

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

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

MEETING DATE: Tuesday, February 16, 2016
TIME: 10:00 a.m.—12:00 noon
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	SB 696 Altman (Identical H 4039)	Tax on Sales, Use, and Other Transactions; Exempting all aircraft sales or leases, rather than the sales or leases of certain aircraft, from the sales and use tax, etc. FT 02/16/2016 Fav/CS ATD AP	Fav/CS Yeas 7 Nays 0
2	SB 766 Flores (Compare CS/H 499)	Ad Valorem Taxation; Requiring a property appraiser to notify the Department of Revenue if the recertified just value of an assessment roll is less than the initial just value of an assessment roll by a specified amount; establishing deadlines for value adjustment boards to hear petitions and issue the second tax roll certification; revising the entities authorized to determine under certain circumstances that a petitioner owes ad valorem taxes or is owed a refund of overpaid taxes; authorizing the school board and county commission to audit certain expenses of the value adjustment board, etc. CA 01/11/2016 Favorable FT 02/16/2016 Fav/CS AP	Fav/CS Yeas 7 Nays 0
3	SB 868 Smith (Similar CS/H 627)	Community Contribution Tax Credits; Specifying that ownership interests in a real property holding company are an eligible form of community contribution for the purpose of a certain sales and use tax credit for donations; specifying that ownership interests in a real property holding company are an eligible form of community contribution for the purpose of a certain tax credit for donations by insurers, etc. CA 02/01/2016 Favorable FT 02/16/2016 Fav/CS AP	Fav/CS Yeas 7 Nays 0

COMMITTEE MEETING EXPANDED AGENDA

Finance and Tax

Tuesday, February 16, 2016, 10:00 a.m.—12:00 noon

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
4	CS/SB 1222 Community Affairs / Flores (Identical CS/H 1015)	Millage Rates; Revising the maximum millage rate that a county, a municipality, a special district dependent to a county or municipality, a municipal service taxing unit, or an independent special district may levy; revising the conditions under which a higher rate may be adopted, etc. CA 02/01/2016 Fav/CS FT 02/16/2016 Fav/CS AP	Fav/CS Yeas 6 Nays 1
5	CS/SB 1236 Commerce and Tourism / Garcia (Similar H 721, Compare H 7099)	Small Business Saturday Sales Tax Holiday; Providing that the tax levied under ch. 212, F.S., is not required to be collected on the sale of items or articles of certain tangible personal property by certain small businesses during a specified period, etc. CM 02/01/2016 Fav/CS FT 02/16/2016 Fav/CS AP	Fav/CS Yeas 7 Nays 0
6	CS/SB 1262 Military and Veterans Affairs, Space, and Domestic Security / Simpson (Similar CS/CS/H 1133, Compare CS/S 92)	Emergency Management; Providing that out-of-state businesses and employees who enter the state in response to a disaster or an emergency are excluded from certain registration and licensing requirements and taxes; revising the source of the principal for the Recovery Fund administered by Triumph Gulf Coast, Inc., etc. MS 02/01/2016 Fav/CS FT 02/16/2016 Fav/CS AP	Fav/CS Yeas 7 Nays 0
7	SB 1664 Stargel (Identical H 773)	Special Assessments on Agricultural Lands; Prohibiting counties and municipalities from levying or collecting special assessments on certain agricultural lands for the provision of fire protection services, etc. CA 01/26/2016 Favorable FT 02/16/2016 Favorable FP	Favorable Yeas 7 Nays 0

Other Related Meeting Documents

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 696

INTRODUCER: Finance and Tax Committee and Senator Altman

SUBJECT: Tax on Sales, Use, and Other Transactions

DATE: February 17, 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 - Substantial Changes

I. Summary:

CS/SB 696 exempts all sales and leases of aircraft from the sales and use tax.

The Revenue Estimating Conference analyzed similar legislation and determined that the bill will reduce General Revenue receipts by \$25.6 million and local government revenues by \$4.5 million in Fiscal Year 2016-17.

The bill takes effect July 1, 2015.

II. Present Situation:

Florida imposes sales tax on aircraft purchased through a dealer or broker.¹ An aircraft sold by nonregistered dealers or an aircraft brought into Florida is subject to use tax.² Purchasers must also pay discretionary sales surtaxes in certain counties.³

Purchases by nonresidents are exempt from sales tax if the aircraft will be removed from the state and certain requirements are met.⁴

¹ Florida Dep't of Revenue, Form GT-800008, *Sales and Use Tax Aircraft Information for Owners and Purchasers* (rev. April, 2015).

² *Id.* See also, s. 212.05(1)(a), F.S.

³ *Id.*

⁴ *Id.*

Aircraft Sales and Use Tax Exemption

Aircraft Sales and Leases

Two types of aircraft are exempt from tax. Aircraft with a maximum certified takeoff weight of more than 15,000 pounds and used by a common carrier⁵ and qualified aircraft are exempt from sales and use tax. The term “qualified aircraft” means any aircraft having a maximum certified takeoff weight of less than 10,000 pounds and is equipped with twin turbofan engines that meet Stage IV noise requirements. The qualified aircraft must be used by a business operating as an on-demand air carrier under Federal Aviation Administration Regulation Title 14, chapter I, part 135, Code of Federal Regulations, that owns or leases and operates a fleet of at least 25 of such aircraft in this state.⁶

Aircraft Repair and Maintenance

Labor charges for the repair and maintenance of qualified aircraft and aircraft of more than 2,000 pounds maximum certified takeoff weight, including rotary wing aircraft, are exempt from the tax imposed under ch. 212, F.S.⁷

Replacement engines, parts, and equipment used to repair or maintain qualified aircraft and aircraft of more than 2,000 pounds maximum certified takeoff weight, including rotary wing aircraft, are exempt from the tax imposed under ch. 212, F.S. if the repair occurs in Florida.⁸

To receive the sales and use tax exemption and the repair and maintenance exemptions for a qualified aircraft, a purchaser or lessee must offer, in writing, to participate in a flight training and research program at two or more accredited universities based in this state.⁹

III. Effect of Proposed Changes:

The bill exempts all sales and leases of aircraft from the sales and use tax. The term “aircraft” means a manned vehicle capable of flight which is designed to transport persons or property.

The bill takes effect July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The mandates provision of Art. VII, Section 18, of the Florida Constitution may apply because the bill reduces the authority of municipalities and counties to raise revenue. However, the bill appears to be exempt from the mandate provision because it has an

⁵ A “common carrier” means an airline operating under Federal Aviation Administration regulations contained in Title 14, chapter I, part 121 or part 129 of the Code of Federal Regulation.

⁶ Section 212.02, F.S.

⁷ Section 212.08(7)(ee), F.S.

⁸ Section 212.08(7)(rr), F.S.

⁹ Section 212.0801, F.S.

insignificant fiscal impact.^{10,11} The Revenue Estimating Conference estimates that the bill reduces the authority that counties have to raise revenue through local option sales taxes by \$1.1 million in Fiscal Year 2016-2017; therefore, the bill is exempt from the mandates provisions.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference analyzed similar legislation¹² and determined that CS/SB 696 will reduce General Revenue receipts by \$25.6 million and local government revenues by \$4.5 million in Fiscal Year 2016-17.

B. Private Sector Impact:

The private sector will experience reduced costs associated with aircraft purchases due to the sales and use tax exemption provided in this legislation.

C. Government Sector Impact:

The Department of Revenue estimates an insignificant expenditure related to CS/SB 696 and no present difficulty in implementation, administration, or enforcement.¹³

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

¹⁰ 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*, (September 2011), available at <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Jan. 29, 2016).

¹¹ Based on the Demographic Estimating Conference's population adopted on December 1, 2015. The conference packet is available at <http://edr.state.fl.us/Content/conferences/population/ConferenceResults.pdf> (last visited Jan. 19, 2016).

¹² Florida Revenue Estimating Conference, *Proposed Language*, 1-2, (Sept. 18, 2015), available at http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2016/_pdf/page1-2.pdf (last visited Feb. 11, 2016).

¹³ Department of Revenue, *Senate Bill 696 Fiscal Analysis*, (Nov. 19, 2015) (on file with the Senate Committee on Finance and Tax).

VIII. Statutes Affected:

This bill substantially amends s. 212.08 of the Florida Statutes.

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 February 16, 2016:
The CS provides a definition for the term “aircraft.”

- B. **Amendments:**

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill’s introducer or the Florida Senate.



599852

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/16/2016	.	
	.	
	.	
	.	

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

Senate Amendment (with title amendment)

Delete line 41
and insert:
exempt from the tax imposed by this chapter. As used in this paragraph, the term "aircraft" means a manned vehicle capable of flight which is designed to transport persons or property. ~~As used in this~~

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



599852

11 And the title is amended as follows:
12 Delete line 6
13 and insert:
14 tax; defining the term "aircraft"; deleting the
15 definition of the term "common

By Senator Altman

16-00086A-16

2016696__

A bill to be entitled

An act relating to the tax on sales, use, and other transactions; amending s. 212.08, F.S.; exempting all aircraft sales or leases, rather than the sales or leases of certain aircraft, from the sales and use tax; deleting the definition of the term "common carrier" to conform to changes made by the act; providing an effective date.

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

Section 1. Paragraph (ss) of subsection (7) of section 212.08, Florida Statutes, is amended to read:

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

(7) MISCELLANEOUS EXEMPTIONS.—Exemptions provided to any entity by this chapter do not inure to any transaction that is otherwise taxable under this chapter when payment is made by a representative or employee of the entity by any means, including, but not limited to, cash, check, or credit card, even when that representative or employee is subsequently reimbursed by the entity. In addition, exemptions provided to any entity by this subsection do not inure to any transaction that is otherwise taxable under this chapter unless the entity has obtained a sales tax exemption certificate from the department

Page 1 of 2

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

16-00086A-16

2016696__

or the entity obtains or provides other documentation as required by the department. Eligible purchases or leases made with such a certificate must be in strict compliance with this subsection and departmental rules, and any person who makes an exempt purchase with a certificate that is not in strict compliance with this subsection and the rules is liable for and shall pay the tax. The department may adopt rules to administer this subsection.

(ss) Aircraft sales or leases.—The sale or lease of a ~~qualified aircraft or an aircraft of more than 15,000 pounds maximum certified takeoff weight for use by a common carrier~~ is exempt from the tax imposed by this chapter. ~~As used in this paragraph, "common carrier" means an airline operating under Federal Aviation Administration regulations contained in Title 14, chapter I, part 121 or part 129 of the Code of Federal Regulations.~~

Section 2. This act shall take effect July 1, 2016.

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

November 19, 2015

The Honorable Dorothy Hukill
Senate Committee on Finance & Tax, Chair
207 Knott Building
404 South Monroe Street
Tallahassee, FL 32399

Dear Chairwoman Hukill:

I respectfully request that SB 696, related to *Tax on Sales, Use, and Other Transactions*, 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, Suite 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



APPEARANCE RECORD

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

2/16/16

Meeting Date

SB 696

Bill Number (if applicable)

Topic Sales Tax on Aircraft

Amendment Barcode (if applicable)

Name BOB SHOWALTER

Job Title CHAIRMAN, SHOWALTER FLYING SVC, RETIRED

Address 2072 ROBIN ROAD

Phone 407-257-0242

ORLANDO FL 32814

City

State

Zip

Email BOB@SHOWALTER.COM

Speaking: For Against Information

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

Representing Florida Aviation Business 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.

APPEARANCE RECORD



2-16-16

Meeting Date

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

SB 696

Bill Number (if applicable)

Topic Sales tax on Airports

Amendment Barcode (if applicable)

Name Steve Hedges

Job Title Manager, Southern Region, AOPA

Address 421 Aviation Way

Phone 202-744-7725

Street

Frederick MD 21701

City

State

Zip

Email Steve.Hedges@AOPA.org

Speaking: For Against Information

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

Representing Aircraft Owners & Pilots Association (AOPA)

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.

APPEARANCE RECORD

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

2/10/2010
Meeting Date

6961
Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Heather Turnbull

Job Title Consultant

Address 12 E Jefferson St

Phone 305.495.3868

Tallahassee FL 32301
City State Zip

Email TurnbullH@rubing.com

Speaking: For Against Information

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

Representing Embraer

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.

THE FLORIDA SENATE
APPEARANCE RECORD

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

2 / 16 / 2016

Meeting Date

Topic _____

Bill Number 696

(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

E-mail JUSTICE2JESUS@YAHOO.COM

City

State

Zip

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.

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 766

INTRODUCER: Finance and Tax Committee and Senator Flores

SUBJECT: Ad Valorem Taxation

DATE: February 17, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Present	Yeatman	CA	Favorable
2.	Babin	Diez-Arguelles	FT	Fav/CS
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 766 makes several changes related to the value adjustment board (VAB) process. The bill:

- Requires the VAB to resolve all petitions by the June 1 following the assessment year. The June 1 date is extended to December 1 in any year that the number of petitions increases by more than 10 percent over the prior year.
- Requires that a petition to the VAB be signed by the taxpayer or be accompanied by the taxpayer's written authorization for representation, which is only valid for one tax year.
- Changes the rate of interest for overpayments and underpayments from 12 percent to the prime rate. Requires interest on an overpayment related to a petition to be funded proportionally by each taxing authority that was overpaid.
- Authorizes a petitioner or a property appraiser to reschedule a hearing a single time, for good cause only. Reduces the notice for rehearing from 25 to 15 days when the rehearing is requested by the petitioner.
- Limits the persons who may represent a taxpayer before the VAB to certain professionals, a corporate representative, or an uncompensated individual with a power of attorney.

Prohibits the imposition of interest or penalty when an owner of nonhomestead residential property or nonresidential property was improperly granted an assessment limitation due to a clerical mistake or omission.

The bill also makes permanent the ability of a school district to levy 75 percent of a school district's most recent prior period funding adjustment millage in the event that the final tax roll is delayed for longer than one year.

CS/SB 766 takes effect July 1, 2016.

The Revenue Estimating Conference has not determined the fiscal impact of the bill. Staff estimates that:

- The provisions of the bill that change the interest rates that apply to overpayments and underpayments at the VAB will increase Fiscal Year 2016-2017 property tax revenues by \$5.6 million, with a positive \$5.6 million, recurring impact.
- The provisions of the bill that allow school districts to levy an additional 75 percent PPFAM will increase Fiscal Year 2016-2017 property tax revenues by \$37.7 million; this revenue would have been collected in the following year.
- The provisions of the bill that require VABs to hear all petitions by June 1, will increase Fiscal Year 2018-2019 property tax revenues by \$49.8 million, with no recurring fiscal impact.

II. Present Situation:

Overview of the Ad Valorem Process

The ad valorem tax or “property tax” is an annual tax levied by counties, cities, 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 applicable exclusions, assessment limitation, and exemptions to determine the property’s “taxable value.”³

Each property appraiser submits the county’s tax roll to the Department of Revenue (DOR) for review by July 1 of each year for assessments as of the prior January 1.⁴ In August, the property appraiser sends a Truth in Millage (TRIM) notice to all taxpayers providing specific tax information about their parcel.⁵ Taxpayers who disagree with the property appraiser’s assessment or the denial of an exemption or property classification may:

- Request an informal meeting with the property appraiser;⁶

¹ Both real and tangible personal property are subject to the 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 Section 193.1142(1), F.S.

⁵ Section 200.069, F.S.

⁶ Section 194.011(2), F.S.

- Appeal the assessment by filing a petition with the county VAB;⁷ or
- Challenge the assessment in circuit court.⁸

Taxes become payable on November 1. If assessments have not become final by that time – which is sometimes the case for assessments subject to VAB petitions – the Board of County Commissioners may request the tax collector to extend the tax roll prior to the completion of VAB proceedings and instruct the tax collector to begin issuing tax notices based on the property appraiser’s initial tax roll. As part of extending the roll, the board will require the VAB to certify the portion of the roll that it has completed.⁹

Within 20 working days of receiving the certified tax roll, tax collectors send each taxpayer a tax notice.¹⁰ Property taxes are delinquent if not paid before April 1 of the year following the assessment year.¹¹

Overview of the Value Adjustment Board Process

Each county has a VAB, comprised of two members of the governing body of the county, one member of the school board and two citizen members appointed by the governing body of the county.¹² The county clerk acts as the clerk of the VAB.¹³ The property owner may initiate a review by filing a petition with the clerk of the VAB within 25 days after the mailing of the TRIM notice.¹⁴

The clerk of the VAB is responsible for receiving completed petitions, acknowledging receipt to the taxpayer, sending a copy of the petition to the property appraiser, and scheduling hearings.

Current law requires VABs to render a written decision within 20 calendar days after the last day the board is in session.¹⁵ The decision of the VAB must contain findings of fact and conclusions of law and must include reasons for upholding or overturning the determination of the property appraiser.¹⁶ If a special magistrate has been appointed, the recommendations of the special magistrate must be considered by the VAB.¹⁷ The clerk of the VAB, upon issuance of a decision, must notify each taxpayer and the property appraiser of the decision of the VAB. If requested by the DOR, the clerk must provide to the DOR a copy of the decision or information relating to the tax impact of the findings and results of the board as described in s. 194.037, F.S., in the manner and form requested.

⁷ Section 194.011(3), F.S.

⁸ Section 194.171, F.S.

⁹ See ss. 193.122(1) and 197.323, F.S.

¹⁰ Section 197.322, F.S.

¹¹ Section 197.333, F.S.

¹² Section 194.015, F.S.

¹³ *Id.*

¹⁴ Section 194.011(3)(d), F.S.

¹⁵ Section 194.034(2), F.S.

¹⁶ *Id.*; See also Rules 12D-9.030, 12D-9.032, and 12D-10.003(3), F.A.C.

¹⁷ Section 194.034(2), F.S.

The bill contains provisions addressing several unrelated issues. Additional information regarding the present situation is included in the discussion of the effect of the proposed changes below.

III. Effect of Proposed Changes:

Sections 1 and 10

Present situation: A petitioner before the VAB may be represented by an attorney or agent.¹⁸ A DOR rule provides that the agent need not be a licensed individual or a person with specific qualifications. An agent may be any person, including a family member, authorized by the taxpayer to represent them before the VAB.¹⁹

Proposed change: Sections 192.0105 and 194.034, F.S., are amended to restrict the persons who may represent a petitioner before the VAB to:

- A corporate representative of the taxpayer;
- An attorney who is a member of the Florida Bar;
- A real estate appraiser or a real estate broker licensed under ch. 475, F.S.;
- A certified public accountant licensed under ch. 473, F.S., or
- An individual with power of attorney to act on behalf of the taxpayer who receives no compensation.

Sections 2 and 3

Present situation: VAB hearings must begin between 30 and 60 days after the mailing of the TRIM notice.²⁰ The VAB must remain in session from day to day until all petitions, complaints, appeals, and disputes are heard.²¹ Current law does not require the VAB to conclude its business by a date certain. As of August 4, 2015, three VABs had yet to complete their review of petitions for 2014 assessments.²²

Proposed change: Section 193.122, F.S., is amended to require VABs to hear all petitions and issue their final certification of value by June 1 following the year in which the assessments were made, or by December 1 if the petitions in that county increased by more than 10 percent from the prior year. This change is effective beginning for the 2017 tax roll.

Sections 4 and 5

Present situation: Taxable real property in Florida may be subject to an assessment limitation.²³ These limitations limit the annual increase in a property's assessed value.²⁴

¹⁸ Section 194.034(1)(a), F.S.

¹⁹ Rule 12D-9.018(3), F.A.C.

²⁰ Section 194.032(1)(a), F.S.

²¹ Section 194.032(3), F.S.

²² For spreadsheets containing the VAB petition summaries as reported to the DOR, *See* FLORIDA DEPARTMENT OF REVENUE, PROPERTY TAX DATA PORTAL: VAB SUMMARY available at <http://dor.myflorida.com/dor/property/resources/data.html> (last visited Feb. 11, 2016).

²³ *See* ss. 193.155, 193.1554 and 193.1555, F.S.

²⁴ *Id.*

When a property appraiser finds that an assessment limitation was improperly granted, the property appraiser is required to file a notice of tax lien against any property that the person owns in the county.²⁵ The tax lien must include any unpaid taxes for the prior 10 years, plus a 50 percent penalty and 15 percent interest.²⁶

For homestead property, authority exists for the property appraiser to first notify the property owner before filing a notice of tax lien in the official records of the county and to allow the property owner 30 days in which to pay the taxes, penalty and interest. Furthermore, if the homestead benefit was improperly granted due to a clerical mistake or omission by the property appraiser, the property owner may not be assessed penalty or interest.²⁷ The provisions related to nonhomestead property do not currently contain a 30-day notice provision or provide for penalty and interest waiver in the event of a clerical mistake or omission by the property appraiser.

Proposed change: Sections 193.1554 and 193.1555, F.S., are amended to allow the property appraiser to grant the property owner 30 days in which to pay the tax, penalty and interest due from an improper application of the assessment limitation on nonhomestead residential property and nonresidential property. The bill also provides for penalty and interest waiver in the event of a clerical mistake or omission by the property appraiser.

Section 6

Present situation: There is no statutory requirement that the petitioner sign the VAB petition. A DOR rule provides that a petition filed by an unlicensed agent must be signed by the taxpayer or accompanied by a written authorization from the taxpayer.²⁸

Proposed change: Section 194.011, F.S., is amended to require that a petition to the VAB either be signed by the taxpayer or accompanied by the taxpayer's written authorization for representation by a person authorized to represent petitioners before the VAB. A written authorization is valid for one tax year, and a new written authorization by the taxpayer is required for each subsequent tax year.

Section 7

Present situation: Taxpayers who have petitions pending before the VAB when taxes become due on March 31 are required to pay all of the non-ad valorem assessments and at least 75 percent of the ad valorem taxes.²⁹ Any difference between the amount of ad valorem taxes paid and the amount ultimately due accrues interest at the rate of 12 percent per year.³⁰ Interest does not accrue on amounts paid in excess of 100 percent of the current taxes due as provided on the tax notice.³¹

²⁵ See ss. 193.155(10), 193.1554(10) and 193.1555(10), F.S.

²⁶ *Id.*

²⁷ See s. 196.075, F.S.

²⁸ Rule 12D-9.018(4), F.A.C.

²⁹ See s. 194.014, F.S.

³⁰ *Id.*

³¹ *Id.*

Proposed change: Section 194.014, F.S., is amended to change the rate of interest from 12 percent to the bank prime loan rate as published by the Federal Reserve on July 1 or the first business day thereafter. The bill provides that interest also applies when the property appraiser and the property owner reach a settlement prior to the VAB hearing. The bill provides that interest on overpayments related to a petition is funded proportionately by each taxing authority that was overpaid.

Section 8

Present situation: The school board and the county commission do not have audit authority over the VAB.

Proposed change: Section 194.015, F.S., is amended to allow the school board and the county commission to audit the expenses related to the VAB process.

Section 9

Present situation: A petitioner is required to provide the property appraiser with a list of evidence, copies of documentation, and summaries of testimony at least 15 days prior to the hearing.³² If the petitioner provides this information, and sends the appraiser a written request for responsive information, the appraiser must provide a list of evidence and copies of documentation to be presented at the hearing, including the “property record card.”³³ The property record card is a record of assessment information maintained by the property appraiser for assessed properties in his or her jurisdiction.³⁴ The property appraiser is not required to provide a copy of the property record card if it is available online.³⁵

Proposed change: Section 194.032, F.S., is amended to require a property appraiser to notify the petitioner that the property record card is available online if the property appraiser does not provide a copy when requested by the petitioner.

Present situation: The clerk of the VAB is responsible for scheduling appearances before the VAB. A petitioner may reschedule the hearing a single time by submitting to the clerk a written request to reschedule, at least five calendar days before the day of the originally scheduled hearing.³⁶ The DOR has administered this provision to allow a petitioner to reschedule multiple times for good cause.³⁷ If a hearing is rescheduled, the petitioner receives another 25-day notice.

Proposed change: Petitioners and property appraisers are authorized to reschedule a hearing a single time for good cause. “Good cause” is defined to mean circumstances beyond the control of the person seeking to reschedule the hearing which reasonably prevent him or her from having adequate representation at the hearing. If the hearing is rescheduled by the petitioner, the notice period for the new hearing is reduced from 25 days to 15 days.

³² Section 194.011(4)(a), F.S.

³³ Section 194.011(4)(b), F.S.

³⁴ Section 194.032(2)(a), F.S.

³⁵ Section 194.032(2)(a), F.S.

³⁶ Section 194.032(2)(a), F.S.

³⁷ See Rule 12D-9.019(4), F.S.

Section 11

Present Situation: In addition to ad valorem taxes, real property may be subject to one or more non-ad valorem assessments imposed by local government. Local governments are authorized to use the annual property tax bill to collect non-ad valorem assessments.³⁸ If the local government uses this method, the local government must adopt its non-ad valorem assessment roll at a public hearing held between January 1 and September 15.³⁹ By September 15, the chair of the local governing board must certify the non-ad valorem tax roll to the tax collector.⁴⁰

Proposed change: Section 197.3632, F.S., is amended to extend the September 15 date for adopting the non-ad valorem assessment roll at a public hearing and for certifying the roll to the tax collector to September 25 for counties as defined in s. 125.011(1), F.S. Section 125.011(1), F.S., includes counties operating under a home rule charter adopted pursuant to ss. 10, 11, and 24 of Article VIII of the Florida Constitution of 1885. Currently, only Miami-Dade County meets this definition.

Section 12

Present situation: Florida school districts are funded by support from federal, state, and local governments.⁴¹ State support for school districts is provided primarily by legislative appropriations. The major portion of state support is distributed through the Florida Education Finance Program (FEFP).⁴² Local revenue for school support is derived almost entirely from local property taxes. Each school district participating in the state allocation of funds for the operation of schools must levy a millage representing its required local effort (RLE) from property taxes.

Each school district's RLE millage rate is determined by a statutory procedure that is initiated by the DOR's certification of the most recent estimated property tax values⁴³ of each district to the Commissioner of Education (Commissioner) no later than two working days prior to July 19 of the assessment year.⁴⁴ The Commissioner uses the estimated property tax values to calculate the RLE millage rate that would generate enough property tax revenue to cover the RLE amount for that year as set forth in the General Appropriations Act.⁴⁵

As discussed above, the VAB begins to hear petitions in September or October of the assessment year, two months after the Commissioner has estimated the millage rate necessary to generate the RLE by the school districts. After the VAB concludes review of petitions, the recertified value of the assessment roll is often lower than the certified values due to changes made by the VAB, and the RLE millage previously calculated will not generate the same revenues, resulting in

³⁸ Section 197.3632, F.S.

³⁹ Section 197.3632(4)(a), F.S.

⁴⁰ Section 197.3632(5)(a), F.S.

⁴¹ 2015-16 Funding for Florida School Districts, Statistical Report, Florida Department of Education, *available at* www.fldoe.org/core/fileparse.php/7507/urlt/Fefpdist.pdf (last visited Feb. 11, 2016).

⁴² *Id.* at page 2.

⁴³ The value of property may change depending on the outcome of informal appeals to the property appraiser, VAB determinations, or circuit court decisions.

⁴⁴ Section 1011.62(4)(a)1.a., F.S.

⁴⁵ *Id.*

uncollected funds. In the following year, the Commissioner is authorized to calculate an additional millage rate necessary to generate the amount of the uncollected funds.⁴⁶ The additional millage rate is referred to as the prior period funding adjustment millage (PPFAM). A PPFAM is levied in the year after the school district experienced a shortfall in RLE funds; the process results in a one-year delay in the school district's receipt of revenue.

In rare instances, a VAB may be unable to complete all petitions for one assessment year before the millage rates are being set for the next assessment year. In this situation, the Commissioner would be unable to calculate a PPFAM for the affected school district because the roll for the prior year has not been completed. This situation would delay the school district's recoupment of lost revenues due to changes by the VAB for two years.

In 2015, the Legislature passed a temporary solution for school districts where the VAB process delays completion of the certification of the final tax roll for longer than one year.⁴⁷ For the 2015-16 Fiscal Year only, the school district may "speed-up" the levy of 2014 unrealized RLE funds by levying a PPFAM equal to 75 percent of the district's most recent unrealized RLE for which a PPFAM was determined.⁴⁸

Proposed change: Section 1011.62(4)(e), F.S., is amended to allow affected school districts to "speed-up" the levy of unrealized RLE funds in any year in which the tax roll is not yet final by levying a PPFAM equal to 75 percent of the district's most recent unrealized RLE for which a PPFAM was determined.

Section 13 provides an effective date of July 1, 2016, except as otherwise expressly provided.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The mandates provisions in Article VII, section 18 of the Florida Constitution, limit the Legislature's authority to require counties and municipalities to expend funds, to limit the authority of counties or municipalities to raise revenues, and to reduce the percentage of state tax shared with counties and municipalities. Generally, these restrictions can be overcome with a two-thirds vote in both houses of the Legislature.

The provisions of the bill may require some counties to expend additional funds in order to complete the VAB process earlier. Other provisions of the bill significantly shift certain revenues between Fiscal Years 2016-2017, 2017-2018, and 2018-2019. However, the recurring revenue impact is estimated to be positive in the long-term.

B. Public Records/Open Meetings Issues:

None.

⁴⁶ Section 1011.62(4)(e), F.S.

⁴⁷ Chapter 2015-222, Laws of Fla.

⁴⁸ Section 1011.62(4)(e)1.c., F.S.

C. Trust Funds Restrictions:

None.

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

The Revenue Estimating Conference has not yet determined the fiscal impact of CS/SB 766. Staff estimates that:

- The provisions of the bill that change the interest rates that apply to overpayments and underpayments at the VAB will increase Fiscal Year 2016-2017 property tax revenues by \$5.6 million, with a positive \$5.6 million, recurring impact.
- The provisions of the bill that allow school districts to levy an additional 75 percent PPFAM will increase Fiscal Year 2016-2017 property tax revenues by \$37.7 million; this revenue would have been collected in the following year.
- The provisions of the bill that require VABs to hear all petitions by June 1, will increase Fiscal Year 2018-2019 property tax revenues by \$49.8 million, with no recurring fiscal impact.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The provisions of CS/SB 766 that require VABs to hear all petitions and certify the tax roll to the property appraiser prior to June 1 may require local governments to expend additional funds.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 192.0105, 193.122, 193.1554, 193.1555, 194.011, 194.014, 194.015, 194.032, 194.034, and 1011.62.

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 February 16, 2016:

The CS removes a new procedure created by the bill requiring the Department of Revenue to review the processes of the property appraiser and VAB after the tax roll has been reduced by more than two percent for three consecutive years. The CS prohibits the assessment of penalty and interest when an assessment limitation is improperly granted due to a clerical mistake or omission by the property appraiser. The CS extends the time by 10 days for certain counties to hold public hearings and certify the non-ad valorem assessment roll. The CS makes permanent the authority for a school district to levy a prior period funding adjustment millage equal to 75 percent of the most recent prior period funding adjustment millage when the tax roll is not yet complete.

B. Amendments:

None.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/16/2016	.	
	.	
	.	
	.	

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

Senate Amendment (with title amendment)

Delete lines 77 - 406
and insert:

Section 2. Effective July 1, 2017, subsection (3) of section 193.122, Florida Statutes, is amended to read

193.122 Certificates of value adjustment board and property appraiser; extensions on the assessment rolls.—

(3) When the tax rolls have been extended pursuant to s. 197.323, the second certification of the value adjustment board



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11 shall reflect all changes made by the board together with any
12 adjustments or changes made by the property appraiser. The value
13 adjustment board must hear all petitions and issue its second
14 certification by June 1 following the year in which the taxes
15 were assessed. If the number of petitions filed increases by
16 more than 10 percent over the prior year, the June 1 deadline is
17 extended to December 1. Upon the value adjustment board's second
18 ~~such~~ certification, the property appraiser shall recertify the
19 tax rolls with all changes to the tax collector and shall
20 provide public notice of the date and fact of recertification
21 pursuant to subsection (2).

22 Section 3. The amendments to s. 193.122, Florida Statutes,
23 made by this act first apply to the 2017 tax roll.

24 Section 4. Subsection (10) of section 193.1554, Florida
25 Statutes, is amended to read:

26 193.1554 Assessment of nonhomestead residential property.—

27 (10) If the property appraiser determines that for any year
28 or years within the prior 10 years a person or entity who was
29 not entitled to the property assessment limitation granted under
30 this section was granted the property assessment limitation, the
31 property appraiser making such determination shall serve upon
32 the owner a notice of intent to record in the public records of
33 the county a notice of tax lien against any property owned by
34 that person or entity in the county, and such property must be
35 identified in the notice of tax lien. Such property that is
36 situated in this state is subject to the unpaid taxes, plus a
37 penalty of 50 percent of the unpaid taxes for each year and 15
38 percent interest per annum. Before a lien may be filed, the
39 person or entity so notified must be given 30 days to pay the



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40 taxes and any applicable penalties and interest. If the property
41 appraiser improperly grants the property assessment limitation
42 as a result of a clerical mistake or an omission, the person or
43 entity improperly receiving the property assessment limitation
44 may not be assessed a penalty or interest.

45 Section 5. Subsection (10) of section 193.1555, Florida
46 Statutes, is amended to read:

47 193.1555 Assessment of certain residential and
48 nonresidential real property.—

49 (10) If the property appraiser determines that for any year
50 or years within the prior 10 years a person or entity who was
51 not entitled to the property assessment limitation granted under
52 this section was granted the property assessment limitation, the
53 property appraiser making such determination shall serve upon
54 the owner a notice of intent to record in the public records of
55 the county a notice of tax lien against any property owned by
56 that person or entity in the county, and such property must be
57 identified in the notice of tax lien. Such property that is
58 situated in this state is subject to the unpaid taxes, plus a
59 penalty of 50 percent of the unpaid taxes for each year and 15
60 percent interest per annum. Before a lien may be filed, the
61 person or entity so notified must be given 30 days to pay the
62 taxes and any applicable penalties and interest. If the property
63 appraiser improperly grants the property assessment limitation
64 as a result of a clerical mistake or an omission, the person or
65 entity improperly receiving the property assessment limitation
66 may not be assessed a penalty or interest.

67 Section 6. Subsection (3) of section 194.011, Florida
68 Statutes, is amended to read:



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69 194.011 Assessment notice; objections to assessments.—
70 (3) A petition to the value adjustment board must be in
71 substantially the form prescribed by the department.
72 Notwithstanding s. 195.022, a county officer may not refuse to
73 accept a form provided by the department for this purpose if the
74 taxpayer chooses to use it. A petition to the value adjustment
75 board must be signed by the taxpayer or accompanied by the
76 taxpayer's written authorization for representation by a person
77 specified in s. 194.034(1)(a). A written authorization is valid
78 for 1 tax year, and a new written authorization by the taxpayer
79 is required for each subsequent tax year. A petition must also
80 ~~shall~~ describe the property by parcel number and shall be filed
81 as follows:
82 (a) The clerk of the value adjustment board and the
83 property appraiser shall have available and shall distribute
84 forms prescribed by the Department of Revenue on which the
85 petition shall be made. Such petition shall be sworn to by the
86 petitioner.
87 (b) The completed petition shall be filed with the clerk of
88 the value adjustment board of the county, who shall acknowledge
89 receipt thereof and promptly furnish a copy thereof to the
90 property appraiser.
91 (c) The petition shall state the approximate time
92 anticipated by the taxpayer to present and argue his or her
93 petition before the board.
94 (d) The petition may be filed, as to valuation issues, at
95 any time during the taxable year on or before the 25th day
96 following the mailing of notice by the property appraiser as
97 provided in subsection (1). With respect to an issue involving



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98 the denial of an exemption, an agricultural or high-water
99 recharge classification application, an application for
100 classification as historic property used for commercial or
101 certain nonprofit purposes, or a deferral, the petition must be
102 filed at any time during the taxable year on or before the 30th
103 day following the mailing of the notice by the property
104 appraiser under s. 193.461, s. 193.503, s. 193.625, s. 196.173,
105 or s. 196.193 or notice by the tax collector under s. 197.2425.

106 (e) A condominium association, cooperative association, or
107 any homeowners' association as defined in s. 723.075, with
108 approval of its board of administration or directors, may file
109 with the value adjustment board a single joint petition on
110 behalf of any association members who own parcels of property
111 which the property appraiser determines are substantially
112 similar with respect to location, proximity to amenities, number
113 of rooms, living area, and condition. The condominium
114 association, cooperative association, or homeowners' association
115 as defined in s. 723.075 shall provide the unit owners with
116 notice of its intent to petition the value adjustment board and
117 shall provide at least 20 days for a unit owner to elect, in
118 writing, that his or her unit not be included in the petition.

119 (f) An owner of contiguous, undeveloped parcels may file
120 with the value adjustment board a single joint petition if the
121 property appraiser determines such parcels are substantially
122 similar in nature.

123 (g) An owner of multiple tangible personal property
124 accounts may file with the value adjustment board a single joint
125 petition if the property appraiser determines that the tangible
126 personal property accounts are substantially similar in nature.



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127 (h) The individual, agent, or legal entity that signs the
128 petition becomes an agent of the taxpayer for the purpose of
129 serving process to obtain personal jurisdiction over the
130 taxpayer for the entire value adjustment board proceedings,
131 including any appeals of a board decision by the property
132 appraiser pursuant to s. 194.036.

133 Section 7. Subsection (2) of section 194.014, Florida
134 Statutes, is amended to read:

135 194.014 Partial payment of ad valorem taxes; proceedings
136 before value adjustment board.—

137 (2) If the value adjustment board or the property appraiser
138 determines that the petitioner owes ad valorem taxes in excess
139 of the amount paid, the unpaid amount accrues interest at an
140 annual percentage rate equal to the bank prime loan rate on July
141 1, or the first business day thereafter if July 1 is a Saturday,
142 Sunday, or legal holiday, of the tax ~~the rate of 12 percent per~~
143 year, beginning on ~~from~~ the date the taxes became delinquent
144 pursuant to s. 197.333 until the unpaid amount is paid. If the
145 value adjustment board or the property appraiser determines that
146 a refund is due, the overpaid amount accrues interest at an
147 annual percentage rate equal to the bank prime loan rate on July
148 1, or the first business day thereafter if July 1 is a Saturday,
149 Sunday, or legal holiday, of the tax ~~the rate of 12 percent per~~
150 year, beginning on ~~from~~ the date the taxes became delinquent
151 pursuant to s. 197.333 until a refund is paid. Interest on an
152 overpayment related to a petition shall be funded
153 proportionately by each taxing authority that was overpaid.
154 Interest does not accrue on amounts paid in excess of 100
155 percent of the current taxes due as provided on the tax notice



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156 issued pursuant to s. 197.322. As used in this subsection, the
157 term "bank prime loan rate" means the average predominant prime
158 rate quoted by commercial banks to large businesses as published
159 by the Board of Governors of the Federal Reserve System.

160 Section 8. Section 194.015, Florida Statutes, is amended to
161 read:

162 194.015 Value adjustment board. ~~There is hereby created A~~
163 value adjustment board is created for each county, which shall
164 consist of two members of the governing body of the county as
165 elected from the membership of the board of the said governing
166 body, one of whom shall be elected chairperson, and one member
167 of the school board as elected from the membership of the school
168 board, and two citizen members, one of whom shall be appointed
169 by the governing body of the county and must own homestead
170 property within the county and one of whom must be appointed by
171 the school board and must own a business occupying commercial
172 space located within the school district. A citizen member may
173 not be a member or an employee of any taxing authority, and may
174 not be a person who represents property owners in any
175 administrative or judicial review of property taxes. The members
176 of the board may be temporarily replaced by other members of the
177 respective boards on appointment by their respective
178 chairpersons. Any three members shall constitute a quorum of the
179 board, except that each quorum must include at least one member
180 of said governing board, at least one member of the school
181 board, and at least one citizen member and no meeting of the
182 board shall take place unless a quorum is present. Members of
183 the board may receive such per diem compensation as is allowed
184 by law for state employees if both bodies elect to allow such



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185 compensation. The clerk of the governing body of the county
186 shall be the clerk of the value adjustment board. The board
187 shall appoint private counsel who has practiced law for over 5
188 years and who shall receive such compensation as may be
189 established by the board. The private counsel may not represent
190 the property appraiser, the tax collector, any taxing authority,
191 or any property owner in any administrative or judicial review
192 of property taxes. A ~~Ne~~ meeting of the board may not shall take
193 place unless counsel to the board is present. Two-fifths of the
194 expenses of the board shall be borne by the ~~district~~ school
195 board and three-fifths by the ~~district~~ county commission. The
196 school board and the county commission may audit the expenses
197 related to the value adjustment board process.

198 Section 9. Paragraph (a) of subsection (2) of section
199 194.032, Florida Statutes, is amended to read:

200 194.032 Hearing purposes; timetable.—

201 (2) (a) The clerk of the governing body of the county shall
202 prepare a schedule of appearances before the board based on
203 petitions timely filed with him or her. The clerk shall notify
204 each petitioner of the scheduled time of his or her appearance
205 at least 25 calendar days before the day of the scheduled
206 appearance. The notice must indicate whether the petition has
207 been scheduled to be heard at a particular time or during a
208 block of time. If the petition has been scheduled to be heard
209 within a block of time, the beginning and ending of that block
210 of time must be indicated on the notice; however, as provided in
211 paragraph (b), a petitioner may not be required to wait for more
212 than a reasonable time, not to exceed 2 hours, after the
213 beginning of the block of time. If the petitioner checked the



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214 appropriate box on the petition form to request a copy of the
215 property record card containing relevant information used in
216 computing the current assessment, the property appraiser must
217 provide the copy to the petitioner upon receipt of the petition
218 from the clerk regardless of whether the petitioner initiates
219 evidence exchange, unless the property record card is available
220 online from the property appraiser, in which case the property
221 appraiser must notify the petitioner that the property record
222 card is available online. ~~Upon receipt of the notice, The~~
223 ~~petitioner~~ or the property appraiser may reschedule the hearing
224 a single time for good cause ~~by submitting to the clerk a~~
225 ~~written request to reschedule, at least 5 calendar days before~~
226 ~~the day of the originally scheduled hearing.~~ As used in this
227 paragraph, the term "good cause" means circumstances beyond the
228 control of the person seeking to reschedule the hearing which
229 reasonably prevent him or her from having adequate
230 representation at the hearing. If the hearing is rescheduled by
231 the petitioner, the clerk shall notify the petitioner of the
232 rescheduled date and time for his or her appearance at least 15
233 calendar days before the date of the rescheduled appearance.

234 Section 10. Paragraph (a) of subsection (1) of section
235 194.034, Florida Statutes, is amended to read:

236 194.034 Hearing procedures; rules.—

237 (1) (a) Petitioners before the board may be represented by
238 a corporate representative of the taxpayer, an attorney who is a
239 member of The Florida Bar, a real estate appraiser or a real
240 estate broker licensed under chapter 475, or a certified public
241 accountant licensed under chapter 473, retained by the taxpayer,
242 or an individual with power of attorney to act on behalf of the



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243 taxpayer who receives no compensation, agent and such person may
244 present testimony and other evidence. The property appraiser or
245 his or her authorized representatives may be represented by an
246 attorney in defending the property appraiser's assessment or
247 opposing an exemption and may present testimony and other
248 evidence. The property appraiser, each petitioner, and all
249 witnesses shall be required, upon the request of either party,
250 to testify under oath as administered by the chairperson of the
251 board. Hearings shall be conducted in the manner prescribed by
252 rules of the department, which rules shall include the right of
253 cross-examination of any witness.

254 Section 11. Paragraph (a) of subsection (4) and paragraph
255 (a) of subsection (5) of section 197.3632, Florida Statutes, is
256 amended to read:

257 197.3632 Uniform method for the levy, collection, and
258 enforcement of non-ad valorem assessments.—

259 (4) (a) A local government shall adopt a non-ad valorem
260 assessment roll at a public hearing held between January 1 and
261 September 15, or between January 1 and September 25 in any
262 county as defined in s. 125.011(1), if:

263 1. The non-ad valorem assessment is levied for the first
264 time;

265 2. The non-ad valorem assessment is increased beyond the
266 maximum rate authorized by law or judicial decree at the time of
267 initial imposition;

268 3. The local government's boundaries have changed, unless
269 all newly affected property owners have provided written consent
270 for such assessment to the local governing board; or

271 4. There is a change in the purpose for such assessment or



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272 in the use of the revenue generated by such assessment.

273 (5) (a) By September 15 of each year, or by September 25 in
274 any county as defined in s. 125.011(1), the chair of the local
275 governing board or his or her designee shall certify a non-ad
276 valorem assessment roll on compatible electronic medium to the
277 tax collector. The local government shall post the non-ad
278 valorem assessment for each parcel on the roll. The tax
279 collector shall not accept any such roll that is not certified
280 on compatible electronic medium and that does not contain the
281 posting of the non-ad valorem assessment for each parcel. It is
282 the responsibility of the local governing board that such roll
283 be free of errors and omissions. Alterations to such roll may be
284 made by the chair or his or her designee up to 10 days before
285 certification. If the tax collector discovers errors or
286 omissions on such roll, he or she may request the local
287 governing board to file a corrected roll or a correction of the
288 amount of any assessment.

289 Section 12. Effective June 30, 2016, notwithstanding the
290 expiration date in section 9 of chapter 2015-222, Laws of
291 Florida, and notwithstanding the amendment made by section 16 of
292 SB 1040, 2016 Regular Session, paragraph (e) of subsection (4)
293 of section 1011.62, Florida Statutes, as amended by section 7 of
294 chapter 2015-222, Laws of Florida, is reenacted and amended to
295 read:

296 1011.62 Funds for operation of schools.—If the annual
297 allocation from the Florida Education Finance Program to each
298 district for operation of schools is not determined in the
299 annual appropriations act or the substantive bill implementing
300 the annual appropriations act, it shall be determined as



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301 follows:

302 (4) COMPUTATION OF DISTRICT REQUIRED LOCAL EFFORT.—The
303 Legislature shall prescribe the aggregate required local effort
304 for all school districts collectively as an item in the General
305 Appropriations Act for each fiscal year. The amount that each
306 district shall provide annually toward the cost of the Florida
307 Education Finance Program for kindergarten through grade 12
308 programs shall be calculated as follows:

309 (e) *Prior period funding adjustment millage.*—

310 1. ~~There shall be~~ An additional millage ~~to be~~ known as the
311 Prior Period Funding Adjustment Millage shall be levied by a
312 school district if the prior period unrealized required local
313 effort funds are greater than zero. The Commissioner of
314 Education shall calculate the amount of the prior period
315 unrealized required local effort funds as specified in
316 subparagraph 2. and the millage required to generate that amount
317 as specified in this subparagraph. The Prior Period Funding
318 Adjustment Millage shall be the quotient of the prior period
319 unrealized required local effort funds divided by the current
320 year taxable value certified to the Commissioner of Education
321 pursuant to sub-subparagraph (a)1.a. This levy shall be in
322 addition to the required local effort millage certified pursuant
323 to this subsection. Such millage shall not affect the
324 calculation of the current year's required local effort, and the
325 funds generated by such levy shall not be included in the
326 district's Florida Education Finance Program allocation for that
327 fiscal year. For purposes of the millage to be included on the
328 Notice of Proposed Taxes, the Commissioner of Education shall
329 adjust the required local effort millage computed pursuant to



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330 paragraph (a) as adjusted by paragraph (b) for the current year
331 for any district that levies a Prior Period Funding Adjustment
332 Millage to include all Prior Period Funding Adjustment Millage.
333 For the purpose of this paragraph, ~~there shall be~~ a Prior Period
334 Funding Adjustment Millage shall be levied for each year
335 certified by the Department of Revenue pursuant to sub-
336 subparagraph (a)2.a. since the previous year certification and
337 for which the calculation in sub-subparagraph 2.b. is greater
338 than zero.

339 2.a. As used in this subparagraph, the term:

340 (I) "Prior year" means a year certified under sub-
341 subparagraph (a)2.a.

342 (II) "Preliminary taxable value" means:

343 (A) If the prior year is the 2009-2010 fiscal year or
344 later, the taxable value certified to the Commissioner of
345 Education pursuant to sub-subparagraph (a)1.a.

346 (B) If the prior year is the 2008-2009 fiscal year or
347 earlier, the taxable value certified pursuant to the final
348 calculation as specified in former paragraph (b) as that
349 paragraph existed in the prior year.

350 (III) "Final taxable value" means the district's taxable
351 value as certified by the property appraiser pursuant to s.
352 193.122(2) or (3), if applicable. This is the certification that
353 reflects all final administrative actions of the value
354 adjustment board.

355 b. For purposes of this subsection and with respect to each
356 year certified pursuant to sub-subparagraph (a)2.a., if the
357 district's prior year preliminary taxable value is greater than
358 the district's prior year final taxable value, the prior period



359 unrealized required local effort funds are the difference
360 between the district's prior year preliminary taxable value and
361 the district's prior year final taxable value, multiplied by the
362 prior year district required local effort millage. If the
363 district's prior year preliminary taxable value is less than the
364 district's prior year final taxable value, the prior period
365 unrealized required local effort funds are zero.

366 c. ~~For the 2015-2016 fiscal year only,~~ If a district's
367 prior period unrealized required local effort funds and prior
368 period district required local effort millage cannot be
369 determined because such district's final taxable value has not
370 yet been certified pursuant to s. 193.122(2) or (3), ~~for the~~
371 ~~2015 tax levy,~~ the Prior Period Funding Adjustment Millage for
372 such fiscal year shall be levied, if not previously levied, ~~in~~
373 ~~2015~~ in an amount equal to 75 percent of such district's most
374 recent unrealized required local effort for which a Prior Period
375 Funding Adjustment Millage was determined as provided in this
376 section. Upon certification of the final taxable value in
377 accordance with s. 193.122(2) or (3) for a the 2012, 2013, or
378 2014 tax rolls for which a 75 percent Prior Period Funding
379 Adjustment Millage was levied in accordance with s. 193.122(2)
380 or (3), the next Prior Period Funding Adjustment Millage ~~levied~~
381 ~~in 2015 and 2016~~ shall be adjusted to include any shortfall or
382 surplus in the prior period unrealized required local effort
383 funds that would have been levied ~~in 2014 or 2015,~~ had the
384 district's final taxable value been certified pursuant to s.
385 193.122(2) or (3) ~~for the 2014 or 2015 tax levy.~~ If this
386 adjustment is made for a surplus, the reduction in prior period
387 millage may not exceed the prior period funding adjustment



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388 millage calculated pursuant to subparagraph 1. and sub-
389 subparagraphs a. and b., or pursuant to this sub-subparagraph,
390 whichever is applicable, and any additional reduction shall be
391 carried forward to the subsequent fiscal year.

392 Section 13. Except as otherwise expressly provided in this
393 act, this act shall take effect July 1, 2016.

394

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

396 And the title is amended as follows:

397 Delete lines 4 - 44

398 and insert:

399 by the act; amending s. 193.122, F.S.; specifying
400 deadlines for value adjustment boards to hear
401 petitions and issue the second tax roll certification;
402 providing applicability; amending s. 193.1554, F.S.;
403 requiring a property appraiser to provide a specified
404 notice to nonhomestead residential property owners who
405 were determined to not be entitled for a certain
406 property assessment limitation; providing a specified
407 timeframe for such property owners to pay taxes,
408 penalties, and interest; prohibiting the assessment of
409 a penalty or interest for property assessment
410 limitations granted as a result of a clerical mistake
411 or an omission by the property appraiser; amending s.
412 193.1555, F.S.; requiring a property appraiser to
413 provide a specified notice to certain residential and
414 nonresidential property owners who were determined to
415 not be entitled for a certain property assessment
416 limitation; providing a specified timeframe for such



417 property owners to pay taxes, penalties, and interest;
418 prohibiting the assessment of a penalty or interest
419 for property assessment limitations granted as a
420 result of a clerical mistake or an omission by the
421 property appraiser; amending s. 194.011, F.S.;;
422 specifying procedures for filing petitions to the
423 value adjustment board; amending s. 194.014, F.S.;;
424 revising the entities authorized to determine under
425 certain circumstances that a petitioner owes ad
426 valorem taxes or is owed a refund of overpaid taxes;
427 revising the rate at which interest accrues on unpaid
428 and overpaid ad valorem taxes; defining the term "bank
429 prime loan rate"; amending s. 194.015, F.S.;;
430 authorizing the school board and county commission to
431 audit certain expenses of the value adjustment board;
432 amending s. 194.032, F.S.;; requiring a property
433 appraiser to notify a petitioner when a property
434 record card is available online; authorizing a
435 property appraiser to reschedule a hearing relating to
436 an assessment; requiring a petitioner or a property
437 appraiser to show good cause to reschedule such
438 hearing; defining the term "good cause"; requiring the
439 clerk to provide notice to a petitioner of a
440 rescheduled hearing within a certain time; amending s.
441 194.034, F.S.;; revising the entities that may
442 represent a taxpayer before the value adjustment
443 board; amending s. 197.3632, F.S.;; extending the dates
444 for certain counties to hold public hearings and
445 certify non-ad valorem assessment rolls; reenacting



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446 and amending s. 1011.62, F.S.; revising the time
447 period for requirements and calculations applicable to
448 the levy and adjustment of the Prior Period Funding
449 Adjustment Millage before and after certification of
450 the district's final taxable value; providing
451 effective dates.

By Senator Flores

37-00246D-16

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1 A bill to be entitled
 2 An act relating to ad valorem taxation; amending s.
 3 192.0105, F.S.; conforming a provision to changes made
 4 by the act; creating s. 193.1148, F.S.; requiring a
 5 property appraiser to notify the Department of Revenue
 6 if the recertified just value of an assessment roll is
 7 less than the initial just value of an assessment roll
 8 by a specified amount; requiring the department, if
 9 such excess occurs for a specified period, to review
 10 and make certain written findings regarding certain
 11 processes used by the property appraiser and value
 12 adjustment board; requiring the property appraiser and
 13 value adjustment board to cooperate with the
 14 department during its conduct of a review; amending s.
 15 193.122, F.S.; establishing deadlines for value
 16 adjustment boards to hear petitions and issue the
 17 second tax roll certification; providing
 18 applicability; amending s. 194.011, F.S.; specifying
 19 procedures for filing petitions to the value
 20 adjustment board; amending s. 194.014, F.S.; revising
 21 the entities authorized to determine under certain
 22 circumstances that a petitioner owes ad valorem taxes
 23 or is owed a refund of overpaid taxes; revising the
 24 rate at which interest accrues on unpaid and overpaid
 25 ad valorem taxes; defining the term "bank prime loan
 26 rate"; amending s. 194.015, F.S.; authorizing the
 27 school board and county commission to audit certain
 28 expenses of the value adjustment board; amending s.
 29 194.032, F.S.; requiring a property appraiser to

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30 notify a petitioner when a property record card is
 31 available online; authorizing a property appraiser to
 32 reschedule a hearing relating to an assessment;
 33 requiring a petitioner or a property appraiser to show
 34 good cause to reschedule such hearing; defining the
 35 term "good cause"; requiring the clerk to provide
 36 notice to a petitioner of a rescheduled hearing within
 37 a certain time; amending s. 194.034, F.S.; revising
 38 the entities that may represent a taxpayer before the
 39 value adjustment board; amending s. 1011.62, F.S.;
 40 revising the time period for requirements and
 41 calculations applicable to the levy and adjustment of
 42 the Prior Period Funding Adjustment Millage before and
 43 after certification of the district's final taxable
 44 value; providing effective dates.
 45
 46 Be It Enacted by the Legislature of the State of Florida:
 47
 48 Section 1. Paragraph (f) of subsection (2) of section
 49 192.0105, Florida Statutes, is amended to read:
 50 192.0105 Taxpayer rights.—There is created a Florida
 51 Taxpayer's Bill of Rights for property taxes and assessments to
 52 guarantee that the rights, privacy, and property of the
 53 taxpayers of this state are adequately safeguarded and protected
 54 during tax levy, assessment, collection, and enforcement
 55 processes administered under the revenue laws of this state. The
 56 Taxpayer's Bill of Rights compiles, in one document, brief but
 57 comprehensive statements that summarize the rights and
 58 obligations of the property appraisers, tax collectors, clerks

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59 of the court, local governing boards, the Department of Revenue,
60 and taxpayers. Additional rights afforded to payors of taxes and
61 assessments imposed under the revenue laws of this state are
62 provided in s. 213.015. The rights afforded taxpayers to assure
63 that their privacy and property are safeguarded and protected
64 during tax levy, assessment, and collection are available only
65 insofar as they are implemented in other parts of the Florida
66 Statutes or rules of the Department of Revenue. The rights so
67 guaranteed to state taxpayers in the Florida Statutes and the
68 departmental rules include:

69 (2) THE RIGHT TO DUE PROCESS.—

70 (f) The right, in value adjustment board proceedings, to
71 have all evidence presented and considered at a public hearing
72 at the scheduled time, to be represented by a person specified
73 in s. 194.034(1) (a) an attorney or agent, to have witnesses
74 sworn and cross-examined, and to examine property appraisers or
75 evaluators employed by the board who present testimony (see ss.
76 194.034(1) (a) and (c) and (4), and 194.035(2)).

77 Section 2. Section 193.1148, Florida Statutes, is created
78 to read:

79 193.1148 Initial just value of the assessment roll.—

80 (1) Within 10 days after the recertification of the
81 assessment roll by the property appraiser under s. 193.122(3),
82 the property appraiser shall provide written notification to the
83 department if the recertified just value of the assessment roll
84 is less than the initial just value submitted to the department
85 pursuant to s. 193.1142 by more than 2 percent. If the 2 percent
86 threshold is exceeded for 3 consecutive years, the department
87 shall:

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88 (a) Review the process used by the property appraiser in
89 deriving the initial just values of the assessment rolls, and
90 make written findings regarding whether the property appraiser
91 complied with s. 193.011 and professionally accepted appraisal
92 practices; and

93 (b) Review the process used by the value adjustment board
94 in changing and determining the final tax roll for the 3-year
95 period specified in the notification or period specified in the
96 request, and make written findings regarding whether the value
97 adjustment board complied with chapter 194 and accepted
98 standards in determining property values.

99 (2) The property appraiser and value adjustment board shall
100 cooperate with the department during its conduct of a review and
101 make all matters and records bearing on the review available to
102 the department upon request.

103 Section 3. Effective July 1, 2017, subsection (3) of
104 section 193.122, Florida Statutes, is amended to read:

105 193.122 Certificates of value adjustment board and property
106 appraiser; extensions on the assessment rolls.—

107 (3) When the tax rolls have been extended pursuant to s.
108 197.323, the second certification of the value adjustment board
109 shall reflect all changes made by the board together with any
110 adjustments or changes made by the property appraiser. The value
111 adjustment board must hear all petitions and issue its second
112 certification by June 1 following the year in which the taxes
113 were assessed. If the number of petitions filed increases by
114 more than 10 percent over the prior year, the June 1 deadline is
115 extended to December 1. Upon the value adjustment board's second
116 such certification, the property appraiser shall recertify the

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117 tax rolls with all changes to the tax collector and shall
 118 provide public notice of the date and fact of recertification
 119 pursuant to subsection (2).

120 Section 4. The amendment to section 193.122, Florida
 121 Statutes, made by this act first applies to the 2017 tax roll.

122 Section 5. Subsection (3) of section 194.011, Florida
 123 Statutes, is amended to read:

124 194.011 Assessment notice; objections to assessments.—

125 (3) A petition to the value adjustment board must be in
 126 substantially the form prescribed by the department.
 127 Notwithstanding s. 195.022, a county officer may not refuse to
 128 accept a form provided by the department for this purpose if the
 129 taxpayer chooses to use it. A petition to the value adjustment
 130 board must be signed by the taxpayer or accompanied by the
 131 taxpayer's written authorization for representation by a person
 132 specified in s. 194.034(1)(a). A written authorization is valid
 133 for 1 tax year, and a new written authorization by the taxpayer
 134 is required for each subsequent tax year. A petition must also
 135 ~~shall~~ describe the property by parcel number and shall be filed
 136 as follows:

137 (a) The clerk of the value adjustment board and the
 138 property appraiser shall have available and shall distribute
 139 forms prescribed by the Department of Revenue on which the
 140 petition shall be made. Such petition shall be sworn to by the
 141 petitioner.

142 (b) The completed petition shall be filed with the clerk of
 143 the value adjustment board of the county, who shall acknowledge
 144 receipt thereof and promptly furnish a copy thereof to the
 145 property appraiser.

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146 (c) The petition shall state the approximate time
 147 anticipated by the taxpayer to present and argue his or her
 148 petition before the board.

149 (d) The petition may be filed, as to valuation issues, at
 150 any time during the taxable year on or before the 25th day
 151 following the mailing of notice by the property appraiser as
 152 provided in subsection (1). With respect to an issue involving
 153 the denial of an exemption, an agricultural or high-water
 154 recharge classification application, an application for
 155 classification as historic property used for commercial or
 156 certain nonprofit purposes, or a deferral, the petition must be
 157 filed at any time during the taxable year on or before the 30th
 158 day following the mailing of the notice by the property
 159 appraiser under s. 193.461, s. 193.503, s. 193.625, s. 196.173,
 160 or s. 196.193 or notice by the tax collector under s. 197.2425.

161 (e) A condominium association, cooperative association, or
 162 any homeowners' association as defined in s. 723.075, with
 163 approval of its board of administration or directors, may file
 164 with the value adjustment board a single joint petition on
 165 behalf of any association members who own parcels of property
 166 which the property appraiser determines are substantially
 167 similar with respect to location, proximity to amenities, number
 168 of rooms, living area, and condition. The condominium
 169 association, cooperative association, or homeowners' association
 170 as defined in s. 723.075 shall provide the unit owners with
 171 notice of its intent to petition the value adjustment board and
 172 shall provide at least 20 days for a unit owner to elect, in
 173 writing, that his or her unit not be included in the petition.

174 (f) An owner of contiguous, undeveloped parcels may file

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175 with the value adjustment board a single joint petition if the
176 property appraiser determines such parcels are substantially
177 similar in nature.

178 (g) An owner of multiple tangible personal property
179 accounts may file with the value adjustment board a single joint
180 petition if the property appraiser determines that the tangible
181 personal property accounts are substantially similar in nature.

182 (h) The individual, agent, or legal entity that signs the
183 petition becomes an agent of the taxpayer for the purpose of
184 serving process to obtain personal jurisdiction over the
185 taxpayer for the entire value adjustment board proceedings,
186 including any appeals of a board decision by the property
187 appraiser pursuant to s. 194.036.

188 Section 6. Subsection (2) of section 194.014, Florida
189 Statutes, is amended to read:

190 194.014 Partial payment of ad valorem taxes; proceedings
191 before value adjustment board.—

192 (2) If the value adjustment board or the property appraiser
193 determines that the petitioner owes ad valorem taxes in excess
194 of the amount paid, the unpaid amount accrues interest at an
195 annual percentage rate equal to the bank prime loan rate on July
196 1, or the first business day thereafter if July 1 is a Saturday,
197 Sunday, or legal holiday, of the tax the rate of 12 percent per
198 year, beginning on ~~from~~ the date the taxes became delinquent
199 pursuant to s. 197.333 until the unpaid amount is paid. If the
200 value adjustment board or the property appraiser determines that
201 a refund is due, the overpaid amount accrues interest at an
202 annual percentage rate equal to the bank prime loan rate on July
203 1, or the first business day thereafter if July 1 is a Saturday,

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204 Sunday, or legal holiday, of the tax the rate of 12 percent per
205 year, beginning on ~~from~~ the date the taxes became delinquent
206 pursuant to s. 197.333 until a refund is paid. Interest on
207 overpayments shall be funded proportionately by each taxing
208 authority in the county. Interest does not accrue on amounts
209 paid in excess of 100 percent of the current taxes due as
210 provided on the tax notice issued pursuant to s. 197.322. As
211 used in this subsection, the term "bank prime loan rate" means
212 the average predominant prime rate quoted by commercial banks to
213 large businesses as published by the Board of Governors of the
214 Federal Reserve System.

215 Section 7. Section 194.015, Florida Statutes, is amended to
216 read:

217 194.015 Value adjustment board.—~~There is hereby created A~~
218 value adjustment board is created for each county, which shall
219 consist of two members of the governing body of the county as
220 elected from the membership of the board of the said governing
221 body, one of whom shall be elected chairperson, and one member
222 of the school board as elected from the membership of the school
223 board, and two citizen members, one of whom shall be appointed
224 by the governing body of the county and must own homestead
225 property within the county and one of whom must be appointed by
226 the school board and must own a business occupying commercial
227 space located within the school district. A citizen member may
228 not be a member or an employee of any taxing authority, and may
229 not be a person who represents property owners in any
230 administrative or judicial review of property taxes. The members
231 of the board may be temporarily replaced by other members of the
232 respective boards on appointment by their respective

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233 chairpersons. Any three members shall constitute a quorum of the
 234 board, except that each quorum must include at least one member
 235 of said governing board, at least one member of the school
 236 board, and at least one citizen member and no meeting of the
 237 board shall take place unless a quorum is present. Members of
 238 the board may receive such per diem compensation as is allowed
 239 by law for state employees if both bodies elect to allow such
 240 compensation. The clerk of the governing body of the county
 241 shall be the clerk of the value adjustment board. The board
 242 shall appoint private counsel who has practiced law for over 5
 243 years and who shall receive such compensation as may be
 244 established by the board. The private counsel may not represent
 245 the property appraiser, the tax collector, any taxing authority,
 246 or any property owner in any administrative or judicial review
 247 of property taxes. A meeting of the board may not shall take
 248 place unless counsel to the board is present. Two-fifths of the
 249 expenses of the board shall be borne by the ~~district~~ school
 250 board and three-fifths by the ~~district~~ county commission. The
 251 school board and the county commission may audit the expenses
 252 related to the value adjustment board process.

253 Section 8. Paragraph (a) of subsection (2) of section
 254 194.032, Florida Statutes, is amended to read:

255 194.032 Hearing purposes; timetable.-

256 (2) (a) The clerk of the governing body of the county shall
 257 prepare a schedule of appearances before the board based on
 258 petitions timely filed with him or her. The clerk shall notify
 259 each petitioner of the scheduled time of his or her appearance
 260 at least 25 calendar days before the day of the scheduled
 261 appearance. The notice must indicate whether the petition has

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262 been scheduled to be heard at a particular time or during a
 263 block of time. If the petition has been scheduled to be heard
 264 within a block of time, the beginning and ending of that block
 265 of time must be indicated on the notice; however, as provided in
 266 paragraph (b), a petitioner may not be required to wait for more
 267 than a reasonable time, not to exceed 2 hours, after the
 268 beginning of the block of time. If the petitioner checked the
 269 appropriate box on the petition form to request a copy of the
 270 property record card containing relevant information used in
 271 computing the current assessment, the property appraiser must
 272 provide the copy to the petitioner upon receipt of the petition
 273 from the clerk regardless of whether the petitioner initiates
 274 evidence exchange, unless the property record card is available
 275 online from the property appraiser, in which case the property
 276 appraiser must notify the petitioner that the property record
 277 card is available online. ~~Upon receipt of the notice,~~ The
 278 petitioner or the property appraiser may reschedule the hearing
 279 a single time for good cause by submitting to the clerk a
 280 written request to reschedule, at least 5 calendar days before
 281 the day of the originally scheduled hearing. As used in this
 282 paragraph, the term "good cause" means circumstances beyond the
 283 control of the person seeking to reschedule the hearing which
 284 reasonably prevent him or her from having adequate
 285 representation at the hearing. If the hearing is rescheduled by
 286 the petitioner, the clerk shall notify the petitioner of the
 287 rescheduled date and time for his or her appearance at least 15
 288 calendar days before the date of the rescheduled appearance.

289 Section 9. Paragraph (a) of subsection (1) of section
 290 194.034, Florida Statutes, is amended to read:

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291 194.034 Hearing procedures; rules.-

292 (1) (a) Petitioners before the board may be represented by a
 293 corporate representative of the taxpayer, an attorney who is a
 294 member of The Florida Bar, a real estate appraiser or a real
 295 estate broker licensed under chapter 475, or a certified public
 296 accountant licensed under chapter 473, retained by the taxpayer,
 297 or an individual with power of attorney to act on behalf of the
 298 taxpayer who receives no compensation, ~~agent~~ and such person may
 299 present testimony and other evidence. The property appraiser or
 300 his or her authorized representatives may be represented by an
 301 attorney in defending the property appraiser's assessment or
 302 opposing an exemption and may present testimony and other
 303 evidence. The property appraiser, each petitioner, and all
 304 witnesses shall be required, upon the request of either party,
 305 to testify under oath as administered by the chairperson of the
 306 board. Hearings shall be conducted in the manner prescribed by
 307 rules of the department, which rules shall include the right of
 308 cross-examination of any witness.

309 Section 10. Paragraph (e) of subsection (4) of section
 310 1011.62, Florida Statutes, is amended to read:

311 1011.62 Funds for operation of schools.-If the annual
 312 allocation from the Florida Education Finance Program to each
 313 district for operation of schools is not determined in the
 314 annual appropriations act or the substantive bill implementing
 315 the annual appropriations act, it shall be determined as
 316 follows:

317 (4) COMPUTATION OF DISTRICT REQUIRED LOCAL EFFORT.-The
 318 Legislature shall prescribe the aggregate required local effort
 319 for all school districts collectively as an item in the General

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320 Appropriations Act for each fiscal year. The amount that each
 321 district shall provide annually toward the cost of the Florida
 322 Education Finance Program for kindergarten through grade 12
 323 programs shall be calculated as follows:

324 (e) *Prior period funding adjustment millage.*-

325 1. ~~There shall be~~ An additional millage ~~to be~~ known as the
 326 Prior Period Funding Adjustment Millage shall be levied by a
 327 school district if the prior period unrealized required local
 328 effort funds are greater than zero. The Commissioner of
 329 Education shall calculate the amount of the prior period
 330 unrealized required local effort funds as specified in
 331 subparagraph 2. and the millage required to generate that amount
 332 as specified in this subparagraph. The Prior Period Funding
 333 Adjustment Millage shall be the quotient of the prior period
 334 unrealized required local effort funds divided by the current
 335 year taxable value certified to the Commissioner of Education
 336 pursuant to sub-subparagraph (a)1.a. This levy shall be in
 337 addition to the required local effort millage certified pursuant
 338 to this subsection. Such millage shall not affect the
 339 calculation of the current year's required local effort, and the
 340 funds generated by such levy shall not be included in the
 341 district's Florida Education Finance Program allocation for that
 342 fiscal year. For purposes of the millage to be included on the
 343 Notice of Proposed Taxes, the Commissioner of Education shall
 344 adjust the required local effort millage computed pursuant to
 345 paragraph (a) as adjusted by paragraph (b) for the current year
 346 for any district that levies a Prior Period Funding Adjustment
 347 Millage to include all Prior Period Funding Adjustment Millage.
 348 For the purpose of this paragraph, ~~there shall be~~ a Prior Period

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349 Funding Adjustment Millage shall be levied for each year
 350 certified by the Department of Revenue pursuant to sub-
 351 subparagraph (a)2.a. since the previous year certification and
 352 for which the calculation in sub-subparagraph 2.b. is greater
 353 than zero.

354 2.a. As used in this subparagraph, the term:

355 (I) "Prior year" means a year certified under sub-
 356 subparagraph (a)2.a.

357 (II) "Preliminary taxable value" means:

358 (A) If the prior year is the 2009-2010 fiscal year or
 359 later, the taxable value certified to the Commissioner of
 360 Education pursuant to sub-subparagraph (a)1.a.

361 (B) If the prior year is the 2008-2009 fiscal year or
 362 earlier, the taxable value certified pursuant to the final
 363 calculation as specified in former paragraph (b) as that
 364 paragraph existed in the prior year.

365 (III) "Final taxable value" means the district's taxable
 366 value as certified by the property appraiser pursuant to s.
 367 193.122(2) or (3), if applicable. This is the certification that
 368 reflects all final administrative actions of the value
 369 adjustment board.

370 b. For purposes of this subsection and with respect to each
 371 year certified pursuant to sub-subparagraph (a)2.a., if the
 372 district's prior year preliminary taxable value is greater than
 373 the district's prior year final taxable value, the prior period
 374 unrealized required local effort funds are the difference
 375 between the district's prior year preliminary taxable value and
 376 the district's prior year final taxable value, multiplied by the
 377 prior year district required local effort millage. If the

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378 district's prior year preliminary taxable value is less than the
 379 district's prior year final taxable value, the prior period
 380 unrealized required local effort funds are zero.

381 c. For the 2016-2017 ~~2015-2016~~ fiscal year only, if a
 382 district's prior period unrealized required local effort funds
 383 and prior period district required local effort millage cannot
 384 be determined because such district's final taxable value has
 385 not yet been certified pursuant to s. 193.122(2) or (3), for the
 386 2016 ~~2015~~ tax levy, the Prior Period Funding Adjustment Millage
 387 for such fiscal year shall be levied, if not previously levied,
 388 in 2016 ~~2015~~ in an amount equal to 75 percent of such district's
 389 most recent unrealized required local effort for which a Prior
 390 Period Funding Adjustment Millage was determined as provided in
 391 this section. Upon certification of the final taxable value for
 392 the ~~2012, 2013, or~~ 2014 and 2015 tax rolls in accordance with s.
 393 193.122(2) or (3), the Prior Period Funding Adjustment Millage
 394 levied in ~~2015 and~~ 2016 and 2017 shall be adjusted to include
 395 any shortfall or surplus in the prior period unrealized required
 396 local effort funds that would have been levied in ~~2014 or~~ 2015
 397 or 2016, had the district's final taxable value been certified
 398 pursuant to s. 193.122(2) or (3) for the ~~2014 or~~ 2015 or 2016
 399 tax levy. If this adjustment is made for a surplus, the
 400 reduction in prior period millage may not exceed the prior
 401 period funding adjustment millage calculated pursuant to
 402 subparagraph 1. and sub-subparagraphs a. and b. and any
 403 additional reduction shall be carried forward to the subsequent
 404 fiscal year.

405 Section 11. Except as otherwise expressly provided in this
 406 act, this act shall take effect July 1, 2016.



The Florida Senate

Committee Agenda Request

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

Subject: Committee Agenda Request

Date: January 11, 2016

I respectfully request that **Senate Bill #766**, relating to Ad Valorem Taxation, be placed on the:

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

Anitere Flores

Senator Anitere Flores
Florida Senate, District 37

THE FLORIDA SENATE

APPEARANCE RECORD

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

766

Meeting Date

Bill Number (if applicable)

Topic

Amendment Barcode (if applicable)

Name JESS MCCARTY

Job Title

Address 111 NW 1st St 2810

Phone 305-979-7110

Street MIAMI 33120

Email JMM2@MIAMI-DADE.GOV

City State Zip

Speaking: For Against Information

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

Representing MIAMI - DADE COUNTY

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.

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/16/16
Meeting Date

766
Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Loren Levy

Job Title General Counsel, Property Appraisers Ass'n of Florida

Address 1828 Riggins Rd
Street

Phone 850-219-0220

Tallahassee FL 32308
City State Zip

Email paafc@comcast.net

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.

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THE FLORIDA SENATE
APPEARANCE RECORD

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

2/16/2014
Meeting Date

766
Bill Number (if applicable)

Topic VAB

Amendment Barcode (if applicable)

Name Amber Hughes

Job Title Senior ~~Advisor~~ Leg Advocate

Address _____
Street

Phone 813-777-4787

City

State

Zip

Email _____

Speaking: For Against Information

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

Representing FL League of Cities

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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THE FLORIDA SENATE

APPEARANCE RECORD

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2/16/16
Meeting Date

762
Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name DAVIN SUGGS

Job Title FISCAL POLICY DIRECTOR

Address _____
Street

Phone _____

City _____ State _____ Zip _____

Email _____

Speaking: For Against Information

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

Representing FL ASSOCIATION OF CONTRACTORS

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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THE FLORIDA SENATE

APPEARANCE RECORD

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2/16/16
Meeting Date

766
Bill Number (if applicable)

Topic VAB

Amendment Barcode (if applicable)

Name DIANA RAGRECK

Job Title DIRECTOR, PUBLIC POLICY

Address 3330 SW 3RD AVE
Street

Phone 305 571 5100

Miami FL 33129
City State Zip

Email dianer@theshubbers
trust.org

Speaking: For Against Information

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

Representing THE CHILDREN'S TRUST

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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THE FLORIDA SENATE
APPEARANCE RECORD

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

2/16/16
Meeting Date

766
Bill Number (if applicable)

Topic VAB (Ad Valorem Taxation)

Amendment Barcode (if applicable)

Name JESSICA SCHER

Job Title Director - Public Policy

Address 3250 SW 3rd Ave
Street

Phone 305 322 6143

MIAMI FL 33129
City State Zip

Email scherj@unitedwaymiami.org

Speaking: For Against Information

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

Representing United Way of Miami-Dade

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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THE FLORIDA SENATE
APPEARANCE RECORD

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

2/16/14
Meeting Date

SB766
Bill Number (if applicable)

Topic Value Adjustment Board

Amendment Barcode (if applicable)

Name Irada Mendez-Carfaya

Job Title Associate Superintendent

Address 1450 NE 2nd Ave

Phone (3)995-1497

Miami, FL 33132
Street City State Zip

Email imendez@dadeschools.net

Speaking: For Against Information

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

Representing The School Board of Miami-Dade, Florida

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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THE FLORIDA SENATE
APPEARANCE RECORD

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02/16/2016

Meeting Date

766

Bill Number (if applicable)

Topic Valorem Taxation

Amendment Barcode (if applicable)

Name Antonio Davis

Job Title Homeless Veteran

Address 2313 NW 6th Court

Phone _____

Street

KF Lauderdale

FL

33311

Email _____

City

State

Zip

Speaking: For Against Information

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

Representing My Family Claudia Valentine Estate

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



2/16/16
Meeting Date

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

S 766
Bill Number (if applicable)

Topic Value Adjustment Board

Amendment Barcode (if applicable)

Name Alberto Carvalho

Job Title Superintendent

Address 1450 NE 2nd Ave

Phone (3) 995-2940

Street Miami FL 33132

Email acarvalho@dade

City State Zip

Schools.net

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.

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THE FLORIDA SENATE
APPEARANCE RECORD

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2/16/16
Meeting Date

766
Bill Number (if applicable)

Topic Ad Valorem Taxation

Amendment Barcode (if applicable)

Name Martha W. Cleaver

Job Title Governmental Consultant

Address P.O. Box 11275

Phone 850/491-1945

Tallahassee, FL 32302
Street City State Zip

Email marthacleaver@fla.gov

Speaking: For Against Information

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

Representing Florida Association 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.

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THE FLORIDA SENATE

APPEARANCE RECORD



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

8/16/14

Meeting Date

SB 766

Bill Number (if applicable)

Topic VAB

Amendment Barcode (if applicable)

Name Raquel Regalado

Job Title School Board Member

Address 1450 NE 2nd Ave

Phone

Street

Miami FL 33132

Email

City

State

Zip

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.

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THE FLORIDA SENATE
APPEARANCE RECORD

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

2 / 16 / 2016

Meeting Date

Topic _____

Bill Number 766
(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

E-mail JUSTICE2JESUS@YAHOO.COM

City

State

Zip

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.

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S-001 (10/20/11)

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 868

INTRODUCER: Finance and Tax Committee and Senator Smith

SUBJECT: Community Contribution Tax Credits

DATE: February 17, 2016 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Present	Yeatman	CA	Favorable
2.	Babin	Diez-Arguelles	FT	Fav/CS
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 868 provides that a donation of real property under the Community Contribution Tax Credit Program includes the transfer of a 100-percent ownership interest of a real property holding company. The bill defines “real property holding company” to mean a Florida entity, such as a Florida limited liability company, which:

- Is wholly owned by the person making the contribution;
- Is the sole owner of real property located in this state;
- Is disregarded as an entity separate from its owner for federal income tax purposes; and
- At the time of the contribution to an eligible sponsor, has no material assets other than the real property and any other property that qualifies as a community contribution.

The bill is effective July 1, 2016.

II. Present Situation:

Community Contribution Tax Credit Program

In 1980, the Legislature established the Community Contribution Tax Credit Program (CCTCP) to encourage private sector participation in community revitalization and housing projects.¹ The

¹ Chapter 80-249, Laws of Fla.

CCTCP offers tax credits to businesses or persons (donors) that make certain contributions to eligible projects undertaken by approved CCTCP sponsors.²

Eligible sponsors under the CCTCP include a wide variety of organizations and entities, including community development agencies, housing organizations, historic preservation organizations, units of state and local government, regional workforce boards, and any other agency that the Department of Economic Opportunity (DEO) designates by rule.³ There are currently 122 approved sponsors in Florida.⁴

Eligible projects include activities undertaken by an eligible sponsor that are designed to accomplish one of the following purposes:

- To construct, improve, or substantially rehabilitate housing that is affordable to low-income or very-low-income households as defined in s. 420.9071(19) and (28), F.S.;
- To provide housing opportunities for persons with special needs as defined in s. 420.0004, F.S.;
- To provide commercial, industrial, or public resources and facilities; or
- To improve entrepreneurial and job-development opportunities for low-income persons.⁵

Additionally, eligible projects must be located in an area previously designated as an enterprise zone pursuant to ch. 290, F.S., as of May 1, 2015, or a Front Porch Florida Community.⁶

However, the law permits the following three exceptions:

- Any project designed to construct or rehabilitate housing for low-income households or very-low-income households as those terms are defined in s. 420.9071, F.S.;⁷
- Any project designed to construct or rehabilitate housing opportunities for persons with special needs as defined in s. 420.0004, F.S.;⁸ and
- Any project designed to provide increased access to high-speed broadband capabilities that includes coverage of an area designated as a rural enterprise zone as of May 1, 2015.⁹

Any eligible sponsor wishing to participate in the program must submit a proposal to DEO, which sets forth the sponsor, the project, the area in which the project is located, and any supporting information as may be prescribed by rule.¹⁰ The proposal must also contain a resolution from the local governmental unit in which it is located certifying that the project is consistent with local plans and regulations.¹¹

² See ss. 212.08(5)(p); 220.183; and 624.5105, F.S. The contributing taxpayer may not have a financial interest in the eligible sponsor.

³ See ss. 212.08(5)(p)2.c.; 220.183(2)(c); and 624.5105(2)(c), F.S.

⁴ Department of Economic Opportunity, *House Bill 627/Senate Bill 868 Fiscal Analysis*, page 3, (Dec. 2, 2015) (on file with the Senate Committee on Finance and Tax).

⁵ Sections 212.08(5)(p)2.b.; 220.183(2)(b); 624.5105(2)(b); and 220.03(1)(t), F.S.

⁶ Sections 212.08(p)2.d.; 220.183(2)(d); and 624.5102(2)(d), F.S.

⁷ *Id.*

⁸ *Id.*

⁹ *Id.* The infrastructure of such projects may be located in any area of a rural county (inside or outside of the zone).

¹⁰ Sections 212.08(5)(p)3.a.; 220.183(3)(a); and 624.5105(3)(a), F.S.

¹¹ *Id.*

Contributions to eligible projects may only be in the form of cash or other liquid assets, real property, goods or inventory, or other physical resources as identified by DEO.¹² If the donation is of real property, it must be made directly from the donor to the eligible sponsor via a deed.¹³ Donors wishing to participate in the program must submit an application for a tax credit to DEO.¹⁴ The application sets forth the sponsor, project, and the type, value, and purpose of the contribution.¹⁵ The sponsor must verify the terms of the application and indicate its receipt of the contribution, which verification must be in writing and accompany the application for tax credit.¹⁶

Once DEO approves a taxpayer's application for a community contribution tax credit under the program, the donor must claim the credit from the Department of Revenue.¹⁷ The credit is calculated as 50 percent of the donor's annual contribution, but a taxpayer may not receive more than \$200,000 in credits in any one year.¹⁸ The donor may use the credit against corporate income tax, insurance premium tax, or as a refund against sales tax.¹⁹ Unused credits against corporate income taxes and insurance premium taxes may be carried forward for five years.²⁰ Unused credits against sales taxes may be carried forward for three years.²¹

The DEO may approve \$18.4 million in Fiscal Year 2015-2016; \$21.4 million in Fiscal Year 2016-2017; and \$21.4 million in Fiscal Year 2017-2018 for projects that provide housing opportunities for persons with special needs or homeownership opportunities for low or very-low income households. The DEO may approve \$3.5 million in those same fiscal years for all other types of eligible projects.²²

As of December 2015, in Fiscal Year 2015-2016, DEO has approved approximately \$11.2 million of the \$18.4 million available for tax credits for homeownership projects and housing projects for persons with special needs.²³ Approximately \$3.6 million worth of tax credits were requested for all other projects, resulting in a pro-rata approval rate of 95 percent of each tax credit application.²⁴

The CCTCP expires June 30, 2018.²⁵

¹² Sections 212.08(5)(p)2.a.; 220.183(2)(a); 624.5105(5)(a); and 220.03(1)(d), F.S.

¹³ See s. 192.001(12), F.S., for the definition of real property.

¹⁴ Sections 212.08(5)(p)3.b.; 220.183(3)(b); and 624.5105(3)(b), F.S. Taxpayers must submit separate applications for each individual contribution that it makes to each individual project. Sections 212.08(5)(p)3.c.; 220.183(3)(c); and 624.5105(3)(c), F.S.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ Sections 212.08(5)(p)4.; 220.183(4); and 624.5105(4), F.S.

¹⁸ Sections 212.08(5)(p)1.; 220.183 (1)(a) and (b); and 624.5105(1), F.S.

¹⁹ See ss. 212.08(5)(p); 220.183; and 624.5105, F.S. A donor may only apply the credits toward one tax obligation.

²⁰ Sections 220.183(1)(e); and 624.5105(e), F.S.

²¹ Section 212.08(5)(p)1.b. and f., F.S.

²² Sections 212.08(5)(p)1.e.; 220.183(1)(c); and 624.5105(1)(c), F.S.

²³ Department of Economic Opportunity, *House Bill 627/Senate Bill 828 Fiscal Analysis* (Dec. 2, 2015) (on file with the Senate Committee on Finance and Tax).

²⁴ *Id.*

²⁵ Sections 212.08(5)(p)5.; 220.183(5); and 624.5105(6), F.S.

III. Effect of Proposed Changes:

Section 1 amends s. 220.03, F.S., relating to corporate income tax, to provide that a donation of real property in the CCTCP includes the transfer of a 100-percent ownership interest of a real property holding company. The bill defines “real property holding company” to mean a Florida entity, such as a Florida limited liability company, which:

- Is wholly owned by the business firm;
- Is the sole owner of real property, as defined in s. 192.001(12), F.S., located in this state;
- Is disregarded as an entity separate from its owner for federal income tax purposes pursuant to 26 C.F.R. s. 301.7701-3(b)(1)(ii); and
- At the time of the contribution to an eligible sponsor, has no material assets other than the real property and any other property that qualifies as a community contribution.

Section 2 amends s. 212.08, F.S., relating to sales and use tax, to provide that the donation of real property in the CCTCP includes the transfer of a 100-percent ownership interest of a real property holding company. The same definition is used for the term “real property holding company” as stated in section 1 of the bill.

Section 3 amends s. 624.5105, F.S., relating to insurance premium tax, to provide that the donation of real property in the CCTCP includes the transfer of a 100-percent ownership interest of a real property holding company. The same definition is used for the term “real property holding company” as stated in section 1 of the bill.

Section 4 provides an effective date of July 1, 2016.

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 estimated that CS/SB 868 would have no fiscal impact on state funds.²⁶

²⁶ Revenue Estimating Conference Analysis, *House Bill 627/Senate Bill 868* (Dec. 12, 2015) (on file with the Senate Committee on Finance and Tax).

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 212.08, 220.03, and 624.5105.

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 February 16, 2016:

The CS clarifies that 100 percent of the ownership interest in the real property holding company must be contributed in order to qualify as a contribution of real property.

B. Amendments:

None.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/16/2016	.	
	.	
	.	
	.	

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

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Paragraph (d) of subsection (1) of section
220.03, F.S., is amended to read:

220.03 Definitions.—

(1) SPECIFIC TERMS.—When used in this code, and when not
otherwise distinctly expressed or manifestly incompatible with
the intent thereof, the following terms shall have the following



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11 meanings:

12 (d) "Community Contribution" means the grant by a business
13 firm of any of the following items:

14 1. Cash or other liquid assets.

15 2. Real property, which for purposes of this subparagraph
16 includes 100 percent ownership of a real property holding
17 company. The term "real property holding company" means a
18 Florida entity, such as a Florida limited liability company,
19 that:

20 a. Is wholly owned by the business firm.

21 b. Is the sole owner of real property, as defined in s.
22 192.001(12), located in the state.

23 c. Is disregarded as an entity for federal income tax
24 purposes pursuant to 26 C.F.R. s. 301.7701-3(b)(1)(ii).

25 d. At the time of contribution to an eligible sponsor, has
26 no material assets other than the real property and any other
27 property that qualifies as a community contribution.

28 3. Goods or inventory.

29 4. Other physical resources as identified by the
30 department.

31
32 This paragraph expires June 30, 2018.

33 Section 2. Paragraph (p) of subsection (5) of section
34 212.08, Florida Statutes, is amended to read:

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



40 chapter.

41 (5) EXEMPTIONS; ACCOUNT OF USE.—

42 (p) *Community contribution tax credit for donations.*—

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

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

50 b. The credit shall be granted as a refund against state
51 sales and use taxes reported on returns and remitted in the 12
52 months preceding the date of application to the department for
53 the credit as required in sub-subparagraph 3.c. If the annual
54 credit is not fully used through such refund because of
55 insufficient tax payments during the applicable 12-month period,
56 the unused amount may be included in an application for a refund
57 made pursuant to sub-subparagraph 3.c. in subsequent years
58 against the total tax payments made for such year. Carryover
59 credits may be applied for a 3-year period without regard to any
60 time limitation that would otherwise apply under s. 215.26.

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

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

66 e. The total amount of tax credits which may be granted for
67 all programs approved under this paragraph, s. 220.183, and s.
68 624.5105 is \$18.4 million in the 2015-2016 fiscal year, \$21.4



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69 million in the 2016-2017 fiscal year, and \$21.4 million in the
70 2017-2018 fiscal year for projects that provide housing
71 opportunities for persons with special needs or homeownership
72 opportunities for low-income households or very-low-income
73 households and \$3.5 million annually for all other projects. As
74 used in this paragraph, the term "person with special needs" has
75 the same meaning as in s. 420.0004 and the terms "low-income
76 person," "low-income household," "very-low-income person," and
77 "very-low-income household" have the same meanings as in s.
78 420.9071.

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

82 2. Eligibility requirements.-

83 a. A community contribution by a person must be in the
84 following form:

85 (I) Cash or other liquid assets;

86 (II) Real property, including 100 percent ownership of a
87 real property holding company;

88 (III) Goods or inventory; or

89 (IV) Other physical resources identified by the Department
90 of Economic Opportunity.

91
92 For purposes of this subparagraph, the term "real property
93 holding company" means a Florida entity, such as a Florida
94 limited liability company, that is wholly owned by the person;
95 is the sole owner of real property, as defined in s.
96 192.001(12), located in the state; is disregarded as an entity
97 for federal income tax purposes pursuant to 26 C.F.R. s.



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98 301.7701-3(b)(1)(ii); and at the time of contribution to an
99 eligible sponsor, has no material assets other than the real
100 property and any other property that qualifies as a community
101 contribution.

102 b. All community contributions must be reserved exclusively
103 for use in a project. As used in this sub-subparagraph, the term
104 "project" means activity undertaken by an eligible sponsor which
105 is designed to construct, improve, or substantially rehabilitate
106 housing that is affordable to low-income households or very-low-
107 income households; designed to provide housing opportunities for
108 persons with special needs; designed to provide commercial,
109 industrial, or public resources and facilities; or designed to
110 improve entrepreneurial and job-development opportunities for
111 low-income persons. A project may be the investment necessary to
112 increase access to high-speed broadband capability in a rural
113 community that had an enterprise zone designated pursuant to
114 chapter 290 as of May 1, 2015, including projects that result in
115 improvements to communications assets that are owned by a
116 business. A project may include the provision of museum
117 educational programs and materials that are directly related to
118 a project approved between January 1, 1996, and December 31,
119 1999, and located in an area which was in an enterprise zone
120 designated pursuant to s. 290.0065 as of May 1, 2015. This
121 paragraph does not preclude projects that propose to construct
122 or rehabilitate housing for low-income households or very-low-
123 income households on scattered sites or housing opportunities
124 for persons with special needs. With respect to housing,
125 contributions may be used to pay the following eligible special
126 needs, low-income, and very-low-income housing-related



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127 activities:

128 (I) Project development impact and management fees for
129 special needs, low-income, or very-low-income housing projects;

130 (II) Down payment and closing costs for persons with
131 special needs, low-income persons, and very-low-income persons;

132 (III) Administrative costs, including housing counseling
133 and marketing fees, not to exceed 10 percent of the community
134 contribution, directly related to special needs, low-income, or
135 very-low-income projects; and

136 (IV) Removal of liens recorded against residential property
137 by municipal, county, or special district local governments if
138 satisfaction of the lien is a necessary precedent to the
139 transfer of the property to a low-income person or very-low-
140 income person for the purpose of promoting home ownership.
141 Contributions for lien removal must be received from a
142 nonrelated third party.

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

145 (I) A community action program;

146 (II) A nonprofit community-based development organization
147 whose mission is the provision of housing for persons with
148 special needs, low-income households, or very-low-income
149 households or increasing entrepreneurial and job-development
150 opportunities for low-income persons;

151 (III) A neighborhood housing services corporation;

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

153 (V) A community redevelopment agency created under s.
154 163.356;

155 (VI) A historic preservation district agency or



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156 organization;
157 (VII) A regional workforce board;
158 (VIII) A direct-support organization as provided in s.
159 1009.983;
160 (IX) An enterprise zone development agency created under s.
161 290.0056;
162 (X) A community-based organization incorporated under
163 chapter 617 which is recognized as educational, charitable, or
164 scientific pursuant to s. 501(c)(3) of the Internal Revenue Code
165 and whose bylaws and articles of incorporation include
166 affordable housing, economic development, or community
167 development as the primary mission of the corporation;
168 (XI) Units of local government;
169 (XII) Units of state government; or
170 (XIII) Any other agency that the Department of Economic
171 Opportunity designates by rule.
172
173 A contributing person may not have a financial interest in the
174 eligible sponsor.
175 d. The project must be located in an area which was in an
176 enterprise zone designated pursuant to chapter 290 as of May 1,
177 2015, or a Front Porch Florida Community, unless the project
178 increases access to high-speed broadband capability in a rural
179 community that had an enterprise zone designated pursuant to
180 chapter 290 as of May 1, 2015, but is physically located outside
181 the designated rural zone boundaries. Any project designed to
182 construct or rehabilitate housing for low-income households or
183 very-low-income households or housing opportunities for persons
184 with special needs is exempt from the area requirement of this



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185 sub-subparagraph.

186 e.(I) If, during the first 10 business days of the state
187 fiscal year, eligible tax credit applications for projects that
188 provide housing opportunities for persons with special needs or
189 homeownership opportunities for low-income households or very-
190 low-income households are received for less than the annual tax
191 credits available for those projects, the Department of Economic
192 Opportunity shall grant tax credits for those applications and
193 grant remaining tax credits on a first-come, first-served basis
194 for subsequent eligible applications received before the end of
195 the state fiscal year. If, during the first 10 business days of
196 the state fiscal year, eligible tax credit applications for
197 projects that provide housing opportunities for persons with
198 special needs or homeownership opportunities for low-income
199 households or very-low-income households are received for more
200 than the annual tax credits available for those projects, the
201 Department of Economic Opportunity shall grant the tax credits
202 for those applications as follows:

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

207 (B) If tax credit applications submitted for approved
208 projects of an eligible sponsor exceed \$200,000 in total, the
209 amount of tax credits granted pursuant to sub-sub-sub-
210 subparagraph (A) shall be subtracted from the amount of
211 available tax credits, and the remaining credits shall be
212 granted to each approved tax credit application on a pro rata
213 basis.



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214 (II) If, during the first 10 business days of the state
215 fiscal year, eligible tax credit applications for projects other
216 than those that provide housing opportunities for persons with
217 special needs or homeownership opportunities for low-income
218 households or very-low-income households are received for less
219 than the annual tax credits available for those projects, the
220 Department of Economic Opportunity shall grant tax credits for
221 those applications and shall grant remaining tax credits on a
222 first-come, first-served basis for subsequent eligible
223 applications received before the end of the state fiscal year.
224 If, during the first 10 business days of the state fiscal year,
225 eligible tax credit applications for projects other than those
226 that provide housing opportunities for persons with special
227 needs or homeownership opportunities for low-income households
228 or very-low-income households are received for more than the
229 annual tax credits available for those projects, the Department
230 of Economic Opportunity shall grant the tax credits for those
231 applications on a pro rata basis.

232 3. Application requirements.-

233 a. An eligible sponsor seeking to participate in this
234 program must submit a proposal to the Department of Economic
235 Opportunity which sets forth the name of the sponsor, a
236 description of the project, and the area in which the project is
237 located, together with such supporting information as is
238 prescribed by rule. The proposal must also contain a resolution
239 from the local governmental unit in which the project is located
240 certifying that the project is consistent with local plans and
241 regulations.

242 b. A person seeking to participate in this program must



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243 submit an application for tax credit to the Department of
244 Economic Opportunity which sets forth the name of the sponsor, a
245 description of the project, and the type, value, and purpose of
246 the contribution. The sponsor shall verify, in writing, the
247 terms of the application and indicate its receipt of the
248 contribution, and such verification must accompany the
249 application for tax credit. The person must submit a separate
250 tax credit application to the Department of Economic Opportunity
251 for each individual contribution that it makes to each
252 individual project.

253 c. A person who has received notification from the
254 Department of Economic Opportunity that a tax credit has been
255 approved must apply to the department to receive the refund.
256 Application must be made on the form prescribed for claiming
257 refunds of sales and use taxes and be accompanied by a copy of
258 the notification. A person may submit only one application for
259 refund to the department within a 12-month period.

260 4. Administration.—

261 a. The Department of Economic Opportunity may adopt rules
262 necessary to administer this paragraph, including rules for the
263 approval or disapproval of proposals by a person.

264 b. The decision of the Department of Economic Opportunity
265 must be in writing, and, if approved, the notification shall
266 state the maximum credit allowable to the person. Upon approval,
267 the Department of Economic Opportunity shall transmit a copy of
268 the decision to the department.

269 c. The Department of Economic Opportunity shall
270 periodically monitor all projects in a manner consistent with
271 available resources to ensure that resources are used in



272 accordance with this paragraph; however, each project must be
273 reviewed at least once every 2 years.

274 d. The Department of Economic Opportunity shall, in
275 consultation with the statewide and regional housing and
276 financial intermediaries, market the availability of the
277 community contribution tax credit program to community-based
278 organizations.

279 5. Expiration.—This paragraph expires June 30, 2018;
280 however, any accrued credit carryover that is unused on that
281 date may be used until the expiration of the 3-year carryover
282 period for such credit.

283 Section 3. Paragraph (a) of subsection (5) of section
284 624.5105, Florida Statutes, is amended to read:

285 624.5105 Community contribution tax credit; authorization;
286 limitations; eligibility and application requirements;
287 administration; definitions; expiration.—

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

289 (a) "Community contribution" means the grant by an insurer
290 of any of the following items:

291 1. Cash or other liquid assets.

292 2. Real property, including 100 percent ownership of a real
293 property holding company.

294 3. Goods or inventory.

295 4. Other physical resources which are identified by the
296 department.

297
298 For purposes of this paragraph, the term "real property holding
299 company" means a Florida entity, such as a Florida limited
300 liability company, that is wholly owned by the insurer; is the



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301 sole owner of real property, as defined in s. 192.001(12),
302 located in the state; is disregarded as an entity for federal
303 income tax purposes pursuant to 26 C.F.R. s. 301.7701-
304 3(b)(1)(ii); and at the time of contribution to an eligible
305 sponsor, has no material assets other than the real property and
306 any other property that qualifies as a community contribution.

307 Section 4. This act shall take effect July 1, 2016.

308
309 ===== T I T L E A M E N D M E N T =====

310 And the title is amended as follows:

311 Delete everything before the enacting clause
312 and insert:

313 A bill to be entitled

314 An act relating to community contribution tax credits;
315 amending s. 220.03, F.S.; providing definitions
316 related to community contribution tax credits that may
317 apply to business firms against certain income tax
318 liabilities; amending s. 212.08, F.S.; providing
319 definitions related to community contribution tax
320 credits that may apply against sales and use tax
321 liabilities; amending s. 624.5105, F.S.; providing
322 definitions related to community contribution tax
323 credits that may apply against certain premium tax
324 liabilities; providing an effective date.

By Senator Smith

31-00682-16

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A bill to be entitled

An act relating to community contribution tax credits; amending s. 212.08, F.S.; specifying that ownership interests in a real property holding company are an eligible form of community contribution for the purpose of a certain sales and use tax credit for donations; defining a term; amending s. 220.03, F.S.; revising the term "community contribution" to include ownership interests in a real property holding company; defining a term; amending s. 624.5105, F.S.; specifying that ownership interests in a real property holding company are an eligible form of community contribution for the purpose of a certain tax credit for donations by insurers; defining a term; providing an effective date.

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

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

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

(5) EXEMPTIONS; ACCOUNT OF USE.—

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

1. Authorization.—Persons who are registered with the

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department under s. 212.18 to collect or remit sales or use tax and who make donations to eligible sponsors are eligible for tax credits against their state sales and use tax liabilities as provided in this paragraph:

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

b. The credit shall be granted as a refund against state sales and use taxes reported on returns and remitted in the 12 months preceding the date of application to the department for the credit as required in sub-subparagraph 3.c. If the annual credit is not fully used through such refund because of insufficient tax payments during the applicable 12-month period, the unused amount may be included in an application for a refund made pursuant to sub-subparagraph 3.c. in subsequent years against the total tax payments made for such year. Carryover credits may be applied for a 3-year period without regard to any time limitation that would otherwise apply under s. 215.26.

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

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

e. The total amount of tax credits which may be granted for all programs approved under this paragraph, s. 220.183, and s. 624.5105 is \$18.4 million in the 2015-2016 fiscal year, \$21.4 million in the 2016-2017 fiscal year, and \$21.4 million in the 2017-2018 fiscal year for projects that provide housing opportunities for persons with special needs or homeownership opportunities for low-income households or very-low-income

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59 households and \$3.5 million annually for all other projects. As
 60 used in this paragraph, the term "person with special needs" has
 61 the same meaning as in s. 420.0004 and the terms "low-income
 62 person," "low-income household," "very-low-income person," and
 63 "very-low-income household" have the same meanings as in s.
 64 420.9071.

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

68 2. Eligibility requirements.-

69 a. A community contribution by a person must be in any of
 70 the following forms ~~form~~:

71 (I) Cash or other liquid assets.†

72 (II) Real property, including ownership interests in a real
 73 property holding company. For purposes of this sub-sub-
 74 paragraph, the term "real property holding company" means an
 75 entity organized under the laws of this state which:

76 (A) Is wholly owned by the person;

77 (B) Is the sole owner of real property, as defined in s.
 78 192.001(12), located in this state;

79 (C) Is disregarded as an entity separate from its owner for
 80 federal income tax purposes pursuant to 26 C.F.R. s. 301.7701-
 81 3(b)(1)(ii); and

82 (D) At the time of contribution to an eligible sponsor, has
 83 no material assets other than the real property and any other
 84 property that qualifies as a community contribution.†

85 (III) Goods or inventory.†~~or~~

86 (IV) Other physical resources identified by the Department
 87 of Economic Opportunity.

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88 b. All community contributions must be reserved exclusively
 89 for use in a project. As used in this sub-subparagraph, the term
 90 "project" means activity undertaken by an eligible sponsor which
 91 is designed to construct, improve, or substantially rehabilitate
 92 housing that is affordable to low-income households or very-low-
 93 income households; designed to provide housing opportunities for
 94 persons with special needs; designed to provide commercial,
 95 industrial, or public resources and facilities; or designed to
 96 improve entrepreneurial and job-development opportunities for
 97 low-income persons. A project may be the investment necessary to
 98 increase access to high-speed broadband capability in a rural
 99 community that had an enterprise zone designated pursuant to
 100 chapter 290 as of May 1, 2015, including projects that result in
 101 improvements to communications assets that are owned by a
 102 business. A project may include the provision of museum
 103 educational programs and materials that are directly related to
 104 a project approved between January 1, 1996, and December 31,
 105 1999, and located in an area which was in an enterprise zone
 106 designated pursuant to s. 290.0065 as of May 1, 2015. This
 107 paragraph does not preclude projects that propose to construct
 108 or rehabilitate housing for low-income households or very-low-
 109 income households on scattered sites or housing opportunities
 110 for persons with special needs. With respect to housing,
 111 contributions may be used to pay the following eligible special
 112 needs, low-income, and very-low-income housing-related
 113 activities:

114 (I) Project development impact and management fees for
 115 special needs, low-income, or very-low-income housing projects;

116 (II) Down payment and closing costs for persons with

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117 special needs, low-income persons, and very-low-income persons;
 118 (III) Administrative costs, including housing counseling
 119 and marketing fees, not to exceed 10 percent of the community
 120 contribution, directly related to special needs, low-income, or
 121 very-low-income projects; and
 122 (IV) Removal of liens recorded against residential property
 123 by municipal, county, or special district local governments if
 124 satisfaction of the lien is a necessary precedent to the
 125 transfer of the property to a low-income person or very-low-
 126 income person for the purpose of promoting home ownership.
 127 Contributions for lien removal must be received from a
 128 nonrelated third party.
 129 c. The project must be undertaken by an "eligible sponsor,"
 130 which includes:
 131 (I) A community action program;
 132 (II) A nonprofit community-based development organization
 133 whose mission is the provision of housing for persons with
 134 special needs, low-income households, or very-low-income
 135 households or increasing entrepreneurial and job-development
 136 opportunities for low-income persons;
 137 (III) A neighborhood housing services corporation;
 138 (IV) A local housing authority created under chapter 421;
 139 (V) A community redevelopment agency created under s.
 140 163.356;
 141 (VI) A historic preservation district agency or
 142 organization;
 143 (VII) A regional workforce board;
 144 (VIII) A direct-support organization as provided in s.
 145 1009.983;

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146 (IX) An enterprise zone development agency created under s.
 147 290.0056;
 148 (X) A community-based organization incorporated under
 149 chapter 617 which is recognized as educational, charitable, or
 150 scientific pursuant to s. 501(c)(3) of the Internal Revenue Code
 151 and whose bylaws and articles of incorporation include
 152 affordable housing, economic development, or community
 153 development as the primary mission of the corporation;
 154 (XI) Units of local government;
 155 (XII) Units of state government; or
 156 (XIII) Any other agency that the Department of Economic
 157 Opportunity designates by rule.
 158
 159 A contributing person may not have a financial interest in the
 160 eligible sponsor.
 161 d. The project must be located in an area which was in an
 162 enterprise zone designated pursuant to chapter 290 as of May 1,
 163 2015, or a Front Porch Florida Community, unless the project
 164 increases access to high-speed broadband capability in a rural
 165 community that had an enterprise zone designated pursuant to
 166 chapter 290 as of May 1, 2015, but is physically located outside
 167 the designated rural zone boundaries. Any project designed to
 168 construct or rehabilitate housing for low-income households or
 169 very-low-income households or housing opportunities for persons
 170 with special needs is exempt from the area requirement of this
 171 sub-subparagraph.
 172 e. (I) If, during the first 10 business days of the state
 173 fiscal year, eligible tax credit applications for projects that
 174 provide housing opportunities for persons with special needs or

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175 homeownership opportunities for low-income households or very-
 176 low-income households are received for less than the annual tax
 177 credits available for those projects, the Department of Economic
 178 Opportunity shall grant tax credits for those applications and
 179 grant remaining tax credits on a first-come, first-served basis
 180 for subsequent eligible applications received before the end of
 181 the state fiscal year. If, during the first 10 business days of
 182 the state fiscal year, eligible tax credit applications for
 183 projects that provide housing opportunities for persons with
 184 special needs or homeownership opportunities for low-income
 185 households or very-low-income households are received for more
 186 than the annual tax credits available for those projects, the
 187 Department of Economic Opportunity shall grant the tax credits
 188 for those applications as follows:

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

193 (B) If tax credit applications submitted for approved
 194 projects of an eligible sponsor exceed \$200,000 in total, the
 195 amount of tax credits granted pursuant to sub-sub-sub-
 196 subparagraph (A) shall be subtracted from the amount of
 197 available tax credits, and the remaining credits shall be
 198 granted to each approved tax credit application on a pro rata
 199 basis.

200 (II) If, during the first 10 business days of the state
 201 fiscal year, eligible tax credit applications for projects other
 202 than those that provide housing opportunities for persons with
 203 special needs or homeownership opportunities for low-income

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204 households or very-low-income households are received for less
 205 than the annual tax credits available for those projects, the
 206 Department of Economic Opportunity shall grant tax credits for
 207 those applications and shall grant remaining tax credits on a
 208 first-come, first-served basis for subsequent eligible
 209 applications received before the end of the state fiscal year.
 210 If, during the first 10 business days of the state fiscal year,
 211 eligible tax credit applications for projects other than those
 212 that provide housing opportunities for persons with special
 213 needs or homeownership opportunities for low-income households
 214 or very-low-income households are received for more than the
 215 annual tax credits available for those projects, the Department
 216 of Economic Opportunity shall grant the tax credits for those
 217 applications on a pro rata basis.

218 3. Application requirements.-

219 a. An eligible sponsor seeking to participate in this
 220 program must submit a proposal to the Department of Economic
 221 Opportunity which sets forth the name of the sponsor, a
 222 description of the project, and the area in which the project is
 223 located, together with such supporting information as is
 224 prescribed by rule. The proposal must also contain a resolution
 225 from the local governmental unit in which the project is located
 226 certifying that the project is consistent with local plans and
 227 regulations.

228 b. A person seeking to participate in this program must
 229 submit an application for tax credit to the Department of
 230 Economic Opportunity which sets forth the name of the sponsor, a
 231 description of the project, and the type, value, and purpose of
 232 the contribution. The sponsor shall verify, in writing, the

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233 terms of the application and indicate its receipt of the
 234 contribution, and such verification must accompany the
 235 application for tax credit. The person must submit a separate
 236 tax credit application to the Department of Economic Opportunity
 237 for each individual contribution that it makes to each
 238 individual project.

239 c. A person who has received notification from the
 240 Department of Economic Opportunity that a tax credit has been
 241 approved must apply to the department to receive the refund.
 242 Application must be made on the form prescribed for claiming
 243 refunds of sales and use taxes and be accompanied by a copy of
 244 the notification. A person may submit only one application for
 245 refund to the department within a 12-month period.

246 4. Administration.—

247 a. The Department of Economic Opportunity may adopt rules
 248 necessary to administer this paragraph, including rules for the
 249 approval or disapproval of proposals by a person.

250 b. The decision of the Department of Economic Opportunity
 251 must be in writing, and, if approved, the notification shall
 252 state the maximum credit allowable to the person. Upon approval,
 253 the Department of Economic Opportunity shall transmit a copy of
 254 the decision to the department.

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

260 d. The Department of Economic Opportunity shall, in
 261 consultation with the statewide and regional housing and

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262 financial intermediaries, market the availability of the
 263 community contribution tax credit program to community-based
 264 organizations.

265 5. Expiration.—This paragraph expires June 30, 2018;
 266 however, any accrued credit carryover that is unused on that
 267 date may be used until the expiration of the 3-year carryover
 268 period for such credit.

269 Section 2. Paragraph (d) of subsection (1) of section
 270 220.03, Florida Statutes, is amended to read:

271 220.03 Definitions.—

272 (1) SPECIFIC TERMS.—When used in this code, and when not
 273 otherwise distinctly expressed or manifestly incompatible with
 274 the intent thereof, the following terms shall have the following
 275 meanings:

276 (d) "Community contribution" means the grant by a business
 277 firm of any of the following items:

278 1. Cash or other liquid assets.

279 2. Real property, including ownership interests in a real
 280 property holding company. For purposes of this subparagraph, the
 281 term "real property holding company" means an entity organized
 282 under the laws of this state which:

283 a. Is wholly owned by the business firm.

284 b. Is the sole owner of real property, as defined in s.
 285 192.001(12), located in this state.

286 c. Is disregarded as an entity separate from its owner for
 287 federal income tax purposes pursuant to 26 C.F.R. s. 301.7701-
 288 3(b)(1)(ii).

289 d. At the time of contribution to an eligible sponsor, has
 290 no material assets other than the real property and any other

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291 property that qualifies as a community contribution.

292 3. Goods or inventory.

293 4. Other physical resources as identified by the
294 department.

295
296 This paragraph expires June 30, 2018.

297 Section 3. Paragraph (a) of subsection (5) of section
298 624.5105, Florida Statutes, is amended to read:

299 624.5105 Community contribution tax credit; authorization;
300 limitations; eligibility and application requirements;
301 administration; definitions; expiration.-

302 (5) DEFINITIONS.-As used in this section, the term:

303 (a) "Community contribution" means the grant by an insurer
304 of any of the following items:

305 1. Cash or other liquid assets.

306 2. Real property, including ownership interests in a real
307 property holding company. For purposes of this subparagraph, the
308 term "real property holding company" means an entity organized
309 under the laws of this state which:

310 a. Is wholly owned by the insurer;

311 b. Is the sole owner of real property, as defined in s.
312 192.001(12), located in the state;

313 c. Is disregarded as an entity separate from its owner for
314 federal income tax purposes pursuant to 26 C.F.R. s. 301.7701-
315 3(b)(1)(ii); and

316 d. At the time of contribution to an eligible sponsor, has
317 no material assets other than the real property and any other
318 property that qualifies as a community contribution.

319 3. Goods or inventory.

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320 4. Other physical resources which are identified by the
321 department.

322 Section 4. This act shall take effect July 1, 2016.

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The Florida Senate

Committee Agenda Request

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

Subject: Committee Agenda Request

Date: February 1, 2016

I respectfully request that **Senate Bill #868**, relating to Community Contribution, be placed on the:

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

A handwritten signature in black ink, appearing to read "Chris Smith", written over a horizontal line.

Senator Christopher L. Smith
Florida Senate, District 31

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/16/16

Meeting Date

868

Bill Number (if applicable)

✓

Topic Community Contribution Tax Credit

Amendment Barcode (if applicable)

Name Kelly Mallette

Job Title _____

Address 104 West Jefferson Street

Phone (850) 224-3427

Street

Tallahassee, FL 32301

Email kelly@rlbockpa.com

City

State

Zip

Speaking: For Against Information

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

Representing Offerdahl's hand-off Foundation

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.

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 1222

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

SUBJECT: Millage Rates

DATE: February 17, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Present</u>	<u>Yeatman</u>	<u>CA</u>	Fav/CS
2.	<u>Babin/Fournier</u>	<u>Diez-Arguelles</u>	<u>FT</u>	Fav/CS
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 1222 changes the maximum millage rate that counties, municipalities, special districts, or municipal service taxing units may levy without a supermajority or unanimous vote of the governing board to the millage levied in the prior year, adjusted for change in per capita Florida personal income, unless the change is negative.

The bill becomes effective on July 1, 2016.

The Revenue Estimating Conference has determined that the bill will reduce local revenues by an indeterminate amount beginning in Fiscal Year 2016-2017.

II. Present Situation:

Ad Valorem Taxation Overview

The ad valorem tax or “property tax” is an annual tax levied by counties, cities, school districts, and some special districts. The tax is based on the taxable value of property as of January 1¹ The property appraiser annually determines the “just value”² of property within the taxing authority

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.

and then applies relevant exclusions, assessment limitations, and exemptions to determine the property's "taxable value."³ The millage rate (tax rate) is applied to the taxable value to determine the amount of tax due. 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 taxes⁴ and limits the Legislature's authority to provide for property valuations at less than just value, unless expressly authorized.⁵

The Florida Constitution requires ad valorem taxation to be at a uniform rate within each taxing unit.⁶

Local governments levied approximately \$28.3 billion in ad valorem taxes in Fiscal Year 2015-16.⁷ Of the \$28.3 billion, school districts levied approximately \$12 billion in property taxes.⁸

Millage Rate Limitations

Property tax rates, or millage rates, are set by each taxing authority and vary throughout the state. Millage rates are limited by both the Florida Constitution and by general law.

Counties, Municipalities, and Schools

The Florida Constitution limits counties, municipalities, and school districts to levies of 10 mills (or one percent).⁹ By referendum, local voters may authorize counties, municipalities, and school districts to levy additional mills above the 10-mill limitation to repay bonds to finance capital projects and for other purposes for a period of no longer than two years.¹⁰ Counties providing municipal services may also levy up to an additional 10 mills above the 10-mill county limitation within those areas receiving municipal-type services.¹¹

Special Districts

Independent special district millage rates are limited by the law establishing the district and must be approved by the voters within the district. Dependent special district millage rates are included in the limitation applicable to the authority to which they are dependent. The Florida

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 FLA. CONST. art. VII, s. 4.

⁶ FLA. CONST. art. VII, s. 2.

⁷ Florida Revenue Estimating Conference, *2016 Florida Tax Handbook*, 195, available at <http://edr.state.fl.us/Content/revenues/reports/tax-handbook/taxhandbook2016.pdf> (last visited Jan. 28, 2016).

⁸ *Id.*

⁹ FLA. CONST. art. VII, s. 9. A rate of 1 mill equates to \$1 of tax per \$1,000 of taxable value, or 0.1 percent.

¹⁰ FLA. CONST. art. VII, s. 9.

¹¹ FLA. CONST. art. VII, s. 9(b); s. 125.01(1)(q), F.S...

Constitution authorizes up to an additional 1 mill to be levied for water management purposes, except in northwest Florida where the limit is 0.05 mill.¹²

The Rolled-Back Rate

Florida uses the concept of a “rolled-back rate” to alert taxpayers to ad valorem tax increases that are caused by property appreciation.¹³ The “rolled-back rate” is the tax rate that will produce the same amount of tax revenue for the current year that was produced the previous year, after excluding certain assessment roll changes.¹⁴ In an appreciating property market, the rolled-back rate is often less than the millage rate levied in the prior year. If a taxing jurisdiction levies a rate in excess of the rolled-back rate, it must advertise the tax rate as a tax increase.¹⁵

Limits on Growth of Property Tax Levies

In 2007, the Legislature enacted statutory changes¹⁶ that established a maximum millage rate and required most taxing authorities to reduce their millage rates¹⁷ Exceptions were made for certain fiscally limited governments and for certain types of activities. The legislation created a formula to determine the maximum millage rate that could be levied by a county, municipality, or special district governing board by simple majority vote. Exceeding the maximum requires an extraordinary vote of the governing board.

The maximum millage rate that most non-school taxing authorities can levy by simple majority vote is a rolled-back rate based on the amount of taxes which would have been levied in the prior year if the maximum millage rate had been applied in that year, adjusted by the change in Florida per capita personal income.¹⁸ Local governments are allowed to override the prescribed rate reductions by extraordinary votes of their governing boards or by referenda of the electorate. A higher rate may be adopted only under the following conditions:

- A rate of not more than 110 percent of the rolled-back rate based on the previous year’s maximum millage rate, adjusted for change in per capita Florida personal income, may be adopted if approved by a two-thirds vote of the membership of the governing body of the taxing authority; or
- A rate in excess of 110 percent may be adopted if approved by a unanimous vote of the membership of the governing body of the taxing authority or by a three-fourths vote of the membership of the governing body if the governing body has nine or more members, or if the rate is approved by a referendum.¹⁹

In 2015, 35 counties and 64 municipalities had potential maximum rates calculated under the current statute that were in excess of the 10-mill constitutional limit for county or municipal

¹² FLA. CONST. art. VII, s. 9.

¹³ *See generally* s. 200.065, F.S.

¹⁴ Section 200.065(1), F.S.

¹⁵ Section 200.065(3)(a) and (g), F.S.

¹⁶ Chapter 2007-321, Laws of Fla.

¹⁷ Section 200.065(5), F.S.

¹⁸ Section 200.065(5), F.S. Calculation of Florida per capita personal income is to be provided by the Office of Economic and Demographic Research, per s. 200.001(8)(i), F.S.

¹⁹ Section 200.065(5)(a), F.S.

purposes.²⁰ In the same year, of the 574 local governments subject to maximum millage rate voting requirements, 51 (8.9 percent) adopted a millage rate that required a two-thirds vote, and six (one percent) adopted a millage rate that required a unanimous vote.²¹ The remaining local governments levied a millage that required only a simple majority vote. The total taxes levied by these 574 (less one extreme outlier) were almost 27 percent below the taxes that could have been levied by a simple majority vote.²²

III. Effect of Proposed Changes:

Section 1 amends s. 200.065, F.S., to change the maximum millage rate that a taxing authority can levy to the millage rate actually levied in the prior year, adjusted for change in per capita Florida personal income, unless the change in per capita Florida personal income is negative, in which case the maximum is the rate levied in the prior year.

Section 2 provides an effective date of July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Subsection 18(b) of article VII of the Florida Constitution provides that the Legislature, except upon approval by a two-thirds vote, may not enact a general law if the anticipated effect of doing so would be to reduce the authority that counties or municipalities have to raise revenues in the aggregate. It is unclear whether the requirement for a supermajority vote to exceed the lower millage limitations resulting from this bill represents a reduction of revenue raising authority as contemplated by subsection 18(b). If the purpose of subsection 18(b) is to determine whether the amount of potential revenue available to counties and municipalities was reduced, then this bill does not reduce that potential and the requirement for a two-thirds vote is not applicable. However, if the purpose of subsection 18(b) is to look at the method for adopting a millage rate, then the provisions of this bill requiring a supermajority vote to adopt a millage rate that could currently be adopted by a majority vote may be considered a mandate requiring a two-thirds vote of the Legislature. There is no legal authority to guide the Legislature in making a determination regarding this issue.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

²⁰ Department of Revenue, 2015 Maximum Millage Compliance Reports, *available at* <http://sdrftp03.dor.state.fl.us/MaximumMillageData/MillCapComp011516.pdf> (last visited Feb. 14, 2016).

²¹ *Id.*

²² Department of Revenue, 2015 Comparison of Property Taxes Levied, *available at* <http://sdrftp03.dor.state.fl.us/MaximumMillageData/comp15.pdf> (last visited Feb. 14, 2016).

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

The Revenue Estimating Conference has not analyzed CS/CS/SB 1222.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The impact on county, municipality, and special district property taxes is indeterminate. It will be negative to the extent that some governments cannot achieve the extraordinary votes needed to exceed the lower maximum tax rates created by the bill. For some local governments, however, this bill may result in a higher maximum millage rate than is allowed under current law.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 200.065 of the Florida Statutes.

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 February 16, 2016:

The CS/CS changes the maximum millage rate that counties, municipalities, special districts, or municipal service taxing units may levy without a supermajority or unanimous vote of the governing board to the millage levied in the prior year, to the rate levied in the prior year, adjusted for change if per capita Florida personal income, unless the change is negative.

CS by Community Affairs on February 1, 2016:

Authorizes a county, municipality, dependent special district, municipal service taxing unit, or independent special district to levy the rolled back rate based on the amount of taxes actually levied in the prior year, without adjusting for a change in Florida per capita personal income, if the change in Florida per capita personal income is negative. A conforming change is also made.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.



560084

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/16/2016	.	
	.	
	.	
	.	

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

Senate Amendment

Delete lines 19 - 43
and insert:
may levy is the millage ~~a rolled-back rate based on the amount
of taxes which would have been levied in the prior year if the
maximum millage rate had been applied~~, adjusted for change in
per capita Florida personal income, unless the change in per
capita Florida personal income is negative ~~a higher rate was
adopted~~, in which case the maximum is the prior year's adopted



560084

11 rate. The maximum millage rate applicable to a county authorized
12 to levy a county public hospital surtax under s. 212.055 and
13 which did so in fiscal year 2007 shall exclude the revenues
14 required to be contributed to the county public general hospital
15 in the current fiscal year for the purposes of making the
16 maximum millage rate calculation, but shall be added back to the
17 maximum millage rate allowed after the roll back has been
18 applied, the total of which shall be considered the maximum
19 millage rate for such a county for purposes of this subsection.
20 The revenue required to be contributed to the county public
21 general hospital for the upcoming fiscal year shall be
22 calculated as 11.873 percent times the millage rate levied for
23 countywide purposes in fiscal year 2007 times 95 percent of the
24 preliminary tax roll for the upcoming fiscal year. A higher rate
25 may be adopted only under the following conditions:

26 1. A rate of not more than 110 percent of the millage
27 ~~rolled-back rate levied in the prior year based on the previous~~
28 ~~year's maximum millage rate~~, adjusted for change in per capita
29 Florida personal income, unless the change in per capita Florida
30 personal income is negative, may be adopted if

By the Committee on Community Affairs; and Senator Flores

578-02871-16

20161222c1

1 A bill to be entitled
 2 An act relating to millage rates; amending s. 200.065,
 3 F.S.; revising the maximum millage rate that a county,
 4 a municipality, a special district dependent to a
 5 county or municipality, a municipal service taxing
 6 unit, or an independent special district may levy;
 7 revising the conditions under which a higher rate may
 8 be adopted; providing an effective date.
 9
 10 Be It Enacted by the Legislature of the State of Florida:
 11
 12 Section 1. Paragraph (a) of subsection (5) of section
 13 200.065, Florida Statutes, is amended to read:
 14 200.065 Method of fixing millage.—
 15 (5) In each fiscal year:
 16 (a) The maximum millage rate that a county, municipality,
 17 special district dependent to a county or municipality,
 18 municipal service taxing unit, or independent special district
 19 may levy is a rolled-back rate based on the amount of taxes
 20 actually which would have been levied in the prior year if the
 21 maximum millage rate had been applied, adjusted for change in
 22 per capita Florida personal income, unless the change in per
 23 capita Florida personal income is negative a higher rate was
 24 adopted, in which case the maximum is the rolled-back adopted
 25 rate. The maximum millage rate applicable to a county authorized
 26 to levy a county public hospital surtax under s. 212.055 and
 27 which did so in fiscal year 2007 shall exclude the revenues
 28 required to be contributed to the county public general hospital
 29 in the current fiscal year for the purposes of making the
 30 maximum millage rate calculation, but shall be added back to the
 31 maximum millage rate allowed after the roll back has been
 32 applied, the total of which shall be considered the maximum

Page 1 of 3

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

578-02871-16

20161222c1

33 millage rate for such a county for purposes of this subsection.
 34 The revenue required to be contributed to the county public
 35 general hospital for the upcoming fiscal year shall be
 36 calculated as 11.873 percent times the millage rate levied for
 37 countywide purposes in fiscal year 2007 times 95 percent of the
 38 preliminary tax roll for the upcoming fiscal year. A higher rate
 39 may be adopted only under the following conditions:
 40 1. A rate of not more than 110 percent of the rolled-back
 41 rate based on the amount of taxes actually levied in the prior
 42 year previous year's maximum millage rate, adjusted for change
 43 in per capita Florida personal income, may be adopted if
 44 approved by a two-thirds vote of the membership of the governing
 45 body of the county, municipality, or independent district; or
 46 2. A rate in excess of 110 percent may be adopted if
 47 approved by a unanimous vote of the membership of the governing
 48 body of the county, municipality, or independent district or by
 49 a three-fourths vote of the membership of the governing body if
 50 the governing body has nine or more members, or if the rate is
 51 approved by a referendum.
 52
 53 Any unit of government operating under a home rule charter
 54 adopted pursuant to ss. 10, 11, and 24, Art. VIII of the State
 55 Constitution of 1885, as preserved by s. 6(e), Art. VIII of the
 56 State Constitution of 1968, which is granted the authority in
 57 the State Constitution to exercise all the powers conferred now
 58 or hereafter by general law upon municipalities and which
 59 exercises such powers in the unincorporated area shall be
 60 recognized as a municipality under this subsection. For a
 61 downtown development authority established before the effective

Page 2 of 3

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

578-02871-16

20161222c1

62 date of the 1968 State Constitution which has a millage that
63 must be approved by a municipality, the governing body of that
64 municipality shall be considered the governing body of the
65 downtown development authority for purposes of this subsection.

66 Section 2. This act shall take effect July 1, 2016.



The Florida Senate

Committee Agenda Request

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

Subject: Committee Agenda Request

Date: February 1, 2016

I respectfully request that **Senate Bill #1222**, relating to Millage Rates, be placed on the:

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

Anitere Flores

Senator Anitere Flores
Florida Senate, District 37

✓

THE FLORIDA SENATE
APPEARANCE RECORD

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

2 / 16 / 2016

Meeting Date

Topic _____

Bill Number 1222
(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)

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/16/16

Meeting Date

1222 ✓

Bill Number (if applicable)

Topic MILLAGE RATES

Amendment Barcode (if applicable)

Name TOOD BEN LARSON

Job Title LEGISLATIVE AFFAIRS DIRECTOR

Address 301 N. OLIVE AVE

Phone (861) 355-7451

Street

WEST PALM BEACH, FL 33401

Email tblarson@phgover.org

City

State

Zip

Speaking: For Against Information

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

Representing Palm Beach County

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)

1222

Bill Number (if applicable)

Meeting Date

Topic _____

Amendment Barcode (if applicable)

Name JESS MCCARTY

Job Title _____

Address 111 NW 1st St 2810

Phone 305-979-7110

Street

MIAMI 33128

Email JM2@MIAMIDADEF.GOV

City

State

Zip

Speaking: For Against Information

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

Representing MIAMI-DADE COUNTY

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.

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/16/2016
Meeting Date

1222
Bill Number (if applicable)

Topic Max Millage

Amendment Barcode (if applicable)

Name Amber Hughes

Job Title Senior Legislative Advocate

Address PO Box 1757
Street

Phone 850-701-3621

Tall FL 32301
City State Zip

Email ahughes@flcities.com

Speaking: For Against Information

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

Representing Florida League of Cities

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.

THE FLORIDA SENATE

APPEARANCE RECORD

✓

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

2/16/16
Meeting Date

1222
Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name DAVIN SUGGS

Job Title FISCAL POLICY DIRECTOR

Address _____
Street

Phone 850-320-2635

City _____ State _____ Zip _____

Email _____

Speaking: For Against Information

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

Representing FL ASSOCIATION OF COUNTIES

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.

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 1236

INTRODUCER: Finance and Tax Committee; Commerce and Tourism Committee; and Senator Garcia

SUBJECT: Small Business Saturday Sales Tax Holiday

DATE: February 17, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Harmsen</u>	<u>McKay</u>	<u>CM</u>	Fav/CS
2.	<u>Gross</u>	<u>Diez-Arguelles</u>	<u>FT</u>	Fav/CS
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 1236 establishes a one-day sales tax holiday on “Small Business Saturday,” November 26, 2016. During the holiday, a small business may opt not to collect state sales tax and county discretionary sales surtaxes on retail sales of tangible personal property having a sales price of \$1,000 or less per item.

The bill defines “small business” as one that:

- Has registered with the DOR;
- Began operation in Florida on or before January 11, 2016; and
- Owed and remitted less than \$200,000 in tax under ch. 212, F.S., to the DOR during either:
 - A one-year period ending on September 30, 2016, or
 - The period beginning on the date the business began operating in Florida and ending on September 30, 2016, if the business has not been in operation for the one-year period ending September 30, 2016.

The Revenue Estimating Conference determined that the bill will reduce General Revenue receipts by \$29.7 million and local government revenues by \$6.9 million in Fiscal Year 2016-2017.¹

¹ Florida Legislature, Office of Economic and Demographic Research, Revenue Estimating Conference, *Small Business Saturday Tax Holiday, CS/SB 1236*, p. 508-512, Jan. 22, 2016 Revenue Impact Results, available at <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2016/pdf/page508-512.pdf> (last visited Feb. 9, 2016).

The bill provides DOR with a nonrecurring General Revenue appropriation of \$200,000 in Fiscal Year 2016-2017 to administer the provisions of the act.

The bill takes effect July 1, 2016.

II. Present Situation:

Florida levies a six percent sales and use tax on the sale or rental of most tangible personal property, admissions², transient rentals³, rental of commercial real estate,⁴ 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. There are currently more than 200 exemptions, exclusions, deductions, and credits from the sales and use tax.⁵ Sales tax is added to the price of the taxable goods or service and collected from the purchaser at the time of sale.

In addition to the state tax, s. 212.055, F.S., authorizes counties to impose eight local discretionary sales surtaxes. 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 [ch. 212, F.S.], and on communications services as defined in ch. 202, F.S."⁶ The discretionary sales surtax is based on the tax rate imposed by the county where the taxable goods or services are sold, or delivered into.

The Florida Legislature has not previously authorized a sales and use tax exemption for items of tangible personal property purchased from a small business.

In 2010, American Express instituted a Small Business Saturday incentive for their cardholders who shopped at small, independent businesses on the Saturday after "Black Friday."⁷ The U.S. Senate passed a resolution recognizing Small Business Saturday and encouraging consumers to shop locally in 2015, but this measure was not voted on by the U.S. House of Representatives.⁸ One analyst estimated that consumers spent \$14.3 billion at small, independent businesses on Small Business Saturday in 2014.⁹

III. Effect of Proposed Changes:

The bill establishes a one-day sales tax holiday, on Saturday, November 26, 2016, to coincide with "Small Business Saturday." During the tax holiday, and at the option of the small business,

² Section 212.04, F.S.

³ Section 212.03, F.S.

⁴ Florida Dept. 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 Feb. 8, 2016).

⁵ See Office of Economic and Demographic Research, The Florida Legislature, *Florida Tax Handbook*, 164-167 (2016).

⁶ Section 212.054, F.S.

⁷ American Express, "Small Business Saturday" available at <https://www.americanexpress.com/us/content/small-business/shop-small/about/?linknav=us-open-shops-small-homepage-about> (last visited Jan. 29, 2016).

⁸ A Resolution Recognizing Small Business Saturday, S. Res. 304, 114th Cong. (2015).

⁹ Kate Rogers, "Small Business Saturday Could Exceed \$14 Billion" 11/27/2015. available at <http://www.cnbc.com/2015/11/27/small-business-saturday-could-exceed-14-billion.html>. (last visited Jan. 29, 2016).

the total sales price of taxable tangible personal property, not to exceed \$1,000 per purchaser, per small business, is exempt from the state sales tax and county discretionary sales surtaxes.

The bill defines “small business” as one that:

- Has registered with the DOR;
- Began operation in Florida on or before January 11, 2016; and
- Owed and remitted less than \$200,000 in tax under ch. 212, F.S., to the DOR during either:
 - A one-year period ending on September 30, 2016, or
 - The period beginning on the date the business began operating in Florida and ending on September 30, 2016, if the business has not been in operation for the one-year period ending September 30, 2016.

Additionally, the bill requires that businesses with multiple locations and eligible to file a consolidated return have owed and remitted less than \$200,000 for all of the business’ locations in order to be considered a small business.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Subsection (b) of s. 18, Art VII, Florida Constitution, provides, that except upon approval of each house of the Legislature by two-thirds vote of the 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, the mandates requirements do not apply to laws having an insignificant impact, which for Fiscal Year 2016-2017, is \$2.0 million or less.^{10,11}

The Revenue Estimating Conference estimated that the bill would reduce the authority that counties have to raise revenues through local option sales surtax by \$3.0 million in Fiscal Year 2016-2017.¹² Therefore, the bill may be a mandate requiring a two-thirds vote of the membership.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

¹⁰ 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*, (September 2011), available at <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115Ca.pdf> (last visited Jan. 29, 2016).

¹¹ Based on the Demographic Estimating Conference’s population adopted on December 1, 2015. The conference packet is available at <http://edr.state.fl.us/Content/conferences/population/ConferenceResults.pdf> (last visited Jan. 19, 2016).

¹² Florida Legislature, Office of Economic and Demographic Research, Revenue Estimating Conference, *Small Business Saturday Tax Holiday, CS/SB 1236*, p. 508-512, Jan. 22, 2016, Revenue Impact Results, available at <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2016/pdf/page508-512.pdf> (last visited Feb. 9, 2016).

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

The Revenue Estimating Conference determined that CS/SB 1236 will reduce General Revenue receipts by \$29.7 million and local government revenues by \$6.9 million in Fiscal Year 2016-2017.¹³

B. Private Sector Impact:

The sales tax holiday may promote retail sales at businesses that qualify under CS/CS/SB 1236.

C. Government Sector Impact:

CS/CS/SB 1236 provides DOR with a nonrecurring General Revenue appropriation of \$200,000 in Fiscal Year 2016-2017, to administer the provisions of the act. The DOR estimates that it can administer the holiday using existing resources, and that the appropriation is therefore unnecessary.¹⁴

VI. Technical Deficiencies:

None.

VII. Related Issues:

According to the DOR, small business dealers will have to maintain documentation regarding whether and how they participated in the holiday.¹⁵

VIII. Statutes Affected:

This bill creates an unnumbered section of Florida law.

¹³ Florida Legislature, Office of Economic and Demographic Research, Revenue Estimating Conference, *Small Business Saturday Tax Holiday, SB 1236*, p. 508-512 (Jan. 22, 2016) Revenue Impact Results, available at <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2016/pdf/page508-512.pdf> (last visited Feb. 9, 2016).

¹⁴ Department of Revenue, *Committee Substitute for Senate Bill 1236 Fiscal Analysis*, (Feb. 9, 2016) (on file with the Senate Committee on Finance and Tax).

¹⁵ *Id.*

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 February 16, 2016:

The CS/CS changes the dates for determining which businesses qualify for the holiday.

CS by Commerce and Tourism on February 1, 2016:

Made a technical change to comply with standard tax holiday language to reflect that the holiday would begin at 12:01 a.m., rather than 12:00 a.m.

- B. **Amendments:**

None.



434718

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/16/2016	.	
	.	
	.	
	.	

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

Senate Amendment

Delete lines 17 - 39
and insert:
registered with the Department of Revenue and began operation no
later than January 11, 2016, and that owed and remitted to the
Department of Revenue less than \$200,000 in total tax under
chapter 212, Florida Statutes, for the 1-year period ending
September 30, 2016. If the dealer has not been in operation for
a 1-year period as of September 30, 2016, the dealer must have



434718

11 owed and remitted less than \$200,000 in total tax under chapter
12 212, Florida Statutes, for the period beginning on the day that
13 the dealer began operation and ending September 30, 2016, in
14 order to qualify as a small business under this section. If the
15 dealer is eligible to file a consolidated return pursuant to s.
16 212.11(1)(e), Florida Statutes, the total tax under chapter 212,
17 Florida Statutes, owed and remitted from all of the dealer's
18 places of business must be less than \$200,000 for the applicable
19 period ending September 30, 2016.

20 (2) Subject to subsection (3), the tax levied under chapter
21 212, Florida Statutes, may not be collected by a small business
22 during the period from 12:01 a.m. on November 26, 2016, through
23 11:59 p.m. on November 26, 2016, on the retail sale, as defined
24 in s. 212.02(14), Florida Statutes, of any item of tangible
25 personal property, as defined in s. 212.02(19), Florida
26 Statutes, having a sales price of \$1,000 or less per item.

27 (3) At its option, a small business may choose not to
28 participate in the sales and use tax exemption provided in
29 subsection (2) and may collect tax on all sales made on November
30 26, 2016.

31 (4) The Department of Revenue may, and all conditions are

By the Committee on Commerce and Tourism; and Senator Garcia

577-02891-16

20161236c1

A bill to be entitled

An act relating to the Small Business Saturday sales tax holiday; defining the term "small business"; providing that the tax levied under ch. 212, F.S., is not required to be collected on the sale of items or articles of certain tangible personal property by certain small businesses during a specified period; authorizing the Department of Revenue to adopt emergency rules; providing an appropriation; providing an effective date.

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

Section 1. Small Business Saturday sales tax holiday.-

(1) As used in this section, the term "small business" means a dealer, as defined in s. 212.06, Florida Statutes, that registered with the Department of Revenue and began operations before December 31, 2015, and that owed and remitted to the Department of Revenue less than \$200,000 in total tax under chapter 212, Florida Statutes, for the 1-year period ending June 30, 2016. If the dealer has not been in operation for an entire year as of June 30, 2016, to qualify as a small business under this section, the dealer must have owed and remitted less than \$200,000 in total tax under chapter 212, Florida Statutes, for the period beginning on the date that the dealer began operations and ending June 30, 2016. If the dealer is eligible to file a consolidated return pursuant to s. 212.11(1)(e), Florida Statutes, the total tax under chapter 212, Florida Statutes, owed and remitted from all of the dealer's places of business must be less than \$200,000 for the applicable period ending June 30, 2016.

(2) A small business, at its option during the period from

Page 1 of 2

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

577-02891-16

20161236c1

12:01 a.m. on November 26, 2016, through 11:59 p.m. on November 26, 2016, is not required to collect the tax levied under chapter 212, Florida Statutes, on the sale at retail, as defined in s. 212.02(14), Florida Statutes, of any item or article of tangible personal property, as defined in s. 212.02(19), Florida Statutes, having a sales price of \$1,000 or less per item.

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

Section 2. For the 2016-2017 fiscal year, the sum of \$200,000 of nonrecurring funds is appropriated from the General Revenue Fund to the Department of Revenue for the purpose of administering this act.

Section 3. This act shall take effect July 1, 2016.

Page 2 of 2

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

The Florida Senate
State Senator René García
38th District

Please reply to:

District Office:

1490 West 68 Street
Suite # 201
Hialeah, FL 33014
Phone# (305) 364-3100

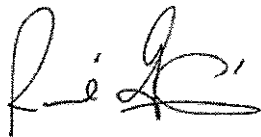
February 3rd, 2016

The Honorable Senator Dorothy Hukill
Chair, Committee on Finance and Tax
207 The Capitol
404 S. Monroe Street
Tallahassee, FL 32399-1100

Dear Senator Hukill:

Please have this letter serve as my formal request to have **SB 1236: Small Business Saturday Sales Tax Holiday**, be heard in the next possible Finance and Tax Committee Meeting. Should you have any questions or concerns, please do not hesitate to contact my office.

Sincerely,



State Senator René García
District 38
RG:AD

CC: Jose Diez-Arguelles, Lynn Wells

THE FLORIDA SENATE
APPEARANCE RECORD

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

2-16-16

Meeting Date

1236

Bill Number (if applicable)

Topic Small Business Saturday

Amendment Barcode (if applicable)

Name Tim Nungesser

Job Title Legislative Director

Address 110 E. Jefferson St.

Phone 850-445-5367

Street

Tallahassee FL 32301

City

State

Zip

Email tim.nungesser@nfib.org

Speaking: For Against Information

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

Representing NFIB

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.

THE FLORIDA SENATE
APPEARANCE RECORD

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

FEB 16

Meeting Date

1230

Bill Number (if applicable)

Topic FINANCE & TAX

Amendment Barcode (if applicable)

Name CHRISTOPHER FUMMANUEL

Job Title POLICY DIRECTOR

Address 136 S BRONOUGH

Phone 8509331223

Street

TLH

City

FL

State

32301

Zip

Email

Speaking: For Against Information

Waive Speaking: In Support Against

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

Representing FLORIDA 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.

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 1262

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

SUBJECT: Emergency Management

DATE: February 17, 2016 REVISED: _____

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

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Technical Changes

I. Summary:

CS/CS/SB 1262 provides that out-of-state businesses and employees who enter this state to perform emergency-related work during a disaster-response period are excluded from certain registration and licensing requirements and taxes.

Specifically, the bill provides that an out-of-state business performing emergency-related work or conducting operations pursuant to a mutual aid agreement during a disaster-response period is not considered to have established a level of presence that would require the business to register, file, and remit state or local taxes or fees. Such an out-of-state business would not be subject to any of the following:

- Reemployment assistance taxes;
- State or local professional or occupational licensing requirements or related fees;
- Local business taxes;
- Taxes on the operation of commercial motor vehicles;
- Corporate Income Tax; and
- Tangible personal property tax on specified equipment brought into the state by the out-of-state business.

Additionally, an out-of-state employee performing emergency-related work in this state is not required to:

- Register, file, or remit state or local taxes; and
- Comply with state or local occupational licensing requirements, or pay related fees.

An out-of-state business or out-of-state employee who remains in this state after the disaster-response period is not entitled to the exclusions provided in the bill and will be subject to the state's normal standards for establishing presence or residency or doing business in this state.

The bill also provides that 75-percent of the funds received with respect to economic and other claims pursuant to the September 2015 settlement agreement arising from the Deepwater Horizon oil spill are to fund the principal of the Recovery Fund administered by Triumph Gulf Coast, Inc.

The bill takes effect upon becoming law.

II. Present Situation:

Emergency Management

According to the Florida Division of Emergency Management (FDEM), Florida may be considered the most vulnerable state in the nation to the impacts from hurricanes, tropical storms, and tropical depressions. In addition, the state of Florida is vulnerable to numerous other types of severe weather such as tornadoes, drought, various types of flooding, and extreme temperatures, including freezes. The vulnerable geography and environment of the state combined with the subtropical climate create continuous threats from these severe weather events.¹

Florida Division of Emergency Management

The FDEM administers programs to rapidly apply all available aid to impacted communities stricken by emergency.² The FDEM is responsible for maintaining a comprehensive statewide program of emergency management to ensure that Florida is prepared to respond to emergencies, recover from them, and mitigate against their impacts. In doing so, the FDEM coordinates efforts with and among the federal government, other state agencies, local governments, school boards, and private agencies that have a role in emergency management.³

Emergency Management Powers of the Governor

The Governor is responsible for meeting the dangers presented to this state and its people by emergencies.⁴ In the event of an emergency beyond local control, the Governor, or his or her designee, may assume direct operational control over all or any part of the emergency

¹ Florida Division of Emergency Management, *The State of Florida Tropical and Non-Tropical Severe Weather Annex to the 2014 Florida Comprehensive Emergency Management Plan*, available at <http://www.floridadisaster.org/documents/CEMP/2014/2014%20Hazard%20Annexes/2014%20Tropical%20and%20Non-Tropical%20Severe%20Weather%20Annex%20to%20the%20CEMP.pdf> (last visited, Feb. 3, 2016).

² Section 14.2016, F.S.

³ Section 252.35(1), F.S.

⁴ Section 252.36(1)(a), F.S.

management functions within this state.⁵ As part of the Governor's power, he or she may by executive order or proclamation declare a state of emergency. A state of emergency has the force and effect of law and assists in the management of an emergency by activating the emergency mitigation, response, and recovery aspects of the state, local, and interjurisdictional emergency management plans applicable to the political subdivision or area in question.⁶ A state of emergency may be declared if the Governor finds that an emergency has occurred or is imminent.

Section 213.055, F.S., provides that certain actions to waive or suspend a revenue law may be implemented only when the Governor has declared a state of emergency pursuant to s. 252.36, F.S. These actions are the granting of refunds of state and local taxes on donated motor and diesel fuel in cases in which the state solicits the donation, and the extension of due dates for tax returns and payments, plus a waiver of accrued interest on taxes due prior to and during the period of the disaster.

A state of emergency may continue for no longer than 60 days unless renewed by the Governor.⁷ The Legislature by concurrent resolution may terminate a state of emergency at any time.⁸

Other States' Legislation Regarding Disaster Assistance Providers

The American Legislative Exchange Council (ALEC) and the National Conference of State Legislatures (NCSL) have approved model legislation for states to consider to address states' tax and regulatory policies that have historically slowed efforts to respond to natural disasters. The model legislation proposes that activities for repairing damage to critical communications networks and utility-related infrastructure in a state during and after an officially-declared disaster or emergency should not establish a nexus for state and local business activity tax purposes and business licensing. The NCSL Executive Committee Task Force on State and Local Taxation initially adopted this model legislation in 2011 and the ALEC Board of Directors adopted it in 2012.

A December 2011 NCSL resolution emphasizes the importance of repairing and replacing damaged infrastructure, specifically buildings, roads, communications networks, and utility lines, caused by an emergency or disaster.⁹ According to the NCSL, such damage results in an interruption of crucial civic and business services to a state's citizens and that the demand for resources to repair and replace the damaged property and infrastructure can exceed local capacity.¹⁰ In order to promptly address an interruption of service companies may need to bring in resources on a temporary basis from out-of-state, including materials, equipment, temporary shelters, and personnel to assist in the repair and restoration of the damaged infrastructure and property.¹¹

⁵ Id.

⁶ Section 252.36, F.S.

⁷ Section 252.36(2), F.S.

⁸ Id.

⁹ National Conference of State Legislatures, *NCSL Resolution on Response to Declared Disaster to Repair and Replace Damaged Infrastructure* (Dec. 2011), available at <http://www.ncsl.org/ncsl-in-dc/standing-committees/communications-financial-services-and-interstate-commerce/resolution-on-response-to-declared-disasters.aspx> (last visited Jan. 28, 2016).

¹⁰ Id.

¹¹ Id.

Twenty-two state legislatures have enacted the model legislation and it is currently effective in 21 states.¹²

State Revenue Sources Referenced in the Bill

Reemployment Assistance Taxes

Florida's Reemployment Assistance Program imposes a tax on wages paid by Florida employers to pay for unemployment benefits received by unemployed individuals. The tax imposed on the first \$7,000 of compensation paid to each employee. The tax rate varies from 0.1 percent to 5.4 percent depending upon the benefit experience of the employer.¹³

Professional and Occupational Licensing Fees

The Department of Business and Professional Regulation (DBPR) is the agency charged with licensing and regulating various businesses and professionals in this state. Many professions and occupations pay annual or biennial examination and license fees designed to cover the cost of regulation.¹⁴ Section 455.213, F.S., provides the general provisions for issuance of professional licensure by the DBPR.

There are 22 professions regulated by DBPR. Cumulatively, there are more than 450 fees associated with the regulation of these professions. The fees range from \$5 to \$2,500.¹⁵

Local Business Taxes

The local business tax is the method by which a local government grants the privilege of engaging in or managing any business, profession, and occupation within its jurisdiction. Counties and municipalities may levy a business tax, and the tax proceeds are considered general revenue for the local government. This tax does not refer to any fees or licenses paid to any board, commission, or officer for permits, registration, examination, or inspection.¹⁶

Taxes on the Operation of Commercial Motor Vehicles

Motor vehicles and mobile homes must register annually in Florida. License fees for private autos and light trucks range from \$14.50 to \$32.50 according to vehicle weight. License fees for truck tractors are based on gross vehicle weight and range from \$60.75 to \$1,322. Mobile home license fees range from \$20 to \$80 according to length, and recreational vehicle license fees are \$27 to \$47.25 depending on vehicle type and weight.¹⁷

¹² National Conference of State Legislatures, *NCSL Disaster Legislation Status Update* (Jan. 2016), available at <http://www.ncsl.org/research/telecommunications-and-information-technology/ncsl-disaster-legislation-status.aspx> (last visited Jan. 26, 2016).

¹³ Florida Revenue Estimating Conference, *2016 Florida Tax Handbook*, 150.

¹⁴ *Id.* at 147.

¹⁵ *Id.* at 148.

¹⁶ Office of Economic and Demographic Research, *2014 Local Government Financial Information Handbook, Local Business Tax* (Dec. 2014), 147.

¹⁷ *Supra* note 15, at 132.

Corporate Income Tax

Certain corporations doing business in Florida must pay a tax of 5.5 percent of income earned in Florida.

Tangible Personal Property Tax

Tangible Personal Property (TPP) means all goods, chattels, and other articles of value (excluding some vehicular items) capable of manual possession and whose chief value is intrinsic to the article itself. Inventory and household goods are excluded.¹⁸

Anyone who owns TPP on January 1 and who has a proprietorship, partnership, or corporation, or is a self-employed agent or contractor, must file a tangible personal property return with the property appraiser by April 1 of each year.¹⁹ Tangible personal property physically present in the state on or after January 1 for temporary purposes only (30 days or less) is not subject to assessment for property tax purposes.²⁰

Deepwater Horizon Oil Spill

On April 20, 2010, the Transocean offshore drilling rig known as Deepwater Horizon exploded in the Gulf of Mexico with the loss of 11 crewmembers.²¹ At the time of the explosion, the rig was under the operation of BP and anchored in the Macondo prospect approximately 45 miles southeast of the Louisiana coast. Over the next three months, an estimated 4.9 million barrels of crude oil was discharged into the Gulf of Mexico.²² As a result of the spreading oil spill in the Gulf of Mexico, a state of emergency was declared in 26 Florida counties.²³

Triumph Gulf Coast, Inc.

In 2013, the Legislature created Triumph Gulf Coast, Inc., a nonprofit corporation administratively housed within the Department of Economic Opportunity, to oversee 75 percent of all funds recovered by the Florida Attorney General for economic damages resulting from the Deepwater Horizon oil spill.²⁴ Triumph Gulf Coast must establish, hold, invest and administer a Recovery Fund²⁵ for the economic recovery, diversification, and enhancement of the eight Northwest Florida counties disproportionately affected by the oil spill. Those counties are Escambia, Santa Rosa, Okaloosa, Walton, Bay, Gulf, Franklin, and Wakulla.

¹⁸ Section 192.001(11)(d), F.S.

¹⁹ See s. 193.062, F.S.

²⁰ Section 192.03(2), F.S.

²¹ Wall Street Journal, *Rig Disaster: Timeline*, available at

<http://online.wsj.com/article/SB1000142405274870430230457521388355525958.html> (last visited Feb. 2, 2016).

²² National Incident Command and the United States Department of the Interior, *Assessment of Flow Rate Estimates for the Deepwater Horizon / Macondo Well Oil Spill*, available at <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3528583/> (last visited Feb. 2, 2016).

²³ Fla. Exec. Order Nos. 10-99, 10-100, and 10-106.

²⁴ Chapter 2013-39, Laws of Fla.

²⁵ Section 288.8012(4), F.S., defines “Recovery Fund” as a trust account established by Triumph Gulf Coast, Inc., for the benefit of disproportionately affected counties.

Triumph Gulf Coast must make awards from available earnings and principal in the trust account to projects or programs that meet the priorities of economic recovery, diversification, and enhancement of the disproportionately affected counties.²⁶

Deepwater Horizon Oil Spill Settlement

In April 2013, the Florida Attorney General filed a lawsuit against BP and Halliburton seeking reimbursement for the economic damages suffered by the State of Florida due to the oil spill. The lawsuit was later consolidated with the Multidistrict Litigation case in New Orleans.²⁷

On July 2, 2015, BP entered into an agreement-in-principle to settle governments' civil claims under the Clean Water Act, natural resources damage claims under the Oil Pollution Act, and economic damages claims of five Gulf states²⁸ and local governments. On October 5, 2015, the settlement was finalized and a Proposed Consent Decree was lodged with the U.S. District Court in New Orleans. Under the Proposed Consent Decree, BP must pay:

- \$5.5 billion, plus interest, as a civil penalty under the Clean Water Act;
- \$8.1 billion in natural resource damages, including \$1 billion BP previously committed for early restoration projects;
- \$600 million to further reimburse the governments for assessment and removal costs, lost royalties, and to resolve a False Claims Act investigation; and
- Up to \$700 million to address natural resource conditions that are presently unknown.²⁹

Separate from, but in connection to the Proposed Consent Decree, BP has agreed to pay \$4.9 billion, in total, to the five Gulf states, and up to \$1 billion to local governments to resolve economic damages claims.³⁰ The \$4.9 billion payout is divided up among the Gulf states as follows:

- Florida: \$2 billion
- Louisiana: \$1 billion
- Alabama: \$1 billion
- Mississippi: \$750 million
- Texas: \$150 million³¹

Seventy-five percent of the funds recovered for economic damages to this state are to be overseen and managed by Triumph Gulf Coast, Inc., pursuant to s. 288.8013(2), F.S.

Florida stands to receive at least a total of \$3.252 billion as a result of the BP settlement.³² The final resolution is contingent upon approval of the Proposed Consent Decree by the U.S. District

²⁶ Section 288.8017, F.S.

²⁷ Florida Office of the Attorney General, *The Office of the Attorney General's Role Regarding the Deepwater Horizon Oil Spill*, available at <http://www.myfloridalegal.com/deepwaterhorizon> (last visited Feb. 3, 2016).

²⁸ The five Gulf states affected by the Deepwater Horizon oil spill are Florida, Alabama, Mississippi, Louisiana, and Texas.

²⁹ U.S. Department of Justice, *Summary of the federal-state Consent Decree with BP Exploration & Production Inc.*, available at <http://www.justice.gov/enrd/file/780461/download> (last visited Feb. 3, 2016).

³⁰ *Id.*

³¹ Florida Office of the Attorney General, *Deepwater Horizon Oil Spill Settlement Fact Sheet – October 5, 2015*, available at [http://myfloridalegal.com/webfiles.nsf/WF/MNOS-A3HJJD/\\$file/FactSheet.pdf](http://myfloridalegal.com/webfiles.nsf/WF/MNOS-A3HJJD/$file/FactSheet.pdf) (last visited Feb. 3, 2016).

³² \$2 billion for economic damages; at least \$680 million for natural resource damages; and at least \$572 million from the Clean Water Act penalties.

Court.³³ According to the Office of the Florida Attorney General's website, the Court may hold a hearing to consider approval of the Proposed Consent Decree in March 2016.³⁴

III. Effect of Proposed Changes:

Out-of-State Businesses and Employees Performing Emergency-related Work

Section 1 of the bill amends s. 213.055, F.S., to provide that out-of-state businesses and employees who enter this state to perform emergency-related work during a disaster-response period are excluded from certain registration and licensing requirements and taxes.

The bill defines the following terms:

Disaster-response period means:

- A period that begins 10 calendar days before the first day of a declared state of emergency and ends on the 60th calendar day after the end of the declared state of emergency; or
- A period that begins on the date that an out-of-state business enters this state in good faith under a mutual aid agreement and in anticipation of or in response to a disaster or emergency, regardless of whether a state of emergency is declared, and ends on the date that the work is concluded, or seven calendar days after the out-of-state business enters this state, whichever occurs first.

Emergency-related work means repairing, renovating, installing, building, rendering services, or other business activities that relate to infrastructure that has been damaged, impaired, or destroyed by an event that has resulted in a declaration of a state of emergency; or rendering such services or performing such activities in anticipation of a disaster, regardless of whether a state of emergency is declared.

Infrastructure means public roads; public bridges; property and equipment owned or used by communication networks, electric generating systems, electric transmission and distribution systems, gas distribution systems, or water pipelines; and related support facilities that serve multiple persons which include, but are not limited to, buildings, offices, power and communication lines and poles, pipes, structures, and equipment.

Mutual aid agreement means an agreement to which one or more business entities are parties and under which a public utility, municipally owned utility, electric cooperative, or joint agency owning, operating, or owning and operating infrastructure used for electric generation, transmission, or distribution in this state may request that an out-of-state business perform work in this state in anticipation of a disaster or an emergency.

Out-of-state business means a business entity that:

- Does not have a presence in this state, except with respect to the performance of emergency-related work, and conducts no business in this state, and whose services are requested by a

³³ Supra note 34.

³⁴ Office of the Florida Attorney General, *Deepwater Horizon Response Timeline*, available at [http://myfloridalegal.com/webfiles.nsf/WF/MNOS-A3HJKP/\\$file/DWHResponseTimeline.pdf](http://myfloridalegal.com/webfiles.nsf/WF/MNOS-A3HJKP/$file/DWHResponseTimeline.pdf) (last visited Feb. 3, 2016).

registered business or by a unit of state or local government for purposes of performing emergency-related work in this state; and

- Is not registered and does not have tax filings or presence sufficient to require the collection or payment of a tax in this state during the tax year immediately before the disaster-response period. The term also includes a business entity that is affiliated with a registered business solely through common ownership.

Out-of-state employee means an employee who does not work in this state, except for emergency-related work on infrastructure during a disaster-response period.

Registered business means a business entity that is registered to do business in this state before the disaster-response period begins.

The bill provides that an out-of-state business performing emergency-related work or conducting operations pursuant to a mutual aid agreement during a disaster-response period is not considered to have established a level of presence that would require that business to register, file, and remit state or local taxes or fees. Such an out-of-state business would not be subject to any of the following:

- Reemployment assistance taxes;
- State or local professional or occupational licensing requirements or related fees;
- Local business taxes;
- Taxes on the operation of commercial motor vehicles;
- Corporate Income Tax; and
- Tangible personal property tax on specified equipment brought into the state by the out-of-state business.

Additionally, an out-of-state employee whose only employment in this state is for the performance of emergency-related work or pursuant to a mutual aid agreement during a disaster-response period is not required to:

- Register, file, or remit state or local taxes; or
- Comply with state or local occupational licensing requirements or related fees.

An out-of-state business or out-of-state employee who remains in this state after the disaster-response period is not entitled to the exclusions provided in the bill and will be subject to the state's normal standards for establishing presence or residency or doing business in this state.

Deepwater Horizon Oil Spill Economic Claims Settlement

Section 2 of the bill amends s. 288.8013, F.S., to reference a September 2015 settlement agreement between the Gulf states and BP entities relating to the Deepwater Horizon oil spill. The bill provides that the principal of the Recovery Fund administered by Triumph Gulf Coast, Inc., shall derive from 75-percent of the funds received pursuant to the September 2015 settlement agreement with respect to economic and other claims. Additionally, the bill requires moneys that account for the principal of the Recovery Fund to be transferred to the Recovery Fund no later than 30 days after they are received.

The bill takes effect upon becoming law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

Because this bill revises the law on approved activities of out-of-state businesses and employees conducting emergency-related work in this state and also revises the law governing economic damages recovered by the state resulting from the Deepwater Horizon oil spill, it may be considered to address multiple subjects. Art. III, s. 6, of the Florida Constitution, commonly known as the single-subject requirement, requires that "Every law shall embrace but one subject and matter properly connected therewith."

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Out-of-state businesses and employees who enter this state in order to perform emergency-related work may experience tax relief.

C. Government Sector Impact:

According to the Revenue Estimating Conference, CS/CS/SB 1262 has a zero or negative but indeterminate, nonrecurring fiscal impact.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill references a 2015 September settlement agreement between the Gulf states and BP. However, the settlement agreement between the Gulf states and BP was finalized in October 2015. This agreement is contingent upon the U.S. District Court's approval of the Proposed Consent Decree lodged on October 5, 2015.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 213.055 and 288.8013.

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 February 16, 2016:

The CS/CS amends s. 213.055, F.S., to clarify that the provisions of subsection (3) apply during a period before a state of emergency has been declared, while subsections (1) and (2) apply only during a declared state of emergency. The definition of “emergency-related work” is clarified to include work done in response to, as well as in anticipation of, a disaster or emergency. The CS also clarifies that “infrastructure” includes electric transmission and distribution systems, and that an “out-of-state employee” is limited to performing emergency-related work on infrastructure in this state.

CS by Military and Veterans Affairs, Space, and Domestic Security on February 1, 2016:

As it relates to out-of-state business conducting emergency-related work in this state, the CS does the following:

- Relocates the bill provisions from the State Emergency Management Act (ch. 252) to the tax chapter (ch. 213) of the Florida Statutes.
- Removes the Gross Receipts Tax from the list of taxes that do not apply to an out-of-state business.
- Changes references to “disaster-related work or emergency-related work” to strictly “emergency-related work” and refines the definition of the term.
- Removes the provision allowing the Florida Division of Emergency Management to request notification from out-of-state businesses as they enter the state to perform emergency-related work.

The CS also addresses a settlement agreement between the Gulf states and BP with respect to economic and other claims arising from the Deepwater Horizon oil spill.

- B. **Amendments:**

None.



523976

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/16/2016	.	
	.	
	.	
	.	

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

Senate Amendment

Delete lines 18 - 116

and insert:

Section 1. Section 213.055, Florida Statutes, is amended to read:

213.055 Declared emergency; waiver or suspension of specified revenue laws and other requirements. ~~The following actions to waive or suspend a revenue law may be implemented only when the Governor has declared a state of emergency~~



523976

11 ~~pursuant to s. 252.36.~~

12 (1) (a) The Governor and Cabinet may grant refunds of state
13 and local taxes on motor and diesel fuel donated during a
14 ~~declared~~ state of emergency declared pursuant to s. 252.36 for
15 official emergency use in cases in which the state solicits the
16 donation. The refunds may be implemented by a vote of the
17 majority of the Governor and Cabinet during a public meeting or
18 by a majority jointly signing a written order.

19 (b) The authorized refunds of state and local taxes on
20 motor and diesel fuel apply to taxes imposed by chapter 206.

21 (2) Notwithstanding any other provision of law, the
22 executive director of the Department of Revenue may implement
23 the following actions during a ~~declared~~ state of emergency
24 declared pursuant to s. 252.36 for those revenue sources over
25 which the department is granted administrative control pursuant
26 to s. 213.05:

27 (a) Extend the stipulated due date for tax returns and
28 accompanying tax payments; and

29 (b) Waive interest that accrues during the period of the
30 state of emergency on taxes due prior to and during the period
31 of the disaster.

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

33 1. "Disaster-response period" means:

34 a. A period that begins 10 calendar days before the first
35 day of a state of emergency declared pursuant to s. 252.36 and
36 ends on the 60th calendar day after the end of the declared
37 state of emergency; or

38 b. A period that begins on the date that an out-of-state
39 business enters this state in good faith under a mutual aid



523976

40 agreement and in anticipation of a disaster, regardless of
41 whether a state of emergency is declared, and ends on the date
42 that the work is concluded, or 7 calendar days after the out-of-
43 state business enters this state, whichever occurs first.

44 2. "Emergency-related work" means repairing, renovating,
45 installing, building, rendering services, or other business
46 activities that relate to infrastructure that has been damaged,
47 impaired, or destroyed by an event that has resulted in a
48 declaration of a state of emergency; or rendering such services
49 or performing such activities in anticipation of a disaster,
50 regardless of whether a state of emergency is declared.

51 3. "Infrastructure" means public roads; public bridges;
52 property and equipment owned or used by communication networks,
53 electric generating systems, electric transmission and
54 distribution systems, gas distribution systems, or water
55 pipelines; and related support facilities that serve multiple
56 persons which include, but are not limited to, buildings,
57 offices, power and communication lines and poles, pipes,
58 structures, and equipment.

59 4. "Mutual aid agreement" means an agreement to which two
60 or more business entities are parties and under which a public
61 utility, municipally owned utility, electric cooperative, or
62 joint agency owning, operating, or owning and operating
63 infrastructure used for electric generation, transmission, or
64 distribution in this state may request that an out-of-state
65 business perform work in this state in anticipation of a
66 disaster or an emergency.

67 5. "Out-of-state business" means a business entity that:
68 a. Does not have a presence in this state, except with



523976

69 respect to the performance of emergency-related work, and
70 conducts no business in this state, and whose services are
71 requested by a registered business or by a unit of state or
72 local government for purposes of performing emergency-related
73 work in this state; and

74 b. Is not registered and does not have tax filings or
75 presence sufficient to require the collection or payment of a
76 tax in this state during the tax year immediately before the
77 disaster-response period. The term also includes a business
78 entity that is affiliated with a registered business solely
79 through common ownership.

80 6. "Out-of-state employee" means an employee who does not
81 work in this state, except for emergency-related work on
82 infrastructure during a disaster-response period.

83 7. "Registered business" means a business entity that is
84 registered to do business in this state before the disaster-
85 response period begins.

86 (b)1. Notwithstanding any other law, an out-of-state
87 business that is conducting operations within this state during
88 a disaster-response period solely for purposes of performing
89 emergency-related work or pursuant to a mutual aid agreement is
90 not considered to have established a level of presence that
91 would require that business to register, file, and remit state
92 or local taxes or fees or require that business to be subject to
93 any registration, licensing, or filing requirements in this
94 state. For purposes of any state or local tax on or measured, in
95 whole or in part, by net or gross income or receipts, the
96 activity of the out-of-state business conducted in this state
97 during the disaster-response period must be disregarded with



523976

98 respect to any filing requirements for such tax, including the
99 filing required for a consolidated group of which the out-of-
100 state business may be a part. This includes the following:

101 a. Reemployment assistance taxes.

102 b. State or local professional or occupational licensing
103 requirements or related fees.

104 c. Local business taxes.

105 d. Taxes on the operation of commercial motor vehicles.

106 e. Corporate income tax.

107 f. Tangible personal property tax and use tax on equipment
108 that is brought into the state by the out-of-state business,
109 used by the out-of-state business only to perform emergency-
110 related work during the disaster-response period, and removed
111 from the state by the out-of-state business following the
112 disaster-response period.

113 2. Notwithstanding any other law, an out-of-state employee
114 whose only employment in this state is for the performance of
115 emergency-related work or pursuant to a mutual aid agreement
116 during a disaster-response period is not required to comply with
117 state or local occupational licensing requirements or related
118 fees.

119 (c) An out-of-state business or out-of-state employee who
120 remains in this state after the disaster-response period is not
121 entitled to the privileges provided in this subsection for
122 activities performed after the disaster-response period ends and
123 is subject to the state's normal standards for establishing
124 presence or residency or for doing business in the state.



429926

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/16/2016	.	
	.	
	.	
	.	

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

Senate Amendment to Amendment (523976)

Delete lines 40 - 49
and insert:
agreement and in anticipation of a disaster or an emergency,
regardless of whether a state of emergency is declared, and ends
on the date that the work is concluded, or 7 calendar days after
the out-of-state business enters this state, whichever occurs
first.

2. "Emergency-related work" means repairing, renovating,



429926

11 installing, building, rendering services, or other business
12 activities that relate to infrastructure that has been damaged,
13 impaired, or destroyed by an event that has resulted in a
14 declaration of a state of emergency; or rendering such services
15 or performing such activities in anticipation of or in response
16 to a disaster or an emergency,

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

583-02862-16

20161262c1

A bill to be entitled

An act relating to emergency management; amending s. 213.055, F.S.; defining terms; providing that out-of-state businesses and employees who enter the state in response to a disaster or an emergency are excluded from certain registration and licensing requirements and taxes; specifying the obligations of an out-of-state business or employee after the disaster-response period; amending s. 288.8013, F.S.; revising the source of the principal for the Recovery Fund administered by Triumph Gulf Coast, Inc.; providing that moneys accounting for the principal of the fund must be transferred to the Recovery Fund within a specified timeframe; providing an effective date.

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

Section 1. Subsection (3) is added to section 213.055, Florida Statutes, to read:

213.055 Declared emergency; waiver or suspension of specified revenue laws.—The following actions to waive or suspend a revenue law may be implemented only when the Governor has declared a state of emergency pursuant to s. 252.36.

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

1. "Disaster-response period" means:

a. A period that begins 10 calendar days before the first day of a declared state of emergency and ends on the 60th calendar day after the end of the declared state of emergency;

or
b. A period that begins on the date that an out-of-state business enters this state in good faith under a mutual aid

Page 1 of 5

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

583-02862-16

20161262c1

agreement and in anticipation of a disaster, regardless of whether a state of emergency is declared, and ends on the date that the work is concluded, or 7 calendar days after the out-of-state business enters this state, whichever occurs first.

2. "Emergency-related work" means repairing, renovating, installing, building, rendering services, or other business activities that relate to infrastructure that has been damaged, impaired, or destroyed by an event that has resulted in a declaration of a state of emergency; or rendering such services or performing such activities in anticipation of a disaster, regardless of whether a state of emergency is declared.

3. "Infrastructure" means public roads; public bridges; property and equipment owned or used by communication networks, electric generating systems, transmission and distribution systems, gas distribution systems, or water pipelines; and related support facilities that serve multiple persons which include, but are not limited to, buildings, offices, power and communication lines and poles, pipes, structures, and equipment.

4. "Mutual aid agreement" means an agreement to which one or more business entities are parties and under which a public utility, municipally owned utility, electric cooperative, or joint agency owning, operating, or owning and operating infrastructure used for electric generation, transmission, or distribution in this state may request that an out-of-state business perform work in this state in anticipation of a disaster or an emergency.

5. "Out-of-state business" means a business entity that:

a. Does not have a presence in this state, except with respect to the performance of emergency-related work, and

Page 2 of 5

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

583-02862-16

20161262c1

61 conducts no business in this state, and whose services are
 62 requested by a registered business or by a unit of state or
 63 local government for purposes of performing emergency-related
 64 work in this state; and

65 b. Is not registered and does not have tax filings or
 66 presence sufficient to require the collection or payment of a
 67 tax in this state during the tax year immediately before the
 68 disaster-response period. The term also includes a business
 69 entity that is affiliated with a registered business solely
 70 through common ownership.

71 6. "Out-of-state employee" means an employee who does not
 72 work in this state, except for emergency-related work during a
 73 disaster-response period.

74 7. "Registered business" means a business entity that is
 75 registered to do business in this state before the disaster-
 76 response period begins.

77 (b)1. Notwithstanding any other law, an out-of-state
 78 business that is conducting operations within this state during
 79 a disaster-response period solely for purposes of performing
 80 emergency-related work or pursuant to a mutual aid agreement is
 81 not considered to have established a level of presence that
 82 would require that business to register, file, and remit state
 83 or local taxes or fees or require that business to be subject to
 84 any registration, licensing, or filing requirements in this
 85 state. For purposes of any state or local tax on or measured, in
 86 whole or in part, by net or gross income or receipts, the
 87 activity of the out-of-state business conducted in this state
 88 during the disaster-response period must be disregarded with
 89 respect to any filing requirements for such tax, including the

Page 3 of 5

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

583-02862-16

20161262c1

90 filing required for a consolidated group of which the out-of-
 91 state business may be a part. This includes the following:

92 a. Reemployment assistance taxes.

93 b. State or local professional or occupational licensing
 94 requirements or related fees.

95 c. Local business taxes.

96 d. Taxes on the operation of commercial motor vehicles.

97 e. Corporate income tax.

98 f. Tangible personal property tax and use tax on equipment
 99 that is brought into the state by the out-of-state business,
 100 used by the out-of-state business only to perform emergency-
 101 related work during the disaster-response period, and removed
 102 from the state by the out-of-state business following the
 103 disaster-response period.

104 2. Notwithstanding any other law, an out-of-state employee
 105 whose only employment in this state is for the performance of
 106 emergency-related work or pursuant to a mutual aid agreement
 107 during a disaster-response period is not required to:

108 a. Register, file, or remit state or local taxes.

109 b. Comply with state or local occupational licensing
 110 requirements or related fees.

111 (c) An out-of-state business or out-of-state employee who
 112 remains in this state after the disaster-response period is not
 113 entitled to the provisions of this subsection for activities
 114 performed after the disaster-response period ends and is subject
 115 to the state's normal standards for establishing presence or
 116 residency or doing business in the state.

117 Section 2. Subsection (2) of section 288.8013, Florida
 118 Statutes, is amended to read:

Page 4 of 5

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

583-02862-16

20161262c1

119 288.8013 Triumph Gulf Coast, Inc.; Recovery Fund; creation;
120 investment.-

121 (2) Triumph Gulf Coast, Inc., must create and administer
122 the Recovery Fund for the benefit of the disproportionately
123 affected counties. The principal of the fund shall derive from
124 75 percent of all funds received by the state pursuant to the
125 September 2015 settlement agreement between the gulf states and
126 the BP entities with respect to economic and other claims
127 arising from the Deepwater Horizon oil spill recovered by the
128 Attorney General for economic damage to the state resulting from
129 the Deepwater Horizon disaster, after payment of reasonable and
130 necessary attorney fees, costs, and expenses, including such
131 attorney fees, costs, and expenses pursuant to s. 16.0155.
132 Moneys that account for the principal of the Recovery Fund shall
133 be transferred to the Recovery Fund no later than 30 days after
134 they are received.

135 Section 3. This act shall take effect upon becoming a law.

APPEARANCE RECORD

2.16.16

Meeting Date

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

1242 ✓

Bill Number (if applicable)

Topic Emergency Management

Amendment Barcode (if applicable)

Name Sarah Busk

Job Title _____

Address 215 S. Monroe #602

Phone 850.222.8700

Street
TLH FL 32301
City State Zip

Email sjb@cardenaspartners.com

Speaking: For Against Information

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

Representing Associated Industries of Florida

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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✓

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/16/16

Meeting Date

1262

Bill Number (if applicable)

Topic Emergency Management

Amendment Barcode (if applicable)

Name Jim Smith

Job Title Director Government Affairs

Address 315 South Calhoun Street, Suite 500

Phone 850-212-5901

Street

Tallahassee

FL

32301

Email James.Smith@centurylink.com

City

State

Zip

Speaking: For Against Information

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

Representing CenturyLink

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

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

2/16/16
Meeting Date

1262 ✓
Bill Number (if applicable)

Topic Emergency Management

Amendment Barcode (if applicable)

Name CASEY REED

Job Title State Director - Leg Affairs

Address 150 E. College Ave #400 Phone (850) 591-6002

Street
Tallahassee FL 32301
City State Zip

Email CR8243@ATT.com

Speaking: For Against Information

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

Representing AT&T

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.

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: SB 1664

INTRODUCER: Senator Stargel

SUBJECT: Special Assessments on Agricultural Lands

DATE: February 14, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Present</u>	<u>Yeatman</u>	<u>CA</u>	Favorable
2.	<u>Babin</u>	<u>Diez-Arguelles</u>	<u>FT</u>	Favorable
3.	_____	_____	<u>FP</u>	_____

I. Summary:

SB 1664 prohibits counties and municipalities from levying or collecting special assessments for fire protection services on agricultural lands.

SB 1664 is effective July 1, 2016.

The Revenue Estimating Conference has determined that SB 1664 will reduce local non-ad valorem revenues by \$6.9 million in Fiscal Year 2016-2017, with a \$6.9 million recurring reduction.

II. Present Situation:

Agricultural Property Classification

Section 193.461, F.S., provides that each county's property appraiser shall, for assessment purposes on an annual basis, classify all lands within a county as agricultural or nonagricultural. For land to be classified as agricultural, it must be used "primarily for bona fide agricultural purposes."¹ The term "bona fide agricultural purposes" means good faith commercial agricultural use of the land.² In determining whether the use of the land for agricultural purposes is bona fide, the following factors may be taken into consideration:

- The length of time the land has been so used.
- Whether the use has been continuous.
- The purchase price paid.
- Size, as it relates to specific agricultural use, but a minimum acreage may not be required for agricultural assessment.

¹ Section 193.461(3)(b), F.S.

² *Id.*

- Whether an indicated effort has been made to care sufficiently and adequately for the land in accordance with accepted commercial agricultural practices, including, without limitation, fertilizing, liming, tilling, mowing, reforestation, and other accepted agricultural practices.
- Whether the land is under lease and, if so, the effective length, terms, and conditions of the lease.
- Such other factors as may become applicable.³

Agricultural purposes include, but are not limited to: horticulture; floriculture; viticulture; forestry; dairy; livestock; poultry; bee; pisciculture, when the land is used principally for the production of tropical fish; aquaculture, including algaculture; sod farming; and all forms of farm products and farm production.⁴

Property appraisers are required to reclassify lands as nonagricultural when they are diverted from an agricultural to a nonagricultural use or no longer utilized for agricultural purposes.⁵

Revenue Sources Based on Home Rule Authority

The Florida Constitution provides local governments with expansive home rule powers. Given these powers, local governments may impose proprietary fees, regulatory fees, and special assessments to pay the cost of providing a facility or service or regulating an activity. The validity of these fees and assessments depends on requirements established in Florida case law.⁶

Special Assessments

Counties and municipalities utilize special assessments as a home rule revenue source to fund certain services and to construct and maintain capital facilities. Section 125.01(1)(r), F.S., authorizes the levy of special assessments for county government. Chapter 170, F.S., authorizes the levy of special assessments by municipal governments. Section 125.271, F.S., authorizes the levy of special assessments by county emergency medical services. Special districts derive their authority to levy special assessments through general law or the special act creating the district.⁷

As established by case law, two requirements exist for the imposition of a valid special assessment: 1) the property assessed must derive a special benefit from the improvement or service provided; and 2) the assessment must be fairly and reasonably apportioned among the properties that receive the special benefit.⁸

The test to be applied in evaluating whether a special benefit is conferred on property by the provision of a service is whether there is a “logical relationship” between the services provided and the benefit to real property.⁹ Many assessed services and improvements have been upheld as

³ *Id.*

⁴ Section 193.461(5), F.S.

⁵ Section 193.461(4), F.S.

⁶ See Office of Economic and Demographic Research, *Local Government Financial Information Handbook*, at pgs. 9-16 (Dec. 2015) available at <http://www.edr.state.fl.us/Content/local-government/reports/lgfih15.pdf> (last visited: Feb. 9, , 2015).

⁷ For example, s. 153.73, F.S., for county water and sewer districts; s. 163.514, F.S., for neighborhood improvement districts; s. 190.021, F.S., for community development districts; and s. 191.009, F.S., for independent special fire control districts.

⁸ See *City of Boca Raton v. State*, 595 So.2d 25, 29 (Fla. 1992).

⁹ *Whisnant v. Stringfellow*, 50 So.2d 885 (Fla. 1951) (citing *Crowder v. Phillips*, 146 Fla. 428 (Fla. 1941)).

providing the requisite special benefit. Such services and improvements include: garbage disposal,¹⁰ fire protection,¹¹ fire and rescue services,¹² and stormwater management services.¹³

Once an identified service or capital facility satisfies the special benefit test, the assessed amount is required to be fairly apportioned among the benefited properties in a manner consistent with the logical relationship embodied in the special benefit requirement.

Special assessments may be collected on an annual ad valorem tax bill.¹⁴

III. Effect of Proposed Changes:

Section 1 amends s. 125.01, F.S., to prohibit a county from levying or collecting special assessments for the provision of fire protection services on lands classified as agricultural lands under s. 193.461, F.S.

Section 2 amends s. 170.01, F.S., to prohibit a municipality from levying or collecting special assessments for the provision of fire protection services on lands classified as agricultural lands under s. 193.461, F.S.

Section 3 provides an effective date of July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

This bill reduces the authority of counties and municipalities to raise revenues because it eliminates their ability to levy or collect special assessments for the provision of fire protection services on agricultural lands. Article VII, section 18(b) of the Florida Constitution requires a two-thirds vote of the membership of each house of the Legislature in order to enact a general law that reduces the authority of municipalities and counties to raise revenues in the aggregate. Article VII, section 18(d) of the Florida Constitution provides an exemption if the law is determined to have an insignificant fiscal impact, which for Fiscal Year 2016-2017, is \$2 million or less.^{15,16} Because the bill is estimated to reduce county and municipal revenues by more than an insignificant amount, the bill may require a two-thirds vote of the membership.

¹⁰ *Harris v. Wilson*, 693 So.2d 945 (Fla 1997).

¹¹ *South Trail Fire Control Dist., Sarasota County v. State*, 273 So.2d 380 (Fla. 1973).

¹² *Lake County v. Water Oak Mgmt. Corp.*, 695 So.2d 667 (Fla. 1997).

¹³ *Sarasota County v. Sarasota Church of Christ*, 667 So.2d 180 (Fla. 1995).

¹⁴ See s. 197.3632(1)(d), F.S.

¹⁵ 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*, (September 2011), available at <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Feb. 14, 2016).

¹⁶ Based on the Demographic Estimating Conference's population adopted on December 1, 2015. The conference packet is available at <http://edr.state.fl.us/Content/conferences/population/ConferenceResults.pdf> (last visited Feb. 14, 2016).

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 determined that SB 1664 will reduce local non-ad valorem revenues by \$6.9 million in Fiscal Year 2016-2017, with a \$6.9 million recurring reduction.

B. Private Sector Impact:

Owners of certain agricultural lands will benefit to the extent that they will not have to pay a special assessment for fire protection services that may have otherwise been levied by a county or a municipality.

C. Government Sector Impact:

SB 1664 will eliminate the ability of counties and municipalities to collect special assessments for the provision of fire protection services on agricultural lands.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 125.01 and 170.01.

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

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

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By Senator Stargel

15-01265-16

20161664__

1 A bill to be entitled
 2 An act relating to special assessments on agricultural
 3 lands; amending ss. 125.01 and 170.01, F.S.;
 4 prohibiting counties and municipalities from levying
 5 or collecting special assessments on certain
 6 agricultural lands for the provision of fire
 7 protection services; providing an effective date.
 8
 9 Be It Enacted by the Legislature of the State of Florida:
 10
 11 Section 1. Paragraph (r) of subsection (1) of section
 12 125.01, Florida Statutes, is amended to read:
 13 125.01 Powers and duties.—
 14 (1) The legislative and governing body of a county shall
 15 have the power to carry on county government. To the extent not
 16 inconsistent with general or special law, this power includes,
 17 but is not restricted to, the power to:
 18 (r) Levy and collect taxes, both for county purposes and
 19 for the providing of municipal services within any municipal
 20 service taxing unit, and special assessments; borrow and expend
 21 money; and issue bonds, revenue certificates, and other
 22 obligations of indebtedness, which power shall be exercised in
 23 such manner, and subject to such limitations, as may be provided
 24 by general law. There shall be no referendum required for the
 25 levy by a county of ad valorem taxes, both for county purposes
 26 and for the providing of municipal services within any municipal
 27 service taxing unit. Notwithstanding any other provision of law,
 28 a county may not levy or collect special assessments for the
 29 provision of fire protection services on lands classified as
 30 agricultural lands under s. 193.461.
 31 Section 2. Subsection (4) is added to section 170.01,
 32 Florida Statutes, to read:

Page 1 of 2

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

15-01265-16 20161664__
 33 170.01 Authority for providing improvements and levying and
 34 collecting special assessments against property benefited.—
 35 (4) Notwithstanding any other provision of law, a
 36 municipality may not levy or collect special assessments for the
 37 provision of fire protection services on lands classified as
 38 agricultural lands under s. 193.461.
 39 Section 3. This act shall take effect July 1, 2016.

Page 2 of 2

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



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

February 4, 2016

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 1664, related to *Special Assessments on Agricultural Lands*, 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".

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

APPEARANCE RECORD

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

2-16-16

Meeting Date

1664

Bill Number (if applicable)

Topic Special Assessments

Amendment Barcode (if applicable)

Name Rebecca O'Hara

Job Title

Address 433 Magnolia Dr

Phone 339 6211

Tallahassee FL 32303

Email rao@theriaquoelaw.com

Speaking: For [] Against [x] Information []

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

Representing Fla League of Cities

Appearing at request of Chair: Yes [] No [x]

Lobbyist registered with Legislature: Yes [x] 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.

APPEARANCE RECORD

2/16/16

Meeting Date

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

1664

Bill Number (if applicable)

Topic Special Assessments on Ag Lands

Amendment Barcode (if applicable)

Name Adam Basford

Job Title Dir. Legislative Affairs

Address 315 S Calhoun #850

Phone 222 2557

Street

Tallahassee

FL

State

32301

Zip

Email adam.basford

@FFBA.org

Speaking: For Against Information

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

Representing Florida Farm Bureau

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.

APPEARANCE RECORD

✓

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

2/16/16
Meeting Date

SB 1664
Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Butch Calhoun

Job Title _____

Address 119 S. Monroe, Suite 300
Street
Tallahassee FL 32301
City State Zip

Phone 521-0455

Email _____

Speaking: For Against Information

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

Representing Florida Fruit & Vegetable 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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THE FLORIDA SENATE

APPEARANCE RECORD



2/16/16

Meeting Date

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

1664

Bill Number (if applicable)

Topic SPECIAL ASSESSMENTS

Amendment Barcode (if applicable)

Name STEPHEN JAMES

Job Title

Address 100 S. MONROE

Phone (850) 922-4300

Street

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 FLA. ASSOC. OF COUNTIES

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.

THE FLORIDA SENATE

APPEARANCE RECORD

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

2/16/2016

Meeting Date

Topic _____

Bill Number 1664

(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

E-mail JUSTICE2JESUS@YAHOO.COM

City

State

Zip

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.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Military and Veterans Affairs, Space, and Domestic Security, *Chair*
Children, Families, and Elder Affairs, *Vice-Chair*
Appropriations
Appropriations Subcommittee on General Government
Environmental Preservation and Conservation
Finance and Tax

SENATOR THAD ALTMAN

16th District

February 16, 2016

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

Dear Madame Chair Hukill,

Senate Bill 696, related to *Tax on Sales of Aircraft* on the Finance and Tax agenda today, February 16, 2016. I am unfortunately unable to attend this meeting to present the bill due to unforeseen circumstances.

I respectfully request that you recognize Representative Charles Van Zandt present SB 696 on my behalf. Contact me should you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Thad Altman".

Thad Altman

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

TA/dw

A handwritten signature in cursive script that reads "Dorothy Hukill".

REPLY TO:

- 8710 Astronaut Blvd, Cape Canaveral, FL 32920 (321) 752-3138
- 314 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5016

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore

CourtSmart Tag Report

Room: SB 401

Case:

Type:

Caption: Senate Finance and Tax Committee Judge:

Started: 2/16/2016 10:15:22 AM

Ends: 2/16/2016 11:24:44 AM Length: 01:09:23

10:15:24 AM Meeting called to order
10:15:59 AM Tab 5 - CS/SB 1236
10:16:11 AM Sen. Garcia
10:18:01 AM AM 434718
10:18:03 AM Sen. Garcia
10:18:34 AM CS/SB 1236 (cont.)
10:18:45 AM Tim Nungesser, Legislative Director, National Federation of Independent Business (waives in support)
10:18:49 AM Christopher Emmanuel, Policy Director, Florida Chamber of Commerce (waives in support)
10:19:11 AM Roll Call - CS/CS/SB 1236
10:19:40 AM Tab 1 - SB 696
10:19:50 AM Rep. Van Zant
10:23:30 AM AM 599852
10:23:36 AM Rep. Van Zant
10:24:24 AM SB 696 (cont.)
10:24:34 AM Bob Showalter, Retired Chairman, Showalter Flying SVC, Florida Aviation Business Association
10:27:15 AM Steve Hedges, Southern Regional Manager, Aircraft Owners and Pilots Association
10:29:14 AM Heather Turnbull, Embraer (waives in support)
10:29:43 AM Brian Pitts, Trustee, Justice-2-Jesus
10:32:11 AM Rep. Van Zant
10:32:47 AM Roll Call - CS/SB 696
10:33:07 AM Tab 7 - SB 1664
10:33:18 AM Sen. Stargel
10:33:45 AM Rebecca O'Hara, Florida League of Cities
10:34:28 AM Adam Basford, Director Legislative Affairs, Florida Farm Bureau (waives in support)
10:34:31 AM Butch Calhoun, Florida Fruit and Vegetable Association (waives in support)
10:34:39 AM Stephen James, Florida Association of Counties
10:35:13 AM Sen. Diaz de la Portilla
10:35:25 AM S. James
10:36:16 AM Sen. Diaz de la Portilla
10:36:50 AM S. James
10:37:06 AM Brian Pitts, Trustee, Justice-2-Jesus
10:40:16 AM Sen. Diaz de la Portilla
10:41:27 AM Sen. Soto
10:42:14 AM Sen. Stargel
10:42:54 AM Roll Call - SB 1664
10:43:12 AM Tab 3 - SB 868
10:43:24 AM Sen. Smith
10:44:12 AM AM 962228
10:44:26 AM Sen. Smith
10:44:47 AM SB 868 (cont.)
10:45:00 AM Kelly Mallette, Offerdahl's Hand-Off Foundation (waives in support)
10:45:50 AM Roll Call - CS/SB 868
10:46:14 AM Tab 6 - CS/SB 1262
10:46:22 AM Sen. Simpson
10:47:04 AM AM 523976
10:47:13 AM Sen. Simpson
10:47:58 AM AA 429926
10:48:09 AM Sen. Simpson
10:48:46 AM AM 523976 (cont.)
10:48:50 AM CS/SB 1262 (cont.)
10:49:04 AM Casey Reed, State Director Legislative Affairs, AT&T (waives in support)
10:49:08 AM Jim Smith, Director Government Affairs, CenturyLink (waives in support)

10:49:14 AM Sarah Busk, Associated Industries of Florida (waives in support)
10:49:33 AM Roll Call - CS/CS/SB 1262
10:49:58 AM Sen. Simpson - motion to be voting in the affirmative for CS/SB 696
10:50:06 AM Sen. Abruzzo - motion to be voting in the affirmative for CS/SB 696 and CS/CS/SB 1236
10:50:20 AM Tab 2 - SB 766
10:50:27 AM Sen. Flores
10:51:33 AM AM 193148
10:51:40 AM Sen. Flores
10:53:48 AM SB 766 (cont.)
10:53:56 AM Jess McCarty, Miami-Dade County (waives in support)
10:54:01 AM Loren Levy, General Counsel, Property Appraisers Association of Florida (waives in support)
10:54:08 AM Amber Hughes, Senior Legislative Advocate, Florida League of Cities (waives in support)
10:54:22 AM Davin Suggs, Fiscal Policy Director, Florida Association of Counties (waives in support)
10:54:32 AM Diana Ragbeer, Director Public Policy, The Children's Trust (waives in support)
10:54:38 AM Jessica Scher, Director Public Policy, United Way of Miami-Dade (waives in support)
10:54:50 AM Iraida Mendez-Cartaya, Associate Superintendent, School Board of Miami-Dade (waives in support)
10:54:56 AM Antonio Davis, Homeless Veteran
10:58:33 AM Alberto Carvalho, Superintendent, School Board of Miami-Dade
10:59:48 AM Brian Pitts, Trustee, Justice-2-Jesus
11:03:56 AM Martha Cleaver, Governmental Consultant, Florida Association of Property Appraisers (waives in support)
11:04:00 AM Raquel Regalado, Member, School Board of Miami-Dade
11:05:32 AM Sen. Diaz de la Portilla
11:06:27 AM Sen. Flores
11:06:45 AM Roll Call - CS/SB 766
11:07:01 AM Tab 4 - CS/SB 1222
11:07:07 AM Sen. Flores
11:08:09 AM AM 560084
11:08:13 AM Sen. Flores
11:08:55 AM Sen. Diaz de la Portilla
11:09:01 AM Sen. Flores
11:09:48 AM CS/SB 1222 (cont.)
11:09:56 AM Davin Suggs, Fiscal Policy Director, Florida Association of Counties
11:15:52 AM Amber Hughes, Senior Legislative Advocate, Florida League of Cities
11:18:58 AM Jess McCarty, Miami-Dade County
11:19:59 AM Todd Bon Larron, Legislative Affairs Director, Palm Beach County (waives in opposition)
11:20:10 AM Brian Pitts, Trustee, Justice-2-Jesus
11:23:50 AM Sen. Flores
11:24:03 AM Roll Call - CS/CS/SB 1222
11:24:34 AM Meeting adjourned