



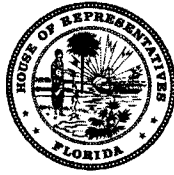
Veteran & Military Affairs Subcommittee

Meeting Packet

**Wednesday, March 4, 2015
9:00 am – 11:00 am
12 HOB**

**Steve Crisafulli
Speaker**

**Jimmie T. Smith
Chair**



The Florida House of Representatives

Veteran & Military Affairs Subcommittee

Steve Crisafulli
Speaker

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Meeting Agenda
Wednesday, March 4, 2015
Room 12, House Office Building
09:00 a.m. – 11:00 a.m.

- I. Call to Order**

- II. Roll Call**

- III. Welcome and Opening Remarks**

- IV. Consideration of the Following Bill(s):**

**CS/HB 361 - Military Housing Ad Valorem Tax Exemptions by
Finance & Tax Committee, Trumbull, and Smith**

HB 721 - County and Municipal Parks by McGhee

- V. Adjournment**

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 361 Military Housing Ad Valorem Tax Exemptions
SPONSOR(S): Trumbull and others
TIED BILLS: None **IDEN./SIM. BILLS:** SB 686

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Finance & Tax Committee	16 Y, 0 N, As CS	Dugan	Langston
2) Veteran & Military Affairs Subcommittee		Renner <i>JR</i>	Kiner <i>KLK</i>
3) Local & Federal Affairs Committee			

SUMMARY ANALYSIS

Current law provides an exemption from ad valorem taxation for property owned by the United States. This exemption specifically applies to leasehold interests in property owned by the United States government when the lessee serves or performs a governmental, municipal or public purpose or function.

The bill recognizes in statute that leaseholds and improvements constructed and used to provide housing pursuant to the federal Military Housing Privatization Initiative (Housing Initiative) on land owned by the federal government are exempt from ad valorem taxation.

The bill provides a definition of property of the United States that includes any leasehold interest of, and improvements affixed to, land owned by the United States acquired or constructed and used pursuant to the Housing Initiative. The bill provides that the term "improvements" includes actual housing units and any facilities that are directly related to such units, regardless of whether title is held by the United States. The bill also provides that it is not necessary for an application for an exemption to be filed or approved by the property appraiser.

The bill does not apply to transient public lodging establishments (hotels).

On February 2, 2015, the Revenue Estimating Conference estimated the bill will have a local government revenue impact of either zero or negative, indeterminate on local government collections of ad valorem revenues.

The bill applies retroactively to January 1, 2007.

The bill has an effective date of July 1, 2015.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Background- Military Housing Privatization Initiative

During the 1990s, the Department of Defense (DoD) designated nearly two-thirds (approximately 180,000 houses) of its domestic family housing inventory as inadequate, needing repair or complete replacement.¹ Many of the housing units were constructed during World War II or soon after, and were designed only to last a few years. In addition, many older units had environmental problems such as lead-based paint, asbestos, and could not meet current building codes.² To remedy the problem, the DoD estimated it would cost approximately \$20 billion and take up to 40 years using the traditional military construction (MILCON) approach. In response, the DoD began seeking a cheaper and faster solution.³

In 1996, Congress enacted⁴ the Military Housing Privatization Initiative (Housing Initiative) to provide the DoD with authority to allow private-sector financing and expertise in order to improve the military housing situation.⁵ Such authority includes:⁶

- guarantees, both loan and rental;
- conveyance or leasing of existing property and facilities;
- differential lease payments;
- investments, both limited partnerships and stock or bond ownership; and/or
- direct loans.

In a typical privatized military housing project, a military department (Army, Navy, or Air Force) enters into an agreement with a private developer selected in a competitive process to own, maintain and operate military family housing. Jointly, the military department and private developer create a public-private venture (PPV). The military department then leases land (improved, unimproved or both) to the PPV for a term of 50 years while retaining both a present and future interest in the land and any improvements. As part of the terms of the lease agreement, the private developer is subsequently responsible for constructing new housing units or renovating existing housing units and leasing this housing, giving preference to service members and their families.⁷ The land and title to the housing units conveyed to the PPV, as well as any improvements made by the PPV, during the duration of the lease automatically revert to the military department upon expiration or termination of the ground lease.⁸ The Housing Initiative provides flexibility in the structure and terms of the transactions with the

¹ GAO-09-352, *Military Housing Privatization*, at page 1, available at: <http://www.gao.gov/assets/290/289739.pdf>.

² Phillip Morrison, *State Property Tax Implications for Military Privatized Family Housing Program*, Vol. 56, *Air Force Law Review*, page 263 (2005).

³ The Office of the Deputy Under Secretary of Defense (DUSD) Installations and Environment, *Military Privatization Initiative, Overview*, available at: <http://www.acq.osd.mil/housing/overview.htm> (last visited February 12, 2015). According to this site, the DoD currently owns 257,000 family housing units on- and off-base. About 60 percent need to be renovated or replaced because they have not been sufficiently maintained or modernized over the last 30 years.

⁴ National Defense Authorization Act for Fiscal Year 1996, Pub. L. No. 104-106, §§ 2801-2841 (1996).

⁵ 10 U.S.C. § 2871 et seq.

⁶ 10 U.S.C. §§ 2872-2878

⁷ Each military department develops a “waterfall” policy, where preference is generally given in the following order: (1) active duty military personnel with dependents, (2) active duty without families, (3) military reservists, (4) DoD civilians, (5) military retirees, (6) civilians.

⁸ GAO-09-352, at pages 10 and 11.

private sector. Unlike traditional MILCON projects, these projects are controlled by a private developer acting through the PPV rather than through unilateral government control.^{9,10}

There are currently Housing Initiative developments at the following military installations in Florida:¹¹

- Eglin Air Force Base
- Hurlburt Field
- MacDill Air Force Base
- Naval Air Station Jacksonville
- Naval Air Station Key West
- Naval Air Station Pensacola
- Naval Air Station Whiting Field
- Naval Station Mayport
- Naval Support Activity Panama City
- Patrick Air Force Base
- Tyndall Air Force Base
-

Property Taxes in Florida

The Florida Constitution reserves ad valorem taxation to local governments and prohibits the state from levying ad valorem taxes on real and tangible personal property.¹² The ad valorem tax is an annual tax levied by counties, cities, school districts, and some special districts based on the value of real and tangible personal property as of January 1 of each year.¹³ The Florida Constitution requires that all property be assessed at just value for ad valorem tax purposes,¹⁴ and it provides for specified assessment limitations, property classifications and exemptions.¹⁵ After the property appraiser has considered any assessment limitation or use classification affecting the just value of a property, an assessed value is produced. The assessed value is then reduced by any exemptions to produce the taxable value.¹⁶ Such exemptions include, but are not limited to: homestead exemptions and exemptions for property used for educational, religious, or charitable purposes.¹⁷ The Florida Constitution strictly limits the Legislature's authority to provide exemptions or adjustments to just value.¹⁸ However, the Florida Constitution provides for property tax relief in the form of certain valuation differentials, assessment limitations, and exemptions.¹⁹

⁹ Phillip Morrison article, *supra* note 2, at page 266.

¹⁰ DUSD, Installations and Environment, Housing Projects, Projects Awarded as of February 2012, available at: <http://www.acq.osd.mil/housing/projawarded.htm> (last visited February 12, 2015).

¹¹ DUSD, Installations and Environment, Housing Projects, Projects Awarded, Florida, available at: http://www.acq.osd.mil/housing/state_fl.htm (last visited February 12, 2015).

¹² Fla. Const. art. VII, s. 1(a).

¹³ Section 192.001(12), F.S., defines "real property" as land, buildings, fixtures, and all other improvements to land. The terms "land," "real estate," "realty," and "real property" may be used interchangeably. Section 192.001(11)(d), F.S., defines "tangible personal property" as all goods, chattels, and other articles of value (but does not include the vehicular items enumerated in article VII, section 1(b) of the Florida Constitution and elsewhere defined) capable of manual possession and whose chief value is intrinsic to the article itself.

¹⁴ Fla. Const., art. VII, s. 4.

¹⁵ Fla. Const. art. VII, ss. 3, 4, and 6.

¹⁶ s. 196.031, F.S.

¹⁷ Fla. Const. art. VII, ss. 3 and 6.

¹⁸ Fla. Const. art. VII, ss. 3, 4, and 6.

¹⁹ Valuation differentials, assessment limitations, and exemptions are authorized in article VII of the Florida Constitution.

Taxation of United States Property

Generally, the federal government and property owned by the federal government are immune from state and local taxation.²⁰ The federal government's immunity from taxation required by state law extends to its agents and its instrumentalities.²¹ Congress has the exclusive authority to determine whether and to what extent its instrumentalities are immune from state and local taxes.²²

Statutory Exemption for United States Property

Current law recognizes the immunity that property of the United States enjoys, and the ability of Congress to waive that immunity in specified circumstances: "All property of the United States shall be exempt from ad valorem taxation except such property as is subject to tax . . . under any law of the United States."²³ Thus, federally-owned property may be subject to taxation in Florida if specifically allowed by federal law; however, Housing Initiative property does not allow such taxation.²⁴

Current law also provides an exemption from ad valorem and intangible taxation for leasehold interests in property owned by the United States when the lessee is performing a "governmental, municipal, or public purpose or function" as defined in s. 196.012(6), F.S.²⁵ Under s. 196.012(6), F.S., such a purpose is deemed served when "the lessee... is demonstrated to perform a function or serve a governmental purpose which could properly be performed or served by an appropriate governmental unit or ... would otherwise be a valid subject for the allocation of public funds." This section of statute does not specifically describe leaseholds and improvements constructed pursuant to the Housing Initiative as being eligible for this exemption from ad valorem taxation.

Current Litigation

Until recently, no attempt had been made to subject the Housing Initiatives projects in Florida to ad valorem tax. In 2012, the Monroe County property appraiser reversed a position he had held for several years and asserted that the Housing Initiative project improvements at Naval Air Station Key West were subject to tax retroactive to 2008 because the owner of the improvements was not exempt.²⁶ However, a circuit court judge in the Sixteenth Judicial Circuit determined that such improvements are exempt from property tax because the use and ownership of the improvements are consistent with the property tax exemptions provided in s. 196.199.²⁷ The court found that the operation, construction and renovation of military housing is a governmental function,²⁸ and, even though the nongovernmental lessee technically held legal title to the property, the United States Navy was the equitable owner of the property.²⁹ The Monroe County property appraiser appealed the decision to the Third District Court of Appeals,³⁰ but the opinion has not been released at the time of this analysis.

In 2014, a similar lawsuit was filed in Escambia County after the county property appraiser denied the ad valorem tax exemption for a Housing Initiative lessee in 2013.³¹ In Escambia County, the original exemption was granted in 2008 based on the percentage of rented units occupied by active duty personnel, as determined by "rent rolls" provided annually by the Housing Initiative lessee.³² The

²⁰ *McCullough v. Maryland*, 17 U.S. (4 Wheat.) 316 (1819); *United States v. New Mexico*, 455 U.S. 720 (1982).

²¹ *Kern-Limerick, Inc. v. Scurlock*, 347 U.S. 110 (1954); *Rohr Corp. v. San Diego County*, 362 U.S. 628 (1960).

²² *Maricopa County v. Valley Bank*, 318 U.S. 357 (1943).

²³ s. 196.199(1)(a), F.S.

²⁴ 10 U.S.C. § 2878(e)(1).

²⁵ s. 196.199(2)(a), F.S.

²⁶ *Southeast Housing LLC v. Borglum*, No. 2012-CA-000831-K (Fla. 16th Cir. Ct., August 2012).

²⁷ *Southeast Housing LLC v. Borglum*, No. 2012-CA-000831-K, (Fla. 16th Cir. Ct., March 2014).

²⁸ *Id.* at page 9.

²⁹ *Id.* at page 11.

³⁰ *Russell v. Southeast Housing LLC*, No. 3D14-746 (3d DCA, May 2014).

³¹ *Southeast Housing LLC v. Jones*, No. 2014-CA-000293 (Fla. 1st Cir. Ct., February 2014).

³² *Southeast Housing LLC v. Jones*, No. 2014-CA-000293, Plaintiff's Complaint at paragraph 41, (July 23, 2014).

property appraiser granted the ad valorem exemption in 2008 through 2012, but removed and denied the exemption in 2013. The property appraiser notified the Housing Initiative lessee of the removal and denial through a letter sent on July 1, 2013, which stated that “Florida law... provides that property owned by a non-governmental entity or lessee... shall be subject to ad valorem taxation.”³³ The Housing Initiative lessee filed a lawsuit on July 23, 2014, arguing that the property appraiser’s removal and denial of the exemption is contrary to both state and federal law and is without legal basis or authorization.

Also in 2014, a similar lawsuit was filed in Santa Rosa County after the county property appraiser terminated a PILOT Agreement (Payment In Lieu of Taxes Agreement) entered into with a Housing Initiative lessee.³⁴ After an initial denial of the ad valorem exemption in 2008, the property appraiser and the lessee executed the PILOT agreement on January 21, 2009.³⁵ The agreement provided payment from the Housing Initiative lessee to various local governments in the county in exchange for the Housing Initiative project’s classification as exempt from ad valorem taxation.³⁶ The payment represented the ad valorem taxes, recalculated annually, that would have been due from the civilian occupied military housing units (but not the land, which remains exempt under federal ownership).³⁷ Further, the agreement provided the parties agreed that the military housing units occupied by active duty or retired military personnel and their families were exempt from ad valorem taxation.³⁸ On November 27, 2013, the property appraiser sent the Housing Initiative lessee a letter providing notification that the PILOT agreement would be terminated effective December 31, 2013. The Housing Initiative lessee filed a lawsuit on December 17, 2014, arguing that the property appraiser’s removal and denial of the exemption is contrary to both state and federal law and is without legal basis or authorization.

Additionally, a similar lawsuit was filed in Okaloosa County after the county property appraiser denied ad valorem exemption for a Housing Initiative lessee in 2014.³⁹ In Okaloosa County, the Housing Initiative lessee entered into Housing Initiative projects in 2013 at Eglin Air Force Base and Hurlburt Field, and submitted an application for ad valorem exemption on February 27, 2014.⁴⁰ However, the county property appraiser denied the application for each property on June 19, 2014.⁴¹ The Housing Initiative lessee filed a lawsuit on December 3, 2014, arguing that the property appraiser’s denial of the exemption was incorrect because equitable title to the properties is held by the United States.

Effect of Proposed Changes

The bill recognizes in statute that leaseholds and improvements constructed and used to provide housing pursuant to the federal Military Housing Initiative on land owned by the federal government are exempt from ad valorem taxation.

The bill provides a definition of property of the United States that includes any leasehold interest of, and improvements affixed to, land owned by the United States acquired or constructed and used pursuant to the Housing Initiative. The bill provides that the term “improvements” includes actual housing units and any facilities that are directly related to such units. The bill also provides that it is not necessary for an application for an exemption to be filed or approved by the property appraiser.

The bill does not apply to transient public lodging establishments (hotels).

³³ Id. at paragraphs 50 and 51.

³⁴ *Southeast Housing, LLC, v. Brown*, No. 2014-CA-1174 (Fla. 1st Cir. Ct., December 17, 2014).

³⁵ *Southeast Housing LLC v. Brown*, No. 2014-CA-1174, Plaintiff’s Complaint at paragraph 45 (December 17, 2014).

³⁶ Id. at paragraphs 48 through 51.

³⁷ Id.

³⁸ Id.

³⁹ *Corvias Air Force Living, LLC, v. Smith*, No. 2014-CA-004502F (Fla. 1st Cir. Ct. December 4, 2014).

⁴⁰ *Corvias Air Force Living, LLC, v. Smith*, No. 2014-CA-004502F, Plaintiff’s Complaint paragraph 20, 21, and 25 (December 4, 2014).

⁴¹ Id. at paragraph 26.

B. SECTION DIRECTORY:

Section 1. Amends s. 196.199, F.S., relating to the government property ad valorem exemption.

Section 2. Provides retroactive applicability to January 1, 2007.

Section 3. Provides an effective date of July 1, 2015.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The Revenue Estimating Conference estimates the bill could have zero or a negative, indeterminate impact on local government collections of ad valorem revenues.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Clarifying ad valorem tax exemption eligibility standards for United States property may ensure that military housing developed pursuant to the Housing Initiative will not be subjected to taxation.

D. FISCAL COMMENTS:

The negative, indeterminate fiscal impact possibility is a result of the uncertainty regarding the current administration of the tax. The various property appraiser offices of the state and the DOR play a role in the administration of the tax.

Four out of eight county property appraisers with Housing Initiative projects in their respective counties currently have litigation pending regarding the removal and denial of ad valorem exemptions on the Housing Initiative properties. The remaining four are treating the properties as exempt.

In response to the lawsuit filed against the Monroe County Property Appraiser, the Florida Department of Revenue filed an answer with the Court in which it concurred with the Housing Initiative lessee that the improvements at Naval Air Station Key West were exempt ad valorem taxation.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The county/municipality mandates provision of Article VII, section 18 of the Florida Constitution may apply because, if the courts determine that ad valorem taxation is appropriate on improvements to Housing Initiative property, this bill may reduce the authority of local governments to raise total aggregate revenues by exempting such property from ad valorem taxation. However, the bill may be exempt under article VII, section 18(d) of the Florida Constitution because it may have an insignificant fiscal impact.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On February 12, 2015, the Finance & Tax Committee adopted an amendment which revised the bill to remove unneeded section directory language.

This bill analysis is written to House Bill 361 as amended.

1 A bill to be entitled
 2 An act relating to military housing ad valorem tax
 3 exemptions; amending s. 196.199, F.S.; providing that
 4 certain leasehold interests and improvements to land
 5 owned by the United States, a branch of the United
 6 States Armed Forces, or any agency or quasi-
 7 governmental agency of the United States are exempt
 8 from ad valorem taxation under specified
 9 circumstances; providing that such leasehold interests
 10 and improvements are entitled to an exemption from ad
 11 valorem taxation without an application being filed
 12 for the exemption or the property appraiser approving
 13 the exemption; providing nonapplicability of
 14 provisions to transient public lodging establishments;
 15 providing retroactive applicability; providing an
 16 effective date.

17
 18 Be It Enacted by the Legislature of the State of Florida:

19
 20 Section 1. Paragraph (a) of subsection (1) of section
 21 196.199, Florida Statutes, is amended to read:

22 196.199 Government property exemption.—

23 (1) Property owned and used by the following governmental
 24 units shall be exempt from taxation under the following
 25 conditions:

26 (a) 1. All property of the United States is ~~shall be~~ exempt

27 | from ad valorem taxation, except such property as is subject to
28 | tax by this state or any political subdivision thereof or any
29 | municipality under any law of the United States.

30 | 2. Notwithstanding any other provision of law, for
31 | purposes of the exemption from ad valorem taxation provided in
32 | subparagraph 1., property of the United States includes any
33 | leasehold interest of and improvements affixed to land owned by
34 | the United States, any branch of the United States Armed Forces,
35 | or any agency or quasi-governmental agency of the United States
36 | if the leasehold interest and improvements are acquired or
37 | constructed and used pursuant to the federal Military Housing
38 | Privatization Initiative of 1996, 10 U.S.C. ss. 2871 et seq. As
39 | used in this subparagraph, the term "improvements" includes
40 | actual housing units and any facilities that are directly
41 | related to such housing units, including any housing maintenance
42 | facilities, housing rental and management offices, parks and
43 | community centers, and recreational facilities. Any leasehold
44 | interest and improvements described in this subparagraph,
45 | regardless of whether title is held by the United States, shall
46 | be construed as being owned by the United States, the applicable
47 | branch of the United States Armed Forces, or the applicable
48 | agency or quasi-governmental agency of the United States and are
49 | exempt from ad valorem taxation without the necessity of an
50 | application for exemption being filed or approved by the
51 | property appraiser. This subparagraph does not apply to a
52 | transient public lodging establishment as defined in s. 509.013.

53 Section 2. This act applies retroactively to January 1,
54 2007.
55 Section 3. This act shall take effect July 1, 2015.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 721 County and Municipal Parks
SPONSOR(S): McGhee
TIED BILLS: IDEN./SIM. BILLS:

Table with 4 columns: REFERENCE, ACTION, ANALYST, STAFF DIRECTOR or BUDGET/POLICY CHIEF. Row 1: 1) Veteran & Military Affairs Subcommittee, Thompson, Kiner.

SUMMARY ANALYSIS

Currently, there are over 260 county and municipal parks and recreation agencies in Florida, and most of them do not charge entrance fees. Although current law requires state parks to offer discounts on annual entrance passes to active duty servicemembers, honorably discharged veterans, and the surviving spouse and parents of fallen servicemembers, law enforcement officers, and firefighters, there is no such requirement at the county or municipal level.

The bill requires counties and municipalities to provide discounts on local park entrance fees to such individuals who present written documentation satisfactory to the county or municipal department, which evidences the individual's eligibility. Specifically, the bill requires county and municipal parks and recreation departments to provide a full or partial discount on park entrance fees to the following individuals:

- Current members, honorably discharged veterans, and veterans with a service-connected disability, of the United States Armed Forces, their reserve components, or the National Guard;
• The surviving spouse or parent of a deceased member of the United States Armed Forces, their reserve components, or the National Guard, who died in the line of duty under combat-related conditions; and
• The surviving spouse or parent of a law enforcement officer or firefighter who died in the line of duty.

The bill does not require Florida residency.

For the purpose of minimizing any potential fiscal impact on county or municipal revenue, the bill:

- Allows a county or municipal park to determine the amount of the discount in accordance with its financial circumstances; and
• Narrowly defines a "park entrance fee" to exclude fees for the use of campgrounds, aquatic facilities, stadiums or arenas, special events, and other expanded amenity fees.

Article VII, section 18(b) of the Florida Constitution requires any general law that reduces a local government's authority to raise revenues in the aggregate to be passed by a two-thirds vote of the membership of each house of the Legislature. However, Article VII, section 18(d) of the Florida Constitution provides an exemption from the two-thirds requirement for any general law that has an insignificant fiscal impact.

In 2014, the Revenue Estimating Conference estimated that the provisions of an identical bill would have an indeterminate, but likely insignificant fiscal impact on county and municipal government revenue. Although it is likely to have an insignificant negative fiscal impact to county and municipal governments, the Revenue Estimating Conference has not yet provided an estimate of the provisions of this bill.

The bill has an effective date of July 1, 2015.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Military and Veteran Presence in Florida

Florida is home to over 61,000 active-duty military servicemembers,¹ over 36,000 Reservists,² and over 1.5 million veterans.³ Approximately 285,000 of Florida's 1.5 million plus veterans are service-disabled.⁴

The Florida National Guard (Guard) has nearly 12,000 members, with 9,900 National Guard personnel and 2,000 Air National Guard personnel.⁵

Florida State Park System

The Department of Environmental Protection (DEP), through its Division of Recreation and Parks (DRP), oversees Florida's 161 state parks, 10 state trails, nearly 800,000 acres, and 100 miles of beaches.⁶ Florida state parks and trails welcomed more than 27 million visitors during the 2013-2014 fiscal year.⁷ During this same time period, Florida state parks and trails generated over \$2.1 billion in direct economic impact, and over \$140 million in increased sales tax revenue.⁸

To administer, improve, and maintain Florida state parks and trails, the DRP charges reasonable fees for the use or operation of park and trail facilities.⁹ Typically, these fees are categorized as entrance fees and activity fees, although other fees may be charged in some cases.¹⁰ Daily entrance fees are typically charged per vehicle and range from \$4.00-\$6.00 for a single-occupant vehicle (or motorcycle admission) to \$5.00-\$10.00 for vehicles with two to eight occupants.¹¹ Annual entrance passes are also available.¹² The regular price for an annual entrance pass is \$60 for an individual and \$120 for a family.¹³

¹ Enterprise Florida, Inc., "Florida The Perfect Climate For Business, DEFENSE/HOMELAND SECURITY, available at: <https://www.enterpriseflorida.com/wp-content/uploads/brief-defense-homeland-security-florida.pdf> (Last visited February 20, 2015).

² Office of the Deputy Assistant Secretary of Defense (Military Community and Family Policy), under contract with ICF International, "2013 Demographics, PROFILE OF THE MILITARY COMMUNITY", at page v, available at:

<http://www.militaryonesource.mil/12038/MOS/Reports/2013-Demographics-Report.pdf> (Last visited February 20, 2015). According to the report, reserve components include the Department of Defense's Army National Guard, Army Reserve, Navy Reserve, Marine Corps Reserve, Air National Guard and Air Force Reserve, and DHS's Coast Guard Reserve.

³ FDVA, Annual Report Fiscal Year 2013-2014, page 6, available at: <http://floridavets.org/wp-content/uploads/2012/08/Annual-Report-2013-14-Final-11-11-14.pdf> (Last visited February 20, 2015).

⁴ U.S. Department of Veterans Affairs, Veterans Benefits Administration, Annual Benefits Report, Fiscal Year 2013, page 29 of 80, available at: <http://www.benefits.va.gov/REPORTS/abr/ABR-IntroAppendix-FY13-09262014.pdf> (Last visited February 20, 2015).

⁵ Florida National Guard website, available at: http://www.floridaguard.army.mil/?page_id=7 (Last viewed February 20, 2015).

⁶ Florida Department of Environmental Protection website, available at: <http://www.dep.state.fl.us/parks/> (Last visited February 20, 2015).

⁷ Florida Department of Environmental Protection, Fiscal Year 2013-2014 Economic Impact Assessment for the Florida State Park System, October 23, 2014.

⁸ Id. 'Direct economic impact' is defined as "the amount of new dollars spent in the local economy by non-local park visitors and park operations. "Increased State Sales Tax" is defined as "the estimated amount of tax dollars the state receives as a result of park visitor expenditures."

⁹ s. 258.014, F.S.

¹⁰ A county surcharge is an example of an "other fee." Florida State Parks website, "Fees," available at: <https://www.floridastateparks.org/things-to-know/fees#daily> (Last visited February 20, 2015).

¹¹ Florida State Parks Fee Schedule, available at:

<https://www.floridastateparks.org/sites/default/files/Division%20of%20Recreation%20and%20Parks/documents/FPSFeeSchedule.pdf> (Last visited February 20, 2015).

¹² Id.

¹³ Id.

State Park Fee Discounts

Currently, DPR provides discounts on state park fees to certain persons who present written documentation. An active-duty military servicemember or honorably discharged veteran is eligible for a 25-percent discount on an annual entrance pass, and as a result, would only pay \$45 for an individual entrance pass or \$90 for a family entrance pass.¹⁴

An honorably discharged veteran who has a service-connected disability is eligible to receive lifetime family annual entrance passes at no charge.¹⁵ Also, the surviving spouse and parents of the following persons are eligible to receive lifetime family annual entrance passes at no charge:

- A member of the United States Armed Forces, National Guard, or reserve components who was killed in combat.
- A law enforcement officer, as defined in s. 943.10(1), F.S., or a firefighter, as defined in s. 633.102, F.S., who died in the line of duty.

State Park Entrance Fee Discounts: FY 2013-2014		
Discount Type	Estimated Passes Sold¹⁶	Value
Individual Entrance Pass (25% discount: active-duty servicemembers and veterans)	1,295	\$19,425
Family Annual Entrance Pass (25% discount: active-duty servicemembers and veterans)	4,103	\$123,090
Lifetime Family Annual Entrance Pass (Full discount: disabled veterans; the spouse and parents of a fallen military servicemember, law enforcement officer, or firefighter)	9,804	\$1,176,480
Total for FY 2013-2014	15,202	\$1,318,995

County and Municipal Parks

According to the Florida Recreation & Park Association, there are over 260 county and municipal parks and recreation agencies in Florida, and most of them do not charge entrance fees.

Effect of Proposed Changes

The bill requires county and municipal parks to provide a full or partial discount on park entrance fees to the following individuals:

- Current members, honorably discharged veterans, and veterans with a service-connected disability, of the United States Armed Forces, their reserve components, or the National Guard;
- The surviving spouse or parent of a deceased member of the United States Armed Forces, their reserve components, or the National Guard, who died in the line of duty under combat-related conditions; and
- The surviving spouse or parent of a law enforcement officer or firefighter who died in the line of duty.

In order to take advantage of the discount, a park visitor must present written documentation satisfactory to the county or municipal department, which evidences the individual's eligibility. Typically, sufficient written documentation for an active duty military servicemember includes a current, valid

¹⁴ s. 258.0145(1), F.S.

¹⁵ s. 258.0145(2), F.S.

¹⁶ DEP provided the estimated sales information to the Veteran & Military Affairs Subcommittee on February 24, 2015.

military identification card, which may include the Common Access Cards (CAC).¹⁷ The CAC card is the standard identification for active duty uniformed service personnel, Selected Reserve, Department of Defense (DoD) civilian employees, and eligible contractor personnel.¹⁸

For an honorably discharged veteran, sufficient written documentation may include a copy of the veteran's separation from service documents, or the Uniformed Services ID Card,¹⁹ which allows access to various military service benefits or privileges.²⁰ There are seven types of Uniformed Services ID Cards and the benefits associated with each card depend on who the individual is.²¹

The bill does not require Florida residency.

For the purpose of minimizing any potential fiscal impacts to county or municipal revenue, the bill:

- Allows a county or municipal park to determine the amount of the discount in accordance with its financial circumstances; and
- Narrowly defines a "park entrance fee" to exclude other expanded campground fees for the use of amenities such as:
 - Aquatic facilities,
 - Stadiums or arenas,
 - Special events,
 - Boat launching,
 - Golf,
 - Zoos,
 - Museums,
 - Gardens, or
 - Programs taking place within public lands.

By restricting the park fee discounts to entrance fees, this may increase any potential positive fiscal impact on county or municipal revenue.

Although county and municipal parks may currently provide a full or partial discount on park entrance fees to these individuals, there may be a benefit from the uniformity that a state law would provide.

B. SECTION DIRECTORY:

- Section 1: Creates s. 125.028, F.S., requiring a county department of parks and recreation to provide discounts on entrance fees at county parks to military servicemembers, veterans, and certain family members of deceased military servicemembers, law enforcement officers, and firefighters; defines the term "park entrance fees."
- Section 2: Creates s. 166.0447, F.S., requiring a municipal department of parks and recreation to provide discounts on entrance fees at municipal parks to military servicemembers, veterans, and certain family members of deceased military servicemembers, law enforcement officers, and firefighters; defines the term "park entrance fees."

¹⁷ An example of a CAC card can be found on the Department of Defense website on Common Access Cards, *available at* <http://www.cac.mil/common-access-card/>

¹⁸ Department of Defense website on Common Access Cards, (last visited February 9, 2015) *available at* <http://www.cac.mil/common-access-card/>

¹⁹ An example of a Uniformed Services ID Card can be found on the Department of Defense website on Uniformed Services ID Cards, *available at* <http://www.cac.mil/uniformed-services-id-card/>

²⁰ Department of Defense website on Uniformed Services ID Cards, (last visited February 9, 2015) *available at* <http://www.cac.mil/uniformed-services-id-card/>

²¹ *Id.*

Section 3: Provides an effective date of July 1, 2015.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

In 2014, the Revenue Estimating Conference estimated that the provisions of an identical bill would have an indeterminate, but likely insignificant fiscal impact on county and municipal government revenue. Although it is likely to have an insignificant negative fiscal impact to county and municipal governments, the Revenue Estimating Conference has not yet provided an estimate of the provisions of this bill.

To the extent that county and municipal parks charge park entrance fees at all, county and municipal parks may experience a decrease in revenue generated from park entrance fees.

However, publicity generated from such park entrance fee discounts may lead to an overall increase in revenue.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Park fee discounts at county and municipal parks will be available to certain active-duty military servicemembers, honorably discharged veterans, disabled veterans, and certain family members of servicemembers who have died during combat. The surviving spouse or parent of a law enforcement officer or firefighter who has died while in the line of duty is also included.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Article VII, section 18(b) of the Florida Constitution requires any general law that reduces a local government's authority to raise revenues in the aggregate to be passed by a two-thirds vote of the membership of each house of the Legislature. However, Article VII, section 18(d) of the Florida Constitution provides an exemption from the two-thirds requirement for any general law that has an insignificant fiscal impact.

In 2014, the Revenue Estimating Conference estimated that the provisions of an identical bill would have an indeterminate, but likely insignificant fiscal impact on county and municipal government revenue. Although it is likely to have an insignificant negative fiscal impact to local government revenues, the Revenue Estimating Conference has not yet provided an estimate of this bill.

2. Other:

Not applicable.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

Not applicable.

1 A bill to be entitled
 2 An act relating to county and municipal parks;
 3 creating ss. 125.028 and 166.0447, F.S.; requiring
 4 counties and municipalities to provide discounts on
 5 public park entrance fees to military servicemembers,
 6 veterans, and spouses and parents of certain deceased
 7 military servicemembers, law enforcement officers, and
 8 firefighters; defining the term "park entrance fees";
 9 providing an effective date.

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

12
 13 Section 1. Section 125.028, Florida Statutes, is created
 14 to read:

15 125.028 Military, law enforcement, and firefighter county
 16 park fee discounts.-

17 (1) A county park or recreation department shall provide a
 18 partial or full discount on park entrance fees to an individual
 19 who presents written documentation satisfactory to the county
 20 department that evidences that the individual is:

21 (a) A current member of the United States Armed Forces,
 22 their reserve components, or the National Guard.

23 (b) An honorably discharged veteran of the United States
 24 Armed Forces, their reserve components, or the National Guard.

25 (c) A veteran of the United States Armed Forces, their
 26 reserve components, or the National Guard, who has a service-

27 connected disability as determined by the United States
 28 Department of Veterans Affairs.

29 (d) A surviving spouse or parent of a deceased member of
 30 the United States Armed Forces, their reserve components, or the
 31 National Guard, who died in the line of duty under combat-
 32 related conditions.

33 (e) A surviving spouse or parent of a law enforcement
 34 officer, as defined in s. 943.10, or a firefighter, as defined
 35 in s. 633.102, who died in the line of duty.

36 (2) As used in this section, the term "park entrance fees"
 37 means fees charged to access lands managed by a county park or
 38 recreation department. The term does not include additional fees
 39 for amenities, such as campgrounds, aquatic facilities, stadiums
 40 or arenas, facility rentals, special events, boat launching,
 41 golf, zoos, museums, gardens, or programs taking place within
 42 public lands.

43 Section 2. Section 166.0447, Florida Statutes, is created
 44 to read:

45 166.0447 Military, law enforcement, and firefighter
 46 municipal park fee discounts.—

47 (1) A municipal park or recreation department shall
 48 provide a partial or full discount on park entrance fees to an
 49 individual who presents written documentation satisfactory to
 50 the municipal department that evidences that the individual is:

51 (a) A current member of the United States Armed Forces,
 52 their reserve components, or the National Guard.

53 (b) An honorably discharged veteran of the United States
 54 Armed Forces, their reserve components, or the National Guard.

55 (c) A veteran of the United States Armed Forces, their
 56 reserve components, or the National Guard, who has a service-
 57 connected disability as determined by the United States
 58 Department of Veterans Affairs.

59 (d) A surviving spouse or parent of a deceased member of
 60 the United States Armed Forces, their reserve components, or the
 61 National Guard, who died in the line of duty under combat-
 62 related conditions.

63 (e) A surviving spouse or parent of a law enforcement
 64 officer, as defined in s. 943.10, or a firefighter, as defined
 65 in s. 633.102, who died in the line of duty.

66 (2) As used in this section, the term "park entrance fees"
 67 means fees charged to access lands managed by a municipal park
 68 or recreation department. The term does not include additional
 69 fees for amenities, such as campgrounds, aquatic facilities,
 70 stadiums or arenas, facility rentals, special events, boat
 71 launching, golf, zoos, museums, gardens, or programs taking
 72 place within public lands.

73 Section 3. This act shall take effect July 1, 2015.