

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

FINANCE AND TAX
Senator Hukill, Chair
Senator Abruzzo, Vice Chair

MEETING DATE: Monday, January 11, 2016**TIME:** 1:30—3:30 p.m.**PLACE:** *James E. "Jim" King, Jr. Committee Room*, 401 Senate Office Building**MEMBERS:** Senator Hukill, Chair; Senator Abruzzo, Vice Chair; Senators Altman, Diaz de la Portilla, Flores, Margolis, Simpson, and Soto

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	Presentation of Governor Scott's Tax Reduction Proposals		Presented
2	SJR 170 Brandes (Similar HJR 193, Compare H 195, Linked CS/S 172)	Renewable Energy Source Device; Proposing amendments to the State Constitution to require the Legislature, by general law, to exempt the assessed value of a renewable energy source device or a component thereof from the tangible personal property tax, to allow the Legislature, by general law, to prohibit the consideration of the installation of such device or component in determining the assessed value of residential and nonresidential real property for the purpose of ad valorem taxation, and to provide effective and expiration dates, etc. CU 11/03/2015 Favorable CA 12/01/2015 Favorable FT 01/11/2016 Fav/CS AP	Fav/CS Yeas 8 Nays 0
3	CS/SB 172 Community Affairs / Brandes (Similar H 195, Compare HJR 193, Linked SJR 170)	Renewable Energy Source Devices; Revising the term "renewable energy source device" to include certain devices that store or use solar energy, wind energy, or energy from geothermal deposits to generate specified forms of energy; specifying a period during which a property appraiser is prohibited from considering an increase in the just value of real property used for residential purposes which is attributable to the installation of a renewable energy source device; exempting a renewable energy source device, or a component of such device, which is installed upon real property on or after a specified date from the tangible personal property tax, etc. CU 11/03/2015 Favorable CA 12/01/2015 Fav/CS FT 01/11/2016 Fav/CS AP	Fav/CS Yeas 8 Nays 0

COMMITTEE MEETING EXPANDED AGENDA

Finance and Tax

Monday, January 11, 2016, 1:30—3:30 p.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
4	SB 608 Stargel (Similar H 775)	Emergency Preparedness and Response; Providing a sales and use tax exemption for certain tangible personal property related to disaster preparedness during a specified period; authorizing the Department of Revenue to adopt rules to implement the exemption; providing an expiration date; directing the Division of Emergency Management to create a statewide system to facilitate transport of essentials in an emergency throughout the state, etc. FT 01/11/2016 Fav/CS ATD AP	Fav/CS Yeas 8 Nays 0
5	CS/SJR 778 Military and Veterans Affairs, Space, and Domestic Security / Altman (Similar HJR 811, Compare H 813, Linked S 816)	Homestead Tax Exemption/Spouses of Combat-related Disabled Veterans; Proposing amendments to the State Constitution to authorize the discount on ad valorem taxes on homestead property which is received by certain veterans who have permanent, combat-related disabilities to carry over upon the death of the veteran to the benefit of a surviving spouse until the surviving spouse remarries or sells or otherwise disposes of the property and to specify that the discount is transferrable to another permanent residence if the surviving spouse remains unmarried, etc. MS 12/01/2015 Fav/CS FT 01/11/2016 Fav/CS AP	Fav/CS Yeas 8 Nays 0
6	SB 816 Altman (Compare HJR 811, H 813, Linked CS/SJR 778)	Homestead Property Tax Discount for Disabled Veterans; Providing for the transfer of a certain discount on ad valorem taxes on homestead property to the surviving spouse of a specified disabled veteran under certain circumstances; providing for the transfer of the discount by the surviving spouse to a new residence under certain circumstances, etc. MS 12/01/2015 Favorable FT 01/11/2016 Fav/CS AP	Fav/CS Yeas 8 Nays 0

Other Related Meeting Documents

\$1 BILLION IN TAX CUTS



GOVERNOR RICK SCOTT Fiscal Year 2016-17



*Florida Senate
Committee on Finance and Tax
January 11, 2016*

\$1 BILLION IN TAX CUTS



GOVERNOR RICK SCOTT Record of Economic Growth



www.flgov.com

rick.scott@eog.myflorida.com

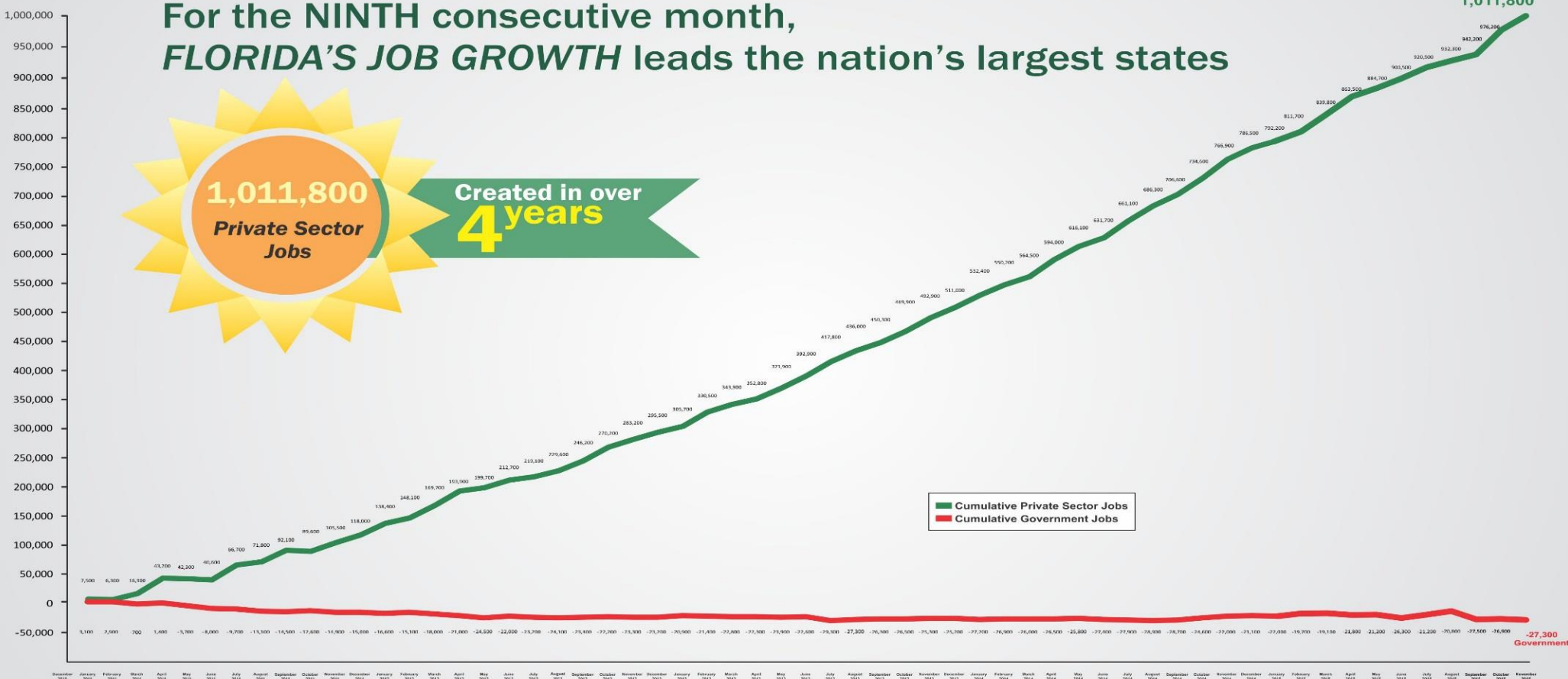
(850) 488-7146

For the NINTH consecutive month,
FLORIDA'S JOB GROWTH leads the nation's largest states

1,011,800
Private Sector
Jobs

Created in over
4 years

Private Sector
1,011,800



Total Jobs Added (or Lost) Since December 2010

Data Source: Florida Department of Economic Opportunity and the U.S. Department of Labor, Bureau of Labor Statistics

WWW.FLORIDAFIRSTBUDGET.COM

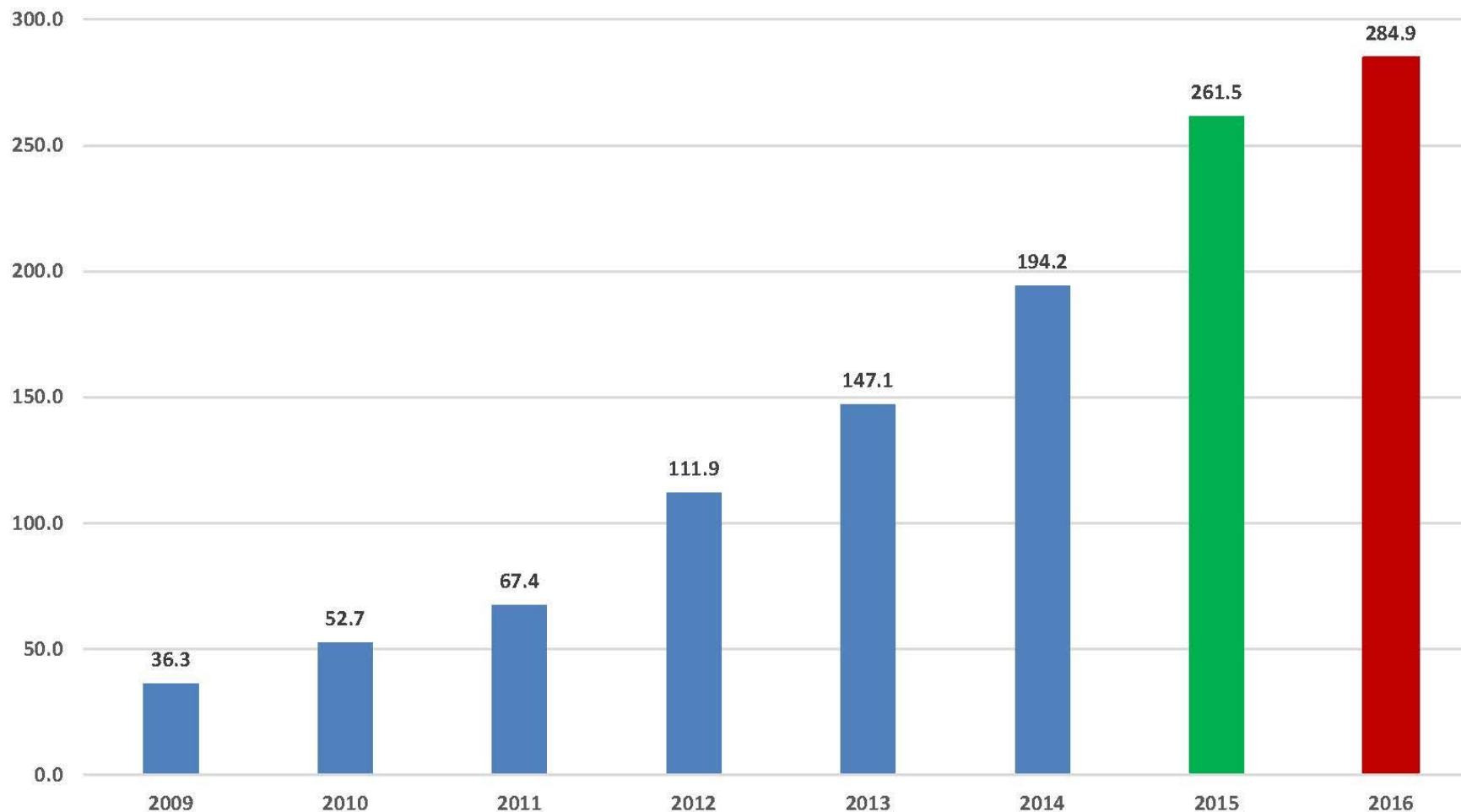
#1STFORJOBS

\$1 BILLION IN TAX CUTS



Florida Net Migration

By Fiscal Year (in thousands)



Source: December 2015 Florida Demographic Estimating Conference

\$1 BILLION IN TAX CUTS



Florida Job Growth Compared to U.S.

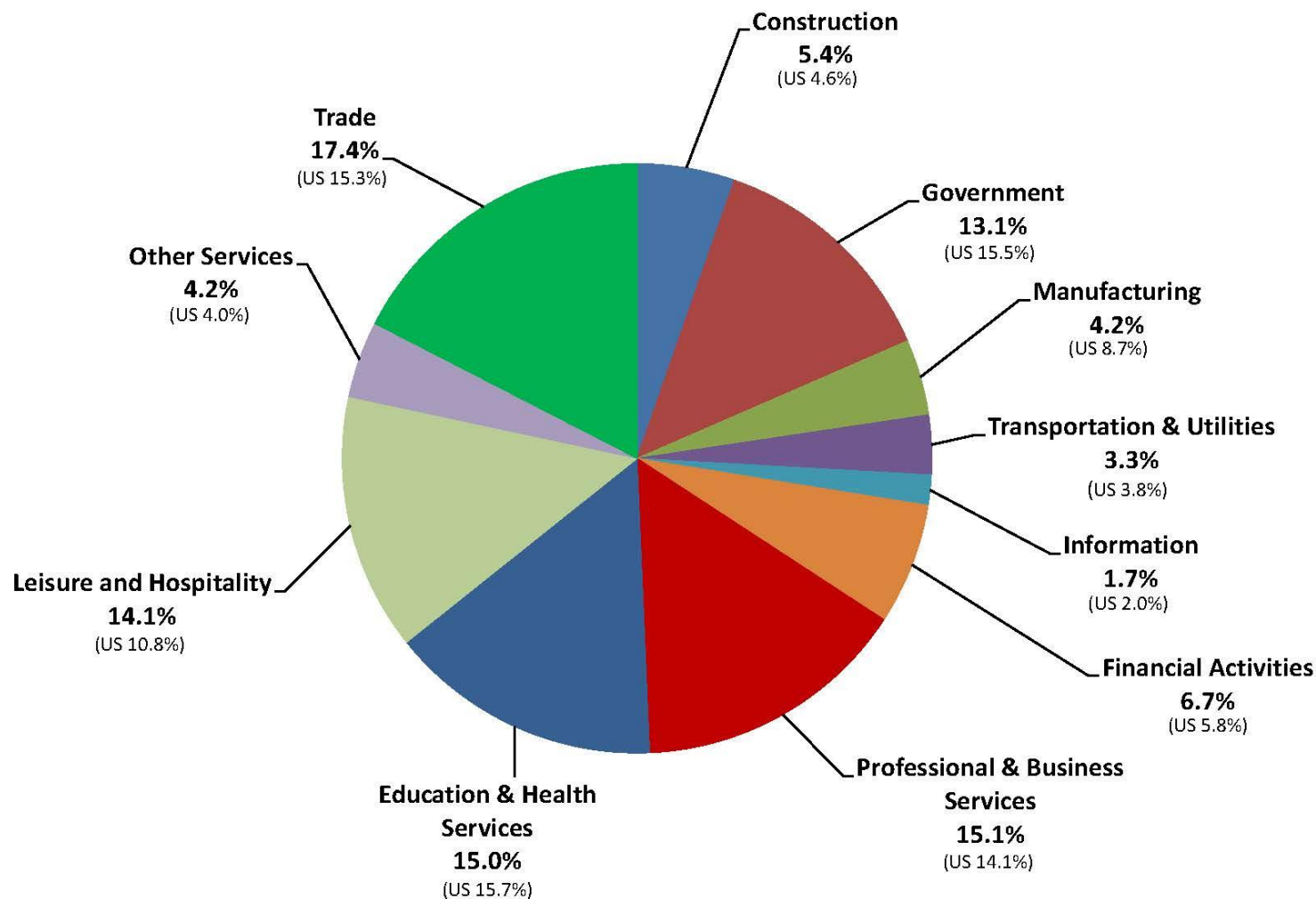


\$1 BILLION IN TAX CUTS



Florida Employment by Sector

As of November 2015

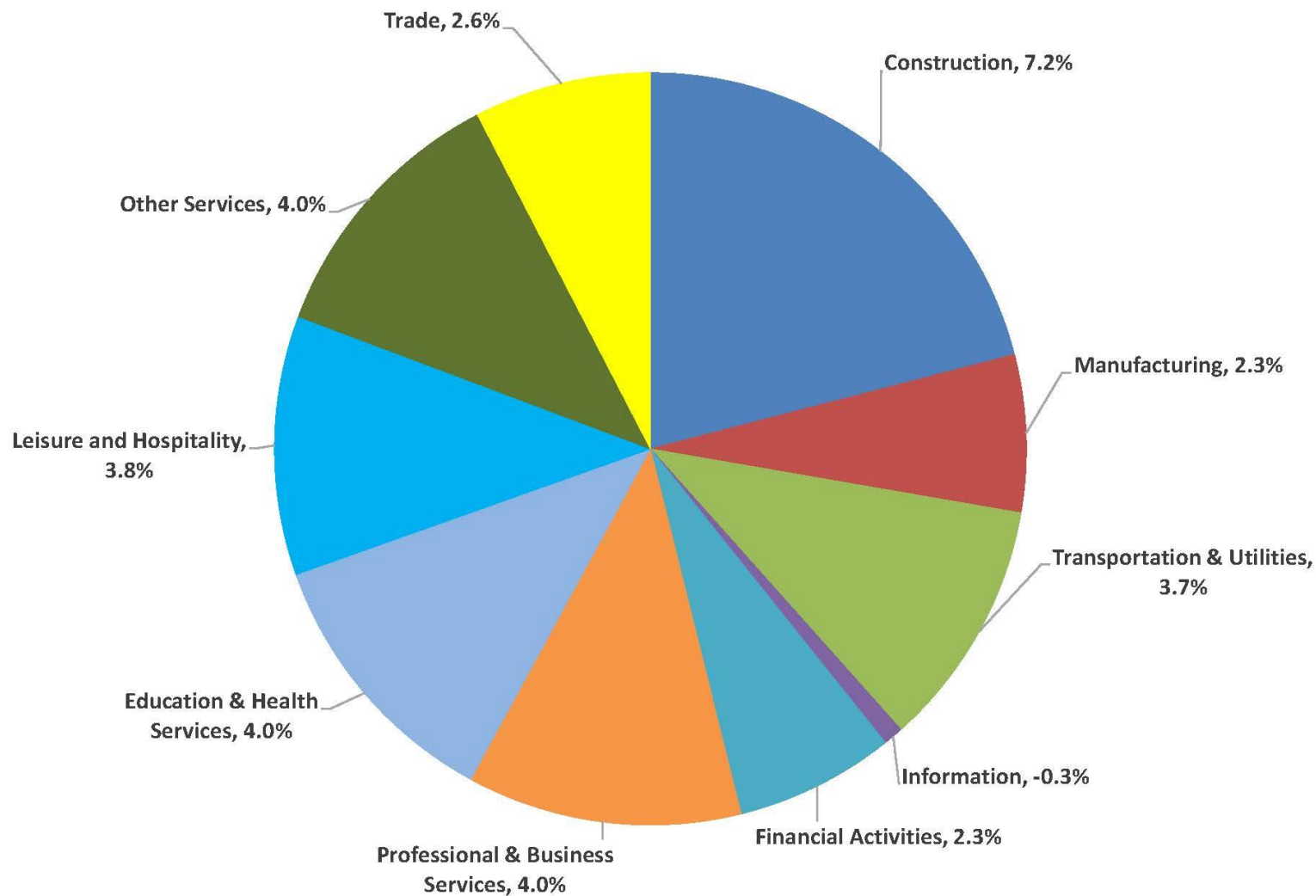


\$1 BILLION IN TAX CUTS



Distribution of Private Sector Job Growth

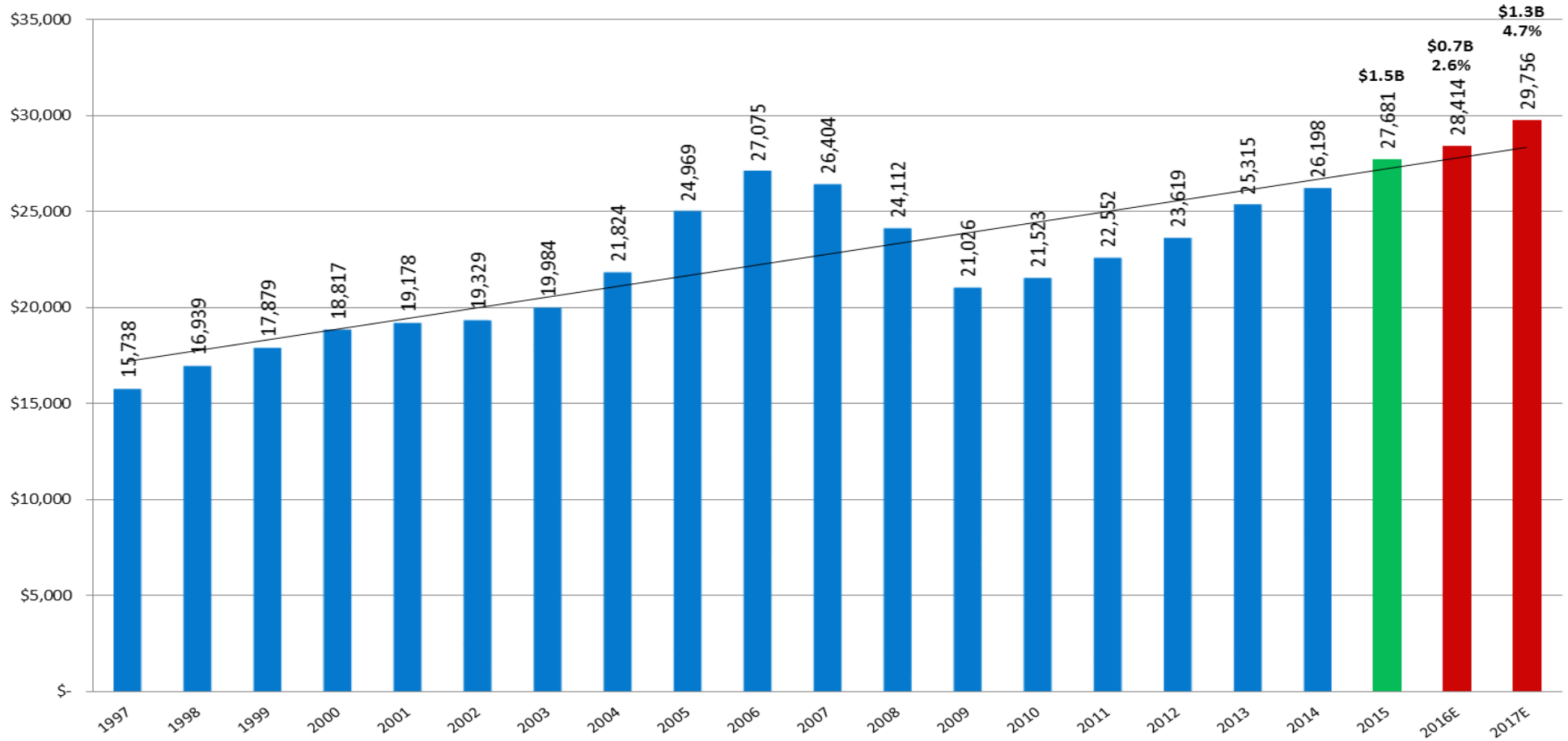
November 2014 – November 2015



\$1 BILLION IN TAX CUTS



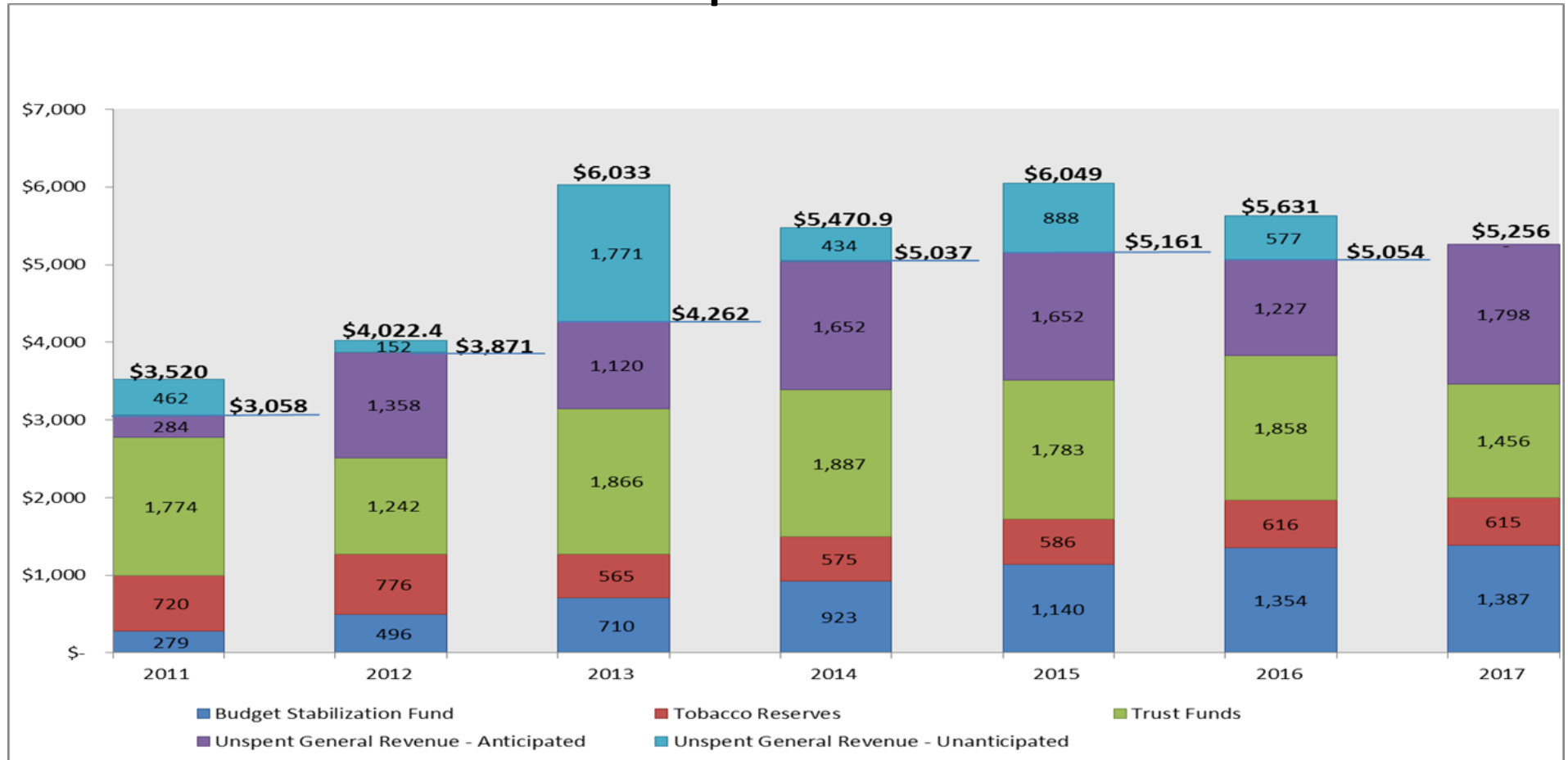
General Revenue - August 2015 REC



\$1 BILLION IN TAX CUTS



Governor's Budget Recommendations Actual and Anticipated Reserves



\$1 BILLION IN TAX CUTS



STRENGTHENING & DIVERSIFYING FLORIDA'S ECONOMY

\$770 MILLION IN SAVINGS ANNUALLY FOR FLORIDA BUSINESSES WITH THE PERMANENT ELIMINATION OF THE INCOME TAX ON RETAIL AND MANUFACTURING

DRIVING DIVERSIFICATION

\$76.9 MILLION IN ANNUAL SAVINGS FOR MANUFACTURERS WITH THE PERMANENT ELIMINATION OF THE SALES TAX ON MACHINERY AND EQUIPMENT

HELPING SMALL BUSINESSES GROW & EXPAND

\$339 MILLION IN SAVINGS OVER THE NEXT TWO YEARS WITH A CUT IN THE SALES TAX ON COMMERCIAL LEASES

PUTTING MORE MONEY IN YOUR POCKET, NOT GOVERNMENT

\$46.5 MILLION IN SAVINGS BY CUTTING THE SALES TAX ON COLLEGE TEXTBOOKS

\$72.8 MILLION IN SAVINGS WITH SALES TAX HOLIDAYS FOR BACK TO SCHOOL AND DISASTER PREPAREDNESS

\$1 BILLION IN TAX CUTS



STRENGTHENING & DIVERSIFYING FLORIDA'S ECONOMY

Corporate Income Tax

- **Recommendation:** Permanently eliminate the corporate income tax for manufacturers and retailers
 - Businesses will save an estimated \$770 million annually
 - Businesses will save an estimated \$384 million in FY 2016-17
 - Identical impacts on the General Revenue Fund
- Savings benefit Florida businesses
 - Reduce costs
 - Attract more businesses to Florida
 - Help businesses, small and large, expand and grow jobs
 - Help diversify Florida's economy

\$1 BILLION IN TAX CUTS



DRIVING DIVERSIFICATION

Eliminating the Sales Tax on Manufacturing Machinery and Equipment

- In 2013, the Governor proposed permanent elimination of the sales tax for the purchase of manufacturing machinery and equipment
- The Legislature passed a three year sales tax exemption
- Florida needs to permanently eliminate this sales tax to stay competitive with other states

\$1 BILLION IN TAX CUTS



DRIVING DIVERSIFICATION

Eliminating the Sales Tax on Manufacturing Machinery and Equipment

- **Recommendation:** Permanently eliminate the sales tax on purchase of manufacturing machinery and equipment
- Eliminating this sales tax will boost Florida manufacturing competitiveness and increase jobs
- Florida businesses are expected to save \$76.9 million per year, beginning in FY 2017-18
 - General Revenue -\$62.8 million
 - Local -\$14.1 million

\$1 BILLION IN TAX CUTS



HELPING SMALL BUSINESSES GROW & EXPAND

Sales Tax Cut on Commercial Rent

- Florida is the only state in the nation to tax commercial rent
- **Recommendation:** Cut the sales tax on commercial rent in two ways -
 - 1% tax cut for calendar year 2017
 - Annual tax cut of 0.36% thereafter
- Over the next two fiscal years, businesses will save \$339 million

\$1 BILLION IN TAX CUTS



PUTTING MORE MONEY IN YOUR POCKET, NOT GOVERNMENT

College Textbook Sales Tax Exemption

- In 2015, the Governor proposed a permanent exemption and the Legislature passed a one year sales tax exemption for the purchase of college textbooks
- **Recommendation:** Extend the sales tax exemption on college textbooks for one additional year
- College students will save an estimated \$46.5 million per year, or \$60 to \$75 per student per year
 - General Revenue -\$38.0 million
 - Local -\$8.5 million

\$1 BILLION IN TAX CUTS



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Back to School Sales Tax Holiday

- **Recommendation:** Provide a 10-day back to school sales tax holiday in 2016
- The sales tax holiday will exempt:
 - Clothing (\$100 or less)
 - School supplies (\$15 or less)
 - Computers (the first \$750 of the price)
- Florida families will save an estimated \$68.7 million
 - General Revenue -\$56.1 million
 - Local -\$12.6 million

\$1 BILLION IN TAX CUTS








PUTTING MORE MONEY IN YOUR POCKET, NOT GOVERNMENT

Disaster Preparedness Sales Tax Holiday

- **Recommendation:** Provide a 9-day disaster preparedness sales tax holiday in 2016
- The sales tax holiday will exempt:
 - Self-powered lights (\$20 or less) and radios (\$50 or less)
 - Waterproof sheeting (\$50 or less)
 - Portable generators (\$750 or less)
 - Other items, including first aid kits, anchor systems, gas tanks, batteries, food storage coolers and reusable ice
- Florida families will save an estimated \$4.1 million
 - General Revenue -\$3.4 million
 - Local -\$0.7 million

\$1 BILLION IN TAX CUTS



-  **PERMANENTLY ELIMINATE INCOME TAX ON MANUFACTURING AND RETAIL BUSINESSES**
\$770 MILLION IN ANNUAL SAVINGS FOR RETAILERS AND MANUFACTURERS
-  **PERMANENTLY ELIMINATE THE TAX ON MANUFACTURING MACHINERY AND EQUIPMENT**
\$76.9 MILLION IN ANNUAL SAVINGS FOR MANUFACTURERS
-  **CUT THE TAX ON COMMERCIAL LEASES**
\$339 MILLION IN SAVINGS FOR FLORIDA BUSINESSES OVER THE NEXT 2 YEARS
-  **EXTEND THE SALES TAX EXEMPTION ON COLLEGE TEXTBOOKS**
\$46 MILLION IN SAVINGS FOR COLLEGE STUDENTS
-  **SAVINGS FOR FAMILIES WITH SALES TAX HOLIDAYS**
\$72.8 MILLION IN SAVINGS FOR BACK TO SCHOOL AND DISASTER PREPAREDNESS

\$1 BILLION IN TAX CUTS



Governor's Tax Cut Proposal		Revenue Impacts FY 16/17					
		General Revenue		Local Gov't		Total	
		Cash	Recurring	Cash	Recurring	Cash	Recurring
Corporate Income Tax	Manufacturing and Retail: for tax years beginning January 1, 2017	\$ (384.9)	\$ (769.7)			\$ (384.9)	\$ (769.7)
Sales Tax: M&E	Permanent Extension of Exemption (current expiration 4/30/2017)	\$ -	\$ (59.7)	\$ -	\$ (13.4)		\$ (73.1)
Sales Tax: Textbooks	One Year Exemption Extension through June 2017	\$ (36.2)	\$ -	\$ (8.0)	\$ -	\$ (44.2)	
Sales Tax: Commercial Rent	Rate Reduction of 0.36%: Eff. 1-1-17	\$ (38.1)	\$ (91.5)	\$ (4.9)	\$ (11.8)	\$ (43.1)	\$ (103.3)
	1-year rate reduction of .64%: Effective for Calendar Year 2017	\$ (67.8)	\$ -	\$ (8.8)		\$ (76.5)	
Sales Tax Holidays	Back to School (10 days): August 2016	\$ (56.1)	\$ -	\$ (12.6)	\$ -	\$ (68.7)	
	Disaster Preparedness: May/June 2017	\$ (3.4)	\$ -	\$ (0.7)	\$ -	\$ (4.1)	
TOTALS		\$ (586.5)	\$ (920.9)	\$ (35.0)	\$ (25.2)	\$ (621.5)	\$ (946.1)
	Non-recurring Impacts for 2017-18						
Sales Tax: Commercial Rent	1-year rate reduction of .64%: Effective for Calendar Year 2017	\$ (99.1)		\$ (12.8)		\$ (111.9)	
Sales Tax: Textbooks	One Year Exemption Extension through June 2017	\$ (1.8)	\$ -	\$ (0.5)	\$ -	\$ (2.3)	
Totals	Recurring plus non-recurring only:	\$ (1,084.4)				\$ (1,139.7)	
Totals	Recurring plus 2-year non-recurring:					\$ (1,251.6)	

Figures within this presentation are subject to update pending future estimating conferences.

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Finance and Tax

BILL: CS/SJR 170

INTRODUCER: Finance and Tax Committee and Senator Brandes

SUBJECT: Renewable Energy Source Device

DATE: January 13, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wiehle	Caldwell	CU	Favorable
2.	Present	Yeatman	CA	Favorable
3.	Fournier	Diez-Arguelles	FT	Fav/CS
4.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SJR 170 amends section 3 of Article VII of the Florida State Constitution to exempt the assessed value of a renewable energy source device from the tangible personal property tax. It also amends section 4 to extend, from residential property to all property, the current provision regarding consideration of the installation of renewable energy source devices for the purpose of ad valorem taxation. It creates section 34 of Article XII of the State Constitution to establish an implementation schedule under which the amendments would take effect January 1, 2017, and expire on December 31, 2036, with the text of the amended sections reinstated at that time.

If approved by vote of at least 60 percent of the electors voting on the measure, SJR 170 will reduce ad valorem tax revenue from renewable energy source devices that would otherwise be taxed as tangible person property. If the Legislature also enacts legislation implementing the amendment's provisions relating to real property, the combined school and non-school reduction in ad valorem revenue would reach \$21.0 million in Fiscal Year 2020-2021, holding statewide average property tax rates constant.

II. Present Situation:

The State Constitution authorizes local government ad valorem taxes on real property and tangible personal property,¹ and provides conditions and limitations upon the assessment of property for tax purposes.² It also provides several ad valorem tax exemptions.³

The Legislature is authorized to prohibit the consideration of the following in the determination of the assessed value of real property used for residential purposes:

- Any change or improvement made for the purpose of improving the property's resistance to wind damage.
- The installation of a renewable energy source device.⁴

The Legislature has implemented this prohibition in s. 193.624, F.S. The statute prohibits a property appraiser who is determining the assessed value of real property used for residential purposes from considering an increase in the just value of the property attributable to the installation of a renewable energy source device. The statute applies to a renewable energy source device installed on or after January 1, 2013, on new and existing residential real property. 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.

Under current law, a renewable energy source device owned and installed on non-residential real property, by the owner of the real property, is taxable as real property. If a device is owned by someone other than the owner of the real property where it is installed, the device remains

¹ FLA. CONST. art. VII, s. 9.

² FLA. CONST. art. VII, s. 4.

³ FLA. CONST. art. VII, s. 3.

⁴ FLA. CONST. art. VII, s. 4.(i).

separate and distinct from the real property and the owner of the device is subject to tangible personal property tax on the device.

III. Effect of Proposed Changes:

CS/SJR 170 amends the State Constitution to prevent ad valorem taxation of a renewable energy source device whether it is owned by the owner of the real property on which it is installed or by another person. For a renewable energy source device not owned by the real property owner, the bill amends section 3, Article VII of the State Constitution to require the Legislature to exempt the assessed value of a renewable energy source device from the tangible personal property tax. For a renewable energy source device owned by the real property owner, the bill amends section 4, Article VII of the State Constitution to authorize the Legislature to expand to all real property the existing prohibition against a property appraiser considering the installation of renewable energy source devices in determining the value of property used for residential purposes

The bill also creates section 34 of Article XII of the State Constitution to provide a schedule of implementation. The amendments to the State Constitution would take effect January 1, 2017, and would expire December 31, 2036. Upon expiration, the schedule of implementation (section 34 of Article XII, State Constitution) would be repealed and the text of the amended substantive sections (subsection (e) of section 3 of Article VII and subsection (i) of section 4 of Article VII of the State Constitution) would revert to that in existence on December 31, 2016, except that any amendments to such text otherwise adopted are preserved and shall continue to operate to the extent that such amendments are not dependent upon the portions of text which expire pursuant to this section.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The mandate provisions in section 18 of Article VII of the Florida Constitution do not apply to joint resolutions.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

A joint resolution must be passed by three-fifths of the membership of each house of the Legislature. It must be submitted to the electors at the next general election held more than 90 days after the joint resolution proposing it is filed with the custodian of state records, unless, pursuant to law enacted by the affirmative vote of three-fourths of the membership of each house of the Legislature and limited to a single amendment or revision, it is submitted at an earlier special election held more than 90 days after such

filing.⁵ To pass, a proposed constitutional amendment must be approved by at least 60 percent of the electors voting on the measure, and if passed, it becomes effective as an amendment on the first Tuesday after the first Monday in January following the election, or on such other date as may be specified in the amendment or revision.⁶

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference determined that a similar bill, HJR 193, would have an indeterminate negative impact or zero impact to local governments or the state. If the proposed amendment does not pass, there is no impact. However, if the proposed amendment does pass, there will be an impact associated with the provision relating to tangible personal property which does not need any further implementing language.

Assuming the Legislature also passes an implementing bill for the real property provision of the amendment, HJR 193 is estimated to reduce school and non-school ad valorem tax revenue by \$21.0 million in Fiscal Year 2020-21, the fifth year of implementation, based on the 2014 statewide average ad valorem millage rate.

B. Private Sector Impact:

CS/SJR 170 may stimulate sales and leases of renewable energy source devices, and encourage the development of renewable energy device leasing businesses. The bill also reduces property taxes for electric utilities that install renewable energy devices to produce electricity.

C. Government Sector Impact:

The Department of State provided the following information on the fiscal impact of the constitutionally required advertising and other notice requirements:

The Division of Elections is required to advertise the full text of proposed constitutional amendments in English and Spanish twice in a newspaper of general circulation in each county before the election in which the amendment shall be submitted to the electors. The Division is also required to provide each Supervisor of Elections with either booklets or posters displaying the full text of proposed amendments. The cost to advertise constitutional amendments for the 2014 general election was \$135.97 per word. Using 2014 rates, the cost to advertise this amendment for the 2016 general election will be \$349,578.87.

VI. Technical Deficiencies:

None.

⁵ FLA. CONST. art. XI, s. 5(a).

⁶ FLA. CONST. art. XI, s. 5(e).

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends sections 3 and 4 of Article VII of the State Constitution.

This bill creates section 34 of Article XII of the State Constitution.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

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

CS by Finance and Tax on January 11, 2016:

The CS removes references to “components” of renewable energy source devices for purposes of preventing taxation of these devices.

B. Amendments:

None.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/11/2016	.	
	.	
	.	
	.	

The Committee on Finance and Tax (Flores) recommended the following:

Senate Amendment (with ballot and title amendments)

Delete lines 78 - 288
and insert:

(2) The assessed value of a renewable energy source device shall be exempt from the tangible personal property tax.

(f) There shall be granted an ad valorem tax exemption for real property dedicated in perpetuity for conservation purposes, including real property encumbered by perpetual conservation easements or by other perpetual conservation protections, as



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defined by general law.

(g) By general law and subject to the conditions specified therein, each person who receives a homestead exemption as provided in section 6 of this article; who was a member of the United States military or military reserves, the United States Coast Guard or its reserves, or the Florida National Guard; and who was deployed during the preceding calendar year on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the legislature shall receive an additional exemption equal to a percentage of the taxable value of his or her homestead property. The applicable percentage shall be calculated as the number of days during the preceding calendar year the person was deployed on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the legislature divided by the number of days in that year.

SECTION 4. Taxation; assessments.—By general law regulations shall be prescribed which shall secure a just valuation of all property for ad valorem taxation, provided:

(a) Agricultural land, land producing high water recharge to Florida's aquifers, or land used exclusively for noncommercial recreational purposes may be classified by general law and assessed solely on the basis of character or use.

(b) As provided by general law and subject to conditions, limitations, and reasonable definitions specified therein, land used for conservation purposes shall be classified by general law and assessed solely on the basis of character or use.

(c) Pursuant to general law tangible personal property held for sale as stock in trade and livestock may be valued for



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taxation at a specified percentage of its value, may be classified for tax purposes, or may be exempted from taxation.

(d) All persons entitled to a homestead exemption under Section 6 of this Article shall have their homestead assessed at just value as of January 1 of the year following the effective date of this amendment. This assessment shall change only as provided in this subsection.

(1) Assessments subject to this subsection shall be changed annually on January 1st of each year; but those changes in assessments shall not exceed the lower of the following:

a. Three percent (3%) of the assessment for the prior year.

b. The percent change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics.

(2) No assessment shall exceed just value.

(3) After any change of ownership, as provided by general law, homestead property shall be assessed at just value as of January 1 of the following year, unless the provisions of paragraph (8) apply. Thereafter, the homestead shall be assessed as provided in this subsection.

(4) New homestead property shall be assessed at just value as of January 1st of the year following the establishment of the homestead, unless the provisions of paragraph (8) apply. That assessment shall only change as provided in this subsection.

(5) Changes, additions, reductions, or improvements to homestead property shall be assessed as provided for by general law; provided, however, after the adjustment for any change,



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addition, reduction, or improvement, the property shall be assessed as provided in this subsection.

(6) In the event of a termination of homestead status, the property shall be assessed as provided by general law.

(7) The provisions of this amendment are severable. If any of the provisions of this amendment shall be held unconstitutional by any court of competent jurisdiction, the decision of such court shall not affect or impair any remaining provisions of this amendment.

(8)a. A person who establishes a new homestead as of January 1, 2009, or January 1 of any subsequent year and who has received a homestead exemption pursuant to Section 6 of this Article as of January 1 of either of the two years immediately preceding the establishment of the new homestead is entitled to have the new homestead assessed at less than just value. If this revision is approved in January of 2008, a person who establishes a new homestead as of January 1, 2008, is entitled to have the new homestead assessed at less than just value only if that person received a homestead exemption on January 1, 2007. The assessed value of the newly established homestead shall be determined as follows:

1. If the just value of the new homestead is greater than or equal to the just value of the prior homestead as of January 1 of the year in which the prior homestead was abandoned, the assessed value of the new homestead shall be the just value of the new homestead minus an amount equal to the lesser of \$500,000 or the difference between the just value and the assessed value of the prior homestead as of January 1 of the year in which the prior homestead was abandoned. Thereafter, the



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homestead shall be assessed as provided in this subsection.

2. If the just value of the new homestead is less than the just value of the prior homestead as of January 1 of the year in which the prior homestead was abandoned, the assessed value of the new homestead shall be equal to the just value of the new homestead divided by the just value of the prior homestead and multiplied by the assessed value of the prior homestead.

However, if the difference between the just value of the new homestead and the assessed value of the new homestead calculated pursuant to this sub-subparagraph is greater than \$500,000, the assessed value of the new homestead shall be increased so that the difference between the just value and the assessed value equals \$500,000. Thereafter, the homestead shall be assessed as provided in this subsection.

b. By general law and subject to conditions specified therein, the legislature shall provide for application of this paragraph to property owned by more than one person.

(e) The legislature may, by general law, for assessment purposes and subject to the provisions of this subsection, allow counties and municipalities to authorize by ordinance that historic property may be assessed solely on the basis of character or use. Such character or use assessment shall apply only to the jurisdiction adopting the ordinance. The requirements for eligible properties must be specified by general law.

(f) A county may, in the manner prescribed by general law, provide for a reduction in the assessed value of homestead property to the extent of any increase in the assessed value of that property which results from the construction or



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reconstruction of the property for the purpose of providing living quarters for one or more natural or adoptive grandparents or parents of the owner of the property or of the owner's spouse if at least one of the grandparents or parents for whom the living quarters are provided is 62 years of age or older. Such a reduction may not exceed the lesser of the following:

(1) The increase in assessed value resulting from construction or reconstruction of the property.

(2) Twenty percent of the total assessed value of the property as improved.

(g) For all levies other than school district levies, assessments of residential real property, as defined by general law, which contains nine units or fewer and which is not subject to the assessment limitations set forth in subsections (a) through (d) shall change only as provided in this subsection.

(1) Assessments subject to this subsection shall be changed annually on the date of assessment provided by law; but those changes in assessments shall not exceed ten percent (10%) of the assessment for the prior year.

(2) No assessment shall exceed just value.

(3) After a change of ownership or control, as defined by general law, including any change of ownership of a legal entity that owns the property, such property shall be assessed at just value as of the next assessment date. Thereafter, such property shall be assessed as provided in this subsection.

(4) Changes, additions, reductions, or improvements to such property shall be assessed as provided for by general law; however, after the adjustment for any change, addition, reduction, or improvement, the property shall be assessed as



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provided in this subsection.

(h) For all levies other than school district levies, assessments of real property that is not subject to the assessment limitations set forth in subsections (a) through (d) and (g) shall change only as provided in this subsection.

(1) Assessments subject to this subsection shall be changed annually on the date of assessment provided by law; but those changes in assessments shall not exceed ten percent (10%) of the assessment for the prior year.

(2) No assessment shall exceed just value.

(3) The legislature must provide that such property shall be assessed at just value as of the next assessment date after a qualifying improvement, as defined by general law, is made to such property. Thereafter, such property shall be assessed as provided in this subsection.

(4) The legislature may provide that such property shall be assessed at just value as of the next assessment date after a change of ownership or control, as defined by general law, including any change of ownership of the legal entity that owns the property. Thereafter, such property shall be assessed as provided in this subsection.

(5) Changes, additions, reductions, or improvements to such property shall be assessed as provided for by general law; however, after the adjustment for any change, addition, reduction, or improvement, the property shall be assessed as provided in this subsection.

(i) The legislature, by general law and subject to conditions specified therein, may prohibit the consideration of the following in the determination of the assessed value of real



308918

~~property used for residential purposes:~~

(1) Any change or improvement to real property used for residential purposes made to improve ~~for the purpose of improving~~ the property's resistance to wind damage.

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

(j)(1) The assessment of the following working waterfront properties shall be based upon the current use of the property:

a. Land used predominantly for commercial fishing purposes.

b. Land that is accessible to the public and used for vessel launches into waters that are navigable.

c. Marinas and drystacks that are open to the public.

d. Water-dependent marine manufacturing facilities, commercial fishing facilities, and marine vessel construction and repair facilities and their support activities.

(2) The assessment benefit provided by this subsection is subject to conditions and limitations and reasonable definitions as specified by the legislature by general law.

ARTICLE XII

SCHEDULE

SECTION 34. Renewable energy source devices; exemption from certain taxation and assessment.—This section, the amendment to subsection (e) of Section 3 of Article VII requiring the legislature, by general law, to exempt the assessed value of a renewable energy source device from the tangible personal property tax, and the amendment to subsection (i) of Section 4 of Article VII allowing the legislature, by general law, to prohibit the consideration of the installation of a renewable energy source device in determining the assessed



308918

==== B A L L O T S T A T E M E N T A M E N D M E N T ====

And the ballot statement is amended as follows:

Delete lines 304 - 310

and insert:

RENEWABLE ENERGY SOURCE DEVICES; EXEMPTION FROM CERTAIN
TAXATION AND ASSESSMENT.—Proposing an amendment to the State
Constitution to require the Legislature to exempt the assessed
value of a renewable energy source device from the tangible
personal property tax and allow the Legislature to prohibit
consideration of the installation of such device in determining
the

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

And the title is amended as follows:

Delete lines 6 - 10

and insert:

value of a renewable energy source device from the
tangible personal property tax, to allow the
Legislature, by general law, to prohibit the
consideration of the installation of such device in
determining the assessed value

By Senator Brandes

22-00328-16

2016170__

Senate Joint Resolution

A joint resolution proposing amendments to Sections 3 and 4 of Article VII and the creation of Section 34 of Article XII of the State Constitution to require the Legislature, by general law, to exempt the assessed value of a renewable energy source device or a component thereof from the tangible personal property tax, to allow the Legislature, by general law, to prohibit the consideration of the installation of such device or component in determining the assessed value of residential and nonresidential real property for the purpose of ad valorem taxation, and to provide effective and expiration dates.

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

That the following amendment to Sections 3 and 4 of Article VII and the creation of Section 34 of Article XII of the State Constitution are agreed to and shall be submitted to the electors of this state for approval or rejection at the next general election or at an earlier special election specifically authorized by law for that purpose:

ARTICLE VII

FINANCE AND TAXATION

SECTION 3. Taxes; exemptions.—

(a) All property owned by a municipality and used exclusively by it for municipal or public purposes shall be exempt from taxation. A municipality, owning property outside the municipality, may be required by general law to make payment

Page 1 of 11

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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to the taxing unit in which the property is located. Such portions of property as are used predominantly for educational, literary, scientific, religious or charitable purposes may be exempted by general law from taxation.

(b) There shall be exempt from taxation, cumulatively, to every head of a family residing in this state, household goods and personal effects to the value fixed by general law, not less than one thousand dollars, and to every widow or widower or person who is blind or totally and permanently disabled, property to the value fixed by general law not less than five hundred dollars.

(c) Any county or municipality may, for the purpose of its respective tax levy and subject to the provisions of this subsection and general law, grant community and economic development ad valorem tax exemptions to new businesses and expansions of existing businesses, as defined by general law. Such an exemption may be granted only by ordinance of the county or municipality, and only after the electors of the county or municipality voting on such question in a referendum authorize the county or municipality to adopt such ordinances. An exemption so granted shall apply to improvements to real property made by or for the use of a new business and improvements to real property related to the expansion of an existing business and shall also apply to tangible personal property of such new business and tangible personal property related to the expansion of an existing business. The amount or limits of the amount of such exemption shall be specified by general law. The period of time for which such exemption may be granted to a new business or expansion of an existing business

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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shall be determined by general law. The authority to grant such exemption shall expire ten years from the date of approval by the electors of the county or municipality, and may be renewable by referendum as provided by general law.

(d) Any county or municipality may, for the purpose of its respective tax levy and subject to the provisions of this subsection and general law, grant historic preservation ad valorem tax exemptions to owners of historic properties. This exemption may be granted only by ordinance of the county or municipality. The amount or limits of the amount of this exemption and the requirements for eligible properties must be specified by general law. The period of time for which this exemption may be granted to a property owner shall be determined by general law.

(e) By general law and subject to conditions specified therein;

(1) Twenty-five thousand dollars of the assessed value of property subject to tangible personal property tax shall be exempt from ad valorem taxation.

(2) The assessed value of a renewable energy source device, or a component thereof, shall be exempt from the tangible personal property tax.

(f) There shall be granted an ad valorem tax exemption for real property dedicated in perpetuity for conservation purposes, including real property encumbered by perpetual conservation easements or by other perpetual conservation protections, as defined by general law.

(g) By general law and subject to the conditions specified therein, each person who receives a homestead exemption as

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provided in section 6 of this article; who was a member of the United States military or military reserves, the United States Coast Guard or its reserves, or the Florida National Guard; and who was deployed during the preceding calendar year on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the legislature shall receive an additional exemption equal to a percentage of the taxable value of his or her homestead property. The applicable percentage shall be calculated as the number of days during the preceding calendar year the person was deployed on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the legislature divided by the number of days in that year.

SECTION 4. Taxation; assessments.—By general law regulations shall be prescribed which shall secure a just valuation of all property for ad valorem taxation, provided:

(a) Agricultural land, land producing high water recharge to Florida's aquifers, or land used exclusively for noncommercial recreational purposes may be classified by general law and assessed solely on the basis of character or use.

(b) As provided by general law and subject to conditions, limitations, and reasonable definitions specified therein, land used for conservation purposes shall be classified by general law and assessed solely on the basis of character or use.

(c) Pursuant to general law tangible personal property held for sale as stock in trade and livestock may be valued for taxation at a specified percentage of its value, may be classified for tax purposes, or may be exempted from taxation.

(d) All persons entitled to a homestead exemption under

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Section 6 of this Article shall have their homestead assessed at just value as of January 1 of the year following the effective date of this amendment. This assessment shall change only as provided in this subsection.

(1) Assessments subject to this subsection shall be changed annually on January 1st of each year; but those changes in assessments shall not exceed the lower of the following:

a. Three percent (3%) of the assessment for the prior year.

b. The percent change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics.

(2) No assessment shall exceed just value.

(3) After any change of ownership, as provided by general law, homestead property shall be assessed at just value as of January 1 of the following year, unless the provisions of paragraph (8) apply. Thereafter, the homestead shall be assessed as provided in this subsection.

(4) New homestead property shall be assessed at just value as of January 1st of the year following the establishment of the homestead, unless the provisions of paragraph (8) apply. That assessment shall only change as provided in this subsection.

(5) Changes, additions, reductions, or improvements to homestead property shall be assessed as provided for by general law; provided, however, after the adjustment for any change, addition, reduction, or improvement, the property shall be assessed as provided in this subsection.

(6) In the event of a termination of homestead status, the

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property shall be assessed as provided by general law.

(7) The provisions of this amendment are severable. If any of the provisions of this amendment shall be held unconstitutional by any court of competent jurisdiction, the decision of such court shall not affect or impair any remaining provisions of this amendment.

(8)a. A person who establishes a new homestead as of January 1, 2009, or January 1 of any subsequent year and who has received a homestead exemption pursuant to Section 6 of this Article as of January 1 of either of the two years immediately preceding the establishment of the new homestead is entitled to have the new homestead assessed at less than just value. If this revision is approved in January of 2008, a person who establishes a new homestead as of January 1, 2008, is entitled to have the new homestead assessed at less than just value only if that person received a homestead exemption on January 1, 2007. The assessed value of the newly established homestead shall be determined as follows:

1. If the just value of the new homestead is greater than or equal to the just value of the prior homestead as of January 1 of the year in which the prior homestead was abandoned, the assessed value of the new homestead shall be the just value of the new homestead minus an amount equal to the lesser of \$500,000 or the difference between the just value and the assessed value of the prior homestead as of January 1 of the year in which the prior homestead was abandoned. Thereafter, the homestead shall be assessed as provided in this subsection.

2. If the just value of the new homestead is less than the just value of the prior homestead as of January 1 of the year in

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which the prior homestead was abandoned, the assessed value of the new homestead shall be equal to the just value of the new homestead divided by the just value of the prior homestead and multiplied by the assessed value of the prior homestead. However, if the difference between the just value of the new homestead and the assessed value of the new homestead calculated pursuant to this sub-subparagraph is greater than \$500,000, the assessed value of the new homestead shall be increased so that the difference between the just value and the assessed value equals \$500,000. Thereafter, the homestead shall be assessed as provided in this subsection.

b. By general law and subject to conditions specified therein, the legislature shall provide for application of this paragraph to property owned by more than one person.

(e) The legislature may, by general law, for assessment purposes and subject to the provisions of this subsection, allow counties and municipalities to authorize by ordinance that historic property may be assessed solely on the basis of character or use. Such character or use assessment shall apply only to the jurisdiction adopting the ordinance. The requirements for eligible properties must be specified by general law.

(f) A county may, in the manner prescribed by general law, provide for a reduction in the assessed value of homestead property to the extent of any increase in the assessed value of that property which results from the construction or reconstruction of the property for the purpose of providing living quarters for one or more natural or adoptive grandparents or parents of the owner of the property or of the owner's spouse

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if at least one of the grandparents or parents for whom the living quarters are provided is 62 years of age or older. Such a reduction may not exceed the lesser of the following:

(1) The increase in assessed value resulting from construction or reconstruction of the property.

(2) Twenty percent of the total assessed value of the property as improved.

(g) For all levies other than school district levies, assessments of residential real property, as defined by general law, which contains nine units or fewer and which is not subject to the assessment limitations set forth in subsections (a) through (d) shall change only as provided in this subsection.

(1) Assessments subject to this subsection shall be changed annually on the date of assessment provided by law; but those changes in assessments shall not exceed ten percent (10%) of the assessment for the prior year.

(2) No assessment shall exceed just value.

(3) After a change of ownership or control, as defined by general law, including any change of ownership of a legal entity that owns the property, such property shall be assessed at just value as of the next assessment date. Thereafter, such property shall be assessed as provided in this subsection.

(4) Changes, additions, reductions, or improvements to such property shall be assessed as provided for by general law; however, after the adjustment for any change, addition, reduction, or improvement, the property shall be assessed as provided in this subsection.

(h) For all levies other than school district levies, assessments of real property that is not subject to the

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assessment limitations set forth in subsections (a) through (d) and (g) shall change only as provided in this subsection.

(1) Assessments subject to this subsection shall be changed annually on the date of assessment provided by law; but those changes in assessments shall not exceed ten percent (10%) of the assessment for the prior year.

(2) No assessment shall exceed just value.

(3) The legislature must provide that such property shall be assessed at just value as of the next assessment date after a qualifying improvement, as defined by general law, is made to such property. Thereafter, such property shall be assessed as provided in this subsection.

(4) The legislature may provide that such property shall be assessed at just value as of the next assessment date after a change of ownership or control, as defined by general law, including any change of ownership of the legal entity that owns the property. Thereafter, such property shall be assessed as provided in this subsection.

(5) Changes, additions, reductions, or improvements to such property shall be assessed as provided for by general law; however, after the adjustment for any change, addition, reduction, or improvement, the property shall be assessed as provided in this subsection.

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

(1) Any change or improvement to real property used for residential purposes made to improve ~~for the purpose of~~

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~~improving~~ the property's resistance to wind damage.

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

(j) (1) The assessment of the following working waterfront properties shall be based upon the current use of the property:

- a. Land used predominantly for commercial fishing purposes.
- b. Land that is accessible to the public and used for vessel launches into waters that are navigable.
- c. Marinas and drystacks that are open to the public.
- d. Water-dependent marine manufacturing facilities, commercial fishing facilities, and marine vessel construction and repair facilities and their support activities.

(2) The assessment benefit provided by this subsection is subject to conditions and limitations and reasonable definitions as specified by the legislature by general law.

ARTICLE XII

SCHEDULE

SECTION 34. Renewable energy source devices and components thereof; exemption from certain taxation and assessment.—This section, the amendment to subsection (e) of Section 3 of Article VII requiring the legislature, by general law, to exempt the assessed value of a renewable energy source device, or a component thereof, from the tangible personal property tax, and the amendment to subsection (i) of Section 4 of Article VII allowing the legislature, by general law, to prohibit the consideration of the installation of a renewable energy source device, or a component thereof, in determining the assessed value of real property for the purpose of ad valorem taxation shall take effect on January 1, 2017, and shall expire on

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291 December 31, 2036. Upon expiration, this section shall be
292 repealed and the text of subsection (e) of Section 3 of Article
293 VII and subsection (i) of Section 4 of Article VII shall revert
294 to that in existence on December 31, 2016, except that any
295 amendments to such text otherwise adopted shall be preserved and
296 continue to operate to the extent that such amendments are not
297 dependent upon the portions of text which expire pursuant to
298 this section.

299 BE IT FURTHER RESOLVED that the following statement be
300 placed on the ballot:

CONSTITUTIONAL AMENDMENT

ARTICLE VII, SECTIONS 3 AND 4

ARTICLE XII, SECTION 34

304 RENEWABLE ENERGY SOURCE DEVICES AND COMPONENTS THEREOF;
305 EXEMPTION FROM CERTAIN TAXATION AND ASSESSMENT.-Proposing an
306 amendment to the State Constitution to require the Legislature
307 to exempt the assessed value of a renewable energy source device
308 or component thereof from the tangible personal property tax and
309 allow the Legislature to prohibit consideration of the
310 installation of such device or component in determining the
311 assessed value of all real property for the purpose of ad
312 valorem taxation. This amendment takes effect January 1, 2017,
313 and expires on December 31, 2036.



The Florida Senate

Committee Agenda Request

To: Senator Dorothy L. Hukill, Chair
Committee on Finance and Tax

Subject: Committee Agenda Request

Date: December 2, 2015

I respectfully request that **Senate Bill #170**, relating to **Renewable Energy Source Device**, be placed on the:

- ☒ committee agenda at your earliest possible convenience.
- ☐ next committee agenda.

A handwritten signature in black ink, appearing to read "Jeff Brandes", is written over a horizontal line.

Senator Jeff Brandes
Florida Senate, District 22

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/11/2016*Meeting Date*170*Bill Number (if applicable)*308918 by Flores*Amendment Barcode (if applicable)*Topic Tax exemption for renewable energy devicesName Richard Pinsky

Job Title _____

Address 106 East College Ave. Suite 1200Phone 850-425-1608*Street*TallahasseeFL32301*City**State**Zip*

Email _____

Speaking: ☒ For ☐ Against ☐ InformationWaive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)Representing Florida Solar Energy Installers AssociationAppearing at request of Chair: ☐ Yes ☒ NoLobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

7/11/16
Meeting Date

SB 170
Bill Number (if applicable)

Topic SOLAR ENERGY

Amendment Barcode (if applicable)

Name RANDY MILLER

Job Title PRESIDENT / CEO FLORIDA RETAIL FEDERATION

Address 227 S. ADAMS ST.
Street

Phone 228-4082

TALLAHASSEE FL 32301
City State Zip

Email _____

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing FLORIDA RETAIL FEDERATION

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/11/2016

Meeting Date

170

Bill Number (if applicable)

Topic Tax exemption for renewable energy devices

Amendment Barcode (if applicable)

Name Richard Pinsky

Job Title _____

Address 106 East College Ave. Suite 1200Phone 850-425-1608

Street

TallahasseeFL32301

Email _____

City

State

Zip

Speaking: ☒ For ☐ Against ☐ InformationWaive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)Representing Florida Solar Energy Installers AssociationAppearing at request of Chair: ☐ Yes ☒ NoLobbyist registered with Legislature: ☒ Yes ☐ No*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.****This form is part of the public record for this meeting.***

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Jan 11 2016
Meeting Date

5JR 170
Bill Number (if applicable)

Topic Energy

Amendment Barcode (if applicable)

Name Tory Perfetti

Job Title Florida Director

Address _____
Street
Atlanta GA
City State Zip

Phone _____

Email _____

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Conservatives for Energy Freedom

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

1-11-2016

Meeting Date

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

SJR 170

Bill Number (if applicable)

Topic

energy

Amendment Barcode (if applicable)

Name

Susan Glickman

Job Title

Florida Director

Address

PO Box 310

Phone

727-742-9003

Street

Indian Rocks Beach FL 33785

Email

susan@cleanenergy.org

City

State

Zip

Speaking:

☒

For

☐

Against

☐

Information

Waive Speaking:

☐

In Support

☐

Against

(The Chair will read this information into the record.)

Representing

Southern Alliance for Clean Energy

Appearing at request of Chair:

☐

Yes

☒

No

Lobbyist registered with Legislature:

☒

Yes

☐

No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Jan 11 2016
Meeting Date

552
170
Bill Number (if applicable)

Topic Renewable Energy Source Policies

Amendment Barcode (if applicable)

Name Janet Bowman

Job Title Dir of Legislative Policy Strategies

Address 236 E 5th Avenue
Street

Phone 850-251-9406

Tall FL
City State

Email Janet_Bowman@FLS

Speaking: ☒ For ☐ Against ☐ Information

☒ Waive Speaking ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing The Nature Conservancy

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/11/16
Meeting Date

170
Bill Number (if applicable)

Topic Renewable Energy Source Device Amendment Barcode (if applicable)

Name Carey Baker

Job Title Lake County Property Appraiser

Address 320 W. Main Street Phone 352/253-2150
Tavares, FL 32778-3831 Email cbaker@lcpafl.org
City State Zip

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing FL Assoc. of Property Appraisers

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Finance and Tax

BILL: CS/CS/SB 172

INTRODUCER: Finance and Tax Committee; Community Affairs Committee; and Senator Brandes

SUBJECT: Renewable Energy Source Devices

DATE: January 13, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wiehle	Caldwell	CU	Favorable
2.	Present	Yeatman	CA	Fav/CS
3.	Fournier	Diez-Arguelles	FT	Fav/CS
4.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 172 is the implementing legislation for CS/SJR 170.

The bill creates s. 196.182, F.S., exempting renewable energy source devices from the tangible personal property tax. It also expands to all real property the current provision that excludes consideration of the value of renewable energy source devices in assessing residential real property for property tax purposes. The bill also expands the definition of “renewable energy source device” to include devices that store solar energy or energy derived from geothermal deposits. It clarifies the definition by providing that it includes wiring, structural supports, and other components used as integral parts of such systems, but does not include any equipment or structures that would be required in the absence of the renewable energy source device

These changes would take effect January 1, 2017, if the constitutional amendments proposed in CS/SJR 170, or a similar joint resolution having substantially the same specific intent and purpose, are approved at the next general election.

Consistent with the implementation schedule established in CS/SJR 170, the amendments made by the bill to s. 193.624, F.S., expire December 31, 2036, and the text of the section reverts to that in existence on December 31, 2016, except that any amendments to such text enacted other than by this bill are preserved and continue to operate to the extent that such amendments are not

dependent upon the portion of text scheduled to expire, and section 196.182, F.S., as created by the bill expires and is automatically repealed on December 31, 2036.

Contingent upon approval of CS/SJR 170, this bill reduces ad valorem tax revenue from renewable energy source devices that would otherwise be taxed as tangible person property. The combined school and non-school reduction in ad valorem revenue would reach \$21.0 million in Fiscal Year 2020-2021, holding statewide average property tax rates constant.

This bill may be a mandate under section 18, Article VII, of the State Constitution, and may require a two-thirds vote of the membership of each house of the Legislature. (This issue is discussed more fully in Constitutional Issues: Municipality/County Mandates Restrictions, below.)

II. Present Situation:

The State Constitution authorizes local government ad valorem taxes on real property and tangible personal property,¹ assessment of taxes,² and exemptions to these taxes.³ Among these provisions is authority for the Legislature to prohibit the consideration of the following in the determination of the assessed value of real property used for residential purposes:

- Any change or improvement made for the purpose of improving the property's resistance to wind damage.
- The installation of a renewable energy source device.⁴

The Legislature implemented this prohibition in s. 193.624, F.S. The statute prohibits a property appraiser who is determining the assessed value of real property used for residential purposes from considering an increase in the just value of the property attributable to the installation of a renewable energy source device. The statute applies to a renewable energy source device installed on or after January 1, 2013, on new and existing residential real property. 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;

¹ FLA. CONST. art. VII, s. 9.

² FLA. CONST. art. VII, s. 4.

³ FLA. CONST. art. VII, s. 3.

⁴ FLA. CONST. art. VII, s. 4(i).

- 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.

III. Effect of Proposed Changes:

This bill amends s. 193.624, F.S., to expand the definition of “renewable energy source device” to include devices that use solar energy and energy derived from geothermal deposits and devices that store energy from solar energy, wind energy, or energy derived from geothermal deposits. It clarifies the definition by providing that it includes wiring, structural supports, and other components used as integral parts of such systems, but does not include any equipment or structures that would be required in the absence of the renewable energy source device. It also expands the application of the existing prohibition against the consideration of renewable energy devices in determining the assessed value of real property. The prohibition previously applied to residential property only, but as of January 1, 2017, it will apply to all real property.

The bill also exempts a renewable energy source device from tangible personal property tax.

The bill takes effect January 1, 2017, if SJR 170 or a similar joint resolution having substantially the same specific intent and purpose, is approved by the electors at the general election to be held in November 2016 or at an earlier special election specifically authorized by law for that purpose. Consistent with the implementation schedule established in CS/SJR 170:

- The amendments made by the bill to s. 193.624, F.S., expire December 31, 2036, and the text of the section reverts to that in existence on December 31, 2016, except that any amendments to such text enacted other than by this bill are preserved and continue to operate to the extent that such amendments are not dependent upon the portion of text scheduled to expire, and
- Section 196.182, F.S., as created by the bill expires and is automatically repealed on December 31, 2036.

The bill also reenacts ss. 193.155 and 193.1554, F.S., to incorporate the amendments made to s. 193.624, F.S.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

This bill would implement the constitutional amendments proposed in CS/SJR 170. When the Legislature is *required* to implement a constitutional provision, the mandate provisions do not apply; when it is *authorized* to implement a constitutional provision, mandate provisions do apply. CS/SJR 170 would *require* the Legislature to exempt the assessed value of a renewable energy source device, or a component of such a device, from the tangible personal property tax and *authorize* the Legislature to expand the existing prohibition against a property appraiser considering the installation of renewable energy source devices in determining property value for the purpose of ad valorem

taxation. As such, mandate provisions do not apply to the provisions in this bill relating to tangible personal property tax, but do apply to the provisions on ad valorem real property taxes.

Section 18, Article VII, State Constitution, provides that except upon approval by two-thirds of the members of each house, the Legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would reduce the authority that municipalities or counties have to raise revenues in the aggregate, as such authority exists on February 1, 1989. By reducing the tax base upon which counties and municipalities raise ad valorem revenue, this bill reduces their revenue-raising authority and may require a two-thirds vote of the membership of each house of the Legislature.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference determined that if a similar bill, HB 195, and the corresponding joint resolution, HJR 193, are passed, the combined school (\$8.4 million) and non-school (\$12.6 million) reduction in ad valorem revenue would reach \$21.0 million by 2020-21, the fifth year of implementation, holding the 2014 statewide average property tax rates constant.⁵ Almost three-quarters of this revenue reduction (\$15.5 million) is the result of exempting tangible personal property owned by electric utilities and is not subject to the constitutional mandates restrictions.

B. Private Sector Impact:

The exemptions from tangible personal property tax and ad valorem tax on real property may stimulate sales and leases of renewable energy source devices, and encourage the development of renewable energy device leasing businesses. The bill also reduces property taxes for electric utilities that install renewable energy devices to produce electricity.

⁵ Revenue Estimating Conference, *Renewable Energy Devices*, 133-134 (Nov. 6, 2015) available at http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2016/_pdf/Impact1106.pdf (last visited Nov. 17, 2015). However, if a component can be interpreted broadly to include electrical generation and delivery for all connected up-stream and down-stream equipment, then the impact would be at least 10 times greater than the current estimate.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

This bill implements CS/SJR 170.

VIII. Statutes Affected:

This bill substantially amends section 193.624 of the Florida Statutes.

This bill creates section 196.182 of the Florida Statutes.

This bill re-enacts the following sections of the Florida Statutes: 193.155 and 193.1554.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

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

CS/CS by Finance and Tax on January 11, 2016:

The CS/CS adds “wiring, structural supports, and other components used as integral parts of (renewable energy source device) systems” to the statutory definition of “renewable energy source device” and removes all other references to components of renewable energy source devices from the bill. It also removes a requirement that a renewable energy source device be installed on real property on or after January 1, 2017, in order to qualify for a property tax exemption.

CS by Community Affairs on December 1, 2015:

Inserts the linked bill, SJR 170, into the effective date of the bill.

B. Amendments:

None.



531894

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/11/2016	.	
	.	
	.	
	.	

The Committee on Finance and Tax (Flores) recommended the following:

Senate Amendment (with title amendment)

Delete lines 49 - 52
and insert:

(i) Pipes, ducts, refrigerant handling systems, wiring, structural supports, and other components ~~equipment~~ used as integral parts of to-interconnect such systems; however, such equipment does not include conventional backup systems of any type or any equipment or structures that would be required in the absence of the renewable energy source device.



531894

11
12 ===== T I T L E A M E N D M E N T =====
13 And the title is amended as follows:
14 Delete lines 3 - 7
15 and insert:
16 amending s. 193.624, F.S.; redefining the term
17 "renewable energy source device"; specifying a period
18 during



444678

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/11/2016	.	
	.	
	.	
	.	

The Committee on Finance and Tax (Flores) recommended the following:

Senate Amendment (with title amendment)

Delete lines 69 - 78
and insert:
of a renewable energy source device ~~installed~~ on or after
January 1, 2017, may not be considered January 1, 2013, to new
~~and existing residential real property.~~

Section 2. Section 196.182, Florida Statutes, is created to
read:

196.182 Exemption of renewable energy source devices.-A



444678

renewable energy source device, as defined in s. 193.624, is
exempt from the

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

And the title is amended as follows:

Delete lines 15 - 20

and insert:

the installation of a renewable energy source device
on or after a specified date; creating s. 196.182,
F.S.; exempting a renewable energy source device from
the tangible personal

By the Committee on Community Affairs; and Senator Brandes

578-01766-16

2016172c1

1 A bill to be entitled
 2 An act relating to renewable energy source devices;
 3 amending s. 193.624, F.S.; revising the term
 4 "renewable energy source device" to include certain
 5 devices that store or use solar energy, wind energy,
 6 or energy from geothermal deposits to generate
 7 specified forms of energy; specifying a period during
 8 which a property appraiser is prohibited from
 9 considering an increase in the just value of real
 10 property used for residential purposes which is
 11 attributable to the installation of a renewable energy
 12 source device; prohibiting consideration by a property
 13 appraiser of an increase in the just value of real
 14 property used for any purpose which is attributable to
 15 the installation of a renewable energy source device
 16 or of a component of such device on or after a
 17 specified date; creating s. 196.182, F.S.; exempting a
 18 renewable energy source device, or a component of such
 19 device, which is installed upon real property on or
 20 after a specified date from the tangible personal
 21 property tax; reenacting ss. 193.155(4)(a) and
 22 193.1554(6)(a), F.S., relating to homestead
 23 assessments and nonhomestead residential property
 24 assessments, respectively, to incorporate the
 25 amendment made to s. 193.624, F.S., in references
 26 thereto; providing that specified provisions of the
 27 act expire on a certain date; providing a contingent
 28 effective date.
 29

Page 1 of 5

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

578-01766-16

2016172c1

30 Be It Enacted by the Legislature of the State of Florida:
 31
 32 Section 1. Section 193.624, Florida Statutes, is amended to
 33 read:
 34 193.624 Assessment of real ~~residential~~ property.—
 35 (1) As used in this section, the term "renewable energy
 36 source device" means any of the following equipment that
 37 collects, transmits, stores, or uses solar energy, wind energy,
 38 or energy derived from geothermal deposits:
 39 (a) Solar energy collectors, photovoltaic modules, and
 40 inverters.
 41 (b) Storage tanks and other storage systems, excluding
 42 swimming pools used as storage tanks.
 43 (c) Rockbeds.
 44 (d) Thermostats and other control devices.
 45 (e) Heat exchange devices.
 46 (f) Pumps and fans.
 47 (g) Roof ponds.
 48 (h) Freestanding thermal containers.
 49 (i) Pipes, ducts, refrigerant handling systems, and other
 50 equipment used to interconnect such systems; however, such
 51 equipment does not include conventional backup systems of any
 52 type.
 53 (j) Windmills and wind turbines.
 54 (k) Wind-driven generators.
 55 (l) Power conditioning and storage devices that store or
 56 use solar energy, wind energy, or energy derived from geothermal
 57 deposits to generate electricity or mechanical forms of energy.
 58 (m) Pipes and other equipment used to transmit hot

Page 2 of 5

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

578-01766-16

2016172c1

geothermal water to a dwelling or structure from a geothermal deposit.

(2) In determining the assessed value of new and existing real property used for:

(a) Residential purposes, an increase in the just value of the property attributable to the installation of a renewable energy source device between January 1, 2013, and December 31, 2016, may not be considered.

(b)(3) Any purpose, an increase in the just value of the property attributable ~~This section applies~~ to the installation of a renewable energy source device or of a component of such device installed on or after January 1, 2017, may not be considered January 1, 2013, to new and existing residential real property.

Section 2. Section 196.182, Florida Statutes, is created to read:

196.182 Exemption of renewable energy source devices and components.—A renewable energy source device, as defined in s. 193.624, or a component of such device, which is installed on real property on or after January 1, 2017, is exempt from the tangible personal property tax.

Section 3. For the purpose of incorporating the amendment made by this act to section 193.624, Florida Statutes, in a reference thereto, paragraph (a) of subsection (4) of section 193.155, Florida Statutes, is reenacted to read:

193.155 Homestead assessments.—Homestead property shall be assessed at just value as of January 1, 1994. Property receiving the homestead exemption after January 1, 1994, shall be assessed at just value as of January 1 of the year in which the property

578-01766-16

2016172c1

receives the exemption unless the provisions of subsection (8) apply.

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

Section 4. For the purpose of incorporating the amendment made by this act to section 193.624, Florida Statutes, in a reference thereto, paragraph (a) of subsection (6) of section 193.1554, Florida Statutes, is reenacted to read:

193.1554 Assessment of nonhomestead residential property.—

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

Section 5. The amendment made by this act to s. 193.624, Florida Statutes, expires December 31, 2036, and the text of that section shall revert to that in existence on December 31, 2016, except that any amendments to such text enacted other than by this act shall be preserved and continue to operate to the extent that such amendments are not dependent upon the portion of text which expires pursuant to this section.

Section 6. Section 196.182, Florida Statutes, as created by this act, expires December 31, 2036, and shall be repealed on that date.

Section 7. This act shall take effect January 1, 2017, if SJR 170, or a similar joint resolution having substantially the same specific intent and purpose, is approved by the electors at

578-01766-16

2016172c1

117 the general election to be held in November 2016 or at an
118 earlier special election specifically authorized by law for that
119 purpose.



The Florida Senate

Committee Agenda Request

To: Senator Dorothy L. Hukill, Chair
Committee on Finance and Tax

Subject: Committee Agenda Request

Date: December 2, 2015

I respectfully request that **Senate Bill #172**, relating to **Renewable Energy Source Devices**, be placed on the:

- ☒ committee agenda at your earliest possible convenience.
- ☐ next committee agenda.

A handwritten signature in black ink, appearing to read "Jeff Brandes", is written over a horizontal line.

Senator Jeff Brandes
Florida Senate, District 22

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/11/2016

Meeting Date

172

Bill Number (if applicable)

531894 by Flores

Amendment Barcode (if applicable)

Topic Tax exemption for renewable energy devices

Name Richard Pinsky

Job Title

Address 106 East College Ave. Suite 1200

Phone 850-425-1608

Street

Tallahassee

FL

32301

Email

City

State

Zip

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Florida Solar Energy Installers Association

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/11/2016

Meeting Date

172

Bill Number (if applicable)

444678 by Flores

Amendment Barcode (if applicable)

Topic Tax exemption for renewable energy devices

Name Richard Pinsky

Job Title

Address 106 East College Ave. Suite 1200

Phone 850-425-1608

Street

Tallahassee

FL

32301

Email

City

State

Zip

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Florida Solar Energy Installers Association

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

1-11-2016

Meeting Date

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

CS/SB 172

Bill Number (if applicable)

~~CS/SB 172~~

Amendment Barcode (if applicable)

Topic energy

Name Susan Clickman

Job Title Florida Director

Address PO Box 310

Phone 727-742-9003

Street

Indian Rocks Bch FL

City

State

Zip

33785 Email susan@cleanenergy.org

Speaking: ☐ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Southern Alliance for Clean Energy

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Jan 11 2016
Meeting Date

172
Bill Number (if applicable)

Topic ~~Janet Bruman~~ Renewable Env. Policies

Amendment Barcode (if applicable)

Name Janet Bruman

Job Title _____

Address 232 E 5th Av.
Street

Phone 251-4406

City

State

Zip

Email _____

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking. ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing The Nature Conservancy

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date

Bill Number (if applicable)

Topic

Amendment Barcode (if applicable)

Name

Job Title

Address

Street

City

State

Zip

Phone

Email

Speaking:

☒

For

☐

Against

☐

Information

Waive Speaking:

☒

In Support

☐

Against

(The Chair will read this information into the record.)

Representing

Appearing at request of Chair:

☐

Yes

☒

No

Lobbyist registered with Legislature:

☐

Yes

☒

No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

11 / 11 / 2016

Meeting Date

Topic _____

Bill Number 172
(if applicable)

Name BRIAN PITTS

Amendment Barcode _____
(if applicable)

Job Title TRUSTEE

Address 1119 NEWTON AVNUE SOUTH

Phone 727-897-9291

Street

SAINT PETERSBURG FLORIDA 33705
City State Zip

E-mail JUSTICE2JESUS@YAHOO.COM

Speaking: ☐ For ☐ Against ☒ Information

Representing JUSTICE-2-JESUS

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/11/2016

Meeting Date

172

Bill Number (if applicable)

Topic Tax exemption for renewable energy devices

Amendment Barcode (if applicable)

Name Richard Pinsky

Job Title _____

Address 106 East College Ave. Suite 1200Phone 850-425-1608

Street

TallahasseeFL32301

Email _____

City

State

Zip

Speaking: ☒ For ☐ Against ☐ InformationWaive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)Representing Florida Solar Energy Installers AssociationAppearing at request of Chair: ☐ Yes ☒ NoLobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Finance and Tax

BILL: CS/SB 608

INTRODUCER: Finance and Tax Committee and Senator Stargel

SUBJECT: Emergency Preparedness and Response

DATE: January 12, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Gross	Diez-Arguelles	FT	Fav/CS
2.			ATD	
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Technical Changes

I. Summary:

CS/SB 608 establishes a 15-day (May 31, 2016 - June 14, 2016) sales tax exemption for purchases of items related to emergency preparedness and response. During the exemption period certain light sources, radios, tarps, “tie-down” kits, fuel tanks, batteries, cellular telephone chargers, food storage coolers, portable generators, storm shutter devices, carbon monoxide detectors, reusable ice, personal locator beacons, and emergency position-indicating radio beacons will be exempt from state sales and use tax and county discretionary sales surtaxes.

The bill also directs the Division of Emergency Management to establish a statewide system to facilitate the transportation and distribution of essential goods during an emergency.

The Revenue Estimating Conference estimates that the bill will reduce General Revenue receipts by \$6.5 million and local government revenues by \$1.4 million in Fiscal Year 2016-2017. Due to the timing of the sales tax holiday, state revenues are estimated to be reduced by \$0.2 million dollars in Fiscal Year 2015-2016.

The bill provides the Department of Revenue with a nonrecurring appropriation of \$212,754 from the General Revenue Fund for Fiscal Year 2015-2016 to administer the sales tax exemption provision of this act.

This act shall take effect upon becoming law.

II. Present Situation:

Sales Tax

Florida levies a six percent sales and use tax on the sale or rental of most tangible personal property, admissions,¹ transient rentals,² commercial real estate rentals,³ and a limited number of services. Chapter 212, F.S., contains statutory provisions authorizing the levy and collection of Florida's sales and use tax, as well as the exemptions and credits applicable to certain items or uses under specified circumstances. Sales tax is added to the price of taxable goods or services and the tax is collected from the purchaser at the time of sale.

In addition to the state sales and use tax, s. 212.055, F.S., authorizes counties to impose eight local discretionary sales surtaxes.⁴ A surtax applies to "all transactions occurring in the county which transactions are subject to the state tax imposed on sales, use, services, rental, admissions, and other transactions by [chapter 212, F.S.], and on communications services as defined in ch. 202, F.S."⁵

The Division of Emergency Management (Division) recommends that families prepare "disaster kits" for times of emergency. The Division recommends items such as water, dried foods, sleeping bags, flashlights and batteries, medicines, battery powered radios, and tools.⁶

The Federal Emergency Management Agency (FEMA) educates Americans on how to prepare for emergencies through a public service advertising campaign named, Ready.⁷ In addition to the items listed in the paragraph above, FEMA recommends cell phone chargers, inverters, or solar chargers as items to include in an emergency preparedness supply kit.

Statewide System to Transport Essentials in an Emergency

Currently, Florida does not provide a state certification for individuals or employers who assist in delivering essential goods during times of emergency.

Each local jurisdiction may impose identification requirements and credentials beyond that which the Division suggests.⁸ Over the past few years, the Division's Office of Private Sector Coordination "formulated a working group to discuss...private sector re-entry."⁹ Statements at meetings and survey responses indicated that most local jurisdictions would allow access to

¹ Section 212.04, F.S.

² Section 212.03, F.S.

³ Florida Department of Revenue, *Who must pay tax?* Partial list of taxable business activities, available at http://dor.myflorida.com/dor/taxes/sales_tax.html (last visited Oct. 2, 2015).

⁴ The tax rates, duration of the surtax, method of imposition, and proceed uses are individually specified in s. 212.055, F.S.

⁵ Section 212.054, F.S.

⁶ Florida Division of Emergency Management, *Now is the Time to Prepare For All of Florida's Weather!*, available at <http://www.floridadisaster.org/documents/EmergencyKit-FDEM.pdf> (last visited Nov 9, 2015).

⁷ Federal Emergency Management Agency, Ready.gov, available at <http://www.ready.gov/about-us> (last visited Nov 9, 2015).

⁸ Department of Emergency Management, *Senate Bill 608 Fiscal Analysis* (Nov. 2, 2016)(on file with the Senate Committee on Finance and Tax).

⁹ Florida Division of Emergency Management, *Statewide Re-entry Information*, available at http://www.floridadisaster.org/PublicPrivateSector/reentry_information.html (last visited Nov 18, 2015).

disaster stricken areas if private sector employees and businesses possess three of the following items:¹⁰

- A corporate identification card.
- A letter of authorization.
- A bill of lading/work order.
- A valid driver's license.

The items listed above are only a recommended list and each county may require additional documentation from persons who travel into disaster areas.

III. Effect of Proposed Changes:

Disaster Preparedness Tax Exemption

The bill provides an exemption from state and local sales and use tax during the period from 12:01 a.m. on May 31, 2016, through 11:59 p.m. on June 14, 2016, for the following goods related to emergency preparedness:

- A portable self-powered light source selling for \$20 or less.
- A portable self-powered radio, two-way radio, or weather band radio selling for \$75 or less.
- A tarpaulin or other flexible waterproof sheeting selling for \$50 or less.
- An item typically sold or advertised as a ground anchor system or tie-down kit selling for \$50 or less.
- A gas or diesel fuel tank selling for \$25 or less.
- A package of AAA-cell, AA-cell, C-cell, D-cell, 6-volt or 9-volt batteries, excluding automobile and boat batteries selling for \$30 or less.
- A cellular telephone battery selling for \$60 or less.
- A cellular telephone charger selling for \$40 or less.
- A nonelectric food storage cooler selling for \$30 or less.
- A portable generator used to provide light, support communications, or preserve food during a power outage selling for \$1,000 or less.
- A storm shutter device selling for \$200 or less.
- A carbon monoxide detector selling for \$75 or less.
- Reusable ice selling for \$10 or less.
- A single product consisting of two or more of the items above.
- A personal locator beacon selling for \$600 or less.
- An emergency position-indicating radio beacon selling for \$1,500 or less.

The bill also authorizes the Department of Revenue to adopt emergency rules to implement the sales and use tax exemption.

The bill appropriates \$212,754 of nonrecurring funds from the General Revenue Fund to the Department of Revenue for Fiscal Year 2015-2016 for purposes of administering the tax exemption specified above.

¹⁰ *Id.*

Statewide System to Transport Essentials in an Emergency

The bill directs the Division to establish a statewide system to facilitate the transportation and distribution of essentials throughout the state during times of emergency. The term “essentials” means any goods that are consumed or used as a direct result of an emergency or that are consumed or used to preserve, protect, or sustain life, health, safety, or economic well-being.

The Division must develop a system to certify persons who:

- Transport essentials in commerce, or
- Assist in ensuring the availability of essentials.

The system must allow for certification of persons both before and after a declaration of emergency and may include an annually renewable precertification. If requested by the employer, a certification of the employer constitutes a certification of the employer’s employees. The division may certify only a person who routinely transports or distributes essentials. The Division is directed to create an easily recognizable indicium of certification to assist local officials’ efforts in determining who has access to an area.

Certified individuals will move throughout the state and throughout local communities at times of emergency. During times of curfew, certified persons are permitted to enter or remain in the curfew area for the limited purpose of distributing or assisting in the distribution of essentials. The bill also states that law enforcement officers are not prohibited from specifying the permissible route of ingress or egress of certified individuals.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18 of the Florida Constitution governs laws that require counties and municipalities to spend funds or that limit their ability to raise revenue or receive state tax revenue.

Subsection (b) of Article VII, s. 18 of the Florida Constitution provides that, except upon approval by each house of the Legislature by two-thirds vote of its membership, the Legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, these requirements do not apply to laws that have an insignificant fiscal impact on local governments, which for Fiscal Year 2016-2017, is \$2 million or less.^{11,12,13}

¹¹ FLA. CONST. art. VII, s. 18(d).

¹² An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year times \$0.10. See Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (Sept. 2011), available at <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Oct. 6, 2015).

¹³ Based on the Demographic Estimating Conference’s population adopted on July 9, 2015. The conference packet is available at <http://edr.state.fl.us/Content/conferences/population/ConferenceResults.pdf> (last visited Oct. 6, 2015).

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

The Revenue Estimating Conference estimates that CS/SB 608 will reduce state General Revenue receipts by \$6.5 million and local government revenue by \$1.4 million in Fiscal Year 2016-2017. Due to the timing of the sales tax holiday, state revenues are estimated to be reduced by \$0.2 million dollars in Fiscal Year 2015-2016.

B. Private Sector Impact:

None.

C. Government Sector Impact:

CS/SB 608 provides the Department of Revenue a nonrecurring General Revenue appropriation of \$212,754 in Fiscal Year 2015-2016 to administer the sales and use tax exemption provision of the act.

The Division of Emergency Management will create the system in-house and should not require additional personnel or technology.¹⁴

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 252.359 of the Florida Statutes.

This bill creates an undesignated section of Florida law.

¹⁴ Department of Emergency Management, *Senate Bill 608 Fiscal Analysis* (Nov. 2, 2016) (on file with the Senate Committee on Finance and Tax).

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

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

CS by Finance and Tax on January 11, 2016:

The CS changes the starting time of the tax exemptions from 12 a.m. to 12:01 a.m., provides DOR with emergency rule making authority to implement the sales and use tax exemptions, authorizes an appropriation of \$212,754 in Fiscal Year 2015-2016, removes persons “who assist in restoring utility services” from the certification process, and clarifies that certifying an employer also certifies its employees only upon request of the employer.

B. Amendments:

None.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/11/2016	.	
	.	
	.	
	.	

The Committee on Finance and Tax (Flores) recommended the following:

Senate Amendment (with title amendment)

Delete lines 27 - 111
and insert:
not be collected during the period from 12:01 a.m. on May 31,
2016, through 11:59 p.m. on June 14, 2016, on the sale of:
(a) A portable self-powered light source selling for \$20 or
less.
(b) A portable self-powered radio, two-way radio, or
weather band radio selling for \$75 or less.



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11 (c) A tarpaulin or other flexible waterproof sheeting
12 selling for \$50 or less.

13 (d) An item typically sold or advertised as a ground anchor
14 system or tie-down kit selling for \$50 or less.

15 (e) A gas or diesel fuel tank selling for \$25 or less.

16 (f) A package of AAA-cell, AA-cell, C-cell, D-cell, 6-volt,
17 or 9-volt batteries, excluding automobile and boat batteries,
18 selling for \$30 or less.

19 (g) A cellular telephone battery selling for \$60 or less.

20 (h) A cellular telephone charger selling for \$40 or less.

21 (i) A nonelectric food storage cooler selling for \$30 or
22 less.

23 (j) A portable generator that is used to provide light,
24 support communications, or preserve food during a power outage
25 and selling for \$1,000 or less.

26 (k) A storm shutter device selling for \$200 or less. As
27 used in this paragraph, the term "storm shutter device" means a
28 material or product manufactured, rated, and marketed
29 specifically for the purpose of preventing window damage from
30 storms.

31 (l) A carbon monoxide detector selling for \$75 or less.

32 (m) Reusable ice selling for \$10 or less.

33 (n) A single product consisting of two or more of the items
34 listed in paragraphs (a)-(m) and selling for \$75 or less.

35 (o) A personal locator beacon selling for \$600 or less.

36 (p) An emergency position-indicating radio beacon selling
37 for \$1,500 or less.

38 (2) The tax exemptions provided in this section do not
39 apply to sales within a public lodging establishment as defined



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in s. 509.013(4), Florida Statutes, within a theme park or entertainment complex as defined in s. 509.013(9), 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 ss. 120.536(1) and 120.54, Florida Statutes, to implement this section.

(4) This section expires September 30, 2016.

Section 2. For the 2015-2016 fiscal year, the sum of \$212,754 in nonrecurring funds is appropriated from the General Revenue Fund to the Department of Revenue for the purpose of administering the tax exemptions for the purchase of tangible personal property relating to disaster preparedness specified under this act.

Section 3. Section 252.359, Florida Statutes, is created to read:

252.359 Ensuring availability of emergency supplies.—

(1) In order to meet the needs of residents affected by a declared emergency and to ensure the continuing economic resilience of communities impacted by disaster, the Division of Emergency Management shall establish a statewide system to facilitate transport and distribution of essentials throughout the state.

(2) As used in this section, the term "essentials" means any goods that are consumed or used as a direct result of an emergency or that are consumed or used to preserve, protect, or sustain life, health, safety, or economic well-being.

(3) The division shall develop a system to certify a person



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who transports essentials in commerce or assists in ensuring the availability of essentials, subject to the following:

(a) The system must allow for both preemergency declaration and postemergency declaration certification and may include an annually renewable precertification.

(b) The division may certify only a person who routinely transports or distributes essentials.

(c) If requested by the employer, a certification of the employer constitutes a certification of the employer's employees.

(d) The division shall create an easily recognizable indicium of certification to assist local officials' efforts to determine which persons have been certified under this subsection.

(e) A person certified by the division is not required to obtain any additional certification or fulfill any additional requirement in order to transport or distribute essentials.

(4) Notwithstanding any curfew, a person certified under subsection (3) may enter or remain in the curfew area for the limited purpose of distributing or assisting in the distribution of essentials and may provide service that exceeds

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

And the title is amended as follows:

Delete lines 7 - 16

and insert:

adopt emergency rules to implement the exemption;
providing an expiration date; providing an
appropriation; creating s. 252.359, F.S.; requiring



303126

98 the Division of Emergency Management to create a
99 statewide system to facilitate transport and
100 distribution of essentials in an emergency throughout
101 the state; defining the term "essentials"; requiring
102 the division to develop a certification system for
103 certain persons who transport or assist in the
104 distribution of essentials; providing requirements and
105 conditions for

By Senator Stargel

15-00550A-16

2016608__

A bill to be entitled

An act relating to emergency preparedness and response; providing a sales and use tax exemption for certain tangible personal property related to disaster preparedness during a specified period; providing exceptions; authorizing the Department of Revenue to adopt rules to implement the exemption; providing an expiration date; providing an appropriation; creating s. 252.359, F.S.; directing the Division of Emergency Management to create a statewide system to facilitate transport of essentials in an emergency throughout the state; defining the term "essentials"; directing the division to create a certification system for certain persons facilitating the transport or distribution of essentials or who assist in restoring utility services; providing requirements and conditions for the certification system; permitting certain activities by certified persons during a curfew; providing that a law enforcement officer may specify a permissible route of ingress or egress for a certified person; providing an effective date.

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

Section 1. Disaster preparedness tax exemption.

(1) The tax levied under chapter 212, Florida Statutes, may not be collected during the period from 12 a.m. on May 31, 2016, through 11:59 p.m. on June 14, 2016, on the sale of:

(a) A portable self-powered light source selling for \$20 or

Page 1 of 5

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

15-00550A-16

2016608__

less.

(b) A portable self-powered radio, two-way radio, or weather band radio selling for \$75 or less.

(c) A tarpaulin or other flexible waterproof sheeting selling for \$50 or less.

(d) An item typically sold or advertised as a ground anchor system or tie-down kit selling for \$50 or less.

(e) A gas or diesel fuel tank selling for \$25 or less.

(f) A package of AAA-cell, AA-cell, C-cell, D-cell, 6-volt, or 9-volt batteries, excluding automobile and boat batteries, selling for \$30 or less.

(g) A cellular telephone battery selling for \$60 or less.

(h) A cellular telephone charger selling for \$40 or less.

(i) A nonelectric food storage cooler selling for \$30 or less.

(j) A portable generator that is used to provide light, support communications, or preserve food during a power outage and selling for \$1,000 or less.

(k) A storm shutter device selling for \$200 or less. As used in this paragraph, the term "storm shutter device" means a material or product manufactured, rated, and marketed specifically for the purpose of preventing window damage from storms.

(l) A carbon monoxide detector selling for \$75 or less.

(m) Reusable ice selling for \$10 or less.

(n) A single product consisting of two or more of the items listed in paragraphs (a)-(m) and selling for \$75 or less.

(o) A personal locator beacon selling for \$600 or less.

(p) An emergency position-indicating radio beacon selling

Page 2 of 5

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

15-00550A-16

2016608

for \$1,500 or less.

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

(3) The Department of Revenue may adopt rules to implement this section.

(4) This section expires September 30, 2016.

Section 2. For the 2016-2017 fiscal year, the sum of \$ in nonrecurring funds is appropriated from the General Revenue Fund to the Department of Revenue for purposes of administering the tax exemptions for the purchase of tangible personal property relating to disaster preparedness specified under this act.

Section 3. Section 252.359, Florida Statutes, is created to read:

252.359 Ensuring availability of emergency supplies.—

(1) In order to meet the needs of residents affected by a declared emergency and to ensure the continuing economic resilience of communities impacted by disaster, the Division of Emergency Management shall establish a statewide system to facilitate transport of essentials throughout the state.

(2) As used in this section, the term "essentials" means any goods that are consumed or used as a direct result of an emergency or that are consumed or used to preserve, protect, or sustain life, health, safety, or economic well-being.

(3) The division shall develop a system to certify a person

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who transports essentials in commerce, who assists in ensuring the availability of essentials, or who assists in restoring utility services, subject to the following:

(a) The system must allow for both preemergency declaration and postemergency declaration certification and may include an annually renewable precertification.

(b) The division may certify only a person who routinely transports or distributes essentials or assists in restoring utility services.

(c) A certification of the employer constitutes a certification of the employer's employees.

(d) The division shall create an easily recognizable indicium of certification to assist local officials' efforts to determine which persons have been certified under this subsection.

(e) A person certified by the division is not required to obtain any additional certification or fulfill any additional requirement in order to transport or distribute essentials or assist in restoring utility services.

(4) Notwithstanding any curfew, a person certified under subsection (3) is permitted to enter or remain in the curfew area for the limited purpose of distributing or assisting in the distribution of essentials or assisting in restoring utility services and is permitted to provide service that exceeds otherwise applicable hours of service maximums to the extent authorized by a duly executed declaration of a state of emergency.

(5) This section does not prohibit a law enforcement officer from specifying the permissible route of ingress or

15-00550A-16

2016608__

117 egress for a person certified under subsection (3).

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



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Higher Education, *Chair*
Appropriations Subcommittee on Education
Fiscal Policy
Judiciary
Military and Veterans Affairs, Space, and Domestic
Security
Regulated Industries

JOINT COMMITTEE:
Joint Committee on Public Counsel Oversight

SENATOR KELLI STARGEL
15th District

November 16, 2015

The Honorable Dorothy Hukill
Senate Finance and Tax Committee, Chair
305 Senate Office Building
404 S. Monroe Street
Tallahassee, FL 32399

Dear Chair Hukill:

I respectfully request that SB 608, related to *Emergency Preparedness and Response*, be placed on the next committee agenda.

Thank you for your consideration and please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Kelli Stargel". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Kelli Stargel
State Senator, District 15

Cc: Jose Diez-Arguelles/ Staff Director
Lynn Wells/ AA

REPLY TO:

- ☐ 2033 East Edgewood Drive, Suite 1, Lakeland, Florida 33803
- ☐ 324 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5015

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

SENATOR KELLI STARGEL

15th District

COMMITTEES:

Higher Education, *Chair*
Appropriations Subcommittee on Education
Fiscal Policy
Judiciary
Military and Veterans Affairs, Space, and Domestic
Security
Regulated Industries

JOINT COMMITTEE:

Joint Committee on Public Counsel Oversight

January 10, 2016

Chairman Hukill
207 The Capitol

Dear Chair Hukill:

I am requesting permission for my LA, Chad Davis, to present SB 608 which is dealing with Emergency Preparedness and Response. During the Finance and Tax committee timeframe, I will be chairing the Higher Education Committee.

Thank you for this consideration,

Sincerely,

A handwritten signature in dark ink that reads "Kelli Stargel". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Kelli Stargel
State Senator, District 15

Cc: Jose Diez-Arguelles / Staff Director
Lynn Wells / CAA

REPLY TO:

- ☐ 2033 East Edgewood Drive, Suite 1, Lakeland, Florida 33803
- ☐ 324 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5015

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/11/16
Meeting Date

608
Bill Number (if applicable)

Topic Hurricane Preparedness

Amendment Barcode (if applicable)

Name Carolyn Johnson

Job Title Policy Director

Address 136 S Bronaugh St
Street

Phone 521-1235

Tallahassee
City State Zip

Email CJohnson@flchamber.com

Speaking: ☐ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing FL Chamber of Commerce

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1 / 11 / 2016

Meeting Date

Topic _____ Bill Number 608
(if applicable)

Name BRIAN PITTS Amendment Barcode _____
(if applicable)

Job Title TRUSTEE

Address 1119 NEWTON AVNUE SOUTH Phone 727-897-9291
Street

SAINT PETERSBURG FLORIDA 33705
City State Zip

E-mail JUSTICE2JESUS@YAHOO.COM

Speaking: ☐ For ☐ Against ☒ Information

Representing JUSTICE-2-JESUS

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Jan. 11, 2016
Meeting Date

608
Bill Number (if applicable)

Topic Emergency Preparedness & Response

Amendment Barcode (if applicable)

Name Samantha Padgett

Job Title Vice President & General Counsel

Address 227 S. Adams St.

Phone 850-222-4082

Street

Tallahassee

FL

State

32301

Zip

Email samantha@frf.org

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Florida Retail Federation & Florida Petroleum Marketers & Convenience Store Association

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Finance and Tax

BILL: CS/CS/SJR 778

INTRODUCER: Finance and Tax Committee; Military and Veterans Affairs, Space, and Domestic Security Committee; and Senator Altman

SUBJECT: Homestead Tax Exemption/Spouses of Combat-related Disabled Veterans

DATE: January 12, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Sanders</u>	<u>Ryon</u>	<u>MS</u>	<u>Fav/CS</u>
2.	<u>Babin</u>	<u>Diez-Arguelles</u>	<u>FT</u>	<u>Fav/CS</u>
3.	<u> </u>	<u> </u>	<u>AP</u>	<u> </u>

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SJR 778 proposes an amendment to the Florida Constitution to allow the ad valorem tax discount on homestead property owned by combat-disabled veterans age 65 or older to carry over to the spouse if the veteran predeceases his or her spouse. The spouse is eligible for the discount while he or she remains unmarried and permanently resides on the property. If the spouse sells the property, a discount not to exceed the dollar amount granted from the most recent ad valorem tax roll may be transferred to his or her new residence if it is used as his or her permanent residence and he or she does not remarry.

The joint resolution will require approval by a three-fifths vote of the membership of each house of the Legislature for passage.

If approved by the voters in the general election held November 2016, the joint resolution will become effective on January 1, 2017, and will first apply to the 2017 property tax roll.

The Revenue Estimating Conference has analyzed similar legislation (HJR 811 (2016)) and determined that it has an indeterminate impact because it requires voter approval. If approved by the voters, local property taxes will decrease by \$2 million, beginning in Fiscal Year 2017-2018, with a \$2 million recurring, negative impact. By Fiscal Year 2020-2021, the recurring, negative impact increases to \$3.5 million.

II. Present Situation:

General Overview of Property Taxation

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.¹ The property appraiser annually determines the “just value”² of property within the taxing authority and then applies relevant exclusions, assessment limitations, and exemptions to determine the property’s “taxable value.”³ Tax bills are mailed in November of each year based on the previous January 1 valuation and payment is due by March 31.

The Florida Constitution prohibits the state from levying ad valorem taxes,⁴ and it limits the Legislature’s authority to provide for property valuations at less than just value, unless expressly authorized.⁵

The just valuation standard generally requires the property appraiser to consider the highest and best use of property;⁶ however, the Florida Constitution authorizes certain types of property to be valued based on their current use (classified use assessments), which often result in lower assessments. Properties that receive classified use treatment in Florida include: agricultural land, land producing high water recharge to Florida’s aquifers, and land used exclusively for noncommercial recreational purposes;⁷ land used for conservation purposes;⁸ historic properties when authorized by the county or municipality;⁹ and certain working waterfront property.¹⁰

Property Tax Exemptions for Ex-Servicemembers

There are currently 793,907 veterans over the age of 65 residing in Florida.¹¹ The U.S. Department of Veterans Affairs indicates that there were 184,741 veterans over the age of 55 in Florida receiving compensation for service-related conditions at the end of federal Fiscal Year 2014.¹²

¹ Both real property and tangible personal property can be subject to tax. Section 192.001(12), F.S., defines “real property” as land, buildings, fixtures, and all other improvements to land. Section 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.

² 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).

³ See s. 192.001(2) and (16), F.S.

⁴ FLA. CONST. art. VII, s. 1(a).

⁵ See FLA. CONST. art. VII, s. 4.

⁶ Section 193.011(2), F.S.

⁷ FLA. CONST. art. VII, s. 4(a).

⁸ FLA. CONST. art. VII, s. 4(b).

⁹ FLA. CONST. art. VII, s. 4(e).

¹⁰ FLA. CONST. art. VII, s. 4(j).

¹¹ United States Department of Veterans Affairs Office of the Actuary, Office of Policy and Planning, *Veteran Population* (Oct. 2014), available at http://www.va.gov/vetdata/Veteran_Population.asp (last visited Nov. 24, 2015).

¹² The USDVA provides data in 20-year increments; there is no data available that provides the number of veterans aged 65 and older that receive disability compensation. U.S. Department of Veterans Affairs, Veterans Benefits Administration,

Florida grants a number of property tax exemptions for disabled ex-servicemembers. Most of these exemptions carry over to the benefit of the surviving spouse after the ex-servicemember's death.

\$5,000 Ad Valorem Tax Exemption for Ex-Servicemembers and Surviving Spouses

Up to \$5,000 of property of an ex-servicemember is exempt if the ex-servicemember is a bona fide resident of the state, was discharged under honorable conditions, and has been disabled to a degree of 10 percent or more by misfortune or while serving during a period of wartime service.¹³ This exemption carries over to the un-remarried surviving spouse if he or she had been married to the disabled ex-servicemember for at least five years on the date of the ex-servicemember's death.¹⁴

Disabled Veterans Confined to Wheelchairs and Surviving Spouses

Homestead property of an ex-servicemember is totally exempt if the ex-servicemember was honorably discharged with a service-connected total disability, is receiving or has received special pecuniary assistance due to a disability requiring specially adapted housing, and is required to use a wheelchair for his or her transportation.¹⁵ The exemption carries over to the benefit of the surviving spouse in the event the ex-servicemember predeceases his or her spouse, until the spouse no longer resides on the property, remarries or otherwise disposes of the property.¹⁶

Ad Valorem Tax Exemption for Surviving Spouses of Veterans Who Died from Service-Connected Causes

Homestead property of a surviving spouse of an ex-servicemember is exempt if the ex-servicemember died from service-connected causes while on active duty.¹⁷

Total Homestead Exemption for Ex-Servicemembers and Surviving Spouses

Homestead property of an ex-servicemember is exempt if the ex-servicemember was honorably discharged with a service-connected total and permanent disability.¹⁸ If the totally and permanently disabled ex-servicemember predeceases his or her spouse, the exemption carries over to the benefit of the surviving spouse until the spouse no longer resides on the property, remarries or disposes of the property.¹⁹

Combat-Related Partial Ad Valorem Tax Discount for Ex-Servicemembers

Homestead property of an ex-servicemember receives an ad valorem discount if the ex-servicemember was honorably discharged, is 65 years or older, is disabled, and the disability is

Annual Benefits Report: Fiscal Year 2014, available at <http://www.benefits.va.gov/REPORTS/abr/ABR-Combined-FY14-11052015.pdf> (last visited Nov. 24, 2015).

¹³ Section 196.24, F.S.

¹⁴ *Id.*

¹⁵ Section 196.091, F.S.

¹⁶ *Id.*

¹⁷ Section 196.081(4), F.S.

¹⁸ Section 196.081(1), F.S.

¹⁹ Section 196.081(3), F.S.

combat-related.²⁰ The discount percentage is equal to the veteran's percentage of disability, as determined by the U.S. Department of Veterans Affairs.²¹ The discount is not currently provided to the surviving spouse upon the death of the disabled veteran.

III. Effect of Proposed Changes:

CS/CS/SJR 778 proposes an amendment to Article VII, section 6 of the Florida Constitution to allow the ad valorem tax discount on homestead property owned by combat-disabled veterans age 65 or older to carry over to the spouse if the veteran predeceases his or her spouse. To be eligible for the discount, the spouse must remain unmarried and use the residence as his or her permanent residence. The discount is transferable to another residence if the spouse remains unmarried and uses the new residence as his or her permanent residence. The transferred discount may not exceed the dollar amount granted on the most recent ad valorem tax roll.

If approved by the voters in the general election held November 2016, or at an earlier special election specifically authorized by law for that purpose, the joint resolution will become effective on January 1, 2017, and will first apply to the 2017 property tax roll.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The mandate provisions in Article VII, section 18 of the Florida Constitution, do not apply to joint resolutions.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

Article XI, section 1 of the Florida Constitution, authorizes the Legislature to propose amendments to the Florida Constitution by joint resolution approved by a three-fifths vote of the membership of each house. The amendment must be placed before the electorate at the next general election held more than 90 days after the proposal has been filed with the Secretary of State or at a special election held for that purpose.

Article XI, section 5(a) of the Florida Constitution, and s. 101.161(1), F.S., require constitutional amendments submitted to the electors to be printed in clear and

²⁰ Section 196.082, F.S.

²¹ The U.S. Department of Veterans Affairs (USDVA) assigns a percentage evaluation from 0 percent to 100 percent (in 10 percent increments) for the amount of disability that the USDVA determines the veteran has sustained. The resulting disability percentage rating determines the level of a veteran's monthly disability compensation. The USDVA does not determine whether a disability is combat-related.

unambiguous language on the ballot. In determining whether a ballot title and summary are in compliance with the accuracy requirement, Florida courts utilize a two-prong test, asking “first, whether the ballot title and summary ‘fairly inform the voter of the chief purpose of the amendment,’ and second, ‘whether the language of the title and summary, as written, misleads the public.’”²²

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

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference has analyzed similar legislation (HJR 811 (2016)) and determined that it has an indeterminate impact because it requires voter approval. If approved by the voters, local property taxes will decrease by \$2 million, beginning in Fiscal Year 2017-2018, with a \$2 million recurring, negative impact. By Fiscal Year 2020-2021, the recurring, negative impact increases to \$3.5 million.²³

B. Private Sector Impact:

If the proposed amendment is approved by the electorate, surviving spouses of certain veterans will receive property tax relief.

C. Government Sector Impact:

Article XI, section 5(d) of the Florida Constitution, requires proposed amendments or constitutional revisions to be published in a newspaper of general circulation in each county where a newspaper is published. The amendment or revision must be published once in the tenth week and again in the sixth week immediately preceding the week the election is held. The Division of Elections within the Department of State estimates the full publication costs for advertising the proposed amendment to be approximately \$135.97 per word, for a total publishing cost of approximately \$146,303.72.²⁴

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

²² *Roberts v. Doyle*, 43 So. 3d 654, 659 (Fla. 2010), citing *Florida Dep’t of State v. Slough*, 992 So. 2d 142, 147 (Fla. 2008).

²³ Revenue Estimating Conference, *Combat-Related Disability/Surviving Spouse: HJR 811 (Dec. 17, 2015)*.

²⁴ Email correspondence with Florida Department of State staff (Nov. 24, 2015) (on file with Senate Military and Veterans Affairs, Space, and Domestic Security Committee).

VIII. Statutes Affected:

The joint resolution amends Article VII, section 6 of the Florida Constitution.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS/CS by Finance and Tax on January 11, 2016:

The CS/CS clarifies that if the spouse transfers the discount to another property, the transferred discount is limited to the dollar amount of the discount on the prior property.

CS by Military and Veterans Affairs, Space, and Domestic Security Committee on December 1, 2015:

The CS makes the constitutional amendment effective January 1, 2017, which allows the discount to apply to the 2017 property tax rolls.

- B. **Amendments:**

None.



856170

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/11/2016	.	
	.	
	.	
	.	

The Committee on Finance and Tax (Altman) recommended the following:

Senate Amendment

Delete line 110
and insert:
property, a discount not to exceed the dollar amount granted
from the

By the Committee on Military and Veterans Affairs, Space, and Domestic Security; and Senator Altman

583-01764-16

2016778c1

Senate Joint Resolution

A joint resolution proposing an amendment to Section 6 of Article VII and the creation of a new section in Article XII of the State Constitution to authorize the discount on ad valorem taxes on homestead property which is received by certain veterans who have permanent, combat-related disabilities to carry over upon the death of the veteran to the benefit of a surviving spouse until the surviving spouse remarries or sells or otherwise disposes of the property and to specify that the discount is transferrable to another permanent residence if the surviving spouse remains unmarried.

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

That the following amendment to Section 6 of Article VII and the creation of a new section in Article XII of the State Constitution are agreed to and shall be submitted to the electors of this state for approval or rejection at the next general election or at an earlier special election specifically authorized by law for that purpose:

ARTICLE VII

FINANCE AND TAXATION

SECTION 6. Homestead exemptions.—

(a) Every person who has the legal or equitable title to real estate and maintains thereon the permanent residence of the owner, or another legally or naturally dependent upon the owner, shall be exempt from taxation thereon, except assessments for

Page 1 of 6

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583-01764-16

2016778c1

special benefits, up to the assessed valuation of twenty-five thousand dollars and, for all levies other than school district levies, on the assessed valuation greater than fifty thousand dollars and up to seventy-five thousand dollars, upon establishment of right thereto in the manner prescribed by law. The real estate may be held by legal or equitable title, by the entireties, jointly, in common, as a condominium, or indirectly by stock ownership or membership representing the owner's or member's proprietary interest in a corporation owning a fee or a leasehold initially in excess of ninety-eight years. The exemption shall not apply with respect to any assessment roll until such roll is first determined to be in compliance with the provisions of section 4 by a state agency designated by general law. This exemption is repealed on the effective date of any amendment to this Article which provides for the assessment of homestead property at less than just value.

(b) Not more than one exemption shall be allowed any individual or family unit or with respect to any residential unit. No exemption shall exceed the value of the real estate assessable to the owner or, in case of ownership through stock or membership in a corporation, the value of the proportion which the interest in the corporation bears to the assessed value of the property.

(c) By general law and subject to conditions specified therein, the Legislature may provide to renters, who are permanent residents, ad valorem tax relief on all ad valorem tax levies. Such ad valorem tax relief shall be in the form and amount established by general law.

(d) The legislature may, by general law, allow counties or

Page 2 of 6

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

583-01764-16

2016778c1

59 municipalities, for the purpose of their respective tax levies
60 and subject to the provisions of general law, to grant either or
61 both of the following additional homestead tax exemptions:

62 (1) An exemption not exceeding fifty thousand dollars to
63 any person who has the legal or equitable title to real estate
64 and maintains thereon the permanent residence of the owner and
65 who has attained age sixty-five and whose household income, as
66 defined by general law, does not exceed twenty thousand dollars;
67 or

68 (2) An exemption equal to the assessed value of the
69 property to any person who has the legal or equitable title to
70 real estate with a just value less than two hundred and fifty
71 thousand dollars and who has maintained thereon the permanent
72 residence of the owner for not less than twenty-five years and
73 who has attained age sixty-five and whose household income does
74 not exceed the income limitation prescribed in paragraph (1).

75
76 The general law must allow counties and municipalities to grant
77 these additional exemptions, within the limits prescribed in
78 this subsection, by ordinance adopted in the manner prescribed
79 by general law, and must provide for the periodic adjustment of
80 the income limitation prescribed in this subsection for changes
81 in the cost of living.

82 (e) (1) Each veteran who is age 65 or older who is partially
83 or totally permanently disabled shall receive a discount from
84 the amount of the ad valorem tax otherwise owed on homestead
85 property the veteran owns and resides in if the disability was
86 combat related and the veteran was honorably discharged upon
87 separation from military service. The discount shall be in a

583-01764-16

2016778c1

88 percentage equal to the percentage of the veteran's permanent,
89 service-connected disability as determined by the United States
90 Department of Veterans Affairs. To qualify for the discount
91 granted by this subsection, an applicant must submit to the
92 county property appraiser, by March 1, an official letter from
93 the United States Department of Veterans Affairs stating the
94 percentage of the veteran's service-connected disability and
95 such evidence that reasonably identifies the disability as
96 combat related and a copy of the veteran's honorable discharge.
97 If the property appraiser denies the request for a discount, the
98 appraiser must notify the applicant in writing of the reasons
99 for the denial, and the veteran may reapply. The Legislature
100 may, by general law, waive the annual application requirement in
101 subsequent years. This subsection is self-executing and does not
102 require implementing legislation.

103 (2) If a veteran who is receiving the discount described in
104 paragraph (1) predeceases his or her spouse and if, upon the
105 death of the veteran, the surviving spouse holds the legal or
106 beneficial title to the homestead property and permanently
107 resides thereon, the discount carries over to the benefit of the
108 surviving spouse until he or she remarries or sells or otherwise
109 disposes of the property. If the surviving spouse sells the
110 property, a discount not to exceed the amount granted from the
111 most recent ad valorem tax roll may be transferred to his or her
112 new residence if the residence is used as his or her permanent
113 residence and he or she does not remarry.

114 (f) By general law and subject to conditions and
115 limitations specified therein, the Legislature may provide ad
116 valorem tax relief equal to the total amount or a portion of the

583-01764-16

2016778c1

ad valorem tax otherwise owed on homestead property to the:

(1) Surviving spouse of a veteran who died from service-connected causes while on active duty as a member of the United States Armed Forces.

(2) Surviving spouse of a first responder who died in the line of duty.

(3) As used in this subsection and as further defined by general law, the term:

a. "First responder" means a law enforcement officer, a correctional officer, a firefighter, an emergency medical technician, or a paramedic.

b. "In the line of duty" means arising out of and in the actual performance of duty required by employment as a first responder.

ARTICLE XII

SCHEDULE

Ad valorem tax discount for spouses of deceased veterans who had permanent, combat-related disabilities.-The amendment to Section 6 of Article VII, relating to ad valorem tax discount for spouses of deceased veterans who had permanent, combat-related disabilities, and this section shall take effect January 1, 2017.

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

CONSTITUTIONAL AMENDMENT

ARTICLE VII, SECTION 6

ARTICLE XII

AD VALOREM TAX DISCOUNT FOR SPOUSES OF DECEASED VETERANS WHO HAD PERMANENT, COMBAT-RELATED DISABILITIES.-Proposing an

Page 5 of 6

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

583-01764-16

2016778c1

amendment to the State Constitution to authorize the discount on ad valorem taxes on homestead property which is received by certain veterans who have permanent, combat-related disabilities to carry over upon the death of the veteran to the benefit of a surviving spouse until the surviving spouse remarries or sells or otherwise disposes of the property. The discount is transferrable to another permanent residence if the surviving spouse remains unmarried.

Page 6 of 6

CODING: Words ~~stricken~~ are deletions; words underlined are additions.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

SENATOR THAD ALTMAN
16th District

COMMITTEES:
Military Affairs, Space, and Domestic Security, *Chair*
Appropriations Subcommittee on Criminal and
Civil Justice
Appropriations Subcommittee on Finance and Tax
Children, Families, and Elder Affairs
Criminal Justice
Environmental Preservation and Conservation

SELECT COMMITTEE
Indian River Lagoon and Lake Okeechobee

JOINT COMMITTEE:
Joint Administrative Procedures Committee

December 29, 2015

The Honorable Dorothy L. Hukill
Senate Committee on Finance and Tax, Chair
207 The Capitol
404 South Monroe Street
Tallahassee, FL 32399

Dear Chairwoman Hukill:

I respectfully request that SJR 778, related to *Homestead Tax Exemption/Spouses of Combat-related Disabled Veterans*, be placed on the committee agenda at your earliest convenience.

Thank you for your consideration, and please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Thad Altman".

Thad Altman

CC: Jose Diez-Arguelles, Staff Director, 207 The Capitol
Lynn Wells, Committee Administrative Assistant

TA/dw

REPLY TO:

- ☐ 6767 North Wickham Road, Suite 211, Melbourne, Florida 32940 (321) 752-3138
- ☐ 314 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5016

Senate's Website: www.flsenate.gov

DON GAETZ
President of the Senate

GARRETT RICHTER
President Pro Tempore

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Jan 11, 2016
Meeting Date

778
778
Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Jim Ramcs

Job Title American Legion Deputy PL

Address 6609 SE 85 Ave

Phone _____

Street

Newberry FL 32669

City

State

Zip

Email _____

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing American Legion

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/11/14
Meeting Date

778
Bill Number (if applicable)

Topic Homesite tax Exemption Spouses of
Combat Related Disabled Veteran

Amendment Barcode (if applicable)

Name Carey Baker

Job Title Lake County Property Appraiser

Address 320 W. Main Street
Street
Tauntes, FL 32778 3831
City State Zip

Phone 352/253-2150

Email cbaker@lcpafl.org

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing FL Assoc of Property Appraisers

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Finance and Tax

BILL: CS/SB 816

INTRODUCER: Finance and Tax Committee and Senator Altman

SUBJECT: Homestead Property Tax Discount for Disabled Veterans

DATE: January 12, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Sanders</u>	<u>Ryon</u>	<u>MS</u>	Favorable
2.	<u>Babin</u>	<u>Diez-Arguelles</u>	<u>FT</u>	Fav/CS
3.	<u> </u>	<u> </u>	<u>AP</u>	<u> </u>

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 816 is implementing legislation for CS/CS/SJR 778. The bill allows the ad valorem tax discount on homestead property owned by combat-disabled veterans age 65 or older to carry over to the spouse if the veteran predeceases his or her spouse. The spouse is eligible for the tax relief while he or she remains unmarried and uses the residence as his or her permanent residence. If the spouse sells the property, a discount not to exceed the dollar amount granted from the most recent ad valorem tax roll may be transferred to his or her new residence if it is used as his or her permanent residence and he or she does not remarry.

This bill takes effect January 1, 2017, if CS/CS/SJR 778, or a similar joint resolution, is approved by the electors at the general election to be held in November 2016 or at an earlier special election specifically authorized for that purpose.

The Revenue Estimating Conference has analyzed similar legislation (HB 813 (2016)) and determined that it has an indeterminate impact because it is contingent on a joint resolution (HJR 811 (2016)), which requires voter approval. If the joint resolution is approved by the voters, the bill will reduce local property taxes by \$2 million, beginning in Fiscal Year 2017-2018, with a \$2 million recurring, negative impact. By Fiscal Year 2020-2021, the recurring, negative impact increases to \$3.5 million.

II. Present Situation:

General Overview of Property Taxation

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.¹ The property appraiser annually determines the “just value”² of property within the taxing authority and then applies relevant exclusions, assessment limitations, and exemptions to determine the property’s “taxable value.”³ Tax bills are mailed in November of each year based on the previous January 1 valuation and payment is due by March 31.

The Florida Constitution prohibits the state from levying ad valorem taxes,⁴ and it limits the Legislature’s authority to provide for property valuations at less than just value, unless expressly authorized.⁵

The just valuation standard generally requires the property appraiser to consider the highest and best use of property;⁶ however, the Florida Constitution authorizes certain types of property to be valued based on their current use (classified use assessments), which often result in lower assessments. Properties that receive classified use treatment in Florida include: agricultural land, land producing high water recharge to Florida’s aquifers, and land used exclusively for noncommercial recreational purposes;⁷ land used for conservation purposes;⁸ historic properties when authorized by the county or municipality;⁹ and certain working waterfront property.¹⁰

Property Tax Exemptions for Ex-Servicemembers

There are currently 793,907 veterans over the age of 65 residing in Florida.¹¹ The U.S. Department of Veterans Affairs indicates that there were 184,741 veterans over the age of 55 in Florida receiving compensation for service-related conditions at the end of federal Fiscal Year 2014.¹²

¹ Both real property and tangible personal property can be subject to tax. Section 192.001(12), F.S., defines “real property” as land, buildings, fixtures, and all other improvements to land. Section 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.

² 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).

³ See s. 192.001(2) and (16), F.S.

⁴ FLA. CONST. art. VII, s. 1(a).

⁵ See FLA. CONST. art. VII, s. 4.

⁶ Section 193.011(2), F.S.

⁷ FLA. CONST. art. VII, s. 4(a).

⁸ FLA. CONST. art. VII, s. 4(b).

⁹ FLA. CONST. art. VII, s. 4(e).

¹⁰ FLA. CONST. art. VII, s. 4(j).

¹¹ United States Department of Veterans Affairs Office of the Actuary, Office of Policy and Planning, *Veteran Population* (Oct. 2014), available at http://www.va.gov/vetdata/Veteran_Population.asp (last visited Nov. 24, 2015).

¹² The USDVA provides data in 20-year increments; there is no data available that provides the number of veterans aged 65 and older that receive disability compensation. U.S. Department of Veterans Affairs, Veterans Benefits Administration,

Florida grants a number of property tax exemptions for disabled ex-servicemembers. Most of these exemptions carryover to the benefit of the surviving spouse after the ex-servicemember's death.

\$5,000 Ad Valorem Tax Exemption for Ex-Servicemembers and Surviving Spouses

Up to \$5,000 of property of an ex-servicemember is exempt if the ex-servicemember is a bona fide resident of the state, was discharged under honorable conditions, and has been disabled to a degree of 10 percent or more by misfortune or while serving during a period of wartime service.¹³ This exemption carries over to the un-remarried surviving spouse if he or she had been married to the disabled ex-servicemember for at least five years on the date of the ex-servicemember's death.¹⁴

Disabled Veterans Confined to Wheelchairs and Surviving Spouses

Homestead property of an ex-servicemember is totally exempt if the ex-servicemember was honorably discharged with a service-connected total disability, is receiving or has received special pecuniary assistance due to a disability requiring specially adapted housing, and is required to use a wheelchair for his or her transportation.¹⁵ The exemption carries over to the benefit of the surviving spouse in the event the ex-servicemember predeceases his or her spouse, until the spouse no longer resides on the property, remarries or otherwise disposes of the property.¹⁶

Ad Valorem Tax Exemption for Surviving Spouses of Veterans Who Died from Service-Connected Causes

Homestead property of a surviving spouse of an ex-servicemember is exempt if the ex-servicemember died from service-connected causes while on active duty.¹⁷

Total Homestead Exemption for Ex-Servicemembers and Surviving Spouses

Homestead property of an ex-servicemember is exempt if the ex-servicemember was honorably discharged with a service-connected total and permanent disability.¹⁸ If the totally and permanently disabled ex-servicemember predeceases his or her spouse, the exemption carries over to the benefit of the surviving spouse until the spouse no longer resides on the property, remarries or disposes of the property.¹⁹

Combat-Related Partial Ad Valorem Tax Discount for Ex-Servicemembers

Homestead property of an ex-servicemember receives an ad valorem discount if the ex-servicemember was honorably discharged, is 65 years or older, is disabled and the disability is

Annual Benefits Report: Fiscal Year 2014, available at <http://www.benefits.va.gov/REPORTS/abr/ABR-Combined-FY14-11052015.pdf> (last visited Nov. 24, 2015).

¹³ Section 196.24, F.S.

¹⁴ *Id.*

¹⁵ Section 196.091, F.S.

¹⁶ *Id.*

¹⁷ Section 196.081(4), F.S.

¹⁸ Section 196.081(1), F.S.

¹⁹ Section 196.081(3), F.S.

combat-related.²⁰ The discount percentage is equal to the veteran's percentage of disability, as determined by the U.S. Department of Veterans Affairs.²¹ The discount is not currently provided to the surviving spouse upon the death of the disabled veteran.

III. Effect of Proposed Changes:

CS/SB 816 provides that the ad valorem tax discount on homestead property for combat-disabled veterans age 65 or older may carry over to the spouse of the veteran if the veteran predeceases his or her spouse. The spouse is eligible for the tax relief while he or she remains unmarried and uses the residence as his or her permanent residence. The discount is transferable to another residence if the spouse remains unmarried and uses the new residence as his or her permanent residence. The transferred discount is limited to the dollar amount of the discount granted on the most recent ad valorem tax roll.

This bill takes effect on January 1, 2017, if CS/CS/SJR 778, or a similar joint resolution, is approved by the electors at the general election to be held in November 2016 or at an earlier special election specifically authorized for that purpose.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference has analyzed similar legislation (HB 813 (2016)) and determined that it has an indeterminate impact because it is contingent on a joint resolution (HJR 811 (2016)), which requires voter approval. If the joint resolution is approved by the voters, the bill will reduce local property taxes by \$2 million, beginning in Fiscal Year 2017-2018, with a \$2 million recurring, negative impact. By Fiscal Year 2020-2021, the recurring, negative impact increases to \$3.5 million.²²

²⁰ Section 196.082, F.S.

²¹ The U.S. Department of Veterans Affairs (USDVA) assigns a percentage evaluation from 0 percent to 100 percent (in 10 percent increments) for the amount of disability that the USDVA determines the veteran has sustained. The resulting disability percentage rating determines the level of a veteran's monthly disability compensation. The USDVA does not determine whether a disability is combat-related.

²² Revenue Estimating Conference, *Combat-Related Disability/Surviving Spouses: HB 813* (Dec. 17, 2015).

B. Private Sector Impact:

Surviving spouses of certain veterans will receive property tax relief.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

This bill implements CS/CS/SJR 778.

VIII. Statutes Affected:

This bill substantially amends section 196.082 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

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

CS by Finance and Tax on January 11, 2016:

The CS clarifies that if the spouse transfers the discount to a new property, the discount is limited to the dollar amount of the discount granted on the prior property. The CS clarifies that in the case of a transfer, the spouse must use the new property as a permanent residence. The CS also changes the effective date to January 1, 2017, and makes it contingent on passage of the underlying joint resolution by the voters.

B. Amendments:

None.



128650

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/11/2016	.	
	.	
	.	
	.	

The Committee on Finance and Tax (Altman) recommended the following:

Senate Amendment

Delete lines 26 - 31
and insert:
spouse sells the property, a discount not to exceed the dollar
amount granted from the most recent ad valorem tax roll may be
transferred to his or her new residence if the residence is used
as his or her permanent residence and he or she does not
remarry.

Section 2. This act shall take effect January 1, 2017, if



128650

11 SJR 778, or a similar joint resolution having substantially the
12 same specific intent and purpose, is approved by the

By Senator Altman

16-01034A-16

2016816__

A bill to be entitled

An act relating to a homestead property tax discount for disabled veterans; amending s. 196.082, F.S.; providing for the transfer of a certain discount on ad valorem taxes on homestead property to the surviving spouse of a specified disabled veteran under certain circumstances; providing for the transfer of the discount by the surviving spouse to a new residence under certain circumstances; providing a contingent effective date.

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

Section 1. Present subsections (3) through (6) of section 196.082, Florida Statutes, are redesignated as subsections (4) through (7), respectively, and a new subsection (3) is added to that section, to read:

196.082 Discounts for disabled veterans.—

(3) If a veteran who is receiving the discount under this section predeceases his or her spouse and if, upon the death of the veteran, the surviving spouse holds the legal or beneficial title to the homestead and permanently resides thereon as specified in s. 196.031, the discount carries over to the benefit of the surviving spouse until he or she remarries or sells or otherwise disposes of the property. If the surviving spouse sells the property, a discount not to exceed the amount granted from the most recent ad valorem tax roll may be transferred to his or her new residence if the residence is used as his or her primary residence and he or she does not remarry.

Page 1 of 2

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

16-01034A-16

2016816__

Section 2. This act shall take effect on the same date that SJR 778, or a similar joint resolution, is approved by the electors at the general election to be held in November 2016 or at an earlier special election specifically authorized by law for that purpose.

Page 2 of 2

CODING: Words ~~stricken~~ are deletions; words underlined are additions.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

SENATOR THAD ALTMAN
16th District

COMMITTEES:
Military Affairs, Space, and Domestic Security, *Chair*
Appropriations Subcommittee on Criminal and
Civil Justice
Appropriations Subcommittee on Finance and Tax
Children, Families, and Elder Affairs
Criminal Justice
Environmental Preservation and Conservation

SELECT COMMITTEE
Indian River Lagoon and Lake Okeechobee

JOINT COMMITTEE:
Joint Administrative Procedures Committee

December 29, 2015

The Honorable Dorothy L. Hukill
Senate Committee on Finance and Tax, Chair
207 The Capitol
404 South Monroe Street
Tallahassee, FL 32399

Dear Chairwoman Hukill:

I respectfully request that SB 816, related to *Homestead Property Tax Discount for Disabled Veterans*, be placed on the committee agenda at your earliest convenience.

Thank you for your consideration, and please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Thad Altman".

Thad Altman

CC: Jose Diez-Arguelles, Staff Director, 207 The Capitol
Lynn Wells, Committee Administrative Assistant

TA/dw

REPLY TO:

- ☐ 6767 North Wickham Road, Suite 211, Melbourne, Florida 32940 (321) 752-3138
- ☐ 314 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5016

Senate's Website: www.flsenate.gov

DON GAETZ
President of the Senate

GARRETT RICHTER
President Pro Tempore

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/11/16
Meeting Date

816
Bill Number (if applicable)

Topic Homestead Property Tax Exempt Amendment Barcode (if applicable)

Name Carey Baker

Job Title Lake County Property Appraiser

Address 320 W. Main Street Phone 352/253-7150

Tavares, FL 32778-3831 Email cbaker@lcpaff.org
City State Zip

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing FL Assoc. of Property Appraisers

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1 / 11 / 2016

Meeting Date

Topic _____

Bill Number 816
(if applicable)

Name BRIAN PITTS

Amendment Barcode _____
(if applicable)

Job Title TRUSTEE

Address 1119 NEWTON AVNUE SOUTH
Street

Phone 727-897-9291

SAINT PETERSBURG FLORIDA 33705
City State Zip

E-mail JUSTICE2JESUS@YAHOO.COM

Speaking: ☐ For ☐ Against ☒ Information

Representing JUSTICE-2-JESUS

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

CourtSmart Tag Report

Room: SB 401

Case:

Type:

Caption: Senate Finance and Tax Committee

Judge:

Started: 1/11/2016 1:33:36 PM

Ends: 1/11/2016 2:27:13 PM

Length: 00:53:38

1:33:37 PM Meeting called to order
1:33:38 PM Roll Call
1:33:50 PM Sen. Abruzzo (Chair)
1:34:03 PM Tab 2 - SJR 170
1:34:12 PM Sen. Brandes
1:34:53 PM Sen. Abruzzo
1:35:17 PM Am. 308918
1:35:18 PM Sen. Brandes
1:35:34 PM Sen. Soto
1:35:46 PM Sen. Brandes
1:36:13 PM Richard Pinsky, Florida Solar Energy Installers Association (waives in support of AM)
1:36:27 PM Sen. Abruzzo
1:36:45 PM Randy Miller, Florida Retail Federation (waives in support)
1:36:57 PM Richard Pinsky, Florida Solar Energy Installers Association (waives in support)
1:36:59 PM Tory Perfetti, Conservatives for Energy Freedom (waives in support)
1:37:12 PM Susan Glickman, Southern Alliance for Clean Energy (waives in support)
1:37:17 PM Janet Bowman, The Nature Conservancy (waives in support)
1:37:29 PM Sen. Abruzzo
1:37:38 PM Sen. Brandes
1:37:40 PM Sen. Abruzzo
1:37:43 PM Roll Call - SJR 170
1:38:07 PM Tab 3 - CS/SB 172
1:38:13 PM Sen. Brandes
1:38:29 PM Sen. Abruzzo
1:38:34 PM Am. 531894
1:38:41 PM Sen. Brandes
1:38:54 PM Sen. Abruzzo
1:39:00 PM Richard Pinsky, Florida Solar Energy Installers Association (waives in support of AM)
1:39:10 PM Sen. Abruzzo
1:39:31 PM Am. 444678
1:39:39 PM Sen. Brandes
1:39:50 PM Sen. Abruzzo
1:39:59 PM Sen. Abruzzo
1:40:22 PM Richard Pinsky, Florida Solar Energy Installers Association (waives in support of AM)
1:40:25 PM Brian Pitts, Justice-2-Jesus
1:43:42 PM Carey Baker, Florida Association of Property Appraisers (waxies in support)
1:43:49 PM Janet Bowman, The Nature Conservancy (waives in support)
1:43:57 PM Susan Glickman, Southern Alliance for Clean Energy (waives in support)
1:44:02 PM Sen. Abruzzo
1:44:08 PM Sen. Soto
1:44:29 PM Sen. Brandes
1:44:37 PM Roll Call - CS/SB 172
1:45:06 PM Tab 5 - CS/SJR 778
1:45:18 PM Sen. Altman
1:46:00 PM Am. 856170
1:46:07 PM Sen. Altman
1:46:28 PM Sen. Abruzzo
1:46:38 PM Sen. Altman
1:46:39 PM Sen. Abruzzo
1:46:53 PM Carey Baker, Florida Association of Property Appraisers (waives in support)
1:47:04 PM Jim Ramos, American Legion (waives in support)
1:47:09 PM Sen. Abruzzo

1:47:17 PM	Sen. Altman
1:47:20 PM	Sen. Abruzzo
1:47:24 PM	Roll Call - CS/SJR 778
1:47:45 PM	Tab 6 - SB 816
1:47:54 PM	Sen. Altman
1:48:04 PM	Sen. Abruzzo
1:48:06 PM	Am. 128650
1:48:12 PM	Sen. Altman
1:48:24 PM	Sen. Abruzzo
1:48:47 PM	Brian Pitts, Justice-2-Jesus
1:52:05 PM	Sen. Altman
1:52:28 PM	B. Pitts
1:52:56 PM	Sen. Abruzzo
1:53:01 PM	B. Pitts
1:53:13 PM	Sen. Abruzzo
1:53:20 PM	Carey Baker, Florida Association of Property Appraisers (waives in support)
1:53:35 PM	Sen. Abruzzo
1:53:44 PM	Sen. Simpson
1:54:33 PM	Sen. Abruzzo
1:55:18 PM	Sen. Altman
1:56:07 PM	Sen. Abruzzo
1:56:33 PM	Tab 4 - SB 608
1:56:43 PM	Chad Davis, Senator Stargel's Legislative Assistant
1:57:27 PM	Am. 303126
1:57:41 PM	C. Davis
1:58:16 PM	Sen. Abruzzo
1:58:40 PM	Sen. Soto
1:58:50 PM	C. Davis
1:59:09 PM	Sen. Altman
1:59:36 PM	C. Davis
1:59:54 PM	Sen. Altman
2:00:02 PM	C. Davis
2:00:11 PM	Sen. Altman
2:00:19 PM	C. Davis
2:00:28 PM	Sen. Simspon
2:00:41 PM	C. Davis
2:00:49 PM	Sen. Simpson
2:00:50 PM	C. Davis
2:00:57 PM	Sen. Soto
2:01:08 PM	C. Davis
2:01:15 PM	Sen. Altman
2:01:22 PM	C. Davis
2:01:39 PM	Samantha Padgett, FL Retail Federation/FL Petroleum Marketers/Convenience Store Association
2:02:21 PM	Brian Pitts, Justice-2-Jesus
2:05:16 PM	Carolyn Johnson, Florida Chamber of Commerce (waives in support)
2:05:22 PM	Sen. Abruzzo
2:05:32 PM	C. Davis
2:05:51 PM	Roll Call - SB 608
2:06:10 PM	Sen. Abruzzo
2:06:16 PM	Sen. Hukill (Chair) - motion to vote in the affirmative for SJR 170, CS/SB 172, CS/SJR 778, & SB 816
2:06:25 PM	Sen. Abruzzo
2:06:44 PM	Sen. Hukill
2:07:06 PM	Tab 1 - Presentation of Governor Scott's Tax Reduction Proposals
2:07:12 PM	Gov. Scott
2:17:07 PM	Sen. Hukill
2:17:13 PM	Sen. Altman
2:18:32 PM	Gov. Scott
2:20:15 PM	Sen. Altman
2:20:49 PM	Sen. Hukill
2:20:53 PM	Sen. Soto
2:21:15 PM	Gov. Scott
2:21:54 PM	Sen. Soto

2:22:16 PM	Gov. Scott
2:22:43 PM	Sen. Abruzzo
2:23:51 PM	Gov. Scott
2:24:25 PM	Sen. Hukill
2:26:02 PM	Gov. Scott
2:26:41 PM	Sen. Hukill
2:26:58 PM	Meeting Adjourned