The Florida Senate

COMMITTEE MEETING EXPANDED AGENDA

COMMUNICATIONS, ENERGY, AND PUBLIC UTILITIES
Senator Gardiner, Chair
Senator Smith, Vice Chair

MEETING DATE: Monday, November 14, 2011
TIME: 1:30 —3:30 p.m.
PLACE: *Toni Jennings Committee Room,* 110 Senate Office Building

MEMBERS: Senator Gardiner, Chair; Senator Smith, Vice Chair; Senators Altman, Benacquisto, Bogdanoff, Braynon, Diaz de la Portilla, Evers, Fasano, Flores, Joyner, Lynn, Margolis, Negron, and Sachs

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	**CS/SB 156** Community Affairs / Latvala (Similar H 133)	Assessment of Residential and Nonhomestead Real Property; Excluding the value of certain improvements from the assessed value of residential real property; specifying a limitation on the assessed value of residential real property; providing for application of the assessment limitations; requiring a nonrefundable filing fee for a petition to the value adjustment board; specifying additional exceptions to the assessment of homestead property at just value; specifying additional exceptions to assessment of nonhomestead property at just value; providing for the continuity and apportionment of assessment limitations on combined and divided parcels; repealing provisions relating to the property tax exemption for renewable energy source devices, etc. CA 10/19/2011 Fav/CS CU 11/14/2011 Favorable BC	Favorable Yeas 10 Nays 0
2	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 Communications, Energy, and Public Utilities Committee

BILL: CS/SB 156

INTRODUCER: Community Affairs Committee and Senator Latvala

SUBJECT: Assessment of Residential and Nonhomestead Real Property

DATE: November 2, 2011 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Toman	Yeatman	CA	**Fav/CS**
2.	Wiehle	Carter	CU	**Favorable**
3.			BC	
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE.....	X	Statement of Substantial Changes
B. AMENDMENTS.....		Technical amendments were recommended
		Amendments were recommended
		Significant amendments were recommended

I. Summary:

In the November 2008 General Election, Florida voters approved a constitutional amendment placed on the ballot by the Taxation and Budget Reform Commission. This amendment added the following language to article VII, section 4 of the Florida Constitution:

(i) The legislature, by general law and subject to conditions specified therein, may prohibit the consideration of the following in the determination of the assessed value of real property used for residential purposes:
(1) Any change or improvement made for the purpose of improving the property's resistance to wind damage.
(2) The installation of a renewable energy source device.[1]

The amendment also repealed then-existing constitutional authority for the Legislature to grant an ad valorem tax exemption to a renewable energy source device and to real property on which such a device is installed and operated.

[1] FLA. CONST. art. VII, s. 4.

The bill implements the 2008 Constitutional Amendment. Specifically, the bill defines "changes or improvements made for the purpose of improving a property's resistance to wind damage" and "renewable energy source devices." It provides that, in determining the assessed value of real property used for residential purposes, the property appraiser may not consider the just value of changes or improvements made for the purpose of improving a property's resistance to wind damage or the installation and operation of a renewable energy source device. The bill specifies that these provisions apply to both new and existing construction used for residential purposes.

The bill also clarifies the meaning of "placed on the tax roll" and "combining and dividing parcels" as they relate to the 10 percent limitation on assessed value of nonhomestead property resulting from a reassessment.

The bill appears to reduce the tax base upon which counties and municipalities raise ad valorem revenue, thereby reducing their revenue-raising authority, and may require a two-thirds vote of the membership of each house of the Legislature.

The bill substantially amends the following sections of the Florida Statutes: 193.155, 193.1554, 193.1555, 196.012, 196.121, and 196.1995. It also creates section 193.624, F.S., and repeals section 196.175, F.S.

II. Present Situation:

Article VII, section 4 of the Florida Constitution, requires that all property be assessed at just value for ad valorem tax purposes. Just value has been interpreted by the courts to mean fair market value, or what a willing buyer would pay a willing seller for the property in an arm's length transaction.[2] Section 193.011, F.S., requires property appraisers to consider eight factors in determining the property's just valuation.[3]

Exceptions to the just valuation requirement exist for agricultural land, land producing high water recharge to Florida's aquifers, and land used exclusively for noncommercial recreational purposes. Each of these property categories may be assessed solely on the basis of their character or use.[4] Tangible personal property that is held as inventory may be assessed at a specified percentage of its value or may be totally exempted.[5] The State Constitution also limits the amount by which the assessed value may increase in a given year for certain classes of property.[6]

Article VII, sections 3 and 6 of the Florida Constitution permit a number of ad valorem tax exemptions. These include exemptions for homesteads and for charitable, religious, or literary properties, as well as tax limitations under the Save Our Homes provisions. After calculating the

[2] *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. 193.011(5), F.S.
[4] FLA. CONST. art. VII, s. 4.
[5] Section 196.185, F.S.
[6] *See* FLA. CONST. art. VII, s. 4(d) and (g) (stating that the assessed value of homestead property may not increase over the prior year's assessment more than 3 percent or the percentage change in the Consumer Price Index, and levies for non-school tax purposes, the assessment of residential real property and non-residential real property may not increase more than 10 percent over the prior year.).

assessed value of the property, the appraiser subtracts the value of any applicable exemptions to determine the property's taxable value.

Review of Late-Filed Property Exemption Applications

Section 196.011(1), F.S., requires every person or organization with legal title to real or personal property entitled to an exemption from taxation to file an application for the exemption with the county property appraiser on or before March 1 of each year.[7] Any applicant who is qualified to receive a property tax exemption and who fails to file an application by March 1 must file an application with the county property appraiser no later than 25 days after the property appraiser mails the Truth in Millage (TRIM) notice. The applicant must show that she or he was unable to timely apply for the exemption due to extenuating circumstances, at which point the property appraiser has the discretion to grant the exemption.[8]

If the applicant is unable to show extenuating circumstances for his or her untimely application, as judged by the property appraiser, s. 196.011(8), F.S., allows the applicant to file a petition with the Value Adjustment Board (VAB), requesting that the exemption be granted. The petition must be filed no later than 25 days after the property appraiser mails the Truth in Millage notice, and the applicant must pay a nonrefundable $15 fee upon filing the petition. If the VAB determines that the person is qualified to receive the exemption, and demonstrates extenuating circumstances to warrant granting the petition, then the VAB may grant the property tax exemption for the current year.[9]

Assessment of Nonhomestead Residential and certain Residential and Nonresidential Property

Florida Amendment One, passed by Florida voters in 2008, amended the Save Our Homes property tax cap by, among other things, creating a 10 percent annual cap on nonhomestead property.[10] The assessment of nonhomestead residential property and certain residential and nonresidential property is addressed in sections 193.1554 and 193.1555, F.S., respectively. These sections include provisions for placing property on the tax roll and how combining and dividing a parcel affects just value assessments.

Placed on the Tax Roll

Subsections 193.1554 (2) and (3), F.S., govern nonhomestead residential property placement on tax rolls, requirements for annual reassessments and limits on the amounts that assessed values may increase as a result of reassessments.

> (2) For all levies other than school district levies, nonhomestead residential property shall be assessed at just value as of January 1, 2008. Property placed on the tax roll after January 1, 2008, shall be assessed at just value as of January 1 of the year in which the property is placed on the tax roll.

[7] Section 196.011(1), F.S.
[8] Section 196.011(8), F.S.
[9] *Id.*
[10] *See* FLA. CONST. art. VII, s. 4(d) and (g).

> (3) Beginning in 2009, or the year following the year the property is placed on the tax roll, whichever is later, the property shall be reassessed annually on January 1. Any change resulting from such reassessment may not exceed 10 percent of the assessed value of the property for the prior year.[11]

Subsections 193.1555(2) and (3), F.S., apply these same nonhomestead residential parameters to certain residential and nonresidential real property.

The Department of Revenue (DOR) has interpreted "placed on the tax roll" as meaning "became eligible for the 10 percent assessment increase limitation."[12] In December 2010, the Ninth Judicial Circuit Court in Orange County decided a case where, as of January 1, 2008, a property owner owned and resided in a property as their homestead.[13] During 2008, the property owner vacated the property, yet retained ownership of it. As of January 1, 2009, the Orange County Property Appraiser reclassified the property as nonhomestead residential and reassessed the property at full market value. The court found that the 10 percent assessment cap on nonhomestead property applied in this instance to the *previous* assessment *without a reassessment* at just value.

Combining or Dividing Parcels

Subsection 193.1554(7) governs how nonhomestead residential property is assessed when parcels are merged or split.

> (7) Any increase in the value of property assessed under this section which is attributable to combining or dividing parcels shall be assessed at just value, and the just value shall be apportioned among the parcels created.[14]

Subsection 193.1555(7) applies the same nonhomestead residential consideration to certain residential and nonresidential real property.

Based on the language in s. 193.1554(7), F.S. and s. 193.1555(7), F.S., the DOR has held that parcels created by combining and dividing parcels do not lose their eligibility for the 10 percent assessment increase limitation.[15]

Early Efforts at Renewable Energy Source Incentives

Property tax incentives for renewable energy in Florida date back over 30 years. In 1980, Florida voters added the following ad valorem tax exemption authorization to article VII, section 3(d) of the Florida Constitution:

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[11] Section 193.1554(2) and (3), F.S.
[12] Department of Revenue, *Senate Bill 156 Bill Analysis* (Sep. 20, 2011) (on file with the Senate Committee on Community Affairs).
[13] *Sommers & Sommers v. Orange County Prop. Appraiser & Orange County Tax Collector,* Case No. 2010-CA-012489-O (Fla. 9th Jud. Cir. 2010) *pending appeal,* Case No. 5D11-240 (Fla. 5th DCA).
[14] Section 193.1554(7), F.S.
[15] Department of Revenue, *Senate Bill 156 Bill Analysis* (Sep. 20, 2011) (on file with the Senate Committee on Community Affairs).

> By general law and subject to conditions specified therein, there may be granted an ad valorem tax exemption to a renewable energy source device and to real property on which such device is installed and operated, to the value fixed by general law not to exceed the original cost of the device, for the period of time fixed by general law not to exceed ten years.[16]

During that same year, the Legislature enacted s. 196.175, F.S. to implement the constitutional amendment.[17] The legislation limited the ad valorem exemption to the lesser of:

- The assessed value of the property less any other exemptions applicable under the chapter;
- The original cost of the device, including the installation costs, but excluding the cost of replacing previously existing property removed or improved in the course of the installation; or
- Eight percent of the assessed value of the property immediately following the installation.

The statute granting the exemption mirrored the 10-year time limit in the constitution. Specifically, the exemption period authorized was from January 1, 1980, through December 31, 1990. Therefore, any exemptions granted in December 1990 became, 10 years later in December 2000, the last exemptions to expire. At this point, the statute was rendered inoperative and article VII, section 3(d) of the Florida Constitution unimplemented.

2008: Legislative Action and Constitutional Amendment 3

On April 30, 2008, the Legislature enacted ch. 2008-227, Laws of Florida, (HB 7135) to remove the expiration date of the property tax exemption for renewable energy source devices. This allowed property owners to again apply for the exemption effective January 1, 2009, and once more bounded it by a 10-year life span. The bill also revised the means for calculating the exemption limit. The exemption was no longer capped at 8 percent of assessed value. Instead it was limited to the original cost of the renewable energy device, including the installation cost, but excluding the cost of replacing previously existing property.[18]

In November 2008, Florida voters approved the following constitutional amendment placed on the ballot by the Florida Tax and Budget Reform Commission (TBRC):

> (i) The legislature, by general law and subject to conditions specified therein, may prohibit the consideration of the following in the determination of the assessed value of real property used for residential purposes:
> (1) Any change or improvement made for the purpose of improving the property's resistance to wind damage.
> (2) The installation of a renewable energy source device.[19]

[16] FLA. CONST. art. VII, s. 3.
[17] Section 196.175, F.S.
[18] Section 196.175, F.S.
[19] FLA. CONST. art. VII, s. 4.

The amendment was permissive and therefore did not require the Legislature to enact implementing legislation. The 2008 amendment also repealed then-existing constitutional authority for the Legislature to grant an ad valorem tax exemption to a renewable energy source device and to real property on which such a device is installed and operated. Although the constitutional provisions granting the ad valorem tax exemptions were repealed in 2008, the implementing language is still part of the Florida Statues.[20]

Since then, bills have been introduced to implement the renewable energy source device changes made to the constitution; however, no legislation has passed.[21] Currently, there are no statutory provisions in place to execute the constitutional provisions passed by Florida voters in 2008.

Wind Resistance Incentives

Florida Statutes currently do not provide property tax incentives for changes or improvements that seek to improve a structure's ability to withstand wind damage, as permitted by the 2008 Constitutional Amendment.[22] Legislation was filed during the 2009, 2010 and 2011 Regular Sessions to implement the changes made to the constitution in 2008 with respect to improvements in a property's resistance to wind damage; however, no legislation was passed.[23]

Hurricane Mitigation Discounts and Premium Credits

Section 627.0629(1), F.S., requires insurers to provide premium credits or discounts "to consumers who install or implement windstorm damage mitigation techniques, alterations, or solutions to their properties to prevent windstorm losses." To facilitate insurer compliance with the windstorm mitigation discounts required by statute, the Department of Community Affairs (now the Department of Economic Opportunity), in cooperation with the Department of Insurance, contracted with Applied Research Associates, Inc., for a public domain study to provide insurers data and information on estimated loss reduction for wind resistive building features in single-family residences. The study, titled *Development of Loss Relativities for Wind Resistive Features of Residential Structures*, was completed in 2002. The study's mathematical results, termed "wind loss relativities," were the basis for calculating the specific mitigation discount amount on the wind premium for mitigation features contained by the property.[24]

Mitigation discounts were initially given at 50 percent of the actuarial value of the discount.[25] In 2006, the Legislature amended s. 627.0629(1)(a), F.S., to require the Office of Insurance

[20] In 2010, the Florida House of Representatives filed HB 7005 repealing the obsolete language in ss. 196.175 and 196.12(14), F.S. This legislation passed the House on March 10, 2010, but died in messages.
[21] During the 2009 Regular Session, SB 2454 and HB 7113 were filed; in 2010, SB 1164, HB 151, SB 1410, and SPB 7020; in 2011 SB 434, SB 732 and HB 531. CS/CS/HB 531 passed the House but died in messages.
[22] FLA. CONST. art. VII, s. 4(i)(1).
[23] During the 2009 Regular Session, SB 2454 and HB 7113 were filed; in 2010, SB 1164, HB 151, SB 1380, and SPB 7022; in 2011 SB 434, SB 732 and HB 531. CS/CS/HB 531 passed the House but died in messages.
[24] The relativities applied only to the portion of a policy's wind premium associated with the dwelling, its contents, and loss of use.
[25] In an Informational Memorandum, issued on January 23, 2003, the Office of Insurance Regulation notified insurance companies of its suggested mitigation credits for new and existing construction based on its analysis of a 2002 study completed by Applied Research Associates. However, the OIR tempered the mitigation credits derived from the study by 50 percent. As stated by the OIR in the memorandum, the 50 percent tempering of the credits was due to the large rate decreases that could result from application of the credits, the approximations needed to produce practical results, and the potential for

Regulation (OIR) to reevaluate the mitigation discounts and require insurers to give full actuarial value for them.[26] Thereafter, the OIR amended the mitigation discount administrative rule to require insurers to provide mitigation discounts in an amount equal to 100 percent of the mitigation discount amount as determined by the loss relativities in the 2002 study done by Applied Research Associates, Inc.[27] In 2008, the OIR obtained a new study evaluating the appropriate mitigation discount amounts; however, the OIR has not changed the mitigation discount amounts or mitigation discount administrative rule due to the results of the 2008 study.

Policyholders are typically responsible for substantiating the existence of loss mitigation features that qualify for a mitigation discount to their insurers. In 2007, the Financial Services Commission adopted a uniform mitigation verification form to be used by all insurers to corroborate a property's mitigation features. An updated form was approved by the Financial Services Commission on March 9, 2010. The mitigation verification form must be signed by one of the following:

- a hurricane mitigation inspector certified by the My Safe Florida Home Program;
- a building code inspector;
- a general, building, or residential contractor;
- a professional engineer meeting specified criteria;
- a professional architect; or
- any other individual or entity acceptable to the insurance company.

A form that is certified by the Department of Financial Services must also be accepted by the insurer.

2009 Senate Interim Report

In 2009, the Senate Committee on Finance and Tax issued an interim report evaluating the 2008 Constitutional Amendment.[28] The report reviewed proposed legislation that was filed during the 2009 Regular Session to implement the constitutional amendment. It also discussed property tax incentives that are provided in other states for installing renewable energy equipment or improving disaster resistance.[29]

According to the interim report, the following states have enacted property tax incentives for renewable energy equipment[30]:

differences in results using different hurricane models. The OIR cautioned in the memorandum that the tempering implemented would be curtailed in the future.

[26] Section 14, Chapter 2006-12, L.O.F.

[27] The rule allowed insurance companies to modify the mitigation discounts if the insurer provided detailed alternate studies supporting the modification and allowed the OIR to review all assumptions used in the studies supporting the modification. To date, no insurer has used an alternate wind mitigation discount study to set mitigation discounts.

[28] Comm. on Finance and Tax, The Florida Senate, *Assessment of Renewable Energy Devices and Improvements That Increase Resistance to Wind Damage – Implementation of Constitutional Amendment Approved in November 2008*, (Interim Report 2010-116) (Oct. 2009).

[29] *Id. citing State Tax Guide Volume 2,* Commerce Clearing House (Chicago, IL).

[30] This list does not include incentives for public utilities.

- California does not include construction or addition of an active solar energy system as new construction (through 2015-16);
- Colorado has a local option sales or property tax credit or rebate for a residential or commercial property owner who installs a renewable energy fixture on his or her property;
- Connecticut municipalities may exempt the value added by a solar heating or cooling system for 15 years after construction or the value of a renewable energy source installed for electricity for private residential use or the addition of a passive solar hybrid system to a new or existing building;
- Illinois provides for special valuation for realty improvements equipped with solar energy heating or cooling systems;
- Louisiana exempts equipment attached to any owner-occupied residential building or swimming pool as part of a solar energy system;
- Maryland exempts solar energy property, defined as equipment installed to use solar energy to heat or cool a structure, generate electricity, or provide hot water for use in the structure;
- Massachusetts provides a 20-year exemption for solar or wind-powered devices used to heat or supply energy for taxable property;
- Minnesota exempts solar panels used to produce or store electricity;
- Nevada exempts the value added by a solar energy system or facility for production of electricity from recycled material or wind or geothermal devices;
- New Hampshire municipalities may exempt, with voter approval, realty with wind, solar, or wood-heating energy systems;
- New York provides a 15-year exemption for realty containing solar or wind energy systems constructed before January 1, 2011, but only to the extent of any increase in value due to the system;
- North Carolina exempts up to 80 percent of the appraised value of a solar energy electric system. Buildings equipped with solar heating or cooling systems are assessed as if they had conventional systems;
- North Dakota exempts solar, wind, and geothermal energy systems in locally assessed property;
- South Dakota provides property tax credits for a commercial or residential property owner who attaches or includes a renewable energy resource system, valued at no less than the cost of the system for residential property and 50 percent of the cost for commercial property. The credit applies for 6 years, decreasing in value for the last 3 years, and it may not be transferred to a new owner;
- Texas exempts the value of assessed property arising from the construction or installation of any solar or wind-powered energy device on the property primarily for onsite use;
- Virginia allows a local option exemption or partial exemption for solar energy equipment; and
- Wisconsin exempts solar and wind energy systems.[31]

Although the interim report noted that tax incentives for improvements relating to disaster preparedness are less common, the report articulated that the following states have enacted property tax incentives for improvements dealing with disaster preparedness:

[31] Comm. on Finance and Tax, *supra* note 21, at 4.

- California does not consider the construction or installation of seismic retrofitting improvements or earthquake hazard mitigation technology in existing buildings as new construction, contingent upon the property owner filing required documents; California also provides that improvement or installation of a fire sprinkler system may not trigger a property tax increase;
- Oklahoma exempts a qualified storm shelter (tornado protection) that is installed or added as an improvement to real property; and
- Washington exempts the increase in value attributable to the installation of automatic sprinkler systems in nightclubs installed by December 31, 2009.[32]

III. Effect of Proposed Changes:

Section 1 creates s. 193.624, F.S., to provide that, when determining the assessed value of real property used for residential purposes for both new and existing construction, the property appraiser may not consider the just value of the following:

- Changes or improvements made for the purpose of improving a property's resistance to wind damage, which may include any of the following:
  - Improving the strength of the roof-deck attachment;
  - Creating a secondary water barrier to prevent water intrusion;
  - Installing wind-resistant shingles;
  - Installing gable-end bracing;
  - Reinforcing roof-to-wall connections;
  - Installing storm shutters; or
  - Installing opening protections.

- The installation and operation of a renewable energy source device,[33] which means any of the following equipment that collects, transmits, stores, or uses solar energy, wind energy or energy derived from geothermal deposits:
  - Solar energy collectors, photovoltaic modules, and inverters;
  - Storage tanks and other storage systems, excluding swimming pools used as storage tanks;[34]
  - Rockbeds;[35]
  - Thermostats and other control devices;
  - Heat exchange devices;[36]

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[32] *Id.*

[33] The new definition of the term "renewable energy source device" is close to identical to that for the same term in current s. 196.012(14), F.S., which is used in the current property tax exemption statute, s. 196.175, F.S., discussed above. The differences are that "photovoltaic modules, and inverters" and "wind turbines" are added to the existing definition's language.

[34] Presumably this refers to water heating and storage devices, which may include solar thermal water heating and more efficient, less-conventional fossil fuel water heating and storage devices. http://www.energysavers.gov/your_home/water_heating/index.cfm/mytopic=12980

[35] Rock beds are used as solar energy and heat collectors, for example, to conduct heat to the crawl space of a building to provide heat to the building. *See*, http://www.azsolarcenter.org/tech-science/solar-architecture/passive-solar-design-manual/passive-solar-design-manual-heating.html

- Pumps and fans;
- Roof ponds;[37]
- Freestanding thermal containers;[38]
- Pipes, ducts, refrigerant handling systems,[39] and other equipment used to interconnect such systems; however, conventional backup systems of any type are not included in this definition;
- Windmills and wind turbines;
- Wind-driven generators;
- Power conditioning and storage devices that use wind energy to generate electricity or mechanical forms of energy; or
- Pipes and other equipment used to transmit hot geothermal water to a dwelling or structure from a geothermal deposit.

The property appraiser may require the taxpayer or the taxpayer's representative to furnish the property appraiser such information as may reasonably be required to establish the just value of the renewable energy source devices or the changes or improvements made for the purpose of improving the property's resistance to wind damage.

A parcel of residential property may not be assessed pursuant to this section unless an application is filed on or before March 1 of the first year the property owner claims the assessment reduction for renewable energy source devices or changes or improvements made for the purpose of improving the property's resistance to wind damage.

However, similar to current law, the property owner may file a late application with the VAB within 25 days following the mailing of the TRIM notice, pursuant to s. 194.011(3), F.S. Upon filing the petition, the applicant must pay a non-refundable fee of $15.00. Upon reviewing the petition, if the property is qualified to be assessed under this section and the property owner demonstrates particular extenuating circumstances judged by the property appraiser or the VAB to warrant granting assessment under this section, the property appraiser must calculate the assessment in accordance with these new reatrictions.

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[36] A heat exchanger is any device that transfers heat from one fluid to another. (Technically this isn't liquid to liquid; fluids include air and other gases.) The most common heat exchange device is an automotive radiator. http://www.engineersedge.com/heat_exchanger/radiator.htm

[37] Roof ponds can be used for both passive heating and cooling. They are most effective in hot climates with low precipitation, where the flat roof structure also serves directly as a ceiling for the living spaces below, thereby facilitating direct transfer of heating and cooling for the spaces below. For heating, a pond with a dark liner is placed on the roof and absorbs solar heat, which is transferred to the living space below. In the cooling cycle, insulating panels remain closed by day to reject unwanted solar heat. The cool ponds act as "thermal sponges," absorbing room heat conducted through the interior ceiling supporting them. At night, the panels are opened exposing the ponds to the cooler night air and breeze, which draw off the heat. http://www.yellowbluedesigns.com/2010/06/25/roof-pond-system/ http://www.sustainable-buildings.org/wiki/index.php/Roof_pond_system http://www.azsolarcenter.org/tech-science/solar-architecture/passive-solar-design-manual/passive-solar-design-manual-heating.html

[38] A thermal container is a storage device that maintains the temperature of the objects stored therein. *See* http://www.restaurantequipmentsolutions.com/sv-duke-thermal-container-free-standing.html and http://www.containerhandbuch.de/chb_e/stra/stra_03_01_01_02.html A simple thermos is a small example of a thermal container.

[39] A refrigerant handling system is a device used to recover the coolant in an air conditioner and recharge the air conditioner with new coolant. http://www.alibaba.com/showroom/refrigerant-handling-system.html

Section 2 amends s. 193.155, F.S., relating to homestead assessments, to conform a cross-reference.

Section 3 amends s. 193.1554, F.S., which relates to assessment of nonhomestead property. It defines "placed on the tax roll" as the year any property, as of January 1, becomes eligible for assessment under this section and either becomes a nonhomestead property or a property that has been combined or divided.

The section also provides that any property that is combined or divided after January 1 and included as a combined or divided parcel on the tax notice shall receive any current assessment limitation on the newly combined parcel or parcels or have any current assessment limitation apportioned among the newly created parcel or parcels, and the property may not be considered combined or divided for purposes of this section until the following January 1, when the parcel or parcels shall be considered placed on the tax roll as a combined or divided parcel or parcels. This language replaces an existing provision, which the bill deletes, which states that an increase in the value of property which is attributable to combining or dividing parcels shall be assessed at just value.

Section 4 amends s. 193.1555, F.S., which relates to assessment of certain residential and nonhomestead property, in the same manner as **Section 3** amends s. 193.1554, F.S.

Section 5 amends s. 196.012, F.S., to delete the existing definition for renewable energy source device (now incorporated in new s. 193.624, F.S., discussed above).

Section 6 amends cross-references in s. 196.121, F.S., relating to homestead exemption forms, to incorporate changes made within the bill.

Section 7 amends cross-references in s. 196.1995, F.S., relating to economic development ad valorem tax exemptions, to incorporate changes made within the bill.

Section 8 repeals the obsolete provisions in s. 196.175, F.S., which implemented the constitutional tax exemption for renewable energy source devices that was removed from the Florida Constitution by the voters in 2008.

Section 9 provides that this act shall take effect on July 1, 2012, and shall apply to assessments beginning January 1, 2013.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

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

municipalities raise ad valorem revenue, thereby reducing their revenue-raising authority, and may require a two-thirds vote of the membership of each house of the Legislature.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill may provide incentives for residential property owners and home builders to add renewable energy source devices to their property or make changes and improvements to increase the property's wind resistance, since such devices and improvements will not increase the assessed value of the property.

C. Government Sector Impact:

The Revenue Estimating Conference (REC) has not yet determined the fiscal impact of this CS though it is scheduled to do so. For similar legislation filed in 2011 (CS/SB 434, HB 531), the REC estimated that renewable energy devices and wind damage improvements would reduce total local revenue by $4.1 million in FY 2012-13 with the school impact representing $1.7 million of that figure. The estimate for recurring local revenue reduction totaled $11.6 million with a school impact of $4.8 million.[40]

Property appraisers may incur additional costs relating to implementing the bill.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

[40] Office of Economic and Demographic Research, The Florida Legislature, *Revenue Estimating Conference for 2011 Regular Session – Wind Damage Improvements; Renewable Energy Source Devices* (March 4, 2011) *available at* *http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2011/pdf/page104-107.pdf* last visited October 13, 2011).

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

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

CS by Community Affairs on October 19, 2011:

- Deletes language limiting a review of changes to the assessed or taxable value of real property resulting from informal conferences to a review by the DOR.
- Provides a technical amendment to include a conforming cross reference.

B. Amendments:

None.

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

THE FLORIDA SENATE

COMMITTEE APPEARANCE RECORD

(Submit to Committee Chair or Administrative Assistant)

11-14-11
Date

SB 156
Bill Number

Barcode

Name KARI HEBRANK

Phone 566-1824

Address 7711 DEEPWOOD TRAIL
Street

E-mail khebrank@aol.com

TALLAHASSEE, FL 32317
City *State* *Zip*

Job Title President

Speaking: [X] For [ ] Against [ ] Information

Appearing at request of Chair [ ]

Subject ASSESSMENT OF RESIDENTIAL PROPERTY

Representing FLORIDA BUILDING MATERIAL ASSOC.

Lobbyist registered with Legislature: [X] Yes [ ] No

Pursuant to s. 11.061, *Florida Statutes*, state, state university, or community college employees are required to file the first copy of this form with the Committee, unless appearance has been requested by the Chair as a witness or for informational purposes.

If designated employee: Time: from_____ ___ .m. to _____ ___ .m.

S-001 (04/14/10)

THE FLORIDA SENATE

APPEARANCE RECORD

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

11-14-11
Meeting Date

Topic Assesment of residential Property

Bill Number SB 156 *(if applicable)*

Name Bruce Kershner

Amendment Barcode _____ *(if applicable)*

Job Title _____

Address 231 W. Bay Ave
Street

Phone 407-788-5570

Longwood Fl 32750
City *State* *Zip*

E-mail RBKershner@att.net

Speaking: [✓] For [ ] Against [ ] Information

Representing Florida Solar Energy Industries Assn.

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)

11-14-11
Meeting Date

Topic: Renewable Energy

Bill Number: 156 *(if applicable)*

Name: Richard Pinsky

Amendment Barcode: _____ *(if applicable)*

Job Title: _____

Address: 106 E college suite 1400
Street

Tallahassee, FL. 32301
City *State* *Zip*

Phone: _____

E-mail: _____

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

Representing: Florida Alliance for Renewable Energy

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

Lobbyist registered with Legislature: [x] 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

Tallahassee, Florida 32399-1100

COMMITTEES:
Judiciary, *Chair*
Budget
Budget - Subcommittee on Education Pre-K - 12 Appropriations
Commerce and Tourism
Communications, Energy, and Public Utilities
Governmental Oversight and Accountability
Reapportionment
Rules

SENATOR ANITERE FLORES
Majority Whip
38th District

September 1, 2011

The Honorable Lizbeth Benacquisto
Chair of Committee on Communications, Energy, and Public Utilities
531 Knott Building
404 South Monroe Street
Tallahassee, FL 32399-1100

Dear Chairwoman Benacquisto:

I respectfully request to be excused from the Committee on Communications, Energy, and Public Utilities during the months of September, October and November. I have been informed by my doctor that I should refrain from travel until after I have given birth which is expected to be at the end of October.

Please do not hesitate to contact me should you have any questions.

Sincerely,

Anitere Flores

CC: Mr. Matthew M. Carter II, Staff Director, Committee on Communications, Energy, and Public Utilities

REPLY TO:
❒ 10691 North Kendall Drive, Suite 309, Miami, Florida 33176 (305) 270-6550
❒ 316 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5130

Senate's Website: *www.flsenate.gov*

MIKE HARIDOPOLOS
President of the Senate

MICHAEL S. "MIKE" BENNETT
President Pro Tempore

THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Communications, Energy, and Public Utilities
Ethics and Elections
Judiciary
Subcommittee on General Government Appropriations
Subcommittee on Higher Education Appropriations
Reapportionment
Regulated Industries

SENATOR OSCAR BRAYNON II
33rd District

November 10, 2011

Senator Gardiner, Chair
Communications, Energy, and Public Utilities
330 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399-1300

Dear Chair Gardiner:

I respectfully request an excused absence for the *Communications, Energy, and Public Utilities* meeting on, November 14, 2011.

Thank you in advance for your consideration.

Sincerely,

Senator Oscar Braynon II,
District 33

cc. Senator Nan Rich, Minority Leader
Matthew M Carter, II, Staff Director
Lois Graham, Committee Administrative Asst.

REPLY TO:
☐ 606 NW 183rd Street, Miami Gardens, Florida 33169 (305) 654-7150 FAX: (305) 654-7154
☐ 213 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5116

Senate's Website: *www.flsenate.gov*

MIKE HARIDOPOLOS
President of the Senate

MICHAEL S. "MIKE" BENNETT
President Pro Tempore

THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

SENATOR ELLYN SETNOR BOGDANOFF
25th District

COMMITTEES:
Budget - Subcommittee on Finance and Tax, *Chair*
Budget
Budget - Subcommittee on Transportation, Tourism, and Economic Development Appropriations
Communications, Energy, and Public Utilities
Education Pre-K - 12
Governmental Oversight and Accountability
Regulated Industries

JOINT COMMITTEE:
Administrative Procedures, *Alternating Chair*

November 14, 2011

Senator Andy Gardiner, Chair
The Committee on Communications, Energy, and Public Utilities
531 Knott Building
404 S. Monroe Street
Tallahassee, FL 32399-1100

RE: November 14, 2011 Meeting Excusal

Dear Chairman Gardiner:

Please excuse my absence from the November 14, 2011 meeting of the Committee on Communications, Energy and Public Utilities.

Please do not hesitate to call me with any questions.

Sincerely,

Ellyn Setnor Bogdanoff
State Senator – District 25
bogdanoff.ellyn.web@flsenate.gov

cc: Matthew Carter, *Staff Director*

REPLY TO:
- 312 Clematis Street, Suite 403, West Palm Beach, FL 33401 (561) 650-6833
- 1845 Cordova Road, Suite 202, Fort Lauderdale, Florida 33316 (954) 467-4205
- 212 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5100

Senate's Website: *www.flsenate.gov*

MIKE HARIDOPOLOS
President of the Senate

MICHAEL S. "MIKE" BENNETT
President Pro Tempore

THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

RECEIVED

OCT 17 2011

COMMITTEES:
Budget - Subcommittee on Transportation, Tourism, and Economic Development Appropriations, *Vice Chair*
Reapportionment, *Vice Chair*
Banking and Insurance
Budget
Budget - Subcommittee on Finance and Tax
Communications, Energy, and Public Utilities
Criminal Justice
Governmental Oversight and Accountability
Rules

SENATOR GWEN MARGOLIS
35th District

October 17, 2011

President Haridopolos,

On Monday, October 24, 2011, I am schedule to undergo surgery for a hip replacement. During this week, I will be having the necessary "pre-ops" that are require pre-surgery. At this time, I am requesting approval of my absence from the current committee week and the committee week of October 31st.

My Legislative staff will be in Tallahassee in my absence and should you need anything, please do not hesitate to contact them.

Thank you again for your continued support and understanding.

Sincerely,

Senator Gwen Margolis

Gwen Margolis
State Senator

cc: Chair Alexander
cc: Chair Benacquisto
cc: Chair Gaetz
cc: Chair Richter
cc: Chair Bogdanoff
cc: Chair Gardiner
cc: Chair Evers
cc: Chair Ring
cc: Chair Thrasher

REPLY TO:
☐ 3050 Biscayne Boulevard, Suite 600, Miami, Florida 33137 (305) 571-5777
☐ 414 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5121

Senate's Website: *www.flsenate.gov*

MIKE HARIDOPOLOS
President of the Senate

MICHAEL S. "MIKE" BENNETT
President Pro Tempore

THE FLORIDA SENATE

Senator Maria Lorts Sachs
Democratic Whip
District 30

Committees:

Regulated Industries, Vice Chair

Military Affairs, Space & Domestic Security Vice Chair

Communications, Energy & Public Utilities Policy

Reapportionment

Budget Subcommittee on Transportation, Tourism, & Economic Development Appropriations

Budget Subcommittee on Finance & Tax

Joint Legislative Auditing

STAFF:

Gladys Ferrer
Legislative Assistant

Cesar Fernandez
Legislative Assistant

Dana Gizzi
Legislative Assistant

The Honorable Chair Gardiner
330 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399-1100

November 14, 2011

Honorable Chair Gardiner,

Please excuse my absence from the meeting of the Committee on Communications, Energy, and Public Utilities scheduled for Monday, November 14, 2011, as my flight was canceled this morning. If you have any questions, please call me on my cellular phone at (561)945-8800.

Sincerely,

Maria Lorts Sachs
District 30

CC: Dr. Matthew M. Carter, II
Staff Director
Senate Committee on Communication, Energy, and Public Utilities

' 17th Avenue, Suite E, Delray Beach, Florida 33445 (561) 279-1427
ıale Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5091

Senate's Website: *www.flsenate.gov*

MIKE HARIDOPOLOS
President of the Senate

MICHAEL S. "MIKE" BENNETT
President Pro Tempore

CourtSmart Tag Report

Room: EL 110 **Case:** **Type:**
Caption: Communications, Energy, and Public Utilities **Judge:**

Started: **11/14/2011 1:33:36 PM**
Ends: 11/14/2011 1:43:48 PM Length: 00:10:13

1:33:40 PM Committee Meeting Called to Order by Chairman Gardiner
1:33:56 PM Roll Call by the Administrative Assistant, Lois Graham
1:34:27 PM Excused absence letters by Senator(s) Braynon, Margolis and Flores
1:35:10 PM CS/SB 156 by Senator Latvala
1:36:51 PM Richard Pinsky - Waived in Support
1:37:20 PM Kari Hebrank - Waived in Support
1:37:36 PM Bruce Kershner - Waived in Support
1:37:49 PM Debate and Questions from Senators
1:39:15 PM Closing remarks by Senator Latvala
1:39:21 PM SB 156 by Senator Latvala - Reported Favorable
1:40:03 PM Comments by Senator Fasano regarding Progress Energy Utility Company
1:40:21 PM Comments from Chairman Gardiner
1:43:28 PM Senator Negron motion to adjourn