property or 80 percent of the just value of non-residential property attributable to the installation of a renewable energy source device.[106] This law applies to a renewable energy source device installed on or after January 1, 2013, on new and existing residential real property, and to a renewable energy source device installed on or after January 1, 2018, to all other real property.[107] The statute defines the term "renewable energy source device" to mean any of the following equipment that collects, transmits, stores, or uses solar energy, wind energy, or energy derived from geothermal deposits:

- Solar energy collectors, photovoltaic modules, and inverters;
- Storage tanks and other storage systems, excluding swimming pools used as storage tanks;
- Rockbeds;
- Thermostats and other control devices;
- Heat exchange devices;
- Pumps and fans;
- Roof ponds;
- Freestanding thermal containers;
- Pipes, ducts, refrigerant handling systems, and other equipment used to interconnect such systems; however, such equipment does not include conventional backup systems of any type;
- Windmills and wind turbines;
- Wind-driven generators;
- Power conditioning and storage devices that use wind energy to generate electricity or
- mechanical forms of energy; and
- Pipes and other equipment used to transmit hot geothermal water to a dwelling or structure from a geothermal deposit.[108]

Partial Exemption of Tangible Personal Property

Tangible personal property (TPP) taxes apply to persons conducting business operations. Anyone who owns TPP and has a proprietorship, partnership, corporation, who leases, lends, or rents property, or who is a self-employed agent or contractor, must file a TPP return to the property appraiser by April 1

[101] S. 196.001(1), F.S.
[102] S. 196.181, F.S.
[103] S. 196.185, F.S.
[104] S. 196.183, F.S.
[105] S. 193.062, F.S.; *see also* FLA. DEP'T OF REVENUE, *Tangible Personal Property*, https://floridarevenue.com/property/Pages/Taxpayers_TangiblePersonalProperty.aspx (last visited Feb. 10, 2024).
[106] S. 193.624(2), F.S.
[107] S. 193.624(3), F.S.
[108] S. 193.624(1), F.S.

each year.[109] Each tangible personal property tax return is eligible for an exemption from ad valorem taxation of up to $25,000 of assessed value.[110] A single return must be filed for each site in the county where the owner of tangible personal property transacts business.[111]

Current law provides an ad valorem tax exemption of 80 percent of the assessed value of a renewable energy source device that is considered TPP, so long as the renewable energy source device[112]:

- Is installed on real property on or after January 1, 2018;
- Was installed before January 1, 2018, to supply a municipal electric utility located within a consolidated government; or
- Was installed after August 30, 2016, on municipal land as part of a project incorporating other renewable energy source devices under common ownership on municipal land for the sole purpose of supplying a municipal electric utility with specified megawatts of power.

Biogas and Renewable Natural Gas

Renewable Natural Gas (RNG) is biogas[113] that has been upgraded or refined for use in place of fossil natural gas. Under Florida Law, RNG is defined in s. 366.91(f) F.S., as "anaerobically generated biogas, landfill gas, or wastewater treatment gas refined to a methane content of 90 percent or greater which may be used as a transportation fuel or for electric generation or is of a quality capable of being injected into a natural gas pipeline."[114]

Sources of biogas that are later refined to produce RNG include organic waste from food, agriculture, wastewater treatment and landfills.[115] In order to complete the process of converting biogas into RNG, facilities capture the biogas, "clean" it to pipeline standards, and then inject it into the pipeline for customer use.[116] At least three facilities in Florida are converting biogas into RNG,[117] with more in development.[118]

Effect of Proposed Changes

The bill expands the ad valorem tax benefits for renewable energy source devices to include facilities used to capture and convert biogas to RNG. Specifically, it expands the definition of "renewable energy source device" used by both ss. 193.624 and 196.182, F.S., to include equipment that collects, transmits, stores or uses energy derived from biogas, as defined in s. 366.91, F.S. Under the bill, such equipment includes pipes, equipment, structural facilities, structural support, and any other machinery integral to the interconnection, production, storage, compression, transportation, processing, and

[109] S. 193.062, F.S.; *see also* FLA. DEP'T OF REVENUE, *Tangible Personal Property*, https://floridarevenue.com/property/Pages/Taxpayers_TangiblePersonalProperty.aspx (last visited February 4, 2024).
[110] S. 196.183(1), F.S.
[111] S. 196.183(1), F.S.
[112] S. 196.182(1), F.S.; However, s. 196.182(2), F.S., does not allow an exemption on a device installed in a fiscally constrained county if there was an application for a comprehensive plan amendment or planned unit development zoning filed with the county on or before December 31, 2017.
[113] Section 366.91(2)(a), F.S. defines biogas as "a mixture of gases produced by the biological decomposition of organic materials which is largely comprised of carbon dioxide, hydrocarbons, and methane gas."
[114] *See also* s. 212.08(5)(v)1., F.S.
[115] U.S. Environmental Protection Agency, *An Overview of Renewable Natural Gas from Biogas*, *available at* https://www.epa.gov/sites/default/files/2020-07/documents/lmop_rng_document.pdf (last visited February 4, 2024).
[116] Presentation on Florida's Energy Future (Liquefied Natural Gas, Renewable Natural Gas, and Small Modular Reactors), Tampa Electric Company (Dec. 6, 2023), slide 5, available at https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=3226&Session=2024&DocumentType=Meeting+Packets&FileName=ecc+12-6-23.pdf (last visited February 4, 2024).
[117] *Id*. at slide 10, 12-16.
[118] Nasdaq, *Chesapeake Utilities Corporation to Develop its First RNG Facility in Florida* (Feb. 21, 2023), https://www.nasdaq.com/press-release/chesapeake-utilities-corporation-to-develop-its-first-rng-facility-in-florida-2023-02 (last visited February 4, 2024) (Chesapeake Utilities Corporation is installing a dairy manure renewable natural gas facility in Madison County, Florida).

conversion of biogas from landfill waste, livestock farm waste, including manure, food waste, or treated wastewater into renewable natural gas as defined in s. 366.91, F.S.

The bill clarifies that equipment on the distribution or transmission side of the point at which a renewable energy source device is interconnected to a natural gas pipeline or distribution system is not a renewable energy source device.

The expanded benefits affect existing facilities that otherwise meet the timing requirements of current law and facilities under construction, along with future facilities.

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.[119] All tangible personal property is subject to ad valorem taxation unless expressly exempted.[120] Household goods and personal effects,[121] items of inventory,[122] and up to $25,000 of assessed value for each tangible personal property tax return[123] 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.[124]

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.

Effect of Proposed Changes

The bill amends s. 192.001(11)(d), F.S., to clarify that for the purpose of taxing tangible personal property constructed or installed by an electric utility, construction work in progress is not deemed substantially completed unless all permits or approvals required for commercial operation have been received or approved.

Documentary Stamp Tax

Florida levies a documentary stamp tax on certain documents executed, delivered, or recorded in Florida. The most common examples are documents that transfer an interest in Florida real property, such as deeds; and mortgages and written obligations to pay money, such as promissory notes.[125]

The tax on deeds and other documents related to real property is 70 cents per $100,[126] and the tax on bonds, debentures, certificates of indebtedness, promissory notes, nonnegotiable notes, and other

[119] S. 192.001(11)(d), F.S.
[120] S. 196.001(1), F.S.
[121] S. 196.181, F.S.
[122] S. 196.185, F.S.
[123] S. 196.183, F.S.
[124] S. 193.062, F.S.; *see also* DOR, Tangible Personal Property, https://floridarevenue.com/property/Pages/Taxpayers_TangiblePersonalProperty.aspx (last visited Feb. 10, 2024).
[125] Florida Department of Revenue, *Florida Documentary Stamp Tax, available at* https://floridarevenue.com/taxes/taxesfees/pages/doc_stamp.aspx (last visited Feb. 9, 2024).
[126] S. 201.02(1)(a), F.S.

written obligations to pay money is 35 cents per $100.[127] Documentary stamp taxes levied on promissory notes, nonnegotiable notes, and written obligations may not exceed $2,450.[128]

Reverse Mortgages

Current Situation

Equity conversion mortgages (reverse mortgages) give older homeowners the option to borrow money in an amount based on their home's equity.[129] When the homeowner moves or dies, the proceeds from the sale of the home are used to pay off the reverse mortgage loan.[130] Reverse mortgages are regulated by the U.S. Department of Housing and Urban Development (HUD), and the only federally insured reverse mortgage product is the Home Equity Conversion Mortgage.[131]

The principal limit amount is the maximum amount that a homeowner can borrow under the loan.[132] In calculating the principal limit amount, lenders look to the "maximum claim amount," which is the lesser of the appraised value of the home, the sale price of the home being purchased, or the maximum limit that HUD will insure ($1,089,300).[133] HUD requires certain reverse mortgage lenders to state the maximum mortgage amount as 150 percent of the maximum claim amount in the mortgage documents.[134] This amount is required because the loan payments are secured not only by the current value of the house but also by any possible appreciation in value.[135]

In Florida, if a mortgage is recorded in the state, it is subject to the documentary stamp tax on the full amount of the obligation secured by the mortgage, regardless of whether the indebtedness is contingent.[136] Currently, the documentary stamp tax is applied to the entire mortgage obligation amount rather than being applied to the principal limit amount.

Effect of Proposed Changes

For reverse mortgages, the bill requires the documentary stamp tax to be applied to the principal limit amount and not the entire mortgage obligation amount. The bill defines "principal limit," and requires the documentary stamp tax be calculated on the principal limit at the time of closing. The bill clarifies that the changes to the act apply retroactively, but do not create a right to a refund or credit of any tax paid before the effective date of the act.

Tax Administration

Extension of Filing Times

Current Situation

Florida Sales and Use Tax Filings

---

[127] Ss. 201.07 and 201.08(1)(b), F.S.
[128] S. 201.08(1)(a), F.S.
[129] Federal Trade Commission, *Reverse Mortgages*, https://consumer.ftc.gov/articles/reverse-mortgages (last visited Feb. 9, 2024).
[130] *Id*.
[131] *Id*.
[132] Consumer Financial Protection Bureau, *Reverse Mortgages Key Terms*, https://www.consumerfinance.gov/consumer-tools/reverse-mortgages/answers/key-terms/ (last visited Feb. 9, 2024).
[133] *Id*.
[134] U.S. Department of Housing and Urban Development, *Home Equity Conversion Mortgages Handbook*, ch. 6.6, available at: https://www.hud.gov/sites/documents/42351C6HSGH.PDF (last visited Feb. 10, 2024).
[135] *Id*.
[136] Rule 12B-4.052(1)(b), F.A.C.

Dealers are businesses and entities that collect state sales tax on items and services the dealer sells. Dealers estimate their tax liability and remit the sales tax to the Department of Revenue, usually on a monthly basis.[137] Dealers are required to file a return and remit the taxes owed to the state by the 20th day of each month.[138] Failure by a dealer to timely file a return or remit the tax owed results in a penalty in the amount of 10 percent of the tax shown on the return.[139] However, the Executive Director of the Department of Revenue has the authority to extend the stipulated due date for tax returns and accompanying tax payments if there is a declared state of emergency.[140]

Corporate Income Tax Return Filings

A corporate income taxpayer is required to file a Florida income tax return in every year that it is liable for Florida corporate income tax or is required to file a federal income tax return.[141] The due dates to file several tax returns related to corporate income tax are tied to the federal law. When a Florida corporation is granted an extension of time to file its federal return, the taxpayer may file an extension of time to file its Florida return. If granted, the extended Florida due date will be the 15th day after the expiration of the 6-month federal extension.[142] the Executive Director of the Department of Revenue has the authority to extend the stipulated due date for tax returns and accompanying tax payments if there is a declared state of emergency.[143] In addition, the Department of Revenue can grant an extension or extensions of time for the filing of any return for good cause upon request.[144]

Effect of Proposed Changes

The bill requires the Department of Revenue to grant an automatic 10-day extension from the due date for filing a return and remitting sales tax if a declaration of a state of emergency is issued by the Governor within 5 business days before the 20th day of the month. The extension only applies to taxpayers within the counties affected by the state of emergency.

The bill requires the Department of Revenue to grant a 15-day automatic extension for Florida corporate income tax returns beyond the due date of a federal corporate income tax return that has been extended by the IRS due to a federally-declared disaster.

Sales Tax Collection Enforcement Diversion Program

Current Situation

The Department of Revenue, in cooperation with the Florida Association of Centers for Independent Living (FACIL) and the Florida Prosecuting Attorneys Association, was required to select judicial circuits to participate in the tax collection enforcement diversion program.[145] That program required state attorney's offices to collect revenue due from persons who have not remitted their collected sales tax. Seventy-five percent of the funding collected through this program is deposited into a special account to administer the James Patrick Memorial Work Incentive Personal Attendant Services and Employment Assistance Program (JP-PAS Program).[146]

[137] S. 212.11 (1), F.S.
[138] S. 212.11(1)(b), F.S.
[139] S. 212.12(2)(a), F.S.
[140] S. 213.055(2)(a), F.S.
[141] S. 220.22, F.S.
[142] For corporate taxpayers with a taxable year ending on June 30th, the extension is 15 days 7 months from the original due date. S. 220.222(2)(d), F.S.
[143] S. 213.055(2)(a), F.S.
[144] S. 220.222(1)(b), F.S.
[145] S. 413.4021, F.S.
[146] S. 413.4021(1), F.S.

The tax collection enforcement diversion program is operated in state attorney's offices in the following eight Florida circuits: [147]

The Fourth Judicial Circuit (Clay, Duval, Nassau).
The Sixth Judicial Circuit (Pasco, Pinellas).
The Ninth Judicial Circuit (Orange, Osceola).
The Eleventh Judicial Circuit (Miami-Dade).
The Thirteenth Judicial Circuit (Hillsborough).
The Fifteenth Judicial Circuit (Palm Beach).
The Seventeenth Judicial Circuit (Broward).
The Twentieth Judicial Circuit (Charlotte, Collier, Glades, Hendry, Lee).

The JP-PAS Program assists individuals employed in Florida, or in counties adjacent to Florida, with Personal Care Attendant (PCA) services that assist them with activities of daily living, such as dressing, grooming, or eating.[148] The JP-PAS Program is administered by the Florida Association of Centers for Independent Living (FACIL) and provides participants with reimbursement for expenses for PCA services, up to $2,160 a month.[149]

Prior to 2021, 50 percent of the revenue from the tax collection enforcement diversion program was given to FACIL for the administration of the JP-PAS Program.[150] In 2021, the Legislature increased the amount to 75 percent of the revenue going to FACIL.[151]

The Revenue Estimating Conference (REC) estimated[152] that the sales tax collection enforcement diversion program will generate approximately $3.6 million in revenue in Fiscal Year 2023-24. The REC projects that the revenue from the sales tax collection enforcement diversion program will remain flat for the next five years.[153]

Effect of Proposed Changes

The bill increases the percentage of revenue from the sales tax collection enforcement diversion program that is provided to FACIL for the administration of the JP-PAS Program from 75 percent to 100 percent.

Distribution for Horse Breeding and Racing Promotion

Current Situation

Sales Tax Distributions

The disposition of sales and use taxes, certain communications services taxes, and certain gross receipts taxes[154] is provided for in s. 212.20, F.S. That statute provides the reallocation of tax revenue to a series of trust funds,[155] distributions to the General Revenue Fund,[156] and other distributions in

[147] Florida Association of Centers for Independent Living, *The James Patrick Memorial Work Incentive Personal Attendant Services and Employment Assistance Program Policies and Procedures for Program Participants*, available at: https://floridacils.org/pca-services-program/ (last visited Feb. 3, 2024).
[148] S. 413.402, F.S
[149] *Id*.
[150] S. 413.4021, F.S.
[151] The remaining 25 percent of the revenue from the tax collection enforcement diversion program is placed into General Revenue for the state.
[152] The Revenue Estimating Conference is required to annually project the amount of funds expected to be generated from the tax collection enforcement diversion program pursuant to s. 413.4021(3), F.S.
[153] Revenue Estimating Conference, *Tax Collection Enforcement Diversion Program*, available at: http://edr.state.fl.us/Content/conferences/generalrevenue/taxcollectiondivprog.pdf (last visited Feb. 3, 2024).
[154] S. 212.20(6), F.S., provides distribution requirements for chapter 212, communications services tax under ss. 202.18(1)(b) and (2)(b), and gross receipts taxes under s. 203.01(1)(a)3., F.S.
[155] E.g., s. 212.20(6)(a) and (b), F.S.
[156] E.g., s. 212.20(6)(c)1., F.S.

accordance with other sections of law (e.g., to the Revenue Sharing Trust Funds for Counties and Municipalities).[157]

Horse Breeding and Racing in Florida

The Florida horse industry generates an annual $6.8 billion impact on the gross domestic product of Florida, along with providing nearly 250,000 jobs. The Florida Thoroughbred industry has, in addition to the economic impact, produced one Triple Crown winner, six Kentucky Derby winners, seven Preakness winners, six Belmont Stakes winners, and 52 national champions.

The Florida Thoroughbred Breeders' and Owners' Association (sometimes styled as the "Florida thoroughbred Breeders' Association, Inc.") is a not-for-profit that represents more than 1,300 thoroughbred breeders and owners in Florida. The Association works with the Florida Department of Agriculture and Consumer Services to promote and market the industry both nationally and internationally, as well as providing awards to promote Florida Thoroughbreds in the industry.

The Florida Horseman's Benevolent & Protective Association (sometimes styled as the "Florida Thoroughbred Horsemen's Association), is a not-for profit representing more than 5,000 Thoroughbred horse owners and trainers who do business in Florida. The organization promotes relationships with racetracks, community, and government.

The horseman's association representing the majority of the thoroughbred racehorse owners and trainers at any particular facility received a 1 percent distribution from the purses at that facility for authorized uses. The awards for breeders, trainers, and owners are generally provided for in statute, although the specific awards, procedures, and payments may vary according to adopted plans.

Tampa Bay Downs is one of America's oldest and most well-maintained tracks, and is the only Thoroughbred race track on the west coast of Florida. It opened in 1926, and has been used for Thoroughbred racing for most of the intervening years, subject to economic downturns, wars, and natural disasters.

Gulfstream Park Racing, located between Fort Lauderdale and Miami, has been in operation since the 1940s, and is probably most well known as the host of the G1 Florida Derby, a race that has produced the Kentucky Derby winner 24 times in 65 years.

Florida Agricultural Promotional Campaign

In 1990, the Legislature created the Florida Agricultural Promotional Campaign Trust Fund to support the Florida Agricultural Promotional Campaign.[158] The goal of the campaign was to "increase consumer awareness and expand the market for Florida's agricultural products."[159] The Trust Fund, within the Department of Agriculture and Consumer Services, holds funding for implementing the Florida Agricultural Promotional Campaign.[160] The campaign is probably best well known for the "Fresh From Florida" marketing campaign and related logos.[161]

In 2023, the Legislature enacted a provision to distribute $27.5 million of General Revenue to the Florida Agricultural Promotional Campaign Trust Fund for the promotion of Florida thoroughbred breeding and racing in Florida for two years.[162] The Legislature required funds be distributed as follows:

- $5 million to the Florida Thoroughbred Breeders' Association, Inc., to be used for:

[157] E.g., ss. 212.20(6)(c)2., (d)3., 4., and 6., F.S.
[158] Ch. 90-323, L.O.F., s. 16
[159] S. 571.22, F.S.
[160] S. 571.26, F.S.
[161] More information about "Fresh From Florida" is available on the Department of Agriculture and Consumer Services website at https://www.fdacs.gov/Agriculture-Industry/Fresh-From-Florida-Industry-Membership (last visited Feb. 10, 2024).
[162] S. 39, ch. 2023-157, L.O.F.

- Purses or purse supplements for Florida-bred or Florida-sired horses that participate in Florida thoroughbred races.
- Awards to breeders of Florida-bred horses that win, place, or show in Florida thoroughbred races.
- Awards to owners of stallions who sired Florida-bred horses that win Florida thoroughbred stakes races, if the stallions are registered with the association as Florida stallions.
- Other racing incentives connected to Florida-bred or Florida-sired horses registered with the association that participate in thoroughbred races in Florida.
- Awards administration.
- Promotion of the Florida thoroughbred breeding industry.

- $5 million to Tampa Bay Downs, Inc., to be used as purses in thoroughbred races conducted at its pari-mutuel facilities and for the maintenance and operation of that facility, pursuant to an agreement with its local majority horsemen's group.
- $15 million to Gulfstream Park Racing Association, Inc., to be used as purses in thoroughbred races conducted at its pari-mutuel facility and for the maintenance and operation of its facilities, pursuant to an agreement with the Florida Horsemen's Benevolent and Protective Association, Inc.
- $2.5 million dollars to be distributed as follows:
  - $2 million dollars to Gulfstream Park Racing Association, Inc., to be used as purses and purse supplements for Florida-bred or Florida-sired horses registered with the association that participate in thoroughbred races at the permitholder's pari-mutuel facility, pursuant to a written agreement filed with the department establishing the rates, procedures, and eligibility requirements entered into by the permitholder, the association, and the Florida Horsemen's Benevolent and Protective Association, Inc.
  - $500,000 to Tampa Bay Downs, Inc., to be used as purses and purse supplements for Florida-bred or Florida-sired horses registered with the association that participate in thoroughbred races at the permitholder's pari-mutuel facility, pursuant to a written agreement filed with the department establishing the rates, procedures, and eligibility requirements entered into by the permitholder, the association, and the local majority horsemen's group at the permitholder's pari-mutuel facility.

The provision requiring these distributions will be repealed in 2025 unless reviewed and saved from repeal by the Legislature.[163]

Effect of Proposed Changes

The bill extends for two years the current distributions of $27.5 million in General Revenue in the same manner in which the funding is distributed now. The distributions will be repealed in 2027 unless reviewed and saved from repeal by the Legislature.

Technical Updates

Current Situation

The antiquated term "tax assessor" is used in several places in statute.

Effect of Proposed Changes

The bill makes technical changes to update antiquated language in statute. References to the "tax assessor" are updated with the terms "property appraiser" and "tax collector" as appropriate.

B. SECTION DIRECTORY:

[163] S. 212.20(5)(d)6.f., F.S.

Section 1: Amends s. 125.0104, F.S., revising the referendum requirements for levying tourist development taxes.

Section 2: Amends s. 192.001, F.S. clarifying when a construction work in progress project is deemed substantially completed if owned by an electric utility.

Section 3: Provides that the changes made under 192.001, F.S., first apply to the 2025 ad valorem tax roll.

Section 4: Amends s. 193.624, F.S., expanding a definition to include facilities used to convert biogas to renewable natural gas.

Section 5: Provides that the changes made under s. 193.624, F.S., first apply to the 2025 ad valorem tax roll.

Section 6: Amends s. 194.037, F.S., updating antiquated statutory language.

Section 7: Amends s. 201.08, F.S., requiring the documentary stamp tax be applied only to the principal limit amount of a home equity conversion mortgage.

Section 8: Provides that changes made under s. 201.08, F.S., apply retroactively, but no right is created to a refund or credit of tax paid before the effective date of the act.

Section 9: Amends s. 212.0306, F.S., clarifying that an ordinance to adopt a local option food and beverage tax in certain municipalities must pass by a majority vote of the voters voting in the election.

Section 10: Amending s. 212.031, F.S., reducing the business rent tax rate for one year.

Section 11: Amends s. 212.05, F.S., allowing for alternative taxation of motor vehicles when such vehicles will be used under certain long-term leases.

Section 12: Amending s. 212.055, F.S., revising referendum requirements for the levy of discretionary sales surtaxes. Removing language to allow consolidated counties to levy the indigent care and trauma center surtax.

Section 13: Amending s. 212.11, F.S., allowing sales tax return filing and remittance extensions if a disaster declaration occurs at a specified time.

Section 14: Amends s. 212.20, F.S., extending certain funding for the promotion of horse racing and breeding in the state.

Section 15: Amends s. 220.02, F.S., revising the order of tax credits to conform with other provisions of the bill.

Section 16: Amends s. 220.03, F.S., adopting the Internal Revenue Code in effect on January 1, 2024.

Section 17: Provides that changes made to s. 220.03, F.S., take effect upon becoming law and operate retroactively to January 1, 2024.

Section 18: Creates s. 220.1992, F.S., establishing a corporate income tax credit for employing individuals with disabilities in this state.

Section 19: Amends s. 220.222, F.S., allowing the filing deadline for corporate income returns to be extended during federally declared disasters.

Section 20: Amends s. 374.986, F.S., updating antiquated language.

Section 21: Amends s. 402.62, F.S., modifying the application timing under the Strong Families tax credit program and increasing the Strong Families tax credit cap.

Section 22: Clarifies duties of the Department of Revenue regarding the Strong Families tax credit application.

Section 23: Amends s. 413.4021, F.S., increasing the amount of revenue to be deposited from the Tax Collection Diversion Program.

Section 24: Amends s. 571.265, F.S., relating to distributions of General Revenue to promote horse racing and breeding and extending the repeal date.

Section 25: Provides exemptions from the sales and use tax for specified disaster preparedness supplies during specified timeframes.

Section 26: Provides exemptions from the sales and use tax for certain admissions to music events, sporting events, cultural events, specified performances, movies, museums, state parks, and fitness facilities, during specified timeframes and for certain boating and water activity, camping, fishing, general outdoor supplies, and pool supplies during a specified timeframe.

Section 27: Provides exemptions from the sales and use tax on the retail sale of certain clothing, wallets, bags, school supplies, learning aids, personal computers, and personal computer related accessories during a specified timeframe.

Section 28: Provides an exemption from sales and use tax on the retail sale of certain tools used by skilled trade workers during a specified timeframe.

Section 29: Provides for a county designated as an area of critical state concern to use surplus tourist development and impact taxes to provide affordable housing for certain individuals.

Section 30: Authorizes the Department of Revenue to adopt emergency rules to implement several provisions of the act.

Section 31: 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 provides for a number of temporary sales tax benefits: a 14-day sales tax holidays for back-to-school; two 14-day sales tax holidays for disaster preparation supplies; a one-month holiday for recreational items and activities; a 7-day sales tax holiday for skilled worker tools; and a reduction in the sales tax on commercial rent to 1.25 percent for one year. The bill also extends the sales tax filing and remittance deadlines if a state of emergency is declared within a certain period of time.

The bill also benefits corporate income taxpayers in Florida by creating a corporate income tax credit for businesses that hire persons with disabilities and extending filing deadlines when a federal disaster has been declared.

The bill expands the ad valorem tax benefits for renewable energy source devices to include facilities used to capture and convert biogas to renewable energy source devices.

D. FISCAL COMMENTS:

The Revenue Estimating Conference estimated the total state and local impact of the bill in Fiscal Year 2024-25 to be -$619.6 million (-$31.9 million recurring), of which -$519.4 million (-$24.2 million recurring) is on General Revenue, -$3.1 million (-$3.2 million recurring) is on state trust funds, and -$97.1 million (-$4.5 million recurring) is on local government (see following table). Nonrecurring General Revenue impacts in years beyond Fiscal Year 2024-25 total -$65.0 million. Total tax reductions embodied in the language are represented by the sum of the recurring impacts, reflecting the annual value of permanent tax cuts when fully implemented, and the pure nonrecurring impacts,

reflecting temporary tax reductions. The total of -$698.3 million in tax reductions in the bill is the sum of -$31.9 million (recurring), -$601.4 million (pure nonrecurring in Fiscal Year 2024-25), and -$65.0 million (pure nonrecurring after Fiscal Year 2024-25).

Fiscal Year 2024-25 Estimated Fiscal Impacts (Millions of $)

Tax Package	FY 2024-25 General Revenue Cash	General Revenue Recur	Trust Fund 1st Year	Trust Fund Recur	Local 1st Year	Local Recur	Total 1st Year	Total Recur
Sales Tax: Prepayment of Sales Tax on Motor Vehicle Leases	9.1	(1.1)	*	(*)	2.4	(0.2)	11.5	(1.3)
Sales Tax: Business Rent Tax - One Year Reduction to 1.25%	(273.3)	-	(*)	-	(35.4)	-	(308.7)	-
Sales Tax: Freedom Month Sales Tax Holiday	(71.4)	-	(*)	-	(19.1)	-	(90.5)	-
Sales Tax: Back-to-School Sales Tax Holiday	(76.7)	-	(*)	-	(20.5)	-	(97.2)	-
Sales Tax: Disaster Preparedness Sales Tax Holidays	(63.3)	-	(*)	-	(16.9)	-	(80.2)	-
Sales Tax: Tool Time Sales Tax Holiday	(15.7)	-	(*)	-	(4.1)	-	(19.8)	-
Sales Tax: Distribution for JP-PAS from recovered sales tax from Tax Collection Diversion Program	(0.8)	(0.8)	-	-	(0.1)	(0.1)	(0.9)	(0.9)
Ad Valorem: Renewable Energy Source Device Assessment Limitation	-	-	-	-	(0.5)	(1.3)	(0.5)	(1.3)
Ad Valorem: Construction Work in Progress	-	-	-	-	(2.9)	(2.9)	(2.9)	(2.9)
Corp. Inc. Tax: Adoption of the Internal Revenue Code	-	-	-	-	-	-	-	-
Corp. Inc. Tax: Persons with Unique Abilities Tax Credit - Three Years	(5.0)	-	-	-	-	-	(5.0)	-
Doc. Stamp Tax: Reverse Mortgages	(2.3)	(2.3)	(3.1)	(3.2)	-	-	(5.4)	(5.5)
Tourist Development Tax: Voter Approval of New and Existing TDT; Limited to 6 Years	-	-	-	-	-	-	-	-
Tourist Development Tax: One Time Use of Existing TDT Funds for Affordable Housing in Monroe County	-	-	-	-	-	-	-	-
Local Sales Taxes: Voter Approval of New Discretionary Sales Surtaxes; Limited to 10 Years	-	-	-	-	-	-	-	-
Local Sales Taxes: Allow Duval to Levy Indigent Care Sales Surtax	-	-	-	-	-	0/**	-	0/**
Local Option Tax: Local Food & Beverage Tax - Voter Clarification	-	-	-	-	-	-	-	-
Multiple Taxes: Strong Families - Increase Cap	(20.0)	(20.0)	-	-	-	-	(20.0)	(20.0)
Multiple Taxes: Automatic Extension of Time for Returns	-	-	-	-	-	-	-	-
FY 2024-25 Total	**(519.4)**	**(24.2)**	**(3.1)**	**(3.2)**	**(97.1)**	**(4.5)**	**(619.6)**	**(31.9)**

Non-recurring Impacts After FY 2024-25	General Revenue Cash	General Revenue Recur	Trust Fund Cash	Trust Fund Recur	Local Cash	Local Recur	Total Cash	Total Recur
Sales Tax: Distribution for Horse Breeding and Racing Promotion - 2 years extension	(55.0)	-	-	-	-	-	(55.0)	-
Corp. Inc. Tax: Persons with Unique Abilities Tax Credit - Three Years	(10.0)	-	-	-	-	-	(10.0)	-
Subtotal for Out Years	(65.0)	-	-	-	-	-	(65.0)	-
Bill Total	**(584.4)**	**(24.2)**	**(3.1)**	**(3.2)**	**(97.1)**	**(4.5)**	**(684.6)**	**(31.9)**

Pure Nonrecurring=	**(666.4)**
Recurring + Nonrecurring=	**(698.3)**

(*) Impact less than $100,000; (**) Impact is indeterminate; (+/-) impact could be positive or negative.

(1) Recurring tax cut total (excl. appropriations) = $ 31.9 million

Pure nonrecurring tax cuts in FY 2024-25= $601.4 million

Pure nonrecurring tax cuts after FY 2024-25= $ 65.0 million

$698.3 million

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

   The county/municipality mandates provision of Art. VII, s. 18 of the Florida Constitution may apply because this bill expands ad valorem tax benefits for renewable energy source devices to include facilities used to capture and convert biogas to renewable energy source devices, and the bill clarifies when a construction work in progress is deemed substantially completed for property owned by an electric utility; however, an exemption may apply if those provisions have an insignificant fiscal impact.

2. Other:

   None.

B. RULE-MAKING AUTHORITY:

The bill provides the Department of Revenue rulemaking authority to implement the creation of the Individuals with Unique Abilities corporate income tax credit. The bill also provides the Department of Revenue emergency rulemaking authority to implement several provisions of the act.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On February 14, 2024, the Ways & Means Committee adopted a technical amendment to more closely align the bill language with current law regarding local tax referenda.

This analysis is drafted to the bill as approved by the Ways & Means Committee.

A bill to be entitled

An act relating to taxation; amending s. 125.0104, F.S.; requiring specified ordinances to expire after a certain amount of time; authorizing the adoption of a new ordinance; requiring certain taxes to be renewed by a certain date to remain in effect; providing applicability; providing an exception; amending s. 192.001, F.S.; revising the definition of the term "tangible personal property" to specify the conditions under which certain work is deemed substantially completed; providing applicability; providing for retroactive operation; amending s. 193.624, F.S.; revising the definition of the term "renewable energy source device"; providing applicability; amending s. 194.037, F.S.; revising obsolete provisions; amending s. 201.08, F.S.; providing applicability; defining the term "principal limit"; requiring certain taxes to be calculated based on the principal limit at a specified event; providing retroactive operation; providing construction; amending s. 212.0306, F.S.; specifying the type of vote necessary for a certain tax levy; amending s. 212.031, F.S.; providing a temporary reduction in a specified tax rate; amending s. 212.05, F.S.; providing a sales tax exemption for certain leases and rentals; amending s. 212.055, F.S.;

revising the number of years that certain taxes may be levied; requiring approval of certain taxes in a referendum; removing a restriction on counties that may levy a specified tax; revising the date when a certain tax may expire; amending s. 212.11, F.S.; authorizing an automatic extension for filing returns and remitting sales and use tax when specified states of emergency are declared; amending s. 212.20, F.S.; extending the date a certain distribution will be repealed; amending s. 220.02, F.S.; revising the order in which credits may be taken to include a specified credit; amending s. 220.03, F.S.; revising the date of adoption of the Internal Revenue Code and other federal income tax statutes for purposes of the state corporate income tax; providing retroactive operation; creating s. 220.1992, F.S.; defining the terms "qualified employee" and "qualified taxpayer"; establishing a credit against specified taxes for taxpayers that employ specified individuals; providing the maximum amount of such credit; providing how such credit is determined; providing application requirements; requiring credits to be approved prior to being used; requiring credits to be approved in a specified manner; providing the maximum credit that may be claimed by a single taxpayer; authorizing

carryforward of credits in a specified manner; providing the maximum amount of credit that may be granted during specified fiscal years; authorizing the Department of Revenue to consult with specified entities for a certain purpose; authorizing rulemaking; amending s. 220.222, F.S.; providing an automatic extension of the due date for a specified tax return in certain circumstances; amending s. 374.986, F.S.; revising obsolete provisions; amending s. 402.62, F.S.; increasing the Strong Families Tax Credit cap; providing when applications may be submitted to the Department of Revenue; amending s. 413.4021, F.S.; increasing the distribution for a specified program; amending s. 571.265, F.S.; extending the date of a future repeal; exempting from sales and use tax specified disaster preparedness supplies during specified timeframes; defining terms; specifying locations where the tax exemptions do not apply; exempting from sales and use tax admissions to certain events, performances, and facilities, certain season tickets, and the retail sale of certain boating and water activity, camping, fishing, general outdoor, and residential pool supplies and sporting equipment during specified timeframes; providing definitions; specifying locations where the tax exemptions do not

apply; authorizing the Department of Revenue to adopt emergency rules; exempting from sales and use tax the retail sale of certain clothing, wallets, bags, school supplies, learning aids and jigsaw puzzles, and personal computers and personal computer-related accessories during specified timeframes; providing definitions; specifying locations where the tax exemptions do not apply; authorizing certain dealers to opt out of participating in the tax holiday, subject to certain requirements; authorizing the Department of Revenue to adopt emergency rules; exempting from the sales and use tax the retail sale of certain tools during a specified timeframe; specifying locations where the tax exemptions do not apply; authorizing the Department of Revenue to adopt emergency rules; requiring certain counties to use specified tax revenue for affordable housing; providing requirements for housing financed with such revenue; providing for distribution of such funds; authorizing the Department of Revenue to adopt emergency rules for specified provisions; providing for future repeal; providing effective dates.

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

Section 1. Paragraphs (f), (g), and (h) are added to subsection (4) of section 125.0104, Florida Statutes, to read:

125.0104 Tourist development tax; procedure for levying; authorized uses; referendum; enforcement.—

(4) ORDINANCE LEVY TAX; PROCEDURE.—

(f) An ordinance that levies and imposes a tax pursuant to this section expires 6 years after the date the ordinance is approved in a referendum, but may be renewed for subsequent 6-year periods if each 6-year period is approved in a referendum held pursuant to subsection (6).

(g) Any tax imposed pursuant to this section and in effect on June 30, 2024, must be renewed by an ordinance approved in a referendum held pursuant to subsection (6) on or before July 1, 2029, in order to remain in effect after July 1, 2029.

(h) The state covenants with holders of bonds or other instruments of indebtedness issued by counties before July 1, 2024, that it will not impair or materially alter the rights of those holders or relieve counties of the duty to meet their obligations as a result of previous pledges or assignments entered into under this section as it existed before July 1, 2024. Therefore, paragraph (g) does not apply in any case in which the proceeds of a tax levied pursuant to this section on or before June 30, 2024, have been pledged to secure and liquidate revenue bonds or revenue refunding bonds as authorized by this section, unless such bonds are retired before July 1,

2029. If the bonds are not retired on July 1, 2029, paragraph (g) shall apply as though July 1, 2029, was instead replaced with July 1 of the year following the retirement of such bonds.

Section 2. Paragraph (d) of subsection (11) of section 192.001, Florida Statutes, is amended to read:

192.001 Definitions.—All definitions set out in chapters 1 and 200 that are applicable to this chapter are included herein. In addition, the following definitions shall apply in the imposition of ad valorem taxes:

(11) "Personal property," for the purposes of ad valorem taxation, shall be divided into four categories as follows:

(d) "Tangible personal property" means all goods, chattels, and other articles of value (but does not include the vehicular items enumerated in s. 1(b), Art. VII of the State Constitution and elsewhere defined) capable of manual possession and whose chief value is intrinsic to the article itself. "Construction work in progress" consists of those items 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 shall be deemed substantially completed when connected with the preexisting, taxable, operational system or facility. For the purpose of tangible

personal property constructed or installed by an electric utility, construction work in progress shall not be deemed substantially completed unless all permits or approvals required for commercial operation have been received or approved. Inventory and household goods are expressly excluded from this definition.

Section 3. The amendment made by this act to s. 192.001, Florida Statutes, first applies to the 2024 property tax roll, and operates retroactively to January 1, 2024.

Section 4. Subsection (1) of section 193.624, Florida Statutes, is amended to read:

193.624 Assessment of renewable energy source devices.—

(1) As used in this section, the term "renewable energy source device" means any of the following equipment that collects, transmits, stores, or uses solar energy, wind energy, or energy derived from geothermal deposits or biogas, as defined in s. 366.91:

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

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

(c) Rockbeds.

(d) Thermostats and other control devices.

(e) Heat exchange devices.

(f) Pumps and fans.

(g) Roof ponds.

(h) Freestanding thermal containers.

(i) Pipes, ducts, wiring, structural supports, refrigerant handling systems, and other components used as integral parts of such systems; however, such equipment does not include conventional backup systems of any type or any equipment or structure that would be required in the absence of the renewable energy source device.

(j) Windmills and wind turbines.

(k) Wind-driven generators.

(l) Power conditioning and storage devices that store or use solar energy, wind energy, or energy derived from geothermal deposits to generate electricity or mechanical forms of energy.

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

(n) Pipes, equipment, structural facilities, structural support, and any other machinery integral to the interconnection, production, storage, compression, transportation, processing, and conversion of biogas from landfill waste, livestock farm waste, including manure, food waste, or treated wastewater into renewable natural gas as defined in s. 366.91.

The term does not include equipment that is on the distribution

or transmission side of the point at which a renewable energy source device is interconnected to an electric utility's distribution grid or transmission lines or a natural gas pipeline or distribution system.

Section 5. The amendments made by this act to s. 193.624, Florida Statutes, first apply to the 2025 property tax roll.

Section 6. Paragraph (f) of subsection (1) of section 194.037, Florida Statutes, is amended to read:

194.037 Disclosure of tax impact.—

(1) After hearing all petitions, complaints, appeals, and disputes, the clerk shall make public notice of the findings and results of the board as provided in chapter 50. If published in the print edition of a newspaper, the notice must be in at least a quarter-page size advertisement of a standard size or tabloid size newspaper, and the headline shall be in a type no smaller than 18 point. The advertisement shall not be placed in that portion of the newspaper where legal notices and classified advertisements appear. The advertisement shall be published in a newspaper in the county. The newspaper selected shall be one of general interest and readership in the community pursuant to chapter 50. For all advertisements published pursuant to this section, the headline shall read: TAX IMPACT OF VALUE ADJUSTMENT BOARD. The public notice shall list the members of the value adjustment board and the taxing authorities to which they are elected. The form shall show, in columnar form, for each of the

property classes listed under subsection (2), the following information, with appropriate column totals:

(f) In the sixth column, the net change in taxable value from the property appraiser's ~~assessor's~~ initial roll which results from board decisions.

Section 7. Subsections (6), (7), and (8) of section 201.08, Florida Statutes, are renumbered as subsections (7), (8), and (9), respectively, a new subsection (6) is added to that section, and paragraph (b) of subsection (1) of that section is republished, to read:

201.08 Tax on promissory or nonnegotiable notes, written obligations to pay money, or assignments of wages or other compensation; exception.—

(1)

(b) On mortgages, trust deeds, security agreements, or other evidences of indebtedness filed or recorded in this state, and for each renewal of the same, the tax shall be 35 cents on each $100 or fraction thereof of the indebtedness or obligation evidenced thereby. Mortgages, including, but not limited to, mortgages executed without the state and recorded in the state, which incorporate the certificate of indebtedness, not otherwise shown in separate instruments, are subject to the same tax at the same rate. When there is both a mortgage, trust deed, or security agreement and a note, certificate of indebtedness, or obligation, the tax shall be paid on the mortgage, trust deed,

or security agreement at the time of recordation. A notation shall be made on the note, certificate of indebtedness, or obligation that the tax has been paid on the mortgage, trust deed, or security agreement. If a mortgage, trust deed, security agreement, or other evidence of indebtedness is subsequently filed or recorded in this state to evidence an indebtedness or obligation upon which tax was paid under paragraph (a) or subsection (2), tax shall be paid on the mortgage, trust deed, security agreement, or other evidence of indebtedness on the amount of the indebtedness or obligation evidenced which exceeds the aggregate amount upon which tax was previously paid under this paragraph and under paragraph (a) or subsection (2). If the mortgage, trust deed, security agreement, or other evidence of indebtedness subject to the tax levied by this section secures future advances, as provided in s. 697.04, the tax shall be paid at the time of recordation on the initial debt or obligation secured, excluding future advances; at the time and so often as any future advance is made, the tax shall be paid on all sums then advanced regardless of where such advance is made. Notwithstanding the aforestated general rule, any increase in the amount of original indebtedness caused by interest accruing under an adjustable rate note or mortgage having an initial interest rate adjustment interval of not less than 6 months shall be taxable as a future advance only to the extent such increase is a computable sum certain when the document is

executed. Failure to pay the tax shall not affect the lien for any such future advance given by s. 697.04, but any person who fails or refuses to pay such tax due by him or her is guilty of a misdemeanor of the first degree. The mortgage, trust deed, or other instrument shall not be enforceable in any court of this state as to any such advance unless and until the tax due thereon upon each advance that may have been made thereunder has been paid.

(6) For a home equity conversion mortgage as defined in 12 CFR s. 1026.33(a), only the principal limit available to the borrower is subject to the tax imposed in this section. The maximum claim amount and the stated mortgage amount are not subject to the tax imposed in this section. As used in this subsection, the term "principal limit" means the gross amount of loan proceeds available to the borrower without consideration of any use restrictions. For purposes of this subsection, the tax must be calculated based on the principal limit amount determined at the time of closing as evidenced by the recorded mortgage or any supporting documents attached thereto.

Section 8. The amendment to s. 201.08, Florida Statutes, made by this act is intended to be remedial in nature and shall apply retroactively, but does not create a right to a refund or credit of any tax paid before the effective date of this act. For any home equity conversion mortgage recorded before the effective date of this act, the taxpayer may evidence the

principal limit using related loan documents.

Section 9. Paragraph (d) of subsection (2) of section 212.0306, Florida Statutes, is amended to read:

212.0306 Local option food and beverage tax; procedure for levying; authorized uses; administration.—

(2)

(d) Sales in cities or towns presently imposing a municipal resort tax as authorized by chapter 67-930, Laws of Florida, are exempt from the taxes authorized by subsection (1); however, the tax authorized by paragraph (1)(b) may be levied in such city or town if the governing authority of the city or town adopts an ordinance that is subsequently approved by a majority of the ~~registered~~ electors in such city or town voting in ~~at~~ a referendum held at a general election as defined in s. 97.021. Any tax levied in a city or town pursuant to this paragraph takes effect on the first day of January following the general election in which the ordinance was approved. A referendum to reenact an expiring tax authorized under this paragraph must be held at a general election occurring within the 48-month period immediately preceding the effective date of the reenacted tax, and the referendum may appear on the ballot only once within the 48-month period.

Section 10. Paragraph (f) is added to subsection (1) of section 212.031, Florida Statutes, to read:

212.031 Tax on rental or license fee for use of real

property.—

(1)

(f) From July 1, 2024, through June 30, 2025, the tax rate under paragraphs (c) and (d) shall be 1.25 percent.

Section 11. Paragraph (c) of subsection (1) of section 212.05, Florida Statutes, is amended to read:

212.05 Sales, storage, use tax.—It is hereby declared to be the legislative intent that every person is exercising a taxable privilege who engages in the business of selling tangible personal property at retail in this state, including the business of making or facilitating remote sales; who rents or furnishes any of the things or services taxable under this chapter; or who stores for use or consumption in this state any item or article of tangible personal property as defined herein and who leases or rents such property within the state.

(1) For the exercise of such privilege, a tax is levied on each taxable transaction or incident, which tax is due and payable as follows:

(c) At the rate of 6 percent of the gross proceeds derived from the lease or rental of tangible personal property, as defined herein; however, the following special provisions apply to the lease or rental of motor vehicles and to peer-to-peer car-sharing programs:

1. When a motor vehicle is leased or rented by a motor vehicle rental company or through a peer-to-peer car-sharing

program as those terms are defined in s. 212.0606(1) for a period of less than 12 months:

a. If the motor vehicle is rented in Florida, the entire amount of such rental is taxable, even if the vehicle is dropped off in another state.

b. If the motor vehicle is rented in another state and dropped off in Florida, the rental is exempt from Florida tax.

c. If the motor vehicle is rented through a peer-to-peer car-sharing program, the peer-to-peer car-sharing program shall collect and remit the applicable tax due in connection with the rental.

2. Except as provided in subparagraph 3., for the lease or rental of a motor vehicle for a period of not less than 12 months, sales tax is due on the lease or rental payments if the vehicle is registered in this state; provided, however, that no tax shall be due if the taxpayer documents use of the motor vehicle outside this state and tax is being paid on the lease or rental payments in another state.

3. The tax imposed by this chapter does not apply to the lease or rental of a commercial motor vehicle as defined in s. 316.003(14)(a) to one lessee or rentee, or of a motor vehicle as defined in s. 316.003 which is to be used primarily in the trade or established business of the lessee or rentee, for a period of not less than 12 months when tax was paid on the purchase price of such vehicle by the lessor. To the extent tax was paid with

respect to the purchase of such vehicle in another state, territory of the United States, or the District of Columbia, the Florida tax payable shall be reduced in accordance with s. 212.06(7). This subparagraph shall only be available when the lease or rental of such property is an established business or part of an established business or the same is incidental or germane to such business.

Section 12. Paragraph (f) of subsection (1), paragraphs (a) and (d) of subsection (3), paragraph (a) of subsection (4), subsection (5), paragraph (f) of subsection (9), and subsection (10) of section 212.055, Florida Statutes, are amended to read:

212.055 Discretionary sales surtaxes; legislative intent; authorization and use of proceeds.—It is the legislative intent that any authorization for imposition of a discretionary sales surtax shall be published in the Florida Statutes as a subsection of this section, irrespective of the duration of the levy. Each enactment shall specify the types of counties authorized to levy; the rate or rates which may be imposed; the maximum length of time the surtax may be imposed, if any; the procedure which must be followed to secure voter approval, if required; the purpose for which the proceeds may be expended; and such other requirements as the Legislature may provide. Taxable transactions and administrative procedures shall be as provided in s. 212.054.

(1) CHARTER COUNTY AND REGIONAL TRANSPORTATION SYSTEM

SURTAX.—

(f) Any discretionary sales surtax levied under this subsection pursuant to a referendum held on or after July 1, 2024 ~~2020~~, may not be levied for more than 10 ~~30~~ years.

(3) SMALL COUNTY SURTAX.—

(a) The governing authority in each county that has a population of 50,000 or less on April 1, 1992, may levy a discretionary sales surtax of 0.5 percent or 1 percent. The levy of the surtax shall be pursuant to ordinance enacted by an extraordinary vote of the members of the county governing authority and ~~if the surtax revenues are expended for operating purposes. If the surtax revenues are expended for the purpose of servicing bond indebtedness, the surtax shall be~~ approved by a majority of the electors of the county voting in a referendum on the surtax.

(d)1. ~~If the surtax is levied pursuant to a referendum,~~ The proceeds of the surtax and any interest accrued thereto may be expended by the school district or within the county and municipalities within the county, or, in the case of a negotiated joint county agreement, within another county, for the purpose of servicing bond indebtedness to finance, plan, and construct infrastructure and to acquire land for public recreation or conservation or protection of natural resources. ~~However, if the surtax is levied pursuant to an ordinance approved by an extraordinary vote of the members of the county~~

~~governing authority,~~ The proceeds and any interest accrued thereto may also be used for operational expenses of any infrastructure or for any public purpose authorized in the ordinance under which the surtax is levied.

2. For the purposes of this paragraph, "infrastructure" means any fixed capital expenditure or fixed capital costs associated with the construction, reconstruction, or improvement of public facilities that have a life expectancy of 5 or more years and any land acquisition, land improvement, design, and engineering costs related thereto.

(4) INDIGENT CARE AND TRAUMA CENTER SURTAX.—

(a)1. The governing body in each county that ~~the government of which is not consolidated with that of one or more municipalities, which~~ has a population of at least 800,000 residents and is not authorized to levy a surtax under subsection (5), may levy, pursuant to an ordinance ~~either approved by an extraordinary vote of the governing body or~~ conditioned to take effect only upon approval by a majority vote of the electors of the county voting in a referendum, a discretionary sales surtax at a rate that may not exceed 0.5 percent.

2. ~~If the ordinance is conditioned on a referendum,~~ A statement that includes a brief and general description of the purposes to be funded by the surtax and that conforms to the requirements of s. 101.161 shall be placed on the ballot by the

governing body of the county. The following questions shall be placed on the ballot:

FOR THE. . . .CENTS TAX

AGAINST THE. . . .CENTS TAX

3. The ordinance adopted by the governing body providing for the imposition of the surtax shall set forth a plan for providing health care services to qualified residents, as defined in subparagraph 4. Such plan and subsequent amendments to it shall fund a broad range of health care services for both indigent persons and the medically poor, including, but not limited to, primary care and preventive care as well as hospital care. The plan must also address the services to be provided by the Level I trauma center. It shall emphasize a continuity of care in the most cost-effective setting, taking into consideration both a high quality of care and geographic access. Where consistent with these objectives, it shall include, without limitation, services rendered by physicians, clinics, community hospitals, mental health centers, and alternative delivery sites, as well as at least one regional referral hospital where appropriate. It shall provide that agreements negotiated between the county and providers, including hospitals with a Level I trauma center, will include reimbursement methodologies that take into account the cost of services rendered to eligible patients, recognize hospitals that render a disproportionate share of indigent care, provide other

incentives to promote the delivery of charity care, promote the advancement of technology in medical services, recognize the level of responsiveness to medical needs in trauma cases, and require cost containment including, but not limited to, case management. It must also provide that any hospitals that are owned and operated by government entities on May 21, 1991, must, as a condition of receiving funds under this subsection, afford public access equal to that provided under s. 286.011 as to meetings of the governing board, the subject of which is budgeting resources for the rendition of charity care as that term is defined in the Florida Hospital Uniform Reporting System (FHURS) manual referenced in s. 408.07. The plan shall also include innovative health care programs that provide cost-effective alternatives to traditional methods of service delivery and funding.

4. For the purpose of this paragraph, the term "qualified resident" means residents of the authorizing county who are:

a. Qualified as indigent persons as certified by the authorizing county;

b. Certified by the authorizing county as meeting the definition of the medically poor, defined as persons having insufficient income, resources, and assets to provide the needed medical care without using resources required to meet basic needs for shelter, food, clothing, and personal expenses; or not being eligible for any other state or federal program, or having

medical needs that are not covered by any such program; or having insufficient third-party insurance coverage. In all cases, the authorizing county is intended to serve as the payor of last resort; or

c. Participating in innovative, cost-effective programs approved by the authorizing county.

5. Moneys collected pursuant to this paragraph remain the property of the state and shall be distributed by the Department of Revenue on a regular and periodic basis to the clerk of the circuit court as ex officio custodian of the funds of the authorizing county. The clerk of the circuit court shall:

a. Maintain the moneys in an indigent health care trust fund;

b. Invest any funds held on deposit in the trust fund pursuant to general law;

c. Disburse the funds, including any interest earned, to any provider of health care services, as provided in subparagraphs 3. and 4., upon directive from the authorizing county. However, if a county has a population of at least 800,000 residents and has levied the surtax authorized in this paragraph, notwithstanding any directive from the authorizing county, on October 1 of each calendar year, the clerk of the court shall issue a check in the amount of $6.5 million to a hospital in its jurisdiction that has a Level I trauma center or shall issue a check in the amount of $3.5 million to a hospital

in its jurisdiction that has a Level I trauma center if that county enacts and implements a hospital lien law in accordance with chapter 98-499, Laws of Florida. The issuance of the checks on October 1 of each year is provided in recognition of the Level I trauma center status and shall be in addition to the base contract amount received during fiscal year 1999-2000 and any additional amount negotiated to the base contract. If the hospital receiving funds for its Level I trauma center status requests such funds to be used to generate federal matching funds under Medicaid, the clerk of the court shall instead issue a check to the Agency for Health Care Administration to accomplish that purpose to the extent that it is allowed through the General Appropriations Act; and

d. Prepare on a biennial basis an audit of the trust fund specified in sub-subparagraph a. Commencing February 1, 2004, such audit shall be delivered to the governing body and to the chair of the legislative delegation of each authorizing county.

6. Notwithstanding any other provision of this section, a county shall not levy local option sales surtaxes authorized in this paragraph and subsections (2) and (3) in excess of a combined rate of 1 percent.

(5) COUNTY PUBLIC HOSPITAL SURTAX.— Any county as defined in s. 125.011(1) may levy the surtax authorized in this subsection pursuant to an ordinance ~~either approved by extraordinary vote of the county commission or~~ conditioned to

take effect only upon approval by a majority vote of the electors of the county voting in a referendum. In a county as defined in s. 125.011(1), for the purposes of this subsection, "county public general hospital" means a general hospital as defined in s. 395.002 which is owned, operated, maintained, or governed by the county or its agency, authority, or public health trust.

(a) The rate shall be 0.5 percent.

(b) ~~If the ordinance is conditioned on a referendum,~~ The proposal to adopt the county public hospital surtax shall be placed on the ballot in accordance with subsection (10). The referendum question on the ballot shall include a brief general description of the health care services to be funded by the surtax.

(c) Proceeds from the surtax shall be:

1. Deposited by the county in a special fund, set aside from other county funds, to be used only for the operation, maintenance, and administration of the county public general hospital; and

2. Remitted promptly by the county to the agency, authority, or public health trust created by law which administers or operates the county public general hospital.

(d) Except as provided in subparagraphs 1. and 2., the county must continue to contribute each year an amount equal to at least 80 percent of that percentage of the total county

budget appropriated for the operation, administration, and maintenance of the county public general hospital from the county's general revenues in the fiscal year of the county ending September 30, 1991:

1. Twenty-five percent of such amount must be remitted to a governing board, agency, or authority that is wholly independent from the public health trust, agency, or authority responsible for the county public general hospital, to be used solely for the purpose of funding the plan for indigent health care services provided for in paragraph (e);

2. However, in the first year of the plan, a total of $10 million shall be remitted to such governing board, agency, or authority, to be used solely for the purpose of funding the plan for indigent health care services provided for in paragraph (e), and in the second year of the plan, a total of $15 million shall be so remitted and used.

(e) A governing board, agency, or authority shall be chartered by the county commission upon this act becoming law. The governing board, agency, or authority shall adopt and implement a health care plan for indigent health care services. The governing board, agency, or authority shall consist of no more than seven and no fewer than five members appointed by the county commission. The members of the governing board, agency, or authority shall be at least 18 years of age and residents of the county. No member may be employed by or affiliated with a

health care provider or the public health trust, agency, or authority responsible for the county public general hospital. The following community organizations shall each appoint a representative to a nominating committee: the South Florida Hospital and Healthcare Association, the Miami-Dade County Public Health Trust, the Dade County Medical Association, the Miami-Dade County Homeless Trust, and the Mayor of Miami-Dade County. This committee shall nominate between 10 and 14 county citizens for the governing board, agency, or authority. The slate shall be presented to the county commission and the county commission shall confirm the top five to seven nominees, depending on the size of the governing board. Until such time as the governing board, agency, or authority is created, the funds provided for in subparagraph (d)2. shall be placed in a restricted account set aside from other county funds and not disbursed by the county for any other purpose.

1. The plan shall divide the county into a minimum of four and maximum of six service areas, with no more than one participant hospital per service area. The county public general hospital shall be designated as the provider for one of the service areas. Services shall be provided through participants' primary acute care facilities.

2. The plan and subsequent amendments to it shall fund a defined range of health care services for both indigent persons and the medically poor, including primary care, preventive care,

hospital emergency room care, and hospital care necessary to stabilize the patient. For the purposes of this section, "stabilization" means stabilization as defined in s. 397.311. Where consistent with these objectives, the plan may include services rendered by physicians, clinics, community hospitals, and alternative delivery sites, as well as at least one regional referral hospital per service area. The plan shall provide that agreements negotiated between the governing board, agency, or authority and providers shall recognize hospitals that render a disproportionate share of indigent care, provide other incentives to promote the delivery of charity care to draw down federal funds where appropriate, and require cost containment, including, but not limited to, case management. From the funds specified in subparagraphs (d)1. and 2. for indigent health care services, service providers shall receive reimbursement at a Medicaid rate to be determined by the governing board, agency, or authority created pursuant to this paragraph for the initial emergency room visit, and a per-member per-month fee or capitation for those members enrolled in their service area, as compensation for the services rendered following the initial emergency visit. Except for provisions of emergency services, upon determination of eligibility, enrollment shall be deemed to have occurred at the time services were rendered. The provisions for specific reimbursement of emergency services shall be repealed on July 1, 2001, unless otherwise reenacted by the

Legislature. The capitation amount or rate shall be determined before program implementation by an independent actuarial consultant. In no event shall such reimbursement rates exceed the Medicaid rate. The plan must also provide that any hospitals owned and operated by government entities on or after the effective date of this act must, as a condition of receiving funds under this subsection, afford public access equal to that provided under s. 286.011 as to any meeting of the governing board, agency, or authority the subject of which is budgeting resources for the retention of charity care, as that term is defined in the rules of the Agency for Health Care Administration. The plan shall also include innovative health care programs that provide cost-effective alternatives to traditional methods of service and delivery funding.

3. The plan's benefits shall be made available to all county residents currently eligible to receive health care services as indigents or medically poor as defined in paragraph (4)(d).

4. Eligible residents who participate in the health care plan shall receive coverage for a period of 12 months or the period extending from the time of enrollment to the end of the current fiscal year, per enrollment period, whichever is less.

5. At the end of each fiscal year, the governing board, agency, or authority shall prepare an audit that reviews the budget of the plan, delivery of services, and quality of

services, and makes recommendations to increase the plan's efficiency. The audit shall take into account participant hospital satisfaction with the plan and assess the amount of poststabilization patient transfers requested, and accepted or denied, by the county public general hospital.

(f) Notwithstanding any other provision of this section, a county may not levy local option sales surtaxes authorized in this subsection and subsections (2) and (3) in excess of a combined rate of 1 percent.

(9) PENSION LIABILITY SURTAX.—

(f) A pension liability surtax imposed pursuant to this subsection shall terminate on December 31 of the year in which the actuarial funding level is expected to reach or exceed 100 percent for the defined benefit retirement plan or system for which the surtax was levied or December 31~~,~~ of the tenth year after the surtax was approved in a referendum under this subsection ~~2060~~, whichever occurs first. The most recent actuarial report submitted to the Department of Management Services pursuant to s. 112.63 must be used to establish the level of actuarial funding.

(10) DATES FOR REFERENDA; LIMITATIONS ON LEVY.—

(a) A referendum to adopt, amend, or reenact a local government discretionary sales surtax under this section must be held at a general election as defined in s. 97.021. A referendum to reenact an expiring surtax must be held at a general election

occurring within the 48-month period immediately preceding the effective date of the reenacted surtax. Such a referendum may appear on the ballot only once within the 48-month period.

(b) Except as provided in paragraph (4)(b), any new or reenacted discretionary sales surtax levied pursuant to a referendum held on or after July 1, 2024, may not be levied for more than 10 years, unless reenacted by ordinance subject to approval by a majority of the electors voting in a subsequent referendum.

Section 13. Paragraph (b) of subsection (1) and paragraph (b) of subsection (4) of section 212.11, Florida Statutes, are amended to read:

212.11 Tax returns and regulations.—

(1)

(b)1. For the purpose of ascertaining the amount of tax payable under this chapter, it shall be the duty of all dealers to file a return and remit the tax, on or before the 20th day of the month, to the department, upon forms prepared and furnished by it or in a format prescribed by it. Such return must show the rentals, admissions, gross sales, or purchases, as the case may be, arising from all leases, rentals, admissions, sales, or purchases taxable under this chapter during the preceding calendar month.

2. Notwithstanding subparagraph 1. and in addition to any extension or waiver ordered pursuant to s. 213.055, a dealer is

granted an automatic 10 calendar day extension from the due date for filing a return and remitting the tax if all of the following conditions are met:

a. The Governor has ordered or proclaimed a declaration of a state of emergency pursuant to s. 252.36.

b. The declaration is the first declaration for the event giving rise to the state of emergency, or expands the counties covered by the initial state of emergency without extending or renewing the period of time covered by the first declaration of a state of emergency.

c. The first day of the period covered by the first declaration for the event giving rise to the state of emergency is within 5 business days before the 20th day of the month.

(4)

(b)1. The amount of any estimated tax shall be due, payable, and remitted by electronic funds transfer by the 20th day of the month for which it is estimated. The difference between the amount of estimated tax paid and the actual amount of tax due under this chapter for such month shall be due and payable by the first day of the following month and remitted by electronic funds transfer by the 20th day thereof.

2. Notwithstanding subparagraph 1. and in addition to any extension or waiver ordered pursuant to s. 213.055, a dealer with a certificate of registration issued under s. 212.18 to engage in or conduct business in a county to which an emergency

declaration applies in sub-subparagraph b. is granted an automatic 10 calendar day extension from the due date for filing a return and remitting the tax if all of the following conditions are met:

a. The Governor has ordered or proclaimed a declaration of a state of emergency pursuant to s. 252.36.

b. The declaration is the first declaration for the event giving rise to the state of emergency, or expands the counties covered by the initial state of emergency without extending or renewing the period of time covered by the first declaration of a state of emergency.

c. The first day of the period covered by the first declaration for the event giving rise to the state of emergency is within 5 business days before the 20th day of the month.

Section 14. Paragraph (d) of subsection (6) of section 212.20, Florida Statutes, is amended to read:

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

(6) Distribution of all proceeds under this chapter and ss. 202.18(1)(b) and (2)(b) and 203.01(1)(a)3. is as follows:

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

1. In any fiscal year, the greater of $500 million, minus

an amount equal to 4.6 percent of the proceeds of the taxes collected pursuant to chapter 201, or 5.2 percent of all other taxes and fees imposed pursuant to this chapter or remitted pursuant to s. 202.18(1)(b) and (2)(b) shall be deposited in monthly installments into the General Revenue Fund.

2. After the distribution under subparagraph 1., 8.9744 percent of the amount remitted by a sales tax dealer located within a participating county pursuant to s. 218.61 shall be transferred into the Local Government Half-cent Sales Tax Clearing Trust Fund. Beginning July 1, 2003, the amount to be transferred shall be reduced by 0.1 percent, and the department shall distribute this amount to the Public Employees Relations Commission Trust Fund less $5,000 each month, which shall be added to the amount calculated in subparagraph 3. and distributed accordingly.

3. After the distribution under subparagraphs 1. and 2., 0.0966 percent shall be transferred to the Local Government Half-cent Sales Tax Clearing Trust Fund and distributed pursuant to s. 218.65.

4. After the distributions under subparagraphs 1., 2., and 3., 2.0810 percent of the available proceeds shall be transferred monthly to the Revenue Sharing Trust Fund for Counties pursuant to s. 218.215.

5. After the distributions under subparagraphs 1., 2., and 3., 1.3653 percent of the available proceeds shall be

transferred monthly to the Revenue Sharing Trust Fund for Municipalities pursuant to s. 218.215. If the total revenue to be distributed pursuant to this subparagraph is at least as great as the amount due from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000, no municipality shall receive less than the amount due from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000. If the total proceeds to be distributed are less than the amount received in combination from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000, each municipality shall receive an amount proportionate to the amount it was due in state fiscal year 1999-2000.

6. Of the remaining proceeds:

a. In each fiscal year, the sum of $29,915,500 shall be divided into as many equal parts as there are counties in the state, and one part shall be distributed to each county. The distribution among the several counties must begin each fiscal year on or before January 5th and continue monthly for a total of 4 months. If a local or special law required that any moneys accruing to a county in fiscal year 1999-2000 under the then-existing provisions of s. 550.135 be paid directly to the district school board, special district, or a municipal

government, such payment must continue until the local or special law is amended or repealed. The state covenants with holders of bonds or other instruments of indebtedness issued by local governments, special districts, or district school boards before July 1, 2000, that it is not the intent of this subparagraph to adversely affect the rights of those holders or relieve local governments, special districts, or district school boards of the duty to meet their obligations as a result of previous pledges or assignments or trusts entered into which obligated funds received from the distribution to county governments under then-existing s. 550.135. This distribution specifically is in lieu of funds distributed under s. 550.135 before July 1, 2000.

b. The department shall distribute $166,667 monthly to each applicant certified as a facility for a new or retained professional sports franchise pursuant to s. 288.1162. Up to $41,667 shall be distributed monthly by the department to each certified applicant as defined in s. 288.11621 for a facility for a spring training franchise. However, not more than $416,670 may be distributed monthly in the aggregate to all certified applicants for facilities for spring training franchises. Distributions begin 60 days after such certification and continue for not more than 30 years, except as otherwise provided in s. 288.11621. A certified applicant identified in this sub-subparagraph may not receive more in distributions than

expended by the applicant for the public purposes provided in s. 288.1162(5) or s. 288.11621(3).

c. The department shall distribute up to $83,333 monthly to each certified applicant as defined in s. 288.11631 for a facility used by a single spring training franchise, or up to $166,667 monthly to each certified applicant as defined in s. 288.11631 for a facility used by more than one spring training franchise. Monthly distributions begin 60 days after such certification or July 1, 2016, whichever is later, and continue for not more than 20 years to each certified applicant as defined in s. 288.11631 for a facility used by a single spring training franchise or not more than 25 years to each certified applicant as defined in s. 288.11631 for a facility used by more than one spring training franchise. A certified applicant identified in this sub-subparagraph may not receive more in distributions than expended by the applicant for the public purposes provided in s. 288.11631(3).

d. The department shall distribute $15,333 monthly to the State Transportation Trust Fund.

e.(I) On or before July 25, 2021, August 25, 2021, and September 25, 2021, the department shall distribute $324,533,334 in each of those months to the Unemployment Compensation Trust Fund, less an adjustment for refunds issued from the General Revenue Fund pursuant to s. 443.131(3)(e)3. before making the distribution. The adjustments made by the department to the

total distributions shall be equal to the total refunds made pursuant to s. 443.131(3)(e)3. If the amount of refunds to be subtracted from any single distribution exceeds the distribution, the department may not make that distribution and must subtract the remaining balance from the next distribution.

(II) Beginning July 2022, and on or before the 25th day of each month, the department shall distribute $90 million monthly to the Unemployment Compensation Trust Fund.

(III) If the ending balance of the Unemployment Compensation Trust Fund exceeds $4,071,519,600 on the last day of any month, as determined from United States Department of the Treasury data, the Office of Economic and Demographic Research shall certify to the department that the ending balance of the trust fund exceeds such amount.

(IV) This sub-subparagraph is repealed, and the department shall end monthly distributions under sub-sub-subparagraph (II), on the date the department receives certification under sub-sub-subparagraph (III).

f. Beginning July 1, 2023, in each fiscal year, the department shall distribute $27.5 million to the Florida Agricultural Promotional Campaign Trust Fund under s. 571.26, for further distribution in accordance with s. 571.265. This sub-subparagraph is repealed June 30, 2027 ~~2025~~.

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

Section 15. Subsection (8) of section 220.02, Florida Statutes, is amended to read:

220.02 Legislative intent.—

(8) It is the intent of the Legislature that credits against either the corporate income tax or the franchise tax be applied in the following order: those enumerated in s. 631.828, those enumerated in s. 220.191, those enumerated in s. 220.181, those enumerated in s. 220.183, those enumerated in s. 220.182, those enumerated in s. 220.1895, those enumerated in s. 220.195, those enumerated in s. 220.184, those enumerated in s. 220.186, those enumerated in s. 220.1845, those enumerated in s. 220.19, those enumerated in s. 220.185, those enumerated in s. 220.1875, those enumerated in s. 220.1876, those enumerated in s. 220.1877, those enumerated in s. 220.1878, those enumerated in s. 220.193, those enumerated in former s. 288.9916, those enumerated in former s. 220.1899, those enumerated in former s. 220.194, those enumerated in s. 220.196, those enumerated in s. 220.198, those enumerated in s. 220.1915, those enumerated in s. 220.199, ~~and~~ those enumerated in s. 220.1991, and those enumerated in s. 220.1992.

Section 16. Effective upon this act becoming a law, paragraph (n) of subsection (1) and paragraph (c) of subsection (2) of section 220.03, Florida Statutes, are amended to read:

220.03 Definitions.—

(1) SPECIFIC TERMS.—When used in this code, and when not

otherwise distinctly expressed or manifestly incompatible with the intent thereof, the following terms shall have the following meanings:

(n) "Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended and in effect on January 1, 2024 ~~2023~~, except as provided in subsection (3).

(2) DEFINITIONAL RULES.—When used in this code and neither otherwise distinctly expressed nor manifestly incompatible with the intent thereof:

(c) Any term used in this code has the same meaning as when used in a comparable context in the Internal Revenue Code and other statutes of the United States relating to federal income taxes, as such code and statutes are in effect on January 1, 2024 ~~2023~~. However, if subsection (3) is implemented, the meaning of a term shall be taken at the time the term is applied under this code.

Section 17. (1) The amendments made by this act to s. 220.03, Florida Statutes, operate retroactively to January 1, 2024.

(2) This section shall take effect upon becoming a law.

Section 18. Section 220.1992, Florida Statutes, is created to read:

220.1992 Individuals with Unique Abilities Tax Credit Program.—

(1) For purposes of this section, the term:

(a) "Qualified employee" means an individual who has a disability, as that term is defined in s. 413.801, and has been employed for at least six months by a qualified taxpayer.

(b) "Qualified taxpayer" means a taxpayer who employs a qualified employee at a business located in this state.

(2) For a taxable year beginning on or after January 1, 2024, a qualified taxpayer is eligible for a credit against the tax imposed by this chapter in an amount up to $1,000 for each qualified employee such taxpayer employed during the taxable year. The tax credit shall equal one dollar for each hour the qualified employee worked during the taxable year, up to 1,000 hours.

(3)(a) The department may adopt rules governing the manner and form of applications for the tax credit and establishing requirements for the proper administration of the tax credit. The form must include an affidavit certifying that all information contained within the application is true and correct and must require the taxpayer to specify the number of qualified employees for whom a credit under this section is being claimed and how many hours each qualified employee worked during the taxable year.

(b) The department must approve the tax credit prior to the taxpayer taking the credit on a return. The department must approve credits on a first-come, first-served basis. If the department determines that an application is incomplete, the

department shall notify the taxpayer in writing and the taxpayer shall have 30 days after receiving such notification to correct any deficiency. If corrected in a timely manner, the application shall be deemed completed as of the date the application was first submitted.

(c) A taxpayer may not claim a tax credit of more than $10,000 under this section in any one taxable year.

(d) A taxpayer may carry forward any unused portion of a tax credit under this section for up to 5 taxable years. The carryover may be used in a subsequent year when the tax imposed by this chapter for such year exceeds the credit for such year under this section after applying the other credits and unused credit carryovers in the order provided in s. 220.02(8).

(4) The combined total amount of tax credits which may be granted under this section is $5 million in each of state fiscal years 2024-2025, 2025-2026, and 2026-2027.

(5) The department may consult with the Department of Commerce and the Agency for Persons with Disabilities to determine if an individual is a qualified employee. The Department of Commerce and Agency for Persons with Disabilities shall provide technical assistance, when requested by the department, on any such question.

Section 19. Paragraphs (c) and (d) of subsection (2) of section 220.222, Florida Statutes, are redesignated as paragraphs (d) and (e), respectively, and a new paragraph (c) is

added to that subsection, to read:

220.222 Returns; time and place for filing.—

(2)

(c) When a taxpayer has been granted an extension or extensions of time within which to file its federal income tax return for any taxable year due to a federally declared disaster that included locations within this state, and if the requirements of s. 220.32 are met, the due date of the return required under this code is automatically extended to 15 calendar days after the due date for such taxpayer's federal income tax return, including any extensions provided for such return for a federally declared disaster. Nothing in this paragraph affects the authority of the executive director to order an extension or waiver pursuant to s. 213.055(2).

Section 20. Section 374.986, Florida Statutes, is amended to read:

374.986 Taxing authority.—

(1) The property appraiser ~~tax assessor~~, tax collector, and board of county commissioners of each and every county in said district, shall, when requested by the board, prepare from their official records and deliver any and all information that may be from time to time requested from him or her or them or either of them by the board regarding the tax valuation, assessments, collection, and any other information regarding the levy, assessment, and collection of taxes in each of said

counties.

(2) The board may annually assess and levy against the taxable property in the district a tax not to exceed one-tenth mill on the dollar for each year, and the proceeds from such tax shall be used by the district for all expenses of the district including the purchase price of right-of-way and other property. The board shall, on or before the 31st day of July of each year, prepare a tentative annual written budget of the district's expected income and expenditures. In addition, the board shall compute a proposed millage rate to be levied as taxes for that year upon the taxable property in the district for the purposes of said district. The proposed budget shall be submitted to the Department of Environmental Protection for its approval. Prior to adopting a final budget, the district shall comply with the provisions of s. 200.065, relating to the method of fixing millage, and shall fix the final millage rate by resolution of the district and shall also, by resolution, adopt a final budget pursuant to chapter 200. Copies of such resolutions executed in the name of the board by its chair, and attested by its secretary, shall be made and delivered to the county officials specified in s. 200.065 of each and every county in the district, to the Department of Revenue, and to the Chief Financial Officer. Thereupon, it shall be the duty of the property appraiser ~~assessor~~ of each of said counties to assess, and the tax collector of each of said counties to collect, a tax

at the rate fixed by said resolution of the board upon all of the real and personal taxable property in said counties for said year (and such officers shall perform such duty) and said levy shall be included in the warrant of the tax assessors of each of said counties and attached to the assessment roll of taxes for each of said counties. The tax collectors of each of said counties shall collect such taxes so levied by the board in the same manner as other taxes are collected, and shall pay the same within the time and in the manner prescribed by law, to the treasurer of the board. It shall be the duty of the Chief Financial Officer to assess and levy on all railroad lines and railroad property and telegraph lines and telegraph property in the district a tax at the rate prescribed by resolution of the board, and to collect the tax thereon in the same manner as he or she is required by law to assess and collect taxes for state and county purposes and to remit the same to the treasurer of the board. All such taxes shall be held by the treasurer of the district for the credit of the district and paid out by him or her as provided herein. The tax collector ~~assessor~~ and property appraiser of each of said counties shall be entitled to payment as provided for by general laws.

Section 21. Paragraphs (a) and (b) of subsection (5) of section 402.62, Florida Statutes, are amended to read:

402.62 Strong Families Tax Credit.—

(5) STRONG FAMILIES TAX CREDITS; APPLICATIONS, TRANSFERS,

AND LIMITATIONS.—

(a) Beginning in fiscal year 2024-2025 ~~2023-2024~~, the tax credit cap amount is $40 ~~20~~ million in each state fiscal year.

(b) ~~Beginning October 1, 2021,~~ A taxpayer may submit an application to the Department of Revenue for a tax credit or credits to be taken under one or more of s. 211.0253, s. 212.1834, s. 220.1877, s. 561.1213, or s. 624.51057, beginning at 9 a.m. on the first day of the calendar year that is not a Saturday, Sunday, or legal holiday.

1. The taxpayer shall specify in the application each tax for which the taxpayer requests a credit and the applicable taxable year for a credit under s. 220.1877 or s. 624.51057 or the applicable state fiscal year for a credit under s. 211.0253, s. 212.1834, or s. 561.1213. For purposes of s. 220.1877, a taxpayer may apply for a credit to be used for a prior taxable year before the date the taxpayer is required to file a return for that year pursuant to s. 220.222. For purposes of s. 624.51057, a taxpayer may apply for a credit to be used for a prior taxable year before the date the taxpayer is required to file a return for that prior taxable year pursuant to ss. 624.509 and 624.5092. The application must specify the eligible charitable organization to which the proposed contribution will be made. The Department of Revenue shall approve tax credits on a first-come, first-served basis and must obtain the division's approval before approving a tax credit under s. 561.1213.

2. Within 10 days after approving or denying an application, the Department of Revenue shall provide a copy of its approval or denial letter to the eligible charitable organization specified by the taxpayer in the application.

Section 22. For the $20 million in additional credit under s. 402.62 available for fiscal year 2024-25 pursuant to changes made by this act, a taxpayer may submit an application to the Department of Revenue beginning at 9 a.m. on July 1, 2024.

Section 23. Subsection (1) of section 413.4021, Florida Statutes, is amended to read:

413.4021 Program participant selection; tax collection enforcement diversion program.—The Department of Revenue, in coordination with the Florida Association of Centers for Independent Living and the Florida Prosecuting Attorneys Association, shall select judicial circuits in which to operate the program. The association and the state attorneys' offices shall develop and implement a tax collection enforcement diversion program, which shall collect revenue due from persons who have not remitted their collected sales tax. The criteria for referral to the tax collection enforcement diversion program shall be determined cooperatively between the state attorneys' offices and the Department of Revenue.

(1) Notwithstanding s. 212.20, 100 ~~75~~ percent of the revenues collected from the tax collection enforcement diversion program shall be 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 and to contract with the state attorneys participating in the tax collection enforcement diversion program in an amount of not more than $75,000 for each state attorney.

Section 24. Subsection (5) of section 571.265, Florida Statutes, is amended to read:

571.265 Promotion of Florida thoroughbred breeding and of thoroughbred racing at Florida thoroughbred tracks; distribution of funds.—

(5) This section is repealed July 1, 2027 ~~2025~~, unless reviewed and saved from repeal by the Legislature.

Section 25. Disaster preparedness supplies; sales tax holiday.—

(1) The tax levied under chapter 212, Florida Statutes, may not be collected during the period from June 1, 2024, through June 14, 2024, or during the period from August 24, 2024, through September 6, 2024, on the sale of:

(a) A portable self-powered light source with a sales price of $40 or less.

(b) A portable self-powered radio, two-way radio, or weather-band radio with a sales price of $50 or less.

(c) A tarpaulin or other flexible waterproof sheeting with a sales price of $100 or less.

(d) An item normally sold as, or generally advertised as, a ground anchor system or tie-down kit with a sales price of $100 or less.

(e) A gas or diesel fuel tank with a sales price of $50 or less.

(f) A package of AA-cell, AAA-cell, C-cell, D-cell, 6-volt, or 9-volt batteries, excluding automobile and boat batteries, with a sales price of $50 or less.

(g) A nonelectric food storage cooler with a sales price of $60 or less.

(h) A portable generator used to provide light or communications or preserve food in the event of a power outage with a sales price of $3,000 or less.

(i) Reusable ice with a sales price of $20 or less.

(j) A portable power bank with a sales price of $60 or less.

(k) A smoke detector or smoke alarm with a sales price of $70 or less.

(l) A fire extinguisher with a sales price of $70 or less.

(m) A carbon monoxide detector with a sales price of $70 or less.

(n) The following supplies necessary for the evacuation of household pets purchased for noncommercial use:

1. Bags of dry dog food or cat food weighing 50 or fewer pounds with a sales price of $100 or less per bag.

2. Cans or pouches of wet dog food or cat food with a sales price of $10 or less per can or pouch or the equivalent if sold in a box or case.

3. Over-the-counter pet medications with a sales price of $100 or less per item.

4. Portable kennels or pet carriers with a sales price of $100 or less per item.

5. Manual can openers with a sales price of $15 or less per item.

6. Leashes, collars, and muzzles with a sales price of $20 or less per item.

7. Collapsible or travel-sized food bowls or water bowls with a sales price of $15 or less per item.

8. Cat litter weighing 25 or fewer pounds with a sales price of $25 or less per item.

9. Cat litter pans with a sales price of $15 or less per item.

10. Pet waste disposal bags with a sales price of $15 or less per package.

11. Pet pads with a sales price of $20 or less per box or package.

12. Hamster or rabbit substrate with a sales price of $15 or less per package.

13. Pet beds with a sales price of $40 or less per item.

(2) The tax exemptions provided in this section do not

apply to sales within a theme park or entertainment complex as defined in s. 509.013(9), Florida Statutes, within a public lodging establishment as defined in s. 509.013(4), Florida Statutes, or within an airport as defined in s. 330.27(2), Florida Statutes.

(3) The Department of Revenue is authorized, and all conditions are deemed met, to adopt emergency rules pursuant to s. 120.54(4), Florida Statutes, for the purpose of implementing this section.

(4) This section shall take effect upon this act becoming a law.

Section 26. Freedom Month; sales tax holiday.—

(1) The taxes levied under chapter 212, Florida Statutes, may not be collected on purchases made during the period from July 1, 2024, through July 31, 2024, on:

(a) The sale by way of admissions, as defined in s. 212.02(1), Florida Statutes, for:

1. A live music event scheduled to be held on any date or dates from July 1, 2024, through December 31, 2024;

2. A live sporting event scheduled to be held on any date or dates from July 1, 2024, through December 31, 2024;

3. A movie to be shown in a movie theater on any date or dates from July 1, 2024, through December 31, 2024;

4. Entry to a museum, including any annual passes;

5. Entry to a state park, including any annual passes;

6. Entry to a ballet, play, or musical theatre performance scheduled to be held on any date or dates from July 1, 2024, through December 31, 2024;

7. Season tickets for ballets, plays, music events, or musical theatre performances;

8. Entry to a fair, festival, or cultural event scheduled to be held on any date or dates from July 1, 2024, through December 31, 2024; or

9. Use of or access to private and membership clubs providing physical fitness facilities from July 1, 2024, through December 31, 2024.

(b) The retail sale of boating and water activity supplies, camping supplies, fishing supplies, general outdoor supplies, residential pool supplies, children's toys and children's athletic equipment. As used in this section, the term:

1. "Boating and water activity supplies" means life jackets and coolers with a sales price of $75 or less; recreational pool tubes, pool floats, inflatable chairs, and pool toys with a sales price of $35 or less; safety flares with a sales price of $50 or less; water skis, wakeboards, kneeboards, and recreational inflatable water tubes or floats capable of being towed with a sales price of $150 or less; paddleboards and surfboards with a sales price of $300 or less; canoes and kayaks with a sales price of $500 or less; paddles

and oars with a sales price of $75 or less; and snorkels, goggles, and swimming masks with a sales price of $25 or less.

2. "Camping supplies" means tents with a sales price of $200 or less; sleeping bags, portable hammocks, camping stoves, and collapsible camping chairs with a sales price of $50 or less; and camping lanterns and flashlights with a sales price of $30 or less.

3. "Fishing supplies" means rods and reels with a sales price of $75 or less if sold individually, or $150 or less if sold as a set; tackle boxes or bags with a sales price of $30 or less; and bait or fishing tackle with a sales price of $5 or less if sold individually, or $10 or less if multiple items are sold together. The term does not include supplies used for commercial fishing purposes.

4. "General outdoor supplies" means sunscreen, sunblock, or insect repellant with a sales price of $15 or less; sunglasses with a sales price of $100 or less; binoculars with a sales prices of $200 or less; water bottles with a sales price of $30 or less; hydration packs with a sales price of $50 or less; outdoor gas or charcoal grills with a sales price of $250 or less; bicycle helmets with a sales price of $50 or less; and bicycles with a sales price of $500 or less.

5. "Residential pool supplies" means individual residential pool and spa replacement parts, nets, filters, lights, and covers with a sales price of $100 or less; and

residential pool and spa chemicals purchased by an individual with a sales price of $150 or less.

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

(3) If a purchaser of an admission purchases the admission exempt from tax pursuant to this section and subsequently resells the admission, the purchaser shall collect tax on the full sales price of the resold admission.

(4) The Department of Revenue is authorized, and all conditions are deemed met, to adopt emergency rules pursuant to s. 120.54(4), Florida Statutes, for the purpose of implementing this section.

(5) This section shall take effect upon this act becoming a law.

Section 27. Clothing, wallets, and bags; school supplies; learning aids and jigsaw puzzles; personal computers and personal computer-related accessories; sales tax holiday.—

(1) The tax levied under chapter 212, Florida Statutes, may not be collected during the period from July 29, 2024, through August 11, 2024 on the retail sale of:

(a) Clothing, wallets, or bags, including handbags,

backpacks, fanny packs, and diaper bags, but excluding briefcases, suitcases, and other garment bags, having a sales price of $100 or less per item. As used in this paragraph, the term "clothing" means:

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

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

(b) School supplies having a sales price of $50 or less per item. As used in this paragraph, the term "school supplies" means pens, pencils, erasers, crayons, notebooks, notebook filler paper, legal pads, binders, lunch boxes, construction paper, markers, folders, poster board, composition books, poster paper, scissors, cellophane tape, glue or paste, rulers, computer disks, staplers and staples used to secure paper products, protractors, and compasses.

(c) Learning aids and jigsaw puzzles having a sales price of $30 or less. As used in this paragraph, the term "learning aids" means flashcards or other learning cards, matching or other memory games, puzzle books and search-and-find books, interactive or electronic books and toys intended to teach reading or math skills, and stacking or nesting blocks or sets.

(d) Personal computers or personal computer-related accessories purchased for noncommercial home or personal use

having a sales price of $1,500 or less. As used in this paragraph, the term:

1. "Personal computers" includes electronic book readers, calculators, laptops, desktops, handhelds, tablets, or tower computers. The term does not include cellular telephones, video game consoles, digital media receivers, or devices that are not primarily designed to process data.

2. "Personal computer-related accessories" includes keyboards, mice, personal digital assistants, monitors, other peripheral devices, modems, routers, and nonrecreational software, regardless of whether the accessories are used in association with a personal computer base unit. The term does not include furniture or systems, devices, software, monitors with a television tuner, or peripherals that are designed or intended primarily for recreational use.

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

(3) The tax exemptions provided in this section apply at the option of the dealer if less than 5 percent of the dealer's gross sales of tangible personal property in the prior calendar year consisted of items that would be exempt under this section.

If a qualifying dealer chooses not to participate in the tax holiday, by July 15, 2024, the dealer must notify the Department of Revenue 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.

(4) The Department of Revenue is authorized, and all conditions are deemed met, to adopt emergency rules pursuant to s. 120.54(4), Florida Statutes, for the purpose of implementing this section.

(5) This section shall take effect upon this act becoming a law.

Section 28. Tools commonly used by skilled trade workers; Tool Time sales tax holiday.—

(1) The tax levied under chapter 212, Florida Statutes, may not be collected during the period from September 1, 2024, through September 7, 2024, on the retail sale of:

(a) Hand tools with a sales price of $50 or less per item.

(b) Power tools with a sales price of $300 or less per item.

(c) Power tool batteries with a sales price of $150 or less per item.

(d) Work gloves with a sales price of $25 or less per pair.

(e) Safety glasses with a sales price of $50 or less per pair, or the equivalent if sold in sets of more than one pair.

(f) Protective coveralls with a sales price of $50 or less per item.

(g) Work boots with a sales price of $175 or less per pair.

(h) Tool belts with a sales price of $100 or less per item.

(i) Duffle bags or tote bags with a sales price of $50 or less per item.

(j) Tool boxes with a sales price of $75 or less per item.

(k) Tool boxes for vehicles with a sales price of $300 or less per item.

(l) Industry textbooks and code books with a sales price of $125 or less per item.

(m) Electrical voltage and testing equipment with a sales price of $100 or less per item.

(n) LED flashlights with a sales price of $50 or less per item.

(o) Shop lights with a sales price of $100 or less per item.

(p) Handheld pipe cutters, drain opening tools, and plumbing inspection equipment with a sales price of $150 or less per item.

(q) Shovels with a sales price of $50 or less.

(r) Rakes with a sales price of $50 or less.

(s) Hard hats and other head protection with a sales price

of $100 or less.

(t) Hearing protection items with a sales price of $75 or less.

(u) Ladders with a sales price of $250 or less.

(v) Fuel cans with a sales price of $50 or less.

(w) High visibility safety vests with a sales price of $30 or less.

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

(3) The Department of Revenue is authorized, and all conditions are deemed met, to adopt emergency rules pursuant to s. 120.54(4), Florida Statutes, for the purpose of implementing this section.

Section 29. (1) A county that has been designated as an area of critical state concern by law or by action of the Administration Commission pursuant to s. 380.05, Florida Statutes, and that levies both a tourist development tax pursuant to s. 125.0104, Florida Statutes, and a tourist impact tax pursuant to s. 125.0108, Florida Statutes, shall use the accumulated surplus from such taxes collected through September 30, 2024, whether held by the county directly or held by a land

authority in that county created pursuant to s. 380.0663, Florida Statutes, for the purpose of providing housing that is both:

(a) Affordable, as defined in s. 420.0004, Florida Statutes.

(b) Available to employees of tourism-related businesses in the county.

(2) Any housing financed with funds from this surplus shall only be used to provide housing that is affordable, as defined in s. 420.0004, Florida Statutes, for a period of no fewer than 99 years.

Section 30. (1) The Department of Revenue is authorized, and all conditions are deemed met, to adopt emergency rules pursuant to s. 120.54(4), Florida Statutes, to implement the amendments made by this act to ss. 212.05, 212.031 and 220.03, Florida Statutes and the creation by this act of s. 220.1992, Florida Statutes. Notwithstanding any other provision of law, emergency rules adopted pursuant to this subsection are effective for 6 months after adoption and may be renewed during the pendency of procedures to adopt permanent rules addressing the subject of the emergency rules.

(2) This section shall take effect upon this act becoming a law and expires July 1, 2027.

Section 31. Except as otherwise provided in this act and except for this section, which shall take effect upon this act

becoming a law, this act shall take effect July 1, 2024.

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	_____

Committee/Subcommittee hearing bill: Appropriations Committee
Representative McClain offered the following:

Amendment (with title amendment)

Between lines 1138 and 1139, insert:

Section 25. Upon becoming a law, Section 624.5108, Florida Statutes, is created to read:

624.5108.--Residential homestead property policyholder insurance premium deduction; insurer credit for deductions.—

(1) An insurer must deduct from the total amount charged for a policy covering a residential property with a homestead exemption under s. 196.031, an amount equal to 1.75 percent of the premium, as defined in s. 627.403.

(a) The deduction under this subsection applies to policies that provide coverage for a twelve-month period and with an effective date between October 1, 2024, and September 30, 2025.

(b) The deduction amount must appear separately on the policy declaration page.

(c) To establish whether or not a property is a homestead property under s. 196.031, the insurer must use the preliminary or final tax roll, whichever is more current, that is available through the Department of Revenue's website.

(d) When reporting policy premiums for purposes of computing taxes levied under s. 624.509, full policy premium value must be reported prior to application of deductions under this section.

(2) A policyholder entitled to the deduction provided for in this section who did not receive such deduction may apply to its insurer for a refund in the amount of the deduction to which they were entitled by providing evidence that the property in question was a homestead property under s. 196.031. Such evidence may include, but is not limited to, the policyholder's tax notice sent by the tax collector pursuant to s. 197.322 for the year in question.

(3) For the taxable years beginning on January 1, 2024 and January 1, 2025, there is allowed a credit of 100 percent of the amount of deductions provided to policyholders pursuant to subsection (1) against any tax due under s. 624.509(1) after all

other credits and deductions have been taken in the order provided in s. 624.509(7).

(4) An insurer claiming a credit against premium tax liability under this section is not required to pay any additional retaliatory tax levied under s. 624.5091 as a result of claiming such credit. Section 624.5091 does not limit such credit in any manner.

(5) If the credit provided for under subsection (2) is not fully used in any one taxable year because of insufficient tax liability, the unused amount may be carried forward for a period not to exceed five years.

(6) Every insurer required to provide a premium deduction under this section must include with its quarterly and annual statements under s. 624.424, the following information:

(a) The number of policies that received a deduction under this section during the period covered by the statement; and

(b) The total amount of deductions provided by the insurer during the period covered by the statement.

(7) The office must include in the reports required under s. 624.315, the same information required under subsection (7).

(8) In addition to its existing audit and investigation authority, the Department of Revenue may perform any additional financial and technical audits and investigations, including examining the accounts, books, and records of an insurer claiming a credit under subsection (2), which are necessary to

verify the information included in the tax return and to ensure compliance with this section. The office shall provide technical assistance when requested by the Department of Revenue on any technical audits or examinations performed pursuant to this section.

(9) In addition to its existing examination authority and duties under ch. 624.316, the office shall examine the information required to be reported under subsection (3) and shall take corrective measures as provided in ss. 624.310(5) and 624.4211 for any insurer not in compliance with this section.

(10) The Department of Revenue and the office are authorized, and all conditions are deemed met, to adopt emergency rules pursuant to s. 120.54(4), Florida Statutes, to implement the provisions of this section. Notwithstanding any other provision of law, emergency rules adopted pursuant to this subsection are effective for 6 months after adoption and may be renewed during the pendency of procedures to adopt permanent rules addressing the subject of the emergency rules.

(11) This section expires June 30, 2030.

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

Remove line 65 and insert:

extending the date of a future repeal; creating s. 624.5108, F.S.; requiring certain insurers to provide a specified premium

deduction on certain policies covering homestead properties during a certain period of time; providing a credit against the insurance premium tax; requiring certain insurers to report specified information regarding such premium deductions to the Office of Insurance Regulation; authorizing the Department of Revenue to audit and investigate insurers providing such premium deductions; authorizing the office to examine certain deduction information; authorizing the department and the office to adopt emergency rules; exempting from

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB APC 24-05 Indian Gaming Revenue Trust Fund
SPONSOR(S): Appropriations Committee
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Appropriations Committee		Willson	Pridgeon

SUMMARY ANALYSIS

Article III, section 19(f) of the Florida Constitution governs the creation of trust funds and provides that no trust fund of the state or other public body may be created without a three-fifths vote of the membership of each house of the Legislature in a separate bill for that purpose only.

In 2021, the State of Florida entered into a gaming compact (the 2021 Compact) with the Seminole Tribe of Florida, which was approved by the United States Department of the Interior. The 2021 Compact establishes a guaranteed minimum payment period for the first five years of the compact, during which the Seminole Tribe is required to make specified revenue share payments to the state.

HB 1417 (2024) creates s. 380.095, F.S., requiring the Department of Revenue to deposit 96 percent of any revenue share payment received under the 2021 Compact into the Indian Gaming Revenue Trust Fund within the Department of Financial Services. Such funds would be distributed as follows:

- $100 million to support the Florida Wildlife Corridor.
- $100 million for the management of uplands and removal of invasive species, divided between the Florida Fish and Wildlife Conservation Commission, the Department of Environmental Protection (DEP), and the Department of Agriculture and Consumer Services.
- $100 million to DEP for the Statewide Flooding and Sea Level Rise Resilience Plan; and
- The remainder to DEP for the Water Quality Improvement Grant Program.

The bill creates s. 17.71, F.S., establishing the Indian Gaming Revenue Clearing Trust Fund within the Department of Financial Services to serve as a depository for certain revenue-sharing payments received by the state under the 2021 Compact. Additionally, the bill provides that:

- Funds will be credited to and disbursed from the Trust Fund as provided in HB 1417.
- Such funds are exempt from the 8 percent service charges imposed pursuant to s. 215.20, F.S.
- The Trust Fund is exempt from certain termination provisions of the Florida Constitution.

The bill will take effect on the same date that HB 1417 or similar legislation takes effect, if such legislation is adopted in the same legislative session or an extension thereof and becomes a law.

The bill does not have a fiscal impact on the state or local governments.

Article III, section 19(f) of the Florida Constitution requires every trust fund to be created by a three-fifths vote of the membership of each house of the Legislature in a separate bill for the sole purpose of creating a trust fund. The bill creates a trust fund; thus, it requires a three-fifths vote for final passage.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

The state administers various programs such as the Florida Forever Program and Rural and Family Lands Protection program to conserve and protect Florida's natural resources. The state also invests in improving water quality throughout the state through programs such as the water quality improvement grant program, which is administered by the Department of Environmental Protection (DEP). In 2021, the State of Florida entered into a gaming compact (the 2021 Compact) with the Seminole Tribe of Florida (Seminole Tribe), which was approved by the United States Department of the Interior. The 2021 Compact establishes a guaranteed minimum payment period for the first five years of the compact, during which the Seminole Tribe is required to make specified revenue share payments to the state.

2024 Legislative Session

HB 1417 (2024) creates s. 380.095, F.S., requiring the Department of Revenue to deposit 96 percent of any revenue share payment received under the 2021 Compact into the Indian Gaming Revenue Trust Fund within the Department of Financial Services. HB 1417 also provides that such funds will be distributed as follows:

- $100 million to support the Florida Wildlife Corridor.
- $100 million for the management of uplands and removal of invasive species, divided between the Florida Fish and Wildlife Conservation Commission, the Department of Environmental Protection (DEP), and the Department of Agriculture and Consumer Services.
- $100 million to DEP for the Statewide Flooding and Sea Level Rise Resilience Plan; and
- The remainder to DEP for the Water Quality Improvement Grant Program.

Trust Funds

A trust fund may be created by law only by the Legislature and only if passed by a three-fifths vote of the membership of each house in a separate bill for that purpose only.[1] Except for trust funds being re-created by the Legislature, each trust fund must be created by statutory language that specifies at least the following:

- The name of the trust fund.
- The agency or branch of state government responsible for administering the trust fund.
- The requirements or purposes that the trust fund is established to meet.
- The sources of moneys to be credited to the trust fund or specific sources of receipts to be deposited in the trust fund.[2]

Pursuant to article III, section 19(f)(2) of the Florida Constitution, state trust funds must terminate not more than four years after the effective date of the act authorizing the initial creation of the trust fund. However, the Legislature may set a shorter period for which any trust fund is authorized and exceptions to the termination provision apply. For example, trust funds created as clearing funds are exempt from the termination provisions in article III, section 19(f)(2) of the Florida Constitution.[3]

If a trust fund is terminated, all cash balances and income of the trust fund are deposited into the General Revenue Fund.[4] The agency or Chief Justice pays the outstanding debts of the trust fund, and the Chief Financial Officer closes out and removes the trust fund from the state financial systems.[5]

Effect of the Bill

[1] Art, III, s. 19(f)(1), Fla. Const.
[2] Section 215.3207, F.S.
[3] Art, III, s. 19(f)(3), Fla. Const.
[4] Section 215.3206(2), F.S.
[5] *Id*.

The bill creates s. 17.71, F.S., establishing the Indian Gaming Revenue Clearing Trust Fund within the Department of Financial Services (DFS) to serve as a depository for certain revenue-sharing payments received by the state under the 2021 Compact. Additionally, the bill provides that:

- Funds will be credited to and disbursed from the Trust Fund as provided in s. 380.095, F.S., as created by HB 1417 (2024).
- Funds are exempt from the 8 percent service charges imposed pursuant to s. 215.20, F.S.
- The Trust Fund is exempt from certain termination provisions of the Florida Constitution.

The bill will take effect on the same date that HB 1417 or similar legislation takes effect, if such legislation is adopted in the same legislative session or an extension thereof and becomes a law.

B. SECTION DIRECTORY:

Section 1: Creates s. 17.71, F.S., relating to the Indian Gaming Revenue Clearing Trust Fund.
Section 2: Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   None.

2. Expenditures:

   Creation and administration of a new trust fund may have an insignificant administrative cost on DFS that can be absorbed within existing resources.

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. The bill does not appear to affect county of municipal governments.

2. Other:

   Article III, section 19(f) of the Florida Constitution requires all newly created trust funds to terminate not more than four years after the initial creation of the fund. Article III, section 19(f)(3) of the Florida Constitution, however, provides an exception for trust funds that serve as clearing funds or accounts

for the CFO or state agencies. Because the bill creates a clearing fund, it is exempt from the termination provisions.

In addition, the Florida Constitution requires a newly created or re-created trust fund to be adopted by three-fifths vote of the membership of each house of the Legislature in a separate bill for the sole purpose of creating or re-creating the fund. This bill creates a trust fund; thus, it requires a three-fifths vote on final passage.

B. RULE-MAKING AUTHORITY:

Not applicable.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

A bill to be entitled

An act relating to trust funds; creating s. 17.71, F.S.; creating the Indian Gaming Revenue Clearing Trust Fund within the Department of Financial Services; providing the purpose of the trust fund; providing for sources of funds; providing that the trust fund is exempt from a certain service charge; providing that funds shall be disbursed in a specified manner; exempting the trust fund from termination provisions; providing a contingent effective date.

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

Section 1. Section 17.71, Florida Statutes, is created to read:

17.71 Indian Gaming Revenue Clearing Trust Fund.—

(1) The Indian Gaming Revenue Clearing Trust Fund is created within the Department of Financial Services. The purpose of the trust fund is to act as a depository for a portion of the revenue-sharing payments received by the state under the gaming compact, as the term "compact" is defined in s. 285.710(1).

(2) Funds shall be credited to the Indian Gaming Revenue Clearing Trust Fund as provided in s. 380.095. Funds received from such revenue-sharing payments and deposited into the trust fund are exempt from the service charges imposed pursuant to s.

215.20.

(3) The department shall disburse funds, by nonoperating transfer, from the Indian Gaming Revenue Clearing Trust Fund as provided in s. 380.095.

(4) Pursuant to s. 19(f)(3), Art. III of the State Constitution, the Indian Gaming Revenue Clearing Trust Fund is exempt from the termination provisions of s. 19(f)(2), Art. III of the State Constitution.

Section 2. This act shall take effect on the same date that CS/HB 1417 or similar legislation takes effect, if such legislation is adopted in the same legislative session or an extension thereof and becomes a law.