

CS/SB 404 by **JU, Stargel**; (Identical to CS/H 0267) Real Property Liens and Conveyances

CS/SB 864 by **RI, Thrasher**; (Similar to CS/H 0695) Tied House Regulation

CS/SB 560 by **TR, Simpson (CO-INTRODUCERS) Bean, Bradley, Stargel, Latvala, Grimsley, Evers, Soto, Ring, Gibson, Hays, Lee, Altman, Thompson, Garcia, Diaz de la Portilla**; (Similar to CS/H 0579) Natural Gas Motor Fuel

739124 D S RCS AFT, Ring Delete everything after 03/27 04:18 PM

CS/SB 928 by **CA, Simpson**; (Compare to CS/H 0437) Community Development

367800 A S RCS AFT, Ring Delete L.128 - 369. 03/27 04:18 PM

CS/SB 564 by **CA, Simmons (CO-INTRODUCERS) Thompson, Soto**; (Similar to H 0679) Neighborhood Improvement Districts

872342 D S AFT, Simmons Delete everything after 04/03 10:18 AM

CS/SB 770 by **CA, Ring**; (Compare to H 0679) Neighborhood Improvement Districts

679098 D S AFT, Ring Delete everything after 04/03 10:19 AM

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA
APPROPRIATIONS SUBCOMMITTEE ON FINANCE AND
TAX
Senator Hukill, Chair
Senator Ring, Vice Chair

MEETING DATE: Wednesday, March 27, 2013
TIME: 1:00 —3:30 p.m.
PLACE: Mallory Horne Committee Room, 37 Senate Office Building

MEMBERS: Senator Hukill, Chair; Senator Ring, Vice Chair; Senators Abruzzo, Altman, Brandes, Clemens, Diaz de la Portilla, Evers, Gardiner, Margolis, Sachs, and Simmons

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	CS/SB 404 Judiciary / Stargel (Identical CS/H 267)	Real Property Liens and Conveyances; Deleting a requirement that blank spaces be included on a warranty deed to allow for entry of social security numbers of grantees on the deed; providing that certain types of governmental or quasi-governmental liens on real property are valid and effectual against certain creditors and purchasers only if recorded in a specified manner, etc. JU 03/06/2013 Fav/CS CA 03/14/2013 Favorable AFT 03/27/2013 Favorable AP	Favorable Yeas 10 Nays 0
2	CS/SB 864 Regulated Industries / Thrasher (Similar CS/H 695)	Tied House Regulation; Authorizing the Division of Alcoholic Beverages and Tobacco of the Department of Business and Professional Regulation to impose administrative sanctions for certain violations relating to coupons redeemable by vendors; prohibiting licensees under the Beverage Law from possessing or using certain coupons involving malt beverages, etc. RI 03/14/2013 Fav/CS AFT 03/27/2013 Favorable AP	Favorable Yeas 10 Nays 0
3	CS/SB 560 Transportation / Simpson (Similar CS/H 579, Compare CS/S 1132)	Natural Gas Motor Fuel; Repealing provisions relating to the annual decal fee program for motor vehicles powered by alternative fuels and requirements for alternative fuel retailer licenses; establishing requirements for natural gas fuel retailer licenses; providing calculations for a motor fuel equivalent gallon; providing for the levy of the natural gas fuel tax; terminating the Local Alternative Fuel User Fee Clearing Trust Fund within the Department of Revenue, etc. TR 02/21/2013 Fav/CS AFT 03/27/2013 Fav/CS AP	Fav/CS Yeas 10 Nays 0

COMMITTEE MEETING EXPANDED AGENDA

Appropriations Subcommittee on Finance and Tax
 Wednesday, March 27, 2013, 1:00 —3:30 p.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
4	CS/SB 928 Community Affairs / Simpson (Compare H 437, H 921, S 740)	Community Development; Revising the power of a housing finance authority to make loans directly to eligible persons; deleting an ad valorem tax exemption for property owned by certain Florida-based limited partnerships and used for affordable housing for certain income-qualified persons; extending the expiration date applicable to the granting of community contribution tax credits against the sales and use tax, corporate income tax, and insurance premium tax for contributions to eligible sponsors of community projects approved by the Department of Economic Opportunity; revising the powers of the Florida Housing Finance Corporation, etc. CA 03/14/2013 Fav/CS AFT 03/27/2013 Fav/CS AP	Fav/CS Yeas 10 Nays 0
5	CS/SB 564 Community Affairs / Simmons (Similar H 679, Compare H 741, CS/S 770)	Neighborhood Improvement Districts; Renaming the "Safe Neighborhoods Act" as the "Neighborhoods Improvement Act"; authorizing the governing body of any municipality or county to form a neighborhood improvement district through the adoption of an ordinance rather than by a planning ordinance; revising provisions authorizing a local governing body to create a local government neighborhood improvement district by the enactment of an ordinance; requiring a local government and a special neighborhood improvement district levying an ad valorem tax on real or personal property to prepare a budget in a specified manner, etc. CA 03/07/2013 Fav/CS AFT 03/27/2013 Temporarily Postponed AP	Temporarily Postponed
6	CS/SB 770 Community Affairs / Ring (Compare H 679, H 741, CS/S 564)	Neighborhood Improvement Districts; Providing that an ordinance that creates a neighborhood improvement district may authorize the district to exercise certain powers, in addition to those already granted to such districts; conditioning the exercise of those powers by the local government neighborhood improvement district upon referendum approval by the electors of the district, etc. CA 03/07/2013 Fav/CS AFT 03/27/2013 Temporarily Postponed AP	Temporarily Postponed
7	Continuation of Review of Economic Development Tax Incentives		Discussed
8	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 Appropriations Subcommittee on Finance and Tax

BILL: CS/SB 404

INTRODUCER: Judiciary Committee and Senator Stargel

SUBJECT: Real Property Liens and Conveyances

DATE: March 27, 2013 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Munroe	Cibula	JU	Fav/CS
2.	Toman	Yeatman	CA	Favorable
3.	Babin	Diez-Arguelles	AFT	Favorable
4.			AP	
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE..... Statement of Substantial Changes

B. AMENDMENTS..... Technical amendments were recommended

Amendments were recommended

Significant amendments were recommended

I. Summary:

CS/SB 404 removes the requirement that warranty deeds include a blank space for the grantee's social security number.

The bill also provides that a lien by a governmental or quasi-governmental entity for an improvement, service, fine, or penalty is valid against a creditor or subsequent purchaser only if the lien is properly recorded in the county in which the property is located. The bill specifies information that must be included in a lien by a governmental or quasi-governmental entity. The bill excludes liens for taxes, non-ad valorem or special assessments, or utilities from the recording requirement.

The bill has no fiscal impact on state government; however, it may cause a local government to incur additional filing fees, which may be offset by more effective lien collections.

The bill substantially amends sections 689.02 and 695.01, Florida Statutes.

II. Present Situation:

Warranty Deeds

There are three types of deeds in general use in the United States: a general warranty deed, a special warranty deed, and a quitclaim deed.¹ A general warranty deed (warranty deed) contains certain warranties concerning the nature and quality of the title being conveyed. A special warranty deed contains limited warranties, while a quitclaim deed contains no warranties.² Under common law, a warranty deed expressly guarantees the grantor's good, clear title and the deed contains covenants concerning the quality of title, including warranties of seisin, quiet enjoyment, right to convey, freedom from encumbrances, and defense of title against all claims.³

In Florida, the common law warranty deed has been supplanted by the statutory warranty deed, which is required to contain certain language. The use of the statutory warranty deed conveys good title with all the covenants granted under common law.⁴

Florida requires a statutory warranty deed to include a blank space for the social security number of the individual acquiring the real property (the grantee).⁵ The failure to include the social security number on a warranty deed does not affect the validity of the conveyance or the recordability of the deed.⁶

Hidden Liens

A lien is a charge or encumbrance upon property.⁷ Liens include mortgages⁸, construction liens⁹, and other liens authorized by statute.

Local governments may impose liens on real property for improvements, services, costs of repairs and associated penalties.¹⁰ State laws also create liens in favor of the government under certain situations.¹¹

Florida has a “notice” type of recording statute – meaning that liens are generally only effective against subsequent purchasers of the property that is subject to the lien when the purchaser has notice of the lien.¹² The act of recording an instrument in compliance with Florida’s recording statute provides constructive notice of a lien.¹³

¹ Dukeminier & Krier. *Property*. New York: Aspen (4th ed. 1998).

² *Id.*

³ See generally BLACK’S LAW DICTIONARY (9th ed. 2009).

⁴ Section 689.03, F.S.

⁵ Section 689.02(2), F.S.

⁶ *Id.*

⁷ BLACK’S LAW DICTIONARY (9th ed. 2009).

⁸ Section 697.02, F.S.

⁹ See chapter 713, F.S.

¹⁰ See e.g., s. 162.09(3), F.S., which authorizes local governments to file a lien in the public records against land upon a valid order imposing a code enforcement fine.

¹¹ See e.g., ss. 589.13, 589.14, 589.15, and 589.16, F.S. (relating to liens for the cost of fire control),

¹² Section 695.01, F.S.

¹³ *Lafitte v. Gigliotti Pipeline, Inc.*, 624 So. 2d 844, 845 (Fla. 2d DCA 1993). See also, 37 FLA. JUR. 2D *Mortgages* s. 133 (2011).

A lien, in some cases, may be legally enforceable although it is not recorded in the public records of the county in which the property is located.¹⁴ An unrecorded lien may be characterized as a “hidden lien” because the owner or other affected parties do not have notice and may not discover the existence of the lien through proper diligence by searching the public records in the county where the property is located.

According to the Real Property, Probate, and Trust Law Section of The Florida Bar (RPPTL Section), liens assessed and maintained by a municipality or branch of a municipality often go undetected because:

- They are often unrecorded;
- Confusion often arises over determination of which branch of government has the right to impose the lien; and
- Confusion arises as to whom to contact to determine the existence of possible liens.¹⁵

III. Effect of Proposed Changes:

Warranty Deeds

The bill removes the requirement to include a blank space for the grantee’s social security number on a warranty deed.

Hidden Liens

The bill amends s. 695.01, F.S., to provide that a lien by a governmental or quasi-governmental entity for an improvement, service, fine, or penalty is valid against a creditor or subsequent purchaser only if the lien is properly recorded in the county in which the property is located. These governmental and quasi-governmental liens must include:

- The name of the owner of record;
- A description or address of the property; and
- The tax or parcel identification number applicable to the property as of the date of recording.

Liens for taxes, non-ad valorem or special assessments, or utilities are excluded from the recording requirement.

The bill takes effect October 1, 2013.

¹⁴ See *Dade County v. Certain Lands*, 247 So. 2d 787, 789-90 (Fla. 3d DCA 1971).

¹⁵ The Real Property, Probate, and Trust Law Section of the Florida Bar, *White Paper: Fair Notice of Government of Governmental Liens* (2009) (on file with the Senate Committee on Judiciary).

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 bill may cause local governments to incur additional filing fees.

B. Private Sector Impact:

The bill provides the private sector with greater certainty and notice of governmental liens. Committee staff does not have data specifying the number of governmental entities that are not currently recording all liens on real property or how many additional liens may be filed as a result of the requirements of the bill. Private parties that are buying and selling real property may benefit to the extent the bill provides additional information to such parties prior to entering into these transactions.

C. Government Sector Impact:

Committee staff does not have data specifying the number of governmental entities that are not recording all liens on real property that will be required to do so by the bill. Any additional costs associated with recording liens as required by the bill may be negated to the extent the governmental entities may more effectively enforce collection of such liens.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

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 Judiciary on March 6, 2013:

The committee substitute made the following changes (*italics*) to the bill:

“A lien by a governmental entity or quasi-governmental entity that attaches to real property for an improvement, service, fine, or penalty, other than a lien for taxes, non-ad valorem or special assessments, or utilities, is valid and effectual *in law or equity* against creditors *or* subsequent purchasers for a valuable consideration only if the lien is recorded in the official records of the county in which the property is located.”

The committee substitute changes the word “and” to “or,” such that certain liens are valid and effectual *in law and equity* against a creditor *or* subsequent purchaser only if the lien is recorded as required by the bill.

- B. **Amendments:**

None.

By the Committee on Judiciary; and Senator Stargel

590-01989-13

2013404c1

A bill to be entitled

An act relating to real property liens and conveyances; amending s. 689.02, F.S.; deleting a requirement that blank spaces be included on a warranty deed to allow for entry of social security numbers of grantees on the deed; conforming provisions; amending s. 695.01, F.S.; providing that certain types of governmental or quasi-governmental liens on real property are valid and effectual against certain creditors or purchasers only if recorded in a specified manner; providing an effective date.

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

Section 1. Subsection (2) of section 689.02, Florida Statutes, is amended to read:

689.02 Form of warranty deed prescribed.—

(2) The form for warranty deeds of conveyance to land shall include a blank space for the property appraiser's parcel identification number describing the property conveyed, which number, if available, shall be entered on the deed before it is presented for recording, ~~and blank spaces for the social security numbers of the grantees named in the deed, if available, which numbers may be entered on the deed before it is presented for recording.~~ The failure to include such blank space ~~spaces,~~ or the parcel identification number, ~~or any social security number,~~ or the inclusion of an incorrect parcel identification number ~~or social security number,~~ does shall not affect the validity of the conveyance or the recordability of

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the deed. Such parcel identification number is shall not ~~constitute~~ a part of the legal description of the property otherwise set forth in the deed and may shall not be used as a substitute for the legal description of the property being conveyed, ~~nor shall a social security number serve as a designation of the grantee named in the deed.~~

Section 2. Subsection (3) is added to section 695.01, Florida Statutes, to read:

695.01 Conveyances and liens to be recorded.—

(3) A lien by a governmental entity or quasi-governmental entity that attaches to real property for an improvement, service, fine, or penalty, other than a lien for taxes, non-ad valorem or special assessments, or utilities, is valid and effectual in law or equity against creditors or subsequent purchasers for a valuable consideration only if the lien is recorded in the official records of the county in which the property is located. The recorded notice of lien must contain the name of the owner of record, a description or address of the property, and the tax or parcel identification number applicable to the property as of the date of recording.

Section 3. This act shall take effect October 1, 2013.

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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 Appropriations Subcommittee on Finance and Tax

BILL: CS/SB 864

INTRODUCER: Regulated Industries Committee and Senator Thrasher

SUBJECT: Tied House Regulation

DATE: March 27, 2013 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Oxamendi	Imhof	RI	Fav/CS
2.	Cote	Diez-Arguelles	AFT	Favorable
3.			AP	
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

CS/SB 864 authorizes the Division of Alcoholic Beverage and Tobacco within the Department of Business and Professional Regulation (department) to impose administrative sanctions on manufacturers, distributors, and others for any violation of the limitations on credits, coupons and other forms of assistance to vendors. Current law only authorizes the division to establish rules and require reports to enforce the limitation on credits and other forms of assistance to vendors. The bill also extends the rulemaking and the sanctioning authority to violations related to coupons.

The bill also prohibits Beverage Law licensees from possessing or using, in physical or electronic format, any type of malt beverage coupon in this state. This prohibition also applies to cross-merchandizing coupons. The bill specifies the circumstances in which the prohibition applies. Current law, which the bill repeals, only prohibits distributors from furnishing coupons to consumers that are redeemable by a vendor.

This bill has no impact on state or local revenues and may allow the department to avoid future litigation expenses.

The effective date of the bill is July 1, 2013.

This bill substantially amends section 561.42, Florida Statutes.

II. Present Situation:

In Florida, alcoholic beverages are regulated by the Beverage Law.¹ These provisions regulate the manufacture, distribution, and sale of wine, beer, and liquor via manufacturers, distributors, and vendors.² The Division of Alcoholic Beverage and Tobacco (division) within the Department of Business and Professional Regulation is the agency authorized to administer and enforce the Beverage Law.³

Three Tier System

In the United States, the regulation of alcohol has traditionally been through what is termed the “three-tier system.” The system requires that the manufacture, distribution, and sale of alcoholic beverages be separated. Retailers must buy their products from distributors who in turn buy their products from the manufacturers. Manufacturers cannot sell directly to retailers or directly to consumers. The system is deeply rooted in the perceived evils of the “tied house” in which a bar is owned or operated by a manufacturer or the manufacturer exercises undue influence over the retail vendor.⁴

There are some exceptions to this regulatory system. The exceptions include allowing beer brew pubs to manufacture malt beverages and to sell them to consumers,⁵ allowing individuals to bring small quantities of alcohol back from trips out-of-state,⁶ and allowing in-state wineries to manufacture and sell directly to consumers.⁷

In a three-tier system, each license classification has clearly delineated functions. In Florida, only licensed vendors are permitted to sell alcoholic beverages directly to consumers at retail.⁸ Vendors are limited to purchasing their alcoholic beverage inventory from licensed distributors, manufacturers, or bottlers.⁹ Importers, whether resident or nonresident, are licensed to sell, or to cause to be sold, shipped, and invoiced, alcoholic beverages to licensed manufacturers or

¹ The Beverage Law means chs. 561, 562, 563, 564, 565, 567, and 568, F.S. See s. 561.01(6), F.S.

² See s. 561.14, F.S.

³ Section 561.02, F.S.

⁴ Erik D. Price, *Time to Untie the House? Revisiting the Historical Justifications of Washington’s Three-Tier System Challenged by Costco v. Washington State Liquor Control Board*, a copy can be found at: http://www.lanepowell.com/wp-content/uploads/2009/04/pricce_001.pdf (Last visited February 28, 2013).

⁵ See s. 561.221(2), F.S., which permits the limited manufacture of beer by vendors (brew pubs).

⁶ See s. 562.16, F.S., which permits the possession of less than one gallon of untaxed alcoholic beverages when purchased by the possessor out-of-state in accordance with the laws of the state where purchased and brought into the state by the possessor.

⁷ See s. 561.221, F.S.

⁸ Section 561.14(3), F.S. However, see discussion regarding the exception for certified Florida Farm Wineries in s. 561.221, F.S.

⁹ Section 561.14(3), F.S. Vendors may buy from vendors in a pool buying group if the initial purchase was by a single purchase by a pool buying agent.

licensed distributors, and to no one else. An importer can have no direct or indirect affiliation with any vendor licensed in this state.¹⁰

Tied House Evil

Section 561.42(1), F.S., prohibits a licensed manufacturer or distributor from assisting any vendor by any gifts or loans of money or property of any description or by the giving of any rebates of any kind whatsoever. Specifically, s. 561.42(1), F.S., provides in part:

No licensed manufacturer or distributor of any of the beverages herein referred to shall have any financial interest, directly or indirectly, in the establishment or business of any vendor licensed under the Beverage Law; nor shall such licensed manufacturer or distributor assist any vendor by any gifts or loans of money or property of any description or by the giving of any rebates of any kind whatsoever. No licensed vendor shall accept, directly or indirectly, any gift or loan of money or property of any description or any rebates from any such licensed manufacturer or distributor; provided, however, that this does not apply to any bottles, barrels, or other containers necessary for the legitimate transportation of such beverages or to advertising materials and does not apply to the extension of credit, for liquors sold, made strictly in compliance with the provisions of this section. (Emphasis supplied.)

Section 561.42(8), F.S., authorizes the division to establish rules and require reports to enforce limitation on credits and other forms of assistance. This rulemaking authority does not extend to cash deposits on beer sales, as provided in s. 563.08, F.S.

Section 561.42, F.S., defines the types of items or services that may be provided to vendors. For example, s. 561.42(10), F.S., prohibits manufacturers, distributors, importers, primary American sources of supply,¹¹ or brand owners or registrants, or their brokers, sales agents or sales persons, from directly or indirectly giving, lending, renting, selling, or in any other manner furnishing to a vendor any outside sign, printed, painted, electric, or otherwise.

Section 561.42(12)(e), F.S., prohibits distributors of beer from furnishing coupons to consumers that are redeemable by vendors.

Manufacturers and importers are not prohibited from furnishing coupons to consumers that are redeemable by vendors. According to proponents of the bill, manufacturers and importers

¹⁰ Section 561.14(5), F.S.

¹¹ Section 564.045(1), F.S., defines the term “primary American source of supply” as the: manufacturer, vintner, winery, or bottler, or their legally authorized exclusive agent, who, if the product cannot be secured directly from the manufacturer by an American distributor, is the source closest to the manufacturer in the channel of commerce from whom the product can be secured by an American distributor, or who, if the product can be secured directly from the manufacturer by an American distributor, is the manufacturer. It shall also include any applicant who directly purchases vinous beverages from a manufacturer, vintner, winery, or bottler who represents that there is no primary American source of supply for the brand and such applicant must petition the division for approval of licensure.

provide the coupons to the vendor who then furnishes the coupons to the consumer. Proponents of the bill have expressed the concern that such coupons are subject to fraud because vendors may redeem the coupons with the manufacturer or importer without having provided the intended discount or other benefit of the coupon to the consumer.

The division's current administrative rules for the subject of tied house evil do not address the use of coupons.¹² According to the department and several industry representatives, the division has unsuccessfully attempted over several years to formulate and adopt rules to address the use of coupons by vendors, manufacturers, distributors, and importers.

III. Effect of Proposed Changes:

The bill amends s. 561.42(8), F.S., to authorize the division to impose administrative sanctions for any violation of the limitations on credits, coupons and other forms of assistance to the vendor. Current law only authorizes the division to establish rules and require reports to enforce the limitation on credits and other forms of assistance to the vendor. The bill also extends the rulemaking and the sanctioning authority to violations related to coupons.

The bill also amends s. 561.42(8), F.S., to delete the prohibition against rules relating to cash deposits on beer sales, as provided in s. 563.08, F.S.

The bill deletes s. 561.42(12)(e), F.S., which prohibits beer distributors from furnishing coupons to consumers that are redeemable by vendor.

The bill creates s. 561.42(13), F.S., to prohibit Beverage Law licensees¹³ from possessing or using, in physical or electronic format, any type of malt beverage or cross-merchandizing coupons in this state. This prohibition also applies where:

- Coupons are produced, sponsored, or furnished, directly or indirectly, by an alcoholic beverage manufacturer, distributor, importer, brand owner, brand registrant, broker, sales agent, or sales person thereof; and
- Coupons are or purport to be redeemable by a vendor or other person who sells malt beverages to consumers in this state.

The effective date of the bill is July 1, 2013.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

¹² See ch. 61A-1, F.A.C.

¹³ Beverage Law licensees include manufactures, distributors, and others licensed under chapters 561, 562, 563, 564, 565, 567, and 568, F.S.

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:

Manufacturers, distributors, and importers of beer will not be able to provide coupons to consumers of beer to then be redeemed by an alcoholic beverage vendor. However, the consumer could receive the same coupon from the vendor.

C. Government Sector Impact:

According to the department, its prior efforts to adopt rules to address the use of coupons have resulted in rule challenges and years of litigation between the department and the beer industry. The department advises that it would save an indeterminate amount if the bill is enacted because further litigation over use of coupons would be avoided.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

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

Committee Substitute by Regulated Industries Committee on March 14, 2013:

The committee substitute (CS) amends s. 561.42(8), F.S., to authorize the division to impose administrative sanctions for any violation of the limitations on credits, coupons and other forms of assistance to the vendor.

The CS also amends s. 561.42(8), F.S., to delete the prohibition against rules relating to cash deposits on beer sales, as provided in s. 563.08, F.S.

The CS deletes s. 561.42(12)(e), F.S., which prohibits beer distributors from furnishing coupons to manufacturers and importers of beer from furnishing coupons to consumers that are redeemable by vendors. Instead, the bill creates s. 561.42(13), F.S., to prohibit Beverage Law licensees from possessing or using, in physical or electronic format, any type of malt beverage or cross-merchandizing coupons in this state. The CS also specifies the circumstances in which prohibition applies.

B. Amendments:

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

By the Committee on Regulated Industries; and Senator Thrasher

580-02405-13

2013864c1

A bill to be entitled

An act relating to tied house regulation; amending s. 561.42, F.S.; authorizing the Division of Alcoholic Beverages and Tobacco of the Department of Business and Professional Regulation to impose administrative sanctions for certain violations relating to coupons redeemable by vendors; providing an exception; prohibiting licensees under the Beverage Law from possessing or using certain coupons involving malt beverages; conforming provisions; providing an effective date.

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

Section 1. Subsections (8) and (12) of section 561.42, Florida Statutes, are amended to read:

561.42 Tied house evil; financial aid and assistance to vendor by manufacturer, distributor, importer, primary American source of supply, brand owner or registrant, or any broker, sales agent, or sales person thereof, prohibited; procedure for enforcement; exception.—

(8) The division may establish rules and require reports to enforce and impose administrative sanctions for any violation of the herein-established limitation upon credits, coupons, and other forms of assistance in this section. ~~Nothing herein shall be taken to affect the provisions of s. 563.08, but shall govern all other sales of intoxicating liquors.~~

(12) A ~~Any~~ manufacturer, distributor, importer, primary American source of supply, or brand owner or registrant, or a

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~~any~~ broker, sales agent, or sales person thereof, may give, lend, furnish, or sell to a vendor who sells the products of such manufacturer, distributor, importer, primary American source of supply, or brand owner or registrant any of the following: neon or electric signs, window painting and decalcomanias, posters, placards, and other advertising material herein authorized to be used or displayed by the vendor in the interior of his or her licensed premises.

(13) A licensee under the Beverage Law may not possess or use, in physical or electronic format, any type of malt beverage coupon, or malt beverage cross-merchandising coupon, in this state, if:

(a) The coupon is produced, sponsored, or furnished, directly or indirectly, by an alcoholic beverage manufacturer, distributor, importer, brand owner, brand registrant, broker, sales agent, or sales person thereof; and

(b) The coupon is or purports to be redeemable by a vendor or other person who sells malt beverages to consumers in this state.

(14) The division shall ~~adopt~~ make reasonable rules governing promotional displays and advertising, which ~~rules may~~ shall not conflict with or be more stringent than the federal regulations pertaining to such promotional displays and advertising furnished to vendors by distributors, manufacturers, importers, primary American sources of supply, or brand owners or registrants, or a ~~any~~ broker, sales agent, or sales person thereof; provided, however, that:

(a) If a manufacturer, distributor, importer, brand owner, or brand registrant of malt beverage, or a ~~any~~ broker, sales

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59 agent, or sales person thereof, provides a vendor with
 60 expendable retailer advertising specialties such as trays,
 61 coasters, mats, menu cards, napkins, cups, glasses,
 62 thermometers, and the like, such items shall be sold at a price
 63 not less than the actual cost to the industry member who
 64 initially purchased them, without limitation in total dollar
 65 value of such items sold to a vendor.

66 (b) Without limitation in total dollar value of such items
 67 provided to a vendor, a manufacturer, distributor, importer,
 68 brand owner, or brand registrant of malt beverage, or a ~~any~~
 69 broker, sales agent, or sales person thereof, may rent, loan
 70 without charge for an indefinite duration, or sell durable
 71 retailer advertising specialties such as clocks, pool table
 72 lights, and the like, which bear advertising matter.

73 (c) If a manufacturer, distributor, importer, brand owner,
 74 or brand registrant of malt beverage, or a ~~any~~ broker, sales
 75 agent, or sales person thereof, provides a vendor with consumer
 76 advertising specialties such as ashtrays, T-shirts, bottle
 77 openers, shopping bags, and the like, such items shall be sold
 78 at a price not less than the actual cost to the industry member
 79 who initially purchased them, but may be sold without limitation
 80 in total value of such items sold to a vendor.

81 (d) A manufacturer, distributor, importer, brand owner, or
 82 brand registrant of malt beverage, or a ~~any~~ broker, sales agent,
 83 or sales person thereof, may provide consumer advertising
 84 specialties described in paragraph (c) to consumers on any
 85 vendor's licensed premises.

86 ~~(e) Coupons redeemable by vendors shall not be furnished by~~
 87 ~~distributors of beer to consumers.~~

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88 ~~(e)(f)~~ Manufacturers, distributors, importers, brand
 89 owners, or brand registrants of beer, and a ~~any~~ broker, sales
 90 agent, or sales person thereof, ~~may shall~~ not conduct any
 91 sampling activities that include tasting of their product at a
 92 vendor's premises licensed for off-premises sales only.

93 ~~(f)(g)~~ Manufacturers, distributors, importers, brand
 94 owners, or brand registrants of beer, and a ~~any~~ broker, sales
 95 agent, or sales person thereof, ~~may shall~~ not engage in
 96 cooperative advertising with vendors.

97 ~~(g)(h)~~ Distributors of beer may sell to vendors draft
 98 equipment and tapping accessories at a price not less than the
 99 cost to the industry member who initially purchased them, except
 100 there is no required charge, and a distributor may exchange ~~any~~
 101 parts ~~that which~~ are not compatible with a competitor's system
 102 and are necessary to dispense the distributor's brands. A
 103 distributor of beer may furnish to a vendor at no charge
 104 replacement parts of nominal intrinsic value, including, but not
 105 limited to, washers, gaskets, tail pieces, hoses, hose
 106 connections, clamps, plungers, and tap markers.

107 Section 2. This act shall take effect July 1, 2013.

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and increased potential for recognized environmental benefits for both the private and public sector.

When compared using equivalent units of measure, natural gas is less expensive than gasoline or diesel. In the U.S. Department of Energy's Clean Cities Alternative Fuel Price Report for October 2012, the average price for gasoline in the Lower Atlantic states was \$3.66, \$3.96 for diesel, and \$2.07 for a gasoline gallon equivalent of compressed natural gas (CNG). Natural gas, in this case, CNG¹, is clearly cheaper than diesel or gasoline. The savings in fuel costs are, of course, offset to a degree by the additional cost of a natural gas vehicle over a gasoline or diesel-powered vehicle.

Due to the substantially higher fuel usage and the larger fuel price differential associated with CNG-powered fleet trucks, the recovery of the additional cost is substantially more rapid than for standard passenger vehicles. In a study prepared for the Florida Natural Gas Vehicle Coalition (FNGVC),² the additional cost of a standard passenger vehicle powered by CNG, compared to a standard passenger vehicle powered by gasoline, ranges from \$7,000 to \$18,500.³ Assuming each passenger vehicle consumes 531 gallons per year, and applying a gas-CNG price difference of \$1.74, the payback period ranges from 7.6 years to 20 years.⁴

In contrast, the additional cost of a truck powered by CNG over a diesel-powered truck is \$76,100.⁵ Assuming each vehicle consumes 11,706 gallons per year and assuming a price difference of \$1.91, the payback period for conversion of a diesel-powered truck to a CNG-powered truck is only 3.4 years,⁶ long before the expected useful life of a fleet truck expires. Further, reduced engine wear and extended service intervals also reduce maintenance costs for CNG-powered vehicles.⁷ Thus, so long as the cost of natural gas remains low, as is expected, the cost savings on fuel can more than offset and outweigh the added price paid for the purchase of CNG vehicles, prior to the application of any government incentives.

In addition, well-recognized environmental benefits are associated with the use of natural gas.

Natural gas, as the cleanest of the fossil fuels, can be used in many ways to help reduce emissions of pollutants into the atmosphere. Burning natural gas in the place of other fossil fuels emits fewer harmful pollutants, and an increased reliance on natural gas can potentially reduce the emission of many of these most harmful pollutants.

¹ Cost factors, in general, may be different for liquefied natural gas (LNG) vehicles. See Green Truck Association website for information on CNG and LNG:

<http://www.greentruckassociation.com/TechnicalResources/SustainableTechnologiesforWorkTrucks/NaturalGasCNGandLNG/tabid/129/Default.aspx>.

² Fishkind & Associates, *Economic Impact of Incentives to Facilitate Compressed Natural Gas Vehicles in Florida*, August 1, 2012.

³ Id. at 17-18.

⁴ Id.

⁵ Id.

⁶ Id.

⁷ See Green Truck Association website for information on CNG and LNG:

<http://www.greentruckassociation.com/TechnicalResources/SustainableTechnologiesforWorkTrucks/NaturalGasCNGandLNG/tabid/129/Default.aspx>.

Pollutants emitted in the United States, particularly from the combustion of fossil fuels, have led to the development of many pressing environmental problems. Natural gas, emitting fewer harmful chemicals into the atmosphere than other fossil fuels, can help to mitigate some of these environmental issues. These issues include:

- Greenhouse Gas Emissions
- Smog, Air Quality and Acid Rain
- Industrial and Electric Generation Emissions
- Pollution from the Transportation Sector – Natural Gas Vehicles⁸

The FNGVC highlights the following benefits associated with the use of natural gas for fleet trucks:

- Natural gas vehicles can save a company 30 to 50 percent of its fuel costs.
- Central fuel and maintenance make fleets highly conducive to CNG fueling infrastructure.
- While it is true that Florida currently has relatively few natural gas fueling stations in place, several companies offer no-cost or low-cost options for construction and maintenance of such infrastructure.
- Maintenance on a natural gas vehicle is no more problematic and often easier than traditional diesel trucks. Mechanics can be trained quickly and easily for this purpose.
- The cost of converting to CNG is decreasing. In addition, such costs are offset by savings in direct fuel costs and possible financial incentives for the purchase of natural gas vehicles.⁹

The FNGVC study recommends providing incentives to convert to CNG-powered truck fleets, thereby creating a demand for the re-fueling stations and producing significant stimulation of Florida's economy.

State Gasoline, Diesel, and Alternative Fuel Taxes

Motor Fuel

Section 206.41(1), F.S., provides for the following taxes on motor fuel¹⁰:

- An excise or license tax of 2 cents per net gallon of motor fuel,¹¹ designated as the “constitutional fuel tax.”
- An additional 1 cent per net gallon, designated as the “county fuel tax.”
- An additional 1 cent per net gallon, designated as the “municipal fuel tax.”

⁸ Naturalgas.org website: <http://www.naturalgas.org/environment/naturalgas.asp>. Retrieved February 15, 2013.

⁹ FNGVC website: <http://www.fuelforjobs.com/wp-content/uploads/2012/03/Executive-Summary-FINAL1.pdf>. Retrieved February 15, 2013.

¹⁰ S. 206.01(9), F.S. defines “motor fuel” to mean “all gasoline products or any product blended with gasoline or any fuel placed in the storage supply tank of a gasoline-powered motor vehicle.”

¹¹ Section 206.01(9), F.S., defines “motor fuel” or “fuel” to mean “all gasoline products or any product blended with gasoline or any fuel placed in the storage supply tank of a gasoline-powered motor vehicle.”

- An additional tax of 1 cent per net gallon may be imposed by each county, designated as the “ninth-cent fuel tax.”
- An additional tax of between 1 and 11 cents per net gallon may be imposed by each county, designated as the “local option fuel tax.”
- An additional tax per net gallon of motor fuel is imposed by each county, designated as the State Comprehensive Enhanced Transportation System Tax (SCETS), at a rate determined as specified in paragraph (f) of the subsection.
- An additional tax per net gallon is imposed “on the privileged of selling motor fuel”, designated as the “fuel sales tax,” at a rate determined as specified in paragraph (g) of the subsection.

The SCETS tax rate on motor fuel for 2013 is 5.9 cents and the fuel sales tax rate on motor fuel for 2013 is 12.9 cents.¹²

Diesel Fuel

Section 206.87(1), F.S., provides for the following taxes on diesel fuel:

- An excise tax of 4 cents per net gallon of diesel fuel.¹³
- An additional 1 cent per net gallon is imposed by each county, designated as the “ninth-cent fuel tax.”
- An additional 6 cents per net gallon is imposed by each county, designated as the “local option fuel tax.”
- An additional tax per net gallon is imposed by each county, designated as the State Comprehensive Enhanced Transportation System Tax (SCETS), at a rate determined as specified in paragraph (d) of the subsection; and
- An additional tax per net gallon “on the privilege of selling diesel fuel,” designated as the “fuel sales tax,” at a rate determined as specified in paragraph (e) of the subsection.

The SCETS Tax rate on diesel fuel for 2013 is 7.1 cents and the fuel sales tax rate on diesel for 2013 is 12.9 cents.¹⁴

Section 212.0501(5), F.S., provides that diesel fuel upon which the fuel taxes pursuant to ch. 206, F.S., have been paid is exempt from the tax on sales, use, and other transactions imposed by ch. 212, F.S.

Alternative Fuel

Section 206.86(4), F.S., defines “alternative fuel” to mean “any liquefied petroleum gas product or compressed natural gas product or combination thereof used in an internal combustion engine or motor to propel any form of vehicle, machine, or mechanical contrivance.” The term includes

¹² Florida Department of Revenue website: http://dor.myflorida.com/dor/tips/pdf/12b05-02_chart.pdf, *2013 Florida Fuel Tax, Collection Allowance, Refund, and Pollutants Tax Rates*, retrieved February 12, 2013.

¹³ Section 206.86(1), F.S., defines “diesel fuel” to mean “all petroleum distillates commonly known as diesel #2, biodiesel, or any other product blended with diesel or any product placed into the storage supply tank of a diesel-powered motor vehicle.

¹⁴ Florida Department of Revenue website: http://dor.myflorida.com/dor/tips/pdf/12b05-02_chart.pdf, *2013 Florida Fuel Tax, Collection Allowance, Refund, and Pollutants Tax Rates*, retrieved February 12, 2013.

all forms of liquefied petroleum gas (*i.e.*, natural gas, butane gas, propane gas) or compressed natural gas. Section 206.86(5), F.S., defines “natural gasoline” as “a liquid hydrocarbon that is produced by natural gas and must be blended with other liquid petroleum products to produce motor fuel.”

Section 206.877, F.S., requires owners or operators of motor vehicles licensed in this state which are powered by alternative fuels to pay, in lieu of the diesel fuel taxes imposed by s.206.87(1)(a)-(d), an annual decal fee on each such motor vehicle in accordance with the rate schedule specified in that paragraph. In addition, the sale of alternative fuel is subject to sales tax imposed under ch. 212, F.S.¹⁵

The Department of Revenue (DOR) issues an annual decal to be attached to the upper right corner of the front windshield on the motor vehicle for which the decal is issued, and it is unlawful to operate a vehicle that is required to have a decal unless the vehicle is titled outside the state. Each sale of alternative fuel placed in a motor vehicle displaying a decal must be documented on an invoice that includes the decal number, the motor vehicle license number, and the number of gallons placed into the motor vehicle. Any person who puts or causes to be put liquefied petroleum gas or compressed natural gas into a motor vehicle required to have a decal is guilty of a first degree misdemeanor unless the vehicle has the required attached decal. A state or local governmental agency is not required to obtain a decal and pay the annual decal fee for motor vehicles powered by alternative fuel and operated by the state or local governmental agency.

Section 206.89, F.S., provides that a person may not act as a retailer of alternative fuel unless he or she holds a valid retailer of alternative fuel license issued by DOR, and any person acting as such who does not hold a license must pay a penalty of 25% of the tax assessed on the total purchases. A filing fee of \$5 is required at the time of filing an application for a license. Terminal suppliers, importers, and wholesalers must also provide a specified bond that must be filed with DOR to ensure payment to the state of the amount of tax, any penalties, and interest. Every person who operates as a retailer of alternative fuel, except those licensed under ch. 206, F.S., including a state agency, federal agency, municipality, county, or special district, must report monthly to DOR and pay tax on all fuel purchases.

The revenues from the state alternative fuel fees imposed by s. 206.877, F.S., are deposited into the State Alternative Fuel User Fee Clearing Trust Fund. After deducting the specified service charge, the proceeds from state alternative fuel fees are distributed as follows:

- One-half of the proceeds to the State Transportation Trust Fund (STTF).
- 50 percent of the remainder to the State Board of Administration for distribution in accordance with the Florida Constitution.
- 25 percent of the remainder to the Revenue Sharing Trust Fund for Municipalities.
- 25 percent of the remainder to the counties for specified public transportation purposes, distributed in accordance with s. 206.60(1), F.S.

¹⁵ Fla. Admin. Code R. 12A-1.059.

The revenues from the local alternative fuel fees imposed in lieu of s. 206.87(1)(b) or (c), F.S., are to be deposited into the Local Alternative Fuel User Fee Clearing Trust Fund. After deducting specified service charges, the proceeds are returned monthly to the appropriate county.

III. Effect of Proposed Changes:

CS/CS/SB 560 directs the Office of Program Policy Analysis and Government Accountability (OPPAGA) to complete a report reviewing the taxation of liquefied petroleum gas and compressed natural gas used to power motor vehicles.

The report will:

- Evaluate growth trends in the use of liquefied petroleum gas and compressed natural gas used to power motor vehicles.
- Survey how other states tax liquefied petroleum gas and compressed natural gas to power motor vehicles and how they provide incentives to consumers of alternative fuels.
- Survey current consumers and suppliers of liquefied petroleum gas and compressed natural gas.

The report must be submitted to the President of the Senate and the Speaker of the House of Representatives by November 1, 2013. The bill is effective upon becoming law.

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:

None.

- B. Private Sector Impact:
- C. None. Government Sector Impact:

The CS will require the Office of Program Policy Analysis and Government Accountability (OPPAGA) to complete the specified report.

VI. Technical Deficiencies:

None.

VII. Related Issues:

VIII. None. Additional Information:

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

Recommended CS by Appropriations Subcommittee on Finance and Tax on March 27, 2013:

The CS replaces the provisions of the bill with a requirement that the Office of Program Policy Analysis and Government Accountability (OPPAGA) complete a report reviewing the taxation of liquefied petroleum gas and compressed natural gas used to power motor vehicles.

CS by Transportation on February 21, 2013:

The committee adopted a strike-all and two amendments at its meeting and incorporated them into the original bill as a committee substitute. The amendments:

- require any person who acts as a natural gas retailer and does not hold a valid natural gas fuel retailer license to pay a penalty of \$200 for each month of operation without a natural gas fuel retailer license, which provision expires on December 31, 2018;
- effective January 1, 2019, require any person who acts as a natural gas fuel retailer and does not hold a valid natural gas fuel retailer license to pay a penalty of 25 percent of the tax assessed on the total purchases made during the unlicensed period;
- postpone distributions of proceeds to the STTF from the State Alternative Fuel User Fee Clearing Trust until calendar year 2019 and delay imposition of the natural gas fuel tax until January 1, 2019;
- establish a beginning date of February 2019 for natural gas fuel retailers to begin filing the monthly reports; and
- remove the natural gas fuel vehicle investment program under which 2 percent of the SCETS tax on motor fuel, diesel, and alternative fuel were to be used to provide rebates for the incremental cost or purchase of natural gas fuel vehicles.

B. Amendments:

None.

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



739124

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/27/2013	.	
	.	
	.	
	.	

Appropriations Subcommittee on Finance and Tax (Ring)
recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. The Office of Program Policy Analysis and
Government Accountability shall complete a report reviewing the
taxation of liquefied petroleum gas and compressed natural gas
used to power motor vehicles under s. 206.877 and chapter 212.
The report must, at a minimum: evaluate growth trends in the use
of liquefied petroleum gas and compressed natural gas used to
power motor vehicles; survey how other states tax liquefied
petroleum gas and compressed natural gas to power motor vehicles



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13 and how they provide incentives to consumers of such alternative
14 fuels; and survey current consumers and suppliers of liquefied
15 petroleum gas and compressed natural gas. The report shall be
16 submitted to the President of the Senate and the Speaker of the
17 House of Representatives by November 1, 2013.

18 Section 2. This act shall take effect upon becoming a law.

19
20 ===== T I T L E A M E N D M E N T =====

21 And the title is amended as follows:

22 Delete everything before the enacting clause
23 and insert:

24 A bill to be entitled
25 An act relating to alternative fuel; requiring the
26 Office of Program Policy Analysis and Government
27 Accountability to complete a review of the taxation of
28 liquefied petroleum gas and compressed natural gas;
29 providing report requirements; requiring the report be
30 submitted to the Legislature by a specified date;
31 providing an effective date.

By the Committee on Transportation; and Senators Simpson, Bean, Bradley, Stargel, Latvala, Grimsley, Evers, Soto, Ring, Gibson, Hays, Lee, and Altman

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1 A bill to be entitled
 2 An act relating to natural gas motor fuel; amending s.
 3 206.86, F.S.; deleting definitions for the terms
 4 "alternative fuel" and "natural gasoline"; amending s.
 5 206.87, F.S.; conforming a cross-reference; repealing
 6 s. 206.877, F.S., relating to the annual decal fee
 7 program for motor vehicles powered by alternative
 8 fuels; repealing s. 206.89, F.S., relating to the
 9 requirements for alternative fuel retailer licenses;
 10 amending s. 206.91, F.S.; making grammatical and
 11 technical changes; providing a directive to the
 12 Division of Law Revision and Information; creating s.
 13 206.9951, F.S.; providing definitions; creating s.
 14 206.9952, F.S.; establishing requirements for natural
 15 gas fuel retailer licenses; providing penalties for
 16 certain licensure violations; creating s. 206.9955,
 17 F.S.; providing calculations for a motor fuel
 18 equivalent gallon; providing for the levy of the
 19 natural gas fuel tax; authorizing the Department of
 20 Revenue to adopt rules; creating s. 206.996, F.S.;
 21 establishing requirements for monthly reports of
 22 natural gas fuel retailers; providing that reports are
 23 made under the penalties of perjury; allowing natural
 24 gas fuel retailers to seek a deduction of the tax
 25 levied under specified conditions; creating s.
 26 206.9965, F.S.; providing exemptions and refunds from
 27 the natural gas fuel tax; transferring, renumbering,
 28 and amending s.206.879, F.S; revising provisions
 29 relating to the State Alternative Fuel User Fee

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30 Clearing Trust Fund; terminating the Local Alternative
 31 Fuel User Fee Clearing Trust Fund within the
 32 Department of Revenue; prescribing procedures for the
 33 termination of the trust fund; creating s. 206.998,
 34 F.S.; providing for the applicability of specified
 35 sections of parts I and II of ch. 206, F.S.; amending
 36 s. 212.055, F.S.; conforming a cross-reference;
 37 providing an effective date.
 38
 39 Be It Enacted by the Legislature of the State of Florida:
 40
 41 Section 1. Section 206.86, Florida Statutes, is amended to
 42 read:
 43 206.86 Definitions.—As used in this part:
 44 (1) "Diesel fuel" means all petroleum distillates commonly
 45 known as diesel #2, biodiesel, or any other product blended with
 46 diesel or any product placed into the storage supply tank of a
 47 diesel-powered motor vehicle.
 48 (2) "Taxable diesel fuel" or "fuel" means any diesel fuel
 49 not held in bulk storage at a terminal ~~and~~ which has not been
 50 dyed for exempt use in accordance with Internal Revenue Code
 51 requirements.
 52 (3) "User" includes any person who uses diesel fuels within
 53 this state for the propulsion of a motor vehicle on the public
 54 highways of this state, even though the motor is also used for a
 55 purpose other than the propulsion of the vehicle.
 56 ~~(4) "Alternative fuel" means any liquefied petroleum gas~~
 57 ~~product or compressed natural gas product or combination thereof~~
 58 ~~used in an internal combustion engine or motor to propel any~~

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59 ~~form of vehicle, machine, or mechanical contrivance. This term~~
 60 ~~includes, but is not limited to, all forms of fuel commonly or~~
 61 ~~commercially known or sold as natural gasoline, butane gas,~~
 62 ~~propane gas, or any other form of liquefied petroleum gas or~~
 63 ~~compressed natural gas.~~

64 ~~(5) "Natural gasoline" is a liquid hydrocarbon that is~~
 65 ~~produced by natural gas and must be blended with other liquid~~
 66 ~~petroleum products to produce motor fuel.~~

67 ~~(4)(6) "Removal" means any physical transfer of diesel fuel~~
 68 ~~and any use of diesel fuel other than as a material in the~~
 69 ~~production of diesel fuel.~~

70 ~~(5)(7) "Blender" means any person who that produces blended~~
 71 ~~diesel fuel outside the bulk transfer/terminal system.~~

72 ~~(6)(8) "Colorless marker" means material that is not~~
 73 ~~perceptible to the senses until the diesel fuel into which it is~~
 74 ~~introduced is subjected to a scientific test.~~

75 ~~(7)(9) "Dyed diesel fuel" means diesel fuel that is dyed in~~
 76 ~~accordance with United States Environmental Protection Agency or~~
 77 ~~Internal Revenue Service requirements for high sulfur diesel~~
 78 ~~fuel or low sulfur diesel fuel.~~

79 ~~(8)(10) "Ultimate vendor" means a licensee that sells~~
 80 ~~undyed diesel fuel to the United States or its departments or~~
 81 ~~agencies in bulk lots of not less than 500 gallons in each~~
 82 ~~delivery or to the user of the diesel fuel for use on a farm for~~
 83 ~~farming purposes.~~

84 ~~(9)(11) "Local government user of diesel fuel" means any~~
 85 ~~county, municipality, or school district licensed by the~~
 86 ~~department to use untaxed diesel fuel in motor vehicles.~~

87 ~~(10)(12) "Mass transit system" means any licensed local~~

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88 transportation company providing local bus service that is open
 89 to the public and that travels regular routes.

90 ~~(11)(13) "Diesel fuel registrant" means anyone required by~~
 91 ~~this chapter to be licensed to remit diesel fuel taxes,~~
 92 ~~including, but not limited to, terminal suppliers, importers,~~
 93 ~~local government users of diesel fuel, and mass transit systems.~~

94 ~~(12)(14) "Biodiesel" means any product made from~~
 95 ~~nonpetroleum-based oils or fats which is suitable for use in~~
 96 ~~diesel-powered engines. Biodiesel is also referred to as alkyl~~
 97 ~~esters.~~

98 ~~(13)(15) "Biodiesel manufacturer" means those industrial~~
 99 ~~plants, regardless of capacity, where organic products are used~~
 100 ~~in the production of biodiesel. This includes businesses that~~
 101 ~~process or blend organic products that are marketed as~~
 102 ~~biodiesel.~~

103 Section 2. Paragraph (a) of subsection (1) of section
 104 206.87, Florida Statutes, is amended to read:

105 206.87 Levy of tax.—

106 (1) (a) An excise tax of 4 cents per gallon is ~~hereby~~
 107 ~~imposed upon each net gallon of diesel fuel subject to the tax~~
 108 ~~under subsection (2), except alternative fuels which are subject~~
 109 ~~to the fee imposed by s. 206.877.~~

110 Section 3. Section 206.877, Florida Statutes, is repealed.

111 Section 4. Section 206.89, Florida Statutes, is repealed.

112 Section 5. Subsection (1) of section 206.91, Florida
 113 Statutes, is amended to read:

114 206.91 Tax reports; computation and payment of tax.—

115 (1) For the purpose of determining the amount of taxes
 116 imposed by s. 206.87, each diesel fuel registrant shall, not

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117 later than the 20th day of each calendar month, mail to the
 118 department, on forms prescribed by the department, monthly
 119 reports ~~that provide which shall show such~~ information on
 120 inventories, purchases, nontaxable disposals, and taxable sales
 121 in gallons of diesel fuel ~~and alternative fuel~~, for the
 122 preceding calendar month ~~as may be~~ required by the department.
 123 However, if the 20th day falls on a Saturday, a Sunday, or a
 124 federal or state legal holiday, returns shall be accepted if
 125 postmarked on the next succeeding workday. The reports must
 126 include, shall contain or be verified by, a written declaration
 127 stating that they are ~~such report is~~ made under the penalties of
 128 perjury. The diesel fuel registrant shall deduct from the amount
 129 of taxes shown by the report to be payable an amount equivalent
 130 to .67 percent of the taxes on diesel fuel imposed by s.
 131 206.87(1)(a) and (e), which deduction is ~~hereby~~ allowed to the
 132 diesel fuel registrant on account of services and expenses in
 133 complying with the provisions of this part. The allowance on
 134 taxable gallons of diesel fuel sold to persons licensed under
 135 this chapter is not shall not be deductible unless the diesel
 136 fuel registrant has allowed 50 percent of the allowance provided
 137 by this section to a purchaser with a valid wholesaler or
 138 terminal supplier license. This allowance is not shall not be
 139 deductible unless payment of the taxes is made on or before the
 140 20th day of the month as ~~herein~~ required in this subsection.
 141 ~~Nothing in~~ This subsection does not shall be construed to
 142 authorize a deduction from the constitutional fuel tax or fuel
 143 sales tax.

144 Section 6. The Division of Law Revision and Information is
 145 requested to create part V of chapter 206, Florida Statutes,

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146 consisting of ss. 206.9951-206.998, entitled "NATURAL GAS FUEL."

147 Section 7. Section 206.9951, Florida Statutes, is created
 148 to read:

149 206.9951 Definitions.—As used in this part, the term:

150 (1) "Motor fuel equivalent gallon" means the volume of
 151 natural gas fuel it takes to equal the energy content of 1
 152 gallon of motor fuel.

153 (2) "Natural gas fuel" means any liquefied petroleum gas
 154 product, compressed natural gas product, or combination thereof
 155 used in an internal combustion engine or motor to propel any
 156 form of vehicle, machine, or mechanical contrivance. This term
 157 includes, but is not limited to, all forms of fuel commonly or
 158 commercially known or sold as natural gasoline, butane gas,
 159 propane gas, or any other form of liquefied petroleum gas,
 160 compressed natural gas, or liquefied natural gas.

161 (3) "Natural gas fuel retailer" means any person who sells
 162 natural gas fuel to be placed into the fuel supply system of a
 163 motor vehicle or used to propel any form of vehicle, machine, or
 164 mechanical contrivance.

165 (4) "Natural gasoline" is a liquid hydrocarbon that is
 166 produced by natural gas and must be blended with other liquid
 167 petroleum products to produce motor fuel.

168 (5) "Person" means a natural person, corporation,
 169 copartnership, firm, company, agency, or association; a state
 170 agency; or a political subdivision of the state.

171 Section 8. Section 206.9952, Florida Statutes, is created
 172 to read:

173 206.9952 Application for license as a natural gas fuel
 174 retailer.—

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175 (1) It is unlawful for any person to engage in business as
 176 a natural gas fuel retailer within this state unless he or she
 177 is the holder of a valid license issued by the department to
 178 engage in such business.

179 (2) A person who has facilities for placing natural gas
 180 fuel into the supply system of an internal combustion engine
 181 fueled by individual portable containers of 10 gallons or less
 182 is not required to be licensed as a natural gas fuel retailer,
 183 provided that the fuel is only used for exempt purposes.

184 (3) (a) Any person who acts as a natural gas retailer and
 185 does not hold a valid natural gas fuel retailer license shall
 186 pay a penalty of \$200 for each month of operation without a
 187 license. This paragraph expires December 31, 2018.

188 (b) Effective January 1, 2019, any person who acts as a
 189 natural gas fuel retailer and does not hold a valid natural gas
 190 fuel retailer license shall pay a penalty of 25 percent of the
 191 tax assessed on the total purchases made during the unlicensed
 192 period.

193 (4) To procure a natural gas fuel retailer license, a
 194 person shall file an application and a bond with the department
 195 on a form prescribed by the department. The department may not
 196 issue a license upon the receipt of any application unless it is
 197 accompanied by a bond.

198 (5) When a natural gas fuel retailer license application is
 199 filed by a person whose previous license was canceled for cause
 200 by the department or the department believes that such
 201 application was not filed in good faith or is filed by another
 202 person as a subterfuge for the actual person in interest whose
 203 previous license has been canceled, the department may, if

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204 evidence warrants, refuse to issue a license for such an
 205 application.

206 (6) Upon the department's issuance of a natural gas fuel
 207 retailer license, such license remains in effect so long as the
 208 natural gas fuel retailer is in compliance with the requirements
 209 of this part.

210 (7) Such license may not be assigned and is valid only for
 211 the natural gas fuel retailer in whose name the license is
 212 issued. The license shall be displayed conspicuously by the
 213 natural gas fuel retailer in the principal place of business for
 214 which the license was issued.

215 (8) With the exception of a state or federal agency or a
 216 political subdivision licensed under this chapter, each person,
 217 as defined in this part, who operates as a natural gas fuel
 218 retailer shall report monthly to the department and pay a tax on
 219 all natural gas fuel purchases beginning January 1, 2019.

220 (9) The license application requires a license fee of \$5.
 221 Each license shall be renewed annually by submitting a
 222 reapplication and the license fee to the department. The license
 223 fee shall be paid to the department for deposit into the General
 224 Revenue Fund.

225 Section 9. Section 206.9955, Florida Statutes, is created
 226 to read:

227 206.9955 Levy of natural gas fuel tax.—

228 (1) The motor fuel equivalent gallon means the following
 229 for:

230 (a) Compressed natural gas gallon: 5.66 pounds, or per each
 231 126.67 cubic feet.

232 (b) Liquefied natural gas gallon: 6.22 pounds.

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233 (c) Liquefied petroleum gas gallon: 1.35 gallons.
 234 (2) Effective January 1, 2019, the following taxes shall be
 235 imposed:
 236 (a) An excise tax of 4 cents upon each motor fuel
 237 equivalent gallon of natural gas fuel.
 238 (b) An additional tax of 1 cent upon each motor fuel
 239 equivalent gallon of natural gas fuel, which is designated as
 240 the "ninth-cent fuel tax."
 241 (c) An additional tax of 6 cents on each motor fuel
 242 equivalent gallon of natural gas fuel by each county, which is
 243 designated as the "local option fuel tax."
 244 (d) An additional tax on each motor fuel equivalent gallon
 245 of natural gas fuel, which is designated as the "State
 246 Comprehensive Enhanced Transportation System Tax," at a rate
 247 determined pursuant to this paragraph. Each calendar year, the
 248 department shall determine the tax rate applicable to the sale
 249 of natural gas fuel for the following 12-month period beginning
 250 January 1, rounded to the nearest tenth of a cent, by adjusting
 251 the initially established tax rate of 7.1 cents per gallon by
 252 the percentage change in the average of the Consumer Price Index
 253 issued by the United States Department of Labor for the most
 254 recent 12-month period ending September 30.
 255 (e)1. An additional tax is imposed on each motor fuel
 256 equivalent gallon of natural gas fuel for the privilege of
 257 selling natural gas fuel and is designated as the "fuel sales
 258 tax." Each calendar year, the department shall determine the tax
 259 rate applicable to the sale of natural gas fuel, rounded to the
 260 nearest tenth of a cent, for the following 12-month period
 261 beginning January 1. The tax rate is calculated by adjusting the

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262 initially established tax rate of 12.9 cents per gallon by the
 263 percentage change in the average of the Consumer Price Index
 264 issued by the United States Department of Labor for the most
 265 recent 12-month period ending September 30.
 266 2. The department is authorized to adopt rules and publish
 267 forms to administer this paragraph.
 268 (3) Unless otherwise provided by this chapter, the taxes
 269 specified in subsection (2) are imposed on natural gas fuel when
 270 it is placed into the fuel supply tank of a motor vehicle or
 271 used to propel any form of vehicle, machine, or mechanical
 272 contrivance. The person liable for payment of the taxes imposed
 273 by this section is the person selling the fuel to the end user,
 274 where the fuel is placed into the fuel supply tank of a motor
 275 vehicle or used to propel any form of vehicle, machine, or
 276 mechanical contrivance.
 277 Section 10. Section 206.996, Florida Statutes, is created
 278 to read:
 279 206.996 Monthly reports by natural gas fuel retailers;
 280 deductions.—
 281 (1) For the purpose of determining the amount of taxes
 282 imposed by s. 206.9955, each natural gas fuel retailer shall
 283 file beginning with February 2019 and each month thereafter, no
 284 later than the 20th day of each month, monthly reports
 285 electronically with the department showing information on
 286 inventory, purchases, nontaxable disposals, and taxable sales in
 287 gallons of natural gas fuel for the preceding month. However, if
 288 the 20th day of the month falls on a Saturday, Sunday, or
 289 federal or state legal holiday, a return must be accepted if it
 290 is electronically filed on the next succeeding business day. The

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291 reports must include, or be verified by, a written declaration
 292 stating that such report is made under the penalties of perjury.
 293 The natural gas fuel retailer shall deduct from the amount of
 294 taxes shown by the report to be payable an amount equivalent to
 295 0.67 percent of the taxes on natural gas fuel imposed by s.
 296 206.9955(2)(a) and (e), which deduction is allowed to the
 297 natural gas fuel retailer to compensate it for services rendered
 298 and expenses incurred in complying with the requirements of this
 299 part. The allowance on taxable gallons of natural gas fuel sold
 300 to persons licensed under this part is not deductible unless the
 301 natural gas fuel retailer has allowed 50 percent of the
 302 allowance provided by this section to a purchaser that has a
 303 valid wholesaler or terminal supplier license. This allowance is
 304 not deductible unless payment of applicable taxes is made on or
 305 before the 20th day of the month. This subsection may not be
 306 construed as authorizing a deduction from the constitutional
 307 fuel tax or the fuel sales tax.

308 (2) Upon the electronic filing of the monthly report, each
 309 natural gas fuel retailer shall pay the department the full
 310 amount of natural gas fuel taxes for the preceding month at the
 311 rate provided in s. 206.9955, less the amount allowed the
 312 natural gas fuel retailer for services and expenses as provided
 313 in subsection (1).

314 (3) The department may authorize a quarterly return and
 315 payment of taxes when the taxes remitted by the natural gas fuel
 316 retailer for the preceding quarter did not exceed \$100, and the
 317 department may authorize a semiannual return and payment of
 318 taxes when the taxes remitted by the natural gas fuel retailer
 319 for the preceding 6 months did not exceed \$200.

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320 (4) In addition to the allowance authorized by subsection
 321 (1), every natural gas fuel retailer is entitled to a deduction
 322 of 1.1 percent of the taxes imposed under s. 206.9955(2)(b) and
 323 (c), on account of services and expenses incurred due to
 324 compliance with the requirements of this part. This allowance
 325 may not be deductible unless payment of the tax is made on or
 326 before the 20th day of the month.

327 Section 11. Section 206.9965, Florida Statutes, is created
 328 to read:

329 206.9965 Exemptions and refunds; natural gas fuel
 330 retailers.-

331 (1) Natural gas fuel may be purchased from natural gas fuel
 332 retailers exempt from the tax imposed by this part when used or
 333 purchased for the following:

334 (a) Exclusive use by the United States or its departments
 335 or agencies. Exclusive use by the United States or its
 336 departments and agencies means the consumption by the United
 337 States or its departments or agencies of the natural gas fuel in
 338 a motor vehicle or used to propel any form of vehicle, machine,
 339 or mechanical contrivance.

340 (b) Use for an internal combustion engine or motor to
 341 propel any form of vehicle, machine, or mechanical contrivance
 342 for agricultural purposes as defined in s. 206.41(4)(c).

343 (c) Uses as provided in s. 206.874(3).

344 (d) Use by vehicles operated by state and local government
 345 agencies.

346 (e) Individual use resulting from residential refueling
 347 devices located at a person's primary residence.

348 (f) Purchases of natural gas fuel between licensed natural

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349 gas fuel retailers. A natural gas fuel retailer that sells tax-
 350 paid natural gas fuel to another natural gas fuel retailer may
 351 take a credit on its monthly return or may file a claim for
 352 refund with the Chief Financial Officer pursuant to s. 215.26.
 353 All sales of natural gas fuel between natural gas fuel retailers
 354 must be documented on invoices or other evidence of the sale of
 355 such fuel and the seller shall retain a copy of the purchaser's
 356 natural gas fuel retailer license.

357 Section 12. Section 206.879, Florida Statutes, is
 358 transferred and renumbered as section 206.997, Florida Statutes,
 359 and amended to read:

360 206.997 ~~206.879~~ State and local alternative fuel user fee
 361 clearing trust funds; distribution.-

362 (1) Notwithstanding ~~the provisions of~~ s. 206.875, the
 363 revenues from the natural gas fuel tax imposed by s. 206.9955
 364 ~~state alternative fuel fees imposed by s. 206.877~~ shall be
 365 deposited into the State Alternative Fuel User Fee Clearing
 366 Trust Fund, which is hereby created. After deducting the service
 367 charges provided in s. 215.20, the proceeds in this trust fund
 368 shall be distributed as follows: one-half of the proceeds in
 369 calendar year 2019 and one-fifth of the proceeds in calendar
 370 year 1991, one-third of the proceeds in calendar year 1992,
 371 three-sevenths of the proceeds in calendar year 1993, and one-
 372 half of the proceeds in each calendar year thereafter shall be
 373 transferred to the State Transportation Trust Fund; the
 374 remainder shall be distributed as follows: 50 percent shall be
 375 transferred to the State Board of Administration for
 376 distribution according to the provisions of s. 16, Art. IX of
 377 the State Constitution of 1885, as amended; 25 percent shall be

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378 transferred to the Revenue Sharing Trust Fund for
 379 Municipalities; and the remaining 25 percent shall be
 380 distributed using the formula contained in s. 206.60(1).

381 ~~(2) Notwithstanding the provisions of s. 206.875, the~~
 382 ~~revenues from the local alternative fuel fees imposed in lieu of~~
 383 ~~s. 206.87(1)(b) or (c) shall be deposited into The Local~~
 384 ~~Alternative Fuel User Fee Clearing Trust Fund, which is hereby~~
 385 ~~created. After deducting the service charges provided in s.~~
 386 ~~215.20, the proceeds in this trust fund shall be returned~~
 387 ~~monthly to the appropriate county.~~

388 Section 13. (1) The Local Alternative Fuel User Fee
 389 Clearing Trust Fund within the Department of Revenue is
 390 terminated.

391 (2) The Department of Revenue shall pay any outstanding
 392 debts or obligations of the terminated fund as soon as
 393 practicable, and the Chief Financial Officer shall close out and
 394 remove the terminated fund from various state accounting systems
 395 using generally accepted accounting principles concerning
 396 warrants outstanding, assets, and liabilities.

397 Section 14. Section 206.998, Florida Statutes, is created
 398 to read:

399 206.998 Applicability of specified sections of parts I and
 400 II.-The provisions of ss. 206.01, 206.02, 206.025, 206.026,
 401 206.027, 206.028, 206.03, 206.05, 206.055, 206.06, 206.07,
 402 206.075, 206.09, 206.10, 206.11, 206.12, 206.13, 206.14, 206.15,
 403 206.16, 206.17, 206.175, 206.18, 206.199, 206.20, 206.204,
 404 206.205, 206.21, 206.215, 206.22, 206.23, 206.24, 206.25,
 405 206.27, 206.28, 206.405, 206.406, 206.41, 206.413, 206.43,
 406 206.44, 206.48, 206.485, 206.49, 206.56, 206.59, 206.606,

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 407 206.608, and 206.61, Florida Statutes, of part I of this chapter
 408 and ss. 206.86, 206.872, 206.874, 206.8745, 206.88, 206.90, and
 409 206.93, Florida Statutes, of part II of this chapter shall, as
 410 far as lawful or practicable, be applicable to the tax levied
 411 and imposed and to the collection thereof as if fully set out in
 412 this part. However, any provision of any such section does not
 413 apply if it conflicts with any provision of this part.

414 Section 15. Paragraph (d) of subsection (2) of section
 415 212.055, Florida Statutes, is amended to read:

416 212.055 Discretionary sales surtaxes; legislative intent;
 417 authorization and use of proceeds.—It is the legislative intent
 418 that any authorization for imposition of a discretionary sales
 419 surtax shall be published in the Florida Statutes as a
 420 subsection of this section, irrespective of the duration of the
 421 levy. Each enactment shall specify the types of counties
 422 authorized to levy; the rate or rates which may be imposed; the
 423 maximum length of time the surtax may be imposed, if any; the
 424 procedure which must be followed to secure voter approval, if
 425 required; the purpose for which the proceeds may be expended;
 426 and such other requirements as the Legislature may provide.
 427 Taxable transactions and administrative procedures shall be as
 428 provided in s. 212.054.

429 (2) LOCAL GOVERNMENT INFRASTRUCTURE SURTAX.—

430 (d) The proceeds of the surtax authorized by this
 431 subsection and any accrued interest shall be expended by the
 432 school district, within the county and municipalities within the
 433 county, or, in the case of a negotiated joint county agreement,
 434 within another county, to finance, plan, and construct
 435 infrastructure; to acquire land for public recreation,

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 436 conservation, or protection of natural resources; to provide
 437 loans, grants, or rebates to residential or commercial property
 438 owners who make energy efficiency improvements to their
 439 residential or commercial property, if a local government
 440 ordinance authorizing such use is approved by referendum; or to
 441 finance the closure of county-owned or municipally owned solid
 442 waste landfills that have been closed or are required to be
 443 closed by order of the Department of Environmental Protection.
 444 Any use of the proceeds or interest for purposes of landfill
 445 closure before July 1, 1993, is ratified. The proceeds and any
 446 interest may not be used for the operational expenses of
 447 infrastructure, except that a county that has a population of
 448 fewer than 75,000 and that is required to close a landfill may
 449 use the proceeds or interest for long-term maintenance costs
 450 associated with landfill closure. Counties, as defined in s.
 451 125.011, and charter counties may, in addition, use the proceeds
 452 or interest to retire or service indebtedness incurred for bonds
 453 issued before July 1, 1987, for infrastructure purposes, and for
 454 bonds subsequently issued to refund such bonds. Any use of the
 455 proceeds or interest for purposes of retiring or servicing
 456 indebtedness incurred for refunding bonds before July 1, 1999,
 457 is ratified.

458 1. For the purposes of this paragraph, the term
 459 "infrastructure" means:

460 a. Any fixed capital expenditure or fixed capital outlay
 461 associated with the construction, reconstruction, or improvement
 462 of public facilities that have a life expectancy of 5 or more
 463 years and any related land acquisition, land improvement,
 464 design, and engineering costs.

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465 b. A fire department vehicle, an emergency medical service
 466 vehicle, a sheriff's office vehicle, a police department
 467 vehicle, or any other vehicle, and the equipment necessary to
 468 outfit the vehicle for its official use or equipment that has a
 469 life expectancy of at least 5 years.

470 c. Any expenditure for the construction, lease, or
 471 maintenance of, or provision of utilities or security for,
 472 facilities, as defined in s. 29.008.

473 d. Any fixed capital expenditure or fixed capital outlay
 474 associated with the improvement of private facilities that have
 475 a life expectancy of 5 or more years and that the owner agrees
 476 to make available for use on a temporary basis as needed by a
 477 local government as a public emergency shelter or a staging area
 478 for emergency response equipment during an emergency officially
 479 declared by the state or by the local government under s.
 480 252.38. Such improvements are limited to those necessary to
 481 comply with current standards for public emergency evacuation
 482 shelters. The owner must enter into a written contract with the
 483 local government providing the improvement funding to make the
 484 private facility available to the public for purposes of
 485 emergency shelter at no cost to the local government for a
 486 minimum of 10 years after completion of the improvement, with
 487 the provision that the obligation will transfer to any
 488 subsequent owner until the end of the minimum period.

489 e. Any land acquisition expenditure for a residential
 490 housing project in which at least 30 percent of the units are
 491 affordable to individuals or families whose total annual
 492 household income does not exceed 120 percent of the area median
 493 income adjusted for household size, if the land is owned by a

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494 local government or by a special district that enters into a
 495 written agreement with the local government to provide such
 496 housing. The local government or special district may enter into
 497 a ground lease with a public or private person or entity for
 498 nominal or other consideration for the construction of the
 499 residential housing project on land acquired pursuant to this
 500 sub-subparagraph.

501 2. For the purposes of this paragraph, the term "energy
 502 efficiency improvement" means any energy conservation and
 503 efficiency improvement that reduces consumption through
 504 conservation or a more efficient use of electricity, natural
 505 gas, propane, or other forms of energy on the property,
 506 including, but not limited to, air sealing; installation of
 507 insulation; installation of energy-efficient heating, cooling,
 508 or ventilation systems; installation of solar panels; building
 509 modifications to increase the use of daylight or shade;
 510 replacement of windows; installation of energy controls or
 511 energy recovery systems; installation of electric vehicle
 512 charging equipment; installation of systems for natural gas fuel
 513 as defined in s. 206.9951; and installation of efficient
 514 lighting equipment.

515 3. Notwithstanding any other provision of this subsection,
 516 a local government infrastructure surtax imposed or extended
 517 after July 1, 1998, may allocate up to 15 percent of the surtax
 518 proceeds for deposit into ~~in~~ a trust fund within the county's
 519 accounts created for the purpose of funding economic development
 520 projects having a general public purpose of improving local
 521 economies, including the funding of operational costs and
 522 incentives related to economic development. The ballot statement

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523 must indicate the intention to make an allocation under the
524 authority of this subparagraph.

525 Section 16. This act shall take effect January 1, 2014.

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 Appropriations Subcommittee on Finance and Tax

BILL: CS/SB 928

INTRODUCER: Appropriations Subcommittee on Finance and Tax and Community Affairs and Senator Simpson

SUBJECT: Community Development

DATE: March 27, 2013 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Toman	Yeatman	CA	Fav/CS
2.	Fournier	Diez-Arguelles	AFT	Fav/CS
3.			AP	
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE..... Statement of Substantial Changes

B. AMENDMENTS..... Technical amendments were recommended

Amendments were recommended

Significant amendments were recommended

I. Summary:

CS/SB 928 modifies the process used by the Florida Housing Finance Corporation (FHFC) to allocate low-income housing tax credits and other federal and state resources. The bill revises FHFC annual reporting requirements, clarifies the information and reports included in its audited financial statements, and requires the Auditor General to conduct an operational audit of the corporation by the end of 2016. The bill also requires the FHFC to comply with state provisions on per diem and travel expenses. In addition, the bill revises the definition of a “qualifying housing development” and changes the loan-making eligibility parameters of Housing Finance Authorities.

The bill deletes an ad valorem tax exemption for certain limited partnerships that provide affordable housing and repeals the statutory authority for the obsolete Homeownership and Opportunity for People Everywhere (HOPE) program.

Deleting the ad valorem tax exemption for certain limited partnerships is expected to increase local revenue by \$23.7 million in Fiscal Year 2013-2014 and by \$117.2 million on a recurring basis.

This bill substantially amends the following sections of the Florida Statutes: 159.603, 159.608, 196.1978, 420.0003, 420.0006, 420.504, 420.506, 420.507, 420.5087, and 420.511, .

This bill repeals section 420.5091, Florida Statutes.

II. Present Situation:

Florida Housing Finance Corporation

The FHFC is the state entity primarily responsible for encouraging the investment of private capital in residential housing and stimulating the construction and rehabilitation of affordable housing in Florida.¹ Originally, federal funds were the only resources that funded housing programs administered by the FHFC. To leverage these federal funds, in the late 1980s the Legislature appropriated funding for state programs. The FHFC administers a number of multifamily and single family housing programs, such as the State Apartment Incentive Loan Program, Florida Affordable Housing Guarantee Program, and the First Time Homebuyer Program, that assist Floridians in obtaining safe, decent affordable housing.

Chapter 2012-127, Law of Florida: Audit and Review of the FHFC

In 2012, the Legislature directed the Auditor General and the Office of Program Policy Analysis and Government Accountability (OPPAGA) to conduct a joint audit and review of the programs and operations of the FHFC and to submit written reports to the Legislature no later than December 1, 2012.² Both reports were issued November 2012. The Auditor General's report addressed the FHFC's internal management and financial and operational controls and included recommendations. OPPAGA's report examined the corporation's governance structure, decision-making, and performance and identified areas for improvement.

Included in the Auditor General's report were recommendations that the FHFC revise its travel policy to conform to the requirements of state law and that the Legislature consider modifying s. 420.511(4), F.S., to identify specific FHFC programs that should be subject to an annual compliance audit.³ Additional findings recommended the FHFC modify internal operations and/or procedures and did not require statutory modifications. The FHFC has either further explained the rationale for its operating procedures or has agreed with and adopted the Auditor General's recommendations.⁴

OPPAGA's report examined the FHFC's governance structure, decision-making, and performance and identifies areas for improvement.⁵ OPPAGA report summary stated:

¹ Section 420.502(7), F.S. The FHFC was created as a public corporation within the Department of Economic Opportunity (DEO). However, the FHFC is a separate budget entity and is not subject to the control, supervision, or direction of DEO.

² Section 3, ch. 2012-127, L.O.F.

³ State of Florida, Auditor General, *Florida Housing Finance Corporation – Audit Performed Pursuant to Chapter 2012-127, L.O.F.*, Report No. 2013-047, November 2012, available at http://www.myflorida.com/audgen/pages/pdf_files/2013-047.pdf (last visited Mar. 10, 2013).

⁴ *Id.*

⁵ The Florida Legislature, Office of Program Policy Analysis and Government Accountability, *The Florida Housing Finance Corporation Could Improve Its Tax Credit Allocation Process and Develop Better Performance Measures*, November 2012,

The Florida Housing Finance Corporation's board and executive director, the Governor, and the Legislature have roles in overseeing and directing corporation programs and staff. We found no compelling reason to change the current governance structure. However, to expand its role and enhance communication with the corporation, the Legislature could consider amending state law to provide for board appointments by the President of the Senate and the Speaker of the House of Representatives.

A major focus of the corporation's decision-making is distributing federal low-income housing tax credits for affordable rental housing developments. To address concerns about the process, we suggest that the corporation consider reducing the frequency of rule development workshops; revising the time allowed for applicants to identify problems with each other's projects; and increasing the emphasis on considering market feasibility and project costs.

Most of the corporation's performance measures provide information on program outputs rather than program outcomes or cost-effectiveness. To enhance the quality and utility of the data the corporation reports, the Legislature could consider expanding the statutorily required performance measures.⁶

FHFC Powers Related to the Allocation of Low-income Housing Tax Credits, the State Apartment Incentive Loan Program, and Other Federal or State Resources

Florida law grants the FHFC specific powers necessary to carry out activities or implement programs to provide affordable housing.⁷ Included in such authority is the FHFC's power to allocate up to 10 percent of its annual allocation of low-income housing tax credits, nontaxable revenue bonds, and State Apartment Incentive Loan Program (SAIL)⁸ funds appropriated by the Legislature by requests for proposals or other competitive solicitation for high-priority affordable housing projects, such as housing to support economic development and job-creation initiatives, housing for veterans and their families, and other special needs populations as determined by the FHFC on an annual basis.⁹

Report No. 2012-10, available at <http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1210rpt.pdf> (last visited Mar. 10, 2013).

⁶ *Id.* at 1.

⁷ See ss. 159.608 and 420.507, F.S.

⁸ The SAIL Program annually provides low interest loans on a competitive basis to for-profit, nonprofit, and public entities to provide affordable housing to very-low-income persons. Program funds provide gap financing to allow developers to obtain the full financing needed to construct multifamily units. Special consideration is given to properties that target specific demographic groups such as the elderly, the homeless, families, and commercial fishing workers and farmworkers. See s. 420.5087, F.S., and Florida Housing Finance Corporation, *A Summary of Florida Housing's Programs*, available at <http://www.floridahousing.org/FH-ImageWebDocs/AboutUS/ProgramSummaries.pdf> (last visited Mar. 10 2013).

⁹ Section 420.507(48), F.S.

Additionally, the Legislature has granted authority to the FHFC to establish, by rule, the procedure for evaluating, scoring, and competitively ranking all applications based on the criteria established under the SAIL Program.¹⁰

Process for Awarding Low-Income Housing Tax Credits and Other Funds

Currently, the FHFC allocates tax credits through a Universal Application Cycle that includes the allocation of other federal and state resources, depending on the availability of funds. In recent years, tax credits have provided most of the resources for rental housing developments.¹¹ According to the FHFC and documented by OPPAGA, the FHFC's process to allocate low-income housing tax credits occurs in four stages: rulemaking, application, underwriting, and construction and closing. For the last two cycles (2009 and 2011), the time taken to complete the process from the first rule development workshop hearing to the approval of final project rankings ranged from 12 to 14 months.¹² After the FHFC's Board of Directors approves final project rankings, developers are invited to credit underwriting, which can take an additional nine months.¹³ The lengthy process increases the costs for both the FHFC and developers. According to OPPAGA, some stakeholders like the FHFC's open and transparent rulemaking and application process while others have expressed concern about the complexity of the process.¹⁴

FHFC Reporting Requirements: Business Plan, Strategic Plan, and Annual Report

The FHFC is required to develop a business plan for the provision of affordable housing in the state. The business plan must be consistent with the strategic plan¹⁵ and must contain certain performance measures and specific performance targets.¹⁶ A strategic plan for the provision of affordable housing relating to the state and regional planning requirements in ch. 186, F.S., is required to be developed annually, in equal partnership with DEO.

The FHFC is also required to submit to the Governor and the Legislature, within 2 months after the end of its fiscal year, a complete and detailed report, which provides the following information:¹⁷

- Operations and accomplishments;
- Receipts and expenditures during its fiscal year in accordance with the categories or Classifications established by the FHFC for its operating and capital outlay purposes;
- Assets and liabilities at the end of its fiscal year and the status of reserve, special, or other funds;

¹⁰ Section 420.507(22), F.S.

¹¹ *Supra* note 18 at 5.

¹² *Id.* at 6.

¹³ *Id.*

¹⁴ *Id.* at 7.

¹⁵ "Strategic plans" in ch. 186, F.S., were renamed "long-range program plans" pursuant to ch. 2000-371, L.O.F. Each state agency is required to develop a long-range program plan on an annual basis. The plan must provide the framework and context for designing and interpreting the agency budget request. The plan will be developed through careful examination and justification of agency functions and their associated costs. It must be used by the agency to implement the state's goals and objectives. Indicators must be developed to measure service and activity performance. *See* s. 186.021, F.S.

¹⁶ Section 420.511(1), F.S.

¹⁷ Section 420.511(3)(a), F.S.

- A schedule of its bonds outstanding at the end of its fiscal year, together with a statement of the principal amounts of bonds issued and redeemed during the fiscal year; and
- Information relating to the FHFC's activities in implementing the SAIL Program, the Florida Homeownership Assistance Program (HAP),¹⁸ and the Community Workforce Housing Innovation Pilot Program.¹⁹

The report must include, but is not limited to the:²⁰

- Number of people served, delineated by income, age, family size, and racial characteristics;
- Number of units produced under each program;
- Average cost of producing units under each program;
- Average sales price of single-family units financed under the Florida Homeownership Assistance Program;
- Average amount of rent charged based on unit size on units financed under the SAIL Program;
- Number of persons in rural communities served under each program;
- Number of farmworkers served under each program;
- Number of homeless persons served under each program;
- Number of elderly persons served under each program;
- Extent to which geographic distribution has been achieved in accordance with the provisions of the SAIL Program;
- Success of the Community Workforce Housing Innovation Pilot Program in meeting the housing needs of eligible areas; and
- Other information the FHFC deems appropriate.

The FHFC must also submit a copy of an annual financial audit of its accounts and records and an annual compliance audit of its programs conducted by an independent certified public accountant performed in accordance with generally accepted auditing standards and government auditing standards.²¹ Both FHFC's business plan and annual report must recognize the different fiscal periods under which the FHFC, the state, the Federal Government, and local governments operate.²²

Affordable Housing Property Exemptions

The Florida Constitution provides no exception to the just value standard for assessment of property in affordable housing programs. In assessing property in the Low-Income Housing Tax Credit Program, s. 193.017, F.S., provides that neither the tax credits nor the financing generated by the tax credits may be considered income to the property, and the actual rental income from rent-restricted units must be recognized by the property appraiser. Under s. 196.1978, F.S., property that provides affordable housing for income-eligible individuals and families and is owned entirely by a charitable nonprofit entity under federal criteria or by a Florida-based

¹⁸ See s. 420.5088, F.S.

¹⁹ See s. 420.5095, F.S.

²⁰ Section 420.511(3)(b), F.S.

²¹ Section 420.511(4), F.S.

²² Section 420.511(5), F.S.

limited partnership, the sole general partner of which is a charitable nonprofit entity under federal criteria, is considered property owned by an exempt entity for charitable purposes, making it eligible for an ad valorem tax exemption to the extent authorized in s. 196.196, F.S.

A limited partnership is a type of partnership comprising one or more general partners who manage a business and who are personally liable for partnership debts, and one or more limited partners who contribute capital and share in profits but who take no part in running the business and incur no liability with respect to partnership obligations beyond contributions.²³ The provision in s. 196.1978, F.S., related to Florida-based limited partnerships was enacted by ch. 2009-96, Laws of Florida, and subsequently reenacted by ch. 2011-15, L.O.F. Since then, FHFC affordable housing developers have been able to replace an existing general partner with a separate and distinct limited liability company created to serve as a new charitable nonprofit general partner. The existing general partner is able to remain as a newly created special limited partner with existing guarantees and guarantors remaining in place.

Affordable Housing Funding Programs Serving Persons and Households with Special Needs

Applicants requesting tax credits from FHFC are offered incentives to set aside 10 percent of the total units for which they are applying for extremely low-income (ELI) households.²⁴ Through its Link Initiative, FHFC requires applicants to commit to reserving 50 percent of those ELI units for special needs households, defined as households consisting of homeless families, survivors of domestic violence, persons with a disability, or youth aging out of foster care.²⁵ Upon the awarding of a tax credit, a developer selects a special needs population to serve and contacts a FHFC sanctioned referral agency listed for that population. The referral agency ensures that special needs households targeted for the units are receiving community based supportive services, prepared to live in an independent living environment, and are able to pay the determined rent and other costs for the available unit.

HOPE Program

The Homeownership and Opportunity for People Everywhere (HOPE) program was created in 1990 by the Cranston-Gonzalez National Affordable Housing Act to help low-income people buy public housing units by providing funds that nonprofit organizations, resident groups, and other eligible grantees can use to develop and implement homeownership.²⁶ One part of this program provided funds through an annual national competition to provide for conversion of federally subsidized rental units and abandoned and vacant multifamily properties into home ownership units to be sold to very-low-income and low-income households. A 33 percent match of the federal funds was required to be provided by state or local government. Chapter 92-317,

²³ BLACK'S LAW DICTIONARY (6th ed. 1990).

²⁴ Florida Housing Finance Corporation, *Special Needs Housing Website: Link Initiative*, available at <http://www.floridahousing.org/SpecialNeeds/> (last visited Mar.11, 2013).

²⁵ See s. 420.0004, F.S.

²⁶ See United States Department of Housing and Urban Development, *HOPE VI*, available at http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/hope6 (last visited Mar. 11, 2013) and Florida Housing Finance Corporation Staff Document (Mar. 11, 2013) (on file with the Senate Committee on Community Affairs).

L.O.F., established the HOPE Program in s. 420.5091, F.S., and authorized the FHFC to promulgate rules for the funding match. HOPE was never funded.

Housing Finance Authorities and Federal Low-Income Housing Credit

Housing Finance Authorities

Each county in Florida may create by ordinance a Housing Finance Authority (HFA) of the county to carry out the powers granted by the Florida Housing Finance Authority Law.²⁷ An HFA is composed of not less than five uncompensated members appointed by the governing body of the county.²⁸ The powers of a HFA are vested in the members and include the power to loan funds to persons purchasing homes and to developers engaged in qualifying housing developments. Persons are eligible for loans if their annual income does not exceed 80 percent of the median income for the county. The sale price on new or existing single-family homes shall not exceed 90 percent of the median area purchase price in the area.²⁹

HFA Qualifying Housing Developments

HFA housing developments are deemed “qualifying” if they provide residential housing for four or more families, at least 60 percent of whom are eligible persons.³⁰ Eligible persons are those determined by the HFA to be of low, moderate, or middle income and may include people earning up to 150 percent of the state or county median family income levels. In determining the income standards of eligible persons, an HFA may consider requirements mandated by federal law.

Federal Low-Income Housing Credit: 42(g) Internal Revenue Code

The internal revenue code on low income housing credit defines “qualified low-income housing project” to mean any project for residential rental property if:

- 20 percent or more of the units in the project are both rent-restricted and occupied by individuals whose income is 50 percent or less of area median gross income (20-50 test).
- 40 percent or more of the units in the project are both rent-restricted and occupied by individuals whose income is 60 percent or less of area median gross income (60-40 test).³¹

III. Effect of Proposed Changes:

Section 1 amends s. 159.603, F.S., to expand the meaning of “qualifying housing development” to include a development that meets a definition under federal laws, regardless of whether the development meets the current 60 percent eligible persons requirement for HFAs. This exception to the 60 percent requirement applies to previous HFA developments as well.

²⁷ See s. 159.604, F.S.

²⁸ See s. 159.605, F.S. Nowhere in ch. 159, Part IV, F.S., are these “members” referred to as a “board.”

²⁹ See s. 159.608, F.S.

³⁰ See ss. 159.603(6) and (7), F.S.

³¹ 26 U.S.C. s. 42(g), available at "<http://www.law.cornell.edu/uscode/text/26/42> (last visited Mar. 14, 2013). No distinction is made between for-profit and exempt nonprofit housing entities.

Section 2 amends s. 159.608, F.S., to remove an income limit currently used to qualify persons for HFA loans. This section also replaces a statutory purchase price limitation for HFA home loans with purchase price limits mandated by federal law.

Section 3 amends s. 196.1978, F.S., to delete an ad valorem taxation exemption for property owned entirely by a Florida-based limited partnership, the sole general partner of which is a charitable nonprofit entity under federal criteria.

Section 4 amends s. 420.507, F.S., relating to the powers of the corporation, to clarify the procedure for competitively evaluating and selecting all applications for funding. This section also bifurcates the current 10 percent annual allocation of low-income housing tax credits, nontaxable revenue bonds, and State Apartment Incentive Loan Program funds dedicated to certain high priority housing projects. Five percent would continue to be reserved for projects that support economic development and job-creation initiatives, housing for veterans and their families, and other special needs populations.

The other five percent would be reserved for projects that target persons who have a disabling condition and their families. These allocations must prioritize projects or initiatives piloting or demonstrating cost effective, best practices that meet the housing needs and preferences of such persons. Any tax credits or funds not allocated because of a lack of eligible projects targeting persons who have a disabling condition shall be distributed by the FHFC for high-priority housing projects.

Section 5 amends s. 420.5087(6), F.S., relating to the SAIL Program, to clarify the procedure for competitively evaluating and selecting all applications for funding.

Section 6 amends s. 420.511, F.S., relating to the FHFC's annual reporting and auditing requirements, to require additional information for inclusion in the FHFC's annual report to the Governor and the Legislature including:

- Households served, delineated by income, race, ethnicity, and age of the head of household,
- Households served in large, medium, and small counties,
- Homeless and special needs households served,
- By county, the average rent charged based on unit size,
- The number of rental units to which resources have been allocated,
- The estimated average cost of producing units,
- The percentage of homeownership loans that are in foreclosure,
- The percentage of properties in the corporation's rental portfolio which have an occupancy rate below 90 percent,
- The amount of economic stimulus created by affordable housing finance programs,
- A list of all closed loans outstanding at the end of the fiscal year for the SAIL program, and
- A list of all guaranteed loans for the Florida Affordable Housing Guarantee program

This section also revises provisions relating to the annual financial audit to specify what information must be included in the audited financial statements and requires the Auditor

General to conduct an operational audit of the FHFC by the end of 2016. Per this section, FHFC reports and audits are due six months after the end of the fiscal year. Language made obsolete because of changes to s. 420.511, F.S., is removed.

Section 7 amends s. 420.0003, F.S., relating to the implementation of the housing strategy, to conform cross-references.

Section 8 amends s. 420.0006, F.S., relating to the authority to contract with the corporation; contract requirements; and nonperformance, to conform cross-references.

Section 9 amends s. 420.504 (1), F.S., relating to public corporation; creation; membership; terms; and expenses to conform cross-references.

Section 10 amends s. 420.506, F.S., relating to executive director; agents and employees; inspector general to require the FHFC to comply with state provisions on per diem and travel expenses as outlined in s. 112.061(6) and (7), F.S.

Section 11 repeals s. 420.5091, F.S., relating to the HOPE Program which has never been funded.

Section 12 provides that this act shall take effect upon becoming a law and shall first apply to the 2013 ad valorem tax rolls.

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:

By eliminating the property tax exemption for property used to provide affordable housing and owned by a limited partnership, the sole general partner of which is a not-for-profit corporation, this bill will increase local property tax revenue by \$23.4 million in Fiscal Year 2013-2014 and \$117.2 million on a recurring basis.

B. Private Sector Impact:

Certain nonprofit Florida-based limited partnerships currently receiving an ad valorem tax exemption for their affordable housing projects would no longer receive this exemption.

C. Government Sector Impact:

The bill changes the FHFC's annual reporting and auditing requirements to require additional information for inclusion in the FHFC's annual report to the Governor and the Legislature. The bill also revises provisions relating to the annual financial audit to specify what information must be included in the audited financial statements and requires the Auditor General to conduct an operational audit of the FHFC by the end of 2016.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

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

Recommended CS by Appropriations Subcommittee on Finance and Tax on March 27, 2013:

- Deletes sections of the bill that extended the Community Contributions Tax Credit program 10 years beyond its 2015 expiration date.

CS by Community Affairs on March 14, 2013:

- Revises the definition of “qualifying housing developments” as used in ch.159, Part IV, Housing Finance Authorities.
- Revises the income eligibility purchase price limits HFAs utilize when making loans to persons for single-family residences.

- B. **Amendments:**

None.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/27/2013	.	
	.	
	.	
	.	

Appropriations Subcommittee on Finance and Tax (Ring)
recommended the following:

Senate Amendment (with title amendment)

Delete lines 128 - 369.

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

And the title is amended as follows:

Delete lines 10 - 19

and insert:

certain income-qualified persons; amending s. 420.507,
F.S.; revising the

By the Committee on Community Affairs; and Senator Simpson

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1 A bill to be entitled
 2 An act relating to community development; amending s.
 3 159.603, F.S.; modifying the definition of "qualifying
 4 housing development"; amending s. 159.608, F.S.;
 5 revising the power of a housing finance authority to
 6 make loans directly to eligible persons; amending s.
 7 196.1978, F.S.; deleting an ad valorem tax exemption
 8 for property owned by certain Florida-based limited
 9 partnerships and used for affordable housing for
 10 certain income-qualified persons; amending s. 212.08,
 11 F.S.; revising criteria for community contribution tax
 12 credit for donations; amending ss. 220.183 and
 13 624.5105, F.S.; extending the expiration date
 14 applicable to the granting of community contribution
 15 tax credits against the sales and use tax, corporate
 16 income tax, and insurance premium tax for
 17 contributions to eligible sponsors of community
 18 projects approved by the Department of Economic
 19 Opportunity; amending s. 420.507, F.S.; revising the
 20 powers of the Florida Housing Finance Corporation;
 21 specifying how the corporation will allocate certain
 22 funds; amending s. 420.5087, F.S.; revising provisions
 23 relating to state apartment incentive loans to provide
 24 for a competitive evaluation and selection process
 25 with respect to loan applications; amending s.
 26 420.511, F.S.; providing that the corporation's
 27 strategic business plan must be consistent with a
 28 long-range program plan relating to affordable
 29 housing; deleting a requirement that the corporation

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30 compile certain data; revising provisions relating to
 31 the corporation's development of its long-range plan;
 32 revising the required contents and information to be
 33 included in the corporation's annual report; requiring
 34 the corporation to submit separate audited financial
 35 statements that include specified information and
 36 incorporate certain reports; requiring the Auditor
 37 General to conduct an operational audit of the
 38 corporation and provide a written report to the
 39 Legislature; amending ss. 420.0003, 420.0006, 420.504,
 40 and 420.506, F.S.; conforming provisions to changes
 41 made by this act; repealing s. 420.5091, F.S.,
 42 relating to the HOPE program; providing for
 43 retroactive application; providing an effective date.
 44

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

46
 47 Section 1. Subsection (6) of section 159.603, Florida
 48 Statutes, is amended to read:

49 159.603 Definitions.—As used in this part, the following
 50 words and terms have the following meanings unless the context
 51 indicates another or different meaning or intent.

52 (6) "Qualifying housing development" means any work or
 53 improvement located or to be located in this ~~the~~ state,
 54 including real property, buildings, and any other real and
 55 personal property, designed or intended for the primary purpose
 56 of providing decent, safe, and sanitary residential housing for
 57 four or more families, at least 60 percent of whom are eligible
 58 persons, whether new construction, the acquisition of existing

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59 residential housing, or the remodeling, improvement,
60 rehabilitation, or reconstruction of existing housing, together
61 with such related nonhousing facilities as the authority
62 determines to be necessary, convenient, or desirable.

63 (a) The term includes a housing development that meets the
64 definition of a "qualified low-income housing project" under s.
65 42(g) of the Internal Revenue Code, regardless of whether such
66 development meets the 60 percent eligible persons requirement
67 under this subsection.

68 (b) The exception provided under paragraph (a) applies to
69 all housing developments meeting the federal definition for
70 "qualified low-income housing project" as well as all
71 developments that previously qualified under the state
72 definition for "qualifying housing development." Housing finance
73 authorities may enter into regulatory agreement amendments as
74 necessary to accommodate housing developments that qualify under
75 paragraph (a).

76 Section 2. Subsection (8) of section 159.608, Florida
77 Statutes, is amended to read:

78 159.608 Powers of housing finance authorities.—A housing
79 finance authority shall constitute a public body corporate and
80 politic, exercising the public and essential governmental
81 functions set forth in this act, and shall exercise its power to
82 borrow only for the purpose as provided herein:

83 (8) To make loans directly to eligible persons ~~or families~~
84 who otherwise cannot borrow from conventional lending sources
85 ~~and whose annual income does not exceed 80 percent of the median~~
86 ~~income based on a family of up to four persons for the county in~~
87 ~~which they seek to purchase a residence. The housing finance~~

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88 ~~authority may adjust the annual income requirements for families~~
89 ~~of greater than four persons.~~ Such loans must be secured by
90 ~~either~~ first mortgages or subordinated mortgages and must be
91 used to purchase, construct, rehabilitate, or refinance single-
92 family residences that have purchase prices that do not exceed
93 the purchase price limits of, ~~however, the purchase price of any~~
94 ~~residence financed through such a loan may not exceed 90 percent~~
95 ~~of the median sales price for single family homes in the county~~
96 ~~where the borrower's residence is to be located, as mandated by~~
97 federal law for tax-exempt single-family bond programs.

98 Section 3. Section 196.1978, Florida Statutes, is amended
99 to read:

100 196.1978 Affordable housing property exemption.—Property
101 used to provide affordable housing to serving eligible persons
102 as defined under ~~by~~ s. 159.603(7) and natural persons or
103 families meeting the extremely-low-income, very-low-income, low-
104 income, or moderate-income limits specified in s. 420.0004,
105 which ~~property~~ is owned entirely by a nonprofit entity that is a
106 corporation not for profit, qualified as charitable under s.
107 501(c) (3) of the Internal Revenue Code and in compliance with
108 Rev. Proc. 96-32, 1996-1 C.B. 717, is ~~or a Florida-based limited~~
109 ~~partnership, the sole general partner of which is a corporation~~
110 ~~not for profit which is qualified as charitable under s.~~
111 ~~501(c) (3) of the Internal Revenue Code and which complies with~~
112 ~~Rev. Proc. 96-32, 1996-1 C.B. 717, shall be considered property~~
113 owned by an exempt entity and used for a charitable purpose, and
114 those portions of the affordable housing property that ~~which~~
115 provide housing to natural persons or families classified as
116 extremely low income, very low income, low income, or moderate

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117 income under s. 420.0004 are ~~shall be~~ exempt from ad valorem
 118 taxation to the extent authorized under ~~in~~ s. 196.196. All
 119 property identified in this section must ~~shall~~ comply with the
 120 criteria provided under s. 196.195 for determining ~~determination~~
 121 ~~of~~ exempt status and ~~to~~ be applied by property appraisers on an
 122 annual basis ~~as defined in s. 196.195~~. The Legislature intends
 123 that any property owned by a limited liability company ~~or~~
 124 ~~limited partnership~~ which is disregarded as an entity for
 125 federal income tax purposes pursuant to Treasury Regulation
 126 301.7701-3(b) (1) (ii) ~~shall~~ be treated as owned by its sole
 127 member ~~or sole general partner~~.

128 Section 4. Paragraph (p) of subsection (5) of section
 129 212.08, Florida Statutes, is amended to read:

130 212.08 Sales, rental, use, consumption, distribution, and
 131 storage tax; specified exemptions.—The sale at retail, the
 132 rental, the use, the consumption, the distribution, and the
 133 storage to be used or consumed in this state of the following
 134 are hereby specifically exempt from the tax imposed by this
 135 chapter.

136 (5) EXEMPTIONS; ACCOUNT OF USE.—

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

138 1. Authorization.—Persons who are registered with the
 139 department under s. 212.18 to collect or remit sales or use tax
 140 and who make donations to eligible sponsors are eligible for tax
 141 credits against their state sales and use tax liabilities as
 142 provided in this paragraph:

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

145 b. The credit shall be granted as a refund against state

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

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

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

161 e. The total amount of tax credits which may be granted for
 162 all programs approved under this paragraph, s. 220.183, and s.
 163 624.5105 is \$10.5 million annually for projects that provide
 164 homeownership opportunities for low-income or very-low-income
 165 households as those terms are defined in s. 420.9071 ~~(19)~~ ~~and~~
 166 ~~(20)~~ and \$3.5 million annually for all other projects.

167 f. A person who is eligible to receive the credit provided
 168 ~~for~~ in this paragraph, s. 220.183, or s. 624.5105 may receive
 169 the credit only under the one section pursuant to ~~of~~ the
 170 person's choice.

171 2. Eligibility requirements.—

172 a. A community contribution by a person must be in the
 173 following form:

174 (I) Cash or other liquid assets;

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175 (II) Real property;
 176 (III) Goods or inventory; or
 177 (IV) Other physical resources ~~as~~ identified by the
 178 Department of Economic Opportunity.

179 b. All community contributions must be reserved exclusively
 180 for use in a project. As used in this sub-subparagraph, the term
 181 "project" means ~~any~~ activity undertaken by an eligible sponsor
 182 which is designed to construct, improve, or substantially
 183 rehabilitate housing that is affordable to low-income or very-
 184 low-income households as those terms are defined in s.
 185 420.9071~~(19) and (28)~~; designed to provide commercial,
 186 industrial, or public resources and facilities; or designed to
 187 improve entrepreneurial and job-development opportunities for
 188 low-income persons. A project may be the investment necessary to
 189 increase access to high-speed broadband capability in rural
 190 communities with enterprise zones, including projects that
 191 result in improvements to communications assets that are owned
 192 by a business. A project may include the provision of museum
 193 educational programs and materials that are directly related to
 194 a ~~any~~ project approved between January 1, 1996, and December 31,
 195 1999, and located in an enterprise zone designated pursuant to
 196 s. 290.0065. This paragraph does not preclude projects that
 197 propose to construct or rehabilitate housing for low-income or
 198 very-low-income households on scattered sites. With respect to
 199 housing, contributions may be used to pay the following eligible
 200 low-income and very-low-income housing-related activities:

201 (I) Project development impact and management fees for low-
 202 income or very-low-income housing projects;
 203 (II) Down payment and closing costs for low-income persons

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204 and very-low-income eligible persons, as those terms are defined
 205 in s. 420.9071~~(19) and (28)~~;

206 (III) Administrative costs, including housing counseling
 207 and marketing fees, not to exceed 10 percent of the community
 208 contribution, directly related to low-income or very-low-income
 209 projects; and

210 (IV) Removal of liens recorded against residential property
 211 by municipal, county, or special district local governments if
 212 ~~when~~ satisfaction of the lien is a necessary precedent to the
 213 transfer of the property to a low-income person or very-low-
 214 income ~~an eligible~~ person, as those terms are defined in s.
 215 420.9071~~(19) and (28)~~, for the purpose of promoting home
 216 ownership. Contributions for lien removal must be received from
 217 a nonrelated third party.

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

220 (I) A community action program;
 221 (II) A nonprofit community-based development organization
 222 whose mission is the provision of housing for low-income or
 223 very-low-income households or increasing entrepreneurial and
 224 job-development opportunities for low-income persons;
 225 (III) A neighborhood housing services corporation;
 226 (IV) A local housing authority created under chapter 421;
 227 (V) A community redevelopment agency created under s.
 228 163.356;
 229 (VI) A historic preservation district agency or
 230 organization;
 231 (VII) A regional workforce board;
 232 (VIII) A direct-support organization as provided in s.

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233 1009.983;

234 (IX) An enterprise zone development agency created under s.
235 290.0056;

236 (X) A community-based organization incorporated under
237 chapter 617 which is recognized as educational, charitable, or
238 scientific pursuant to s. 501(c)(3) of the Internal Revenue Code
239 and whose bylaws and articles of incorporation include
240 affordable housing, economic development, or community
241 development as the primary mission of the corporation;

242 (XI) Units of local government;

243 (XII) Units of state government; or

244 (XIII) Any other agency that the Department of Economic
245 Opportunity designates by rule.

246

247 ~~In no event may~~ A contributing person may not have a financial
248 interest in the eligible sponsor.

249 d. The project must be located in an area designated an
250 enterprise zone or a Front Porch Florida Community, unless the
251 project increases access to high-speed broadband capability for
252 rural communities that have ~~with~~ enterprise zones but is
253 physically located outside the designated rural zone boundaries.
254 Any project designed to construct or rehabilitate housing for
255 low-income or very-low-income households as those terms are
256 defined in s. 420.9071 ~~(19) and (20)~~ is exempt from the area
257 requirement of this sub-subparagraph.

258 e. (I) If, during the first 10 business days of the state
259 fiscal year, eligible tax credit applications for projects that
260 provide homeownership opportunities for low-income households or
261 very-low-income households as those terms are defined in s.

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262 420.9071 ~~(19) and (20)~~ are received for less than the annual tax
263 credits available for those projects, the Department of Economic
264 Opportunity shall grant tax credits for those applications and
265 ~~shall~~ grant remaining tax credits on a first-come, first-served
266 basis for ~~any~~ subsequent eligible applications received before
267 the end of the state fiscal year. If, during the first 10
268 business days of the state fiscal year, eligible tax credit
269 applications for projects that provide homeownership
270 opportunities for low-income or very-low-income households ~~as~~
271 ~~defined in s. 420.9071 (19) and (20)~~ are received for more than
272 the annual tax credits available for those projects, the
273 Department of Economic Opportunity shall grant the tax credits
274 for those applications as follows:

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

279 (B) If tax credit applications submitted for approved
280 projects of an eligible sponsor exceed \$200,000 in total, the
281 amount of tax credits granted pursuant to sub-sub-sub-
282 subparagraph (A) shall be subtracted from the amount of
283 available tax credits, and the remaining credits shall be
284 granted to each approved tax credit application on a pro rata
285 basis.

286 (II) If, during the first 10 business days of the state
287 fiscal year, eligible tax credit applications for projects other
288 than those that provide homeownership opportunities for low-
289 income households or very-low-income households as those terms
290 are defined in s. 420.9071 ~~(19) and (20)~~ are received for less

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291 than the annual tax credits available for those projects, the
 292 Department of Economic Opportunity shall grant tax credits for
 293 those applications and ~~shall~~ grant remaining tax credits on a
 294 first-come, first-served basis for ~~any~~ subsequent eligible
 295 applications received before the end of the state fiscal year.
 296 If, during the first 10 business days of the state fiscal year,
 297 eligible tax credit applications for projects other than those
 298 that provide homeownership opportunities for low-income or very-
 299 low-income households ~~as defined in s. 420.9071(19) and (20)~~ are
 300 received for more than the annual tax credits available for
 301 those projects, the Department of Economic Opportunity shall
 302 grant the tax credits for those applications on a pro rata
 303 basis.

304 3. Application requirements.—

305 a. Any eligible sponsor seeking to participate in this
 306 program must submit a proposal to the Department of Economic
 307 Opportunity which sets forth the name of the sponsor, a
 308 description of the project, and the area in which the project is
 309 located, together with such supporting information as is
 310 prescribed by rule. The proposal must also contain a resolution
 311 from the local governmental unit in which the project is located
 312 certifying that the project is consistent with local plans and
 313 regulations.

314 b. Any person seeking to participate in this program must
 315 submit an application for tax credit to the Department of
 316 Economic Opportunity which sets forth the name of the sponsor, a
 317 description of the project, and the type, value, and purpose of
 318 the contribution. The sponsor shall verify, in writing, the
 319 terms of the application and indicate its receipt of the

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320 contribution, which ~~verification must be in writing and~~
 321 accompany the application for tax credit. The person must submit
 322 a separate tax credit application to the department ~~of Economic~~
 323 ~~Opportunity~~ for each individual contribution that it makes to
 324 each individual project.

325 c. Any person who has received notification from the
 326 Department of Economic Opportunity that a tax credit has been
 327 approved must apply to the department to receive the refund.
 328 Application must be made on the form prescribed for claiming
 329 refunds of sales and use taxes and be accompanied by a copy of
 330 the notification. A person may submit only one application for
 331 refund to the department within a ~~any~~ 12-month period.

332 4. Administration.—

333 a. The Department of Economic Opportunity may adopt rules
 334 ~~pursuant to ss. 120.536(1) and 120.54~~ necessary to administer
 335 this paragraph, including rules for the approval or disapproval
 336 of proposals by a person.

337 b. The decision of the Department of Economic Opportunity
 338 must be in writing, and, if approved, the notification shall
 339 state the maximum credit allowable to the person. Upon approval,
 340 the department ~~of Economic Opportunity~~ shall transmit a copy of
 341 the decision to the Department of Revenue.

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

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

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349 financial intermediaries, market the availability of the
 350 community contribution tax credit program to community-based
 351 organizations.

352 5. Expiration.—This paragraph expires June 30, ~~2025~~ 2015;
 353 however, any accrued credit carryover that is unused on that
 354 date may be used until the expiration of the 3-year carryover
 355 period for such credit.

356 Section 5. Subsection (5) of section 220.183, Florida
 357 Statutes, is amended to read:

358 220.183 Community contribution tax credit.—

359 (5) EXPIRATION.—The provisions of this section, except
 360 paragraph (1) (e), ~~shall~~ expire and are ~~be~~ void on June 30, 2025
 361 2015.

362 Section 6. Subsection (6) of section 624.5105, Florida
 363 Statutes, is amended to read:

364 624.5105 Community contribution tax credit; authorization;
 365 limitations; eligibility and application requirements;
 366 administration; definitions; expiration.—

367 (6) EXPIRATION.—The provisions of this section, except
 368 paragraph (1) (e), ~~shall~~ expire and are ~~be~~ void on June 30, 2025
 369 2015.

370 Section 7. Paragraph (h) of subsection (22) and subsection
 371 (48) of section 420.507, Florida Statutes, are amended to read:

372 420.507 Powers of the corporation.—The corporation shall
 373 have all the powers necessary or convenient to carry out and
 374 effectuate the purposes and provisions of this part, including
 375 the following powers, which are in addition to all other powers
 376 granted by other provisions of this part:

377 (22) To develop and administer the State Apartment

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378 Incentive Loan Program. In developing and administering that
 379 program, the corporation may:

380 (h) Establish, by rule, the procedure for ~~evaluating,~~
 381 ~~scoring, and~~ competitively evaluating and selecting ~~ranking~~ all
 382 applications for funding based on the criteria set forth in s.
 383 420.5087(6)(c), ~~+~~ determining actual loan amounts, ~~+~~ making and
 384 servicing loans, ~~+~~ and exercising the powers authorized in this
 385 subsection.

386 (48) To award ~~use up to 10 percent of~~ its annual allocation
 387 of low-income housing tax credits, nontaxable revenue bonds, and
 388 State Apartment Incentive Loan Program funds appropriated by the
 389 Legislature and available to allocate by request for proposals
 390 or other competitive solicitation. The corporation shall reserve
 391 up to 5 percent of each allocation ~~funding~~ for high-priority
 392 affordable housing projects, such as housing to support economic
 393 development and job-creation initiatives, housing for veterans
 394 and their families, and other special needs populations in
 395 communities throughout the state as determined by the
 396 corporation on an annual basis. The corporation shall reserve an
 397 additional 5 percent of each allocation for affordable housing
 398 projects that target persons who have a disabling condition as
 399 defined in s. 420.0004 and their families. These allocations
 400 must prioritize projects or initiatives piloting or
 401 demonstrating cost effective, best practices that meet the
 402 housing needs and preferences of such persons. Any tax credits
 403 or funds not allocated because of a lack of eligible projects
 404 targeting persons who have a disabling condition shall be
 405 distributed by the corporation for high-priority housing
 406 projects.

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407 Section 8. Paragraphs (c) and (f) of subsection (6) of
408 section 420.5087, Florida Statutes, are amended to read:

409 420.5087 State Apartment Incentive Loan Program.—There is
410 hereby created the State Apartment Incentive Loan Program for
411 the purpose of providing first, second, or other subordinated
412 mortgage loans or loan guarantees to sponsors, including for-
413 profit, nonprofit, and public entities, to provide housing
414 affordable to very-low-income persons.

415 (6) On all state apartment incentive loans, except loans
416 made to housing communities for the elderly to provide for
417 lifesafety, building preservation, health, sanitation, or
418 security-related repairs or improvements, the following
419 provisions shall apply:

420 (c) The corporation shall provide by rule for the
421 establishment of a review committee ~~composed of the department~~
422 ~~and corporation staff and shall establish by rule a scoring~~
423 ~~system~~ for the competitive evaluation and selection ~~competitive~~
424 ~~ranking~~ of applications submitted in this program, including,
425 but not limited to, the following criteria:

426 1. Tenant income and demographic targeting objectives of
427 the corporation.

428 2. Targeting objectives of the corporation which will
429 ensure an equitable distribution of loans between rural and
430 urban areas.

431 3. Sponsor's agreement to reserve the units for persons or
432 families who have incomes below 50 percent of the state or local
433 median income, whichever is higher, for a time period that
434 ~~exceeds to exceed~~ the minimum required by federal law or the
435 ~~provisions of~~ this part.

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436 4. Sponsor's agreement to reserve more than:

437 a. Twenty percent of the units in the project for persons
438 or families who have incomes that do not exceed 50 percent of
439 the state or local median income, whichever is higher; or

440 b. Forty percent of the units in the project for persons or
441 families who have incomes that do not exceed 60 percent of the
442 state or local median income, whichever is higher, without
443 requiring a greater amount of the loans as provided in this
444 section.

445 5. Provision for tenant counseling.

446 6. Sponsor's agreement to accept rental assistance
447 certificates or vouchers as payment for rent.

448 7. Projects requiring the least amount of a state apartment
449 incentive loan compared to overall project cost, except that the
450 share of the loan attributable to units serving extremely-low-
451 income persons must ~~shall~~ be excluded from this requirement.

452 8. Local government contributions and local government
453 comprehensive planning and activities that promote affordable
454 housing.

455 9. Project feasibility.

456 10. Economic viability of the project.

457 11. Commitment of first mortgage financing.

458 12. Sponsor's prior experience.

459 13. Sponsor's ability to proceed with construction.

460 14. Projects that directly implement or assist welfare-to-
461 work transitioning.

462 15. Projects that reserve units for extremely-low-income
463 persons.

464 16. Projects that include green building principles, storm-

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465 resistant construction, or other elements that reduce long-term
466 costs relating to maintenance, utilities, or insurance.

467 17. Job-creation rate of the developer and general
468 contractor, as provided in s. 420.507(47).

469 (f) The review committee established by corporation rule
470 pursuant to this subsection shall make recommendations to the
471 board of directors of the corporation regarding program
472 participation under the State Apartment Incentive Loan Program.
473 The corporation board shall make the final ~~ranking and the~~
474 decisions regarding which applicants shall become program
475 participants based on the scores received in the competitive
476 process ranking, further review of applications, and the
477 recommendations of the review committee. The corporation board
478 shall approve or reject applications for loans and shall
479 determine the tentative loan amount available to each applicant
480 selected for participation in the program. The actual loan
481 amount shall be determined pursuant to rule adopted pursuant to
482 s. 420.507(22)(h).

483 Section 9. Section 420.511, Florida Statutes, is amended to
484 read:

485 420.511 Strategic business plan; long-range program
486 ~~strategic plan; annual report; audited financial statements.-~~

487 (1) The corporation shall develop a strategic business plan
488 for the provision of affordable housing for the state. The plan
489 must be consistent shall not be inconsistent with the long-range
490 program strategic plan prepared pursuant to subsection (2) and
491 shall contain performance measures and specific performance
492 targets for the following:

493 (a) The ability of low-income and moderate-income

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494 Floridians to access housing that is decent and affordable.

495 (b) The continued availability and affordability of housing
496 financed by the corporation to target populations.

497 (c) The availability of affordable financing programs,
498 including equity and debt products, and programs that reduce
499 gaps in conventional financing in order, to increase individual
500 access to housing and stimulate private production of affordable
501 housing.

502 (d) The establishment and maintenance of efficiencies in
503 the delivery of affordable housing.

504 (e) Such other measures as directed by the corporation's
505 board of directors.

506

507 ~~The corporation shall also compile data on the stimulus of~~
508 ~~economic activity created by the affordable housing finance~~
509 ~~programs administered by the corporation.-~~

510 (2) The corporation, in coordination equal partnership with
511 the department, shall ~~develop~~ annually develop a long-range
512 program strategic plan for the provision of affordable housing
513 in this state as Florida as part of the department's agency
514 ~~strategic plan~~ required pursuant to chapter 186. In part, the
515 plan must shall include provisions that maximize the abilities
516 of the corporation ~~and the department~~ to implement the state
517 housing strategy established under s. 420.0003, to respond to
518 federal housing initiatives, and to develop programs in a manner
519 that is more responsive to the needs of public and private
520 partners. The plan shall be developed on a schedule consistent
521 with that established by s. 186.021. For purposes of this
522 section act, the executive director or his or her designee shall

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523 serve as the corporation's representative to achieve a
524 coordinated and integrated planning relationship with the
525 department.

526 (3) ~~(a)~~ The corporation shall submit to the Governor and the
527 presiding officers of each house of the Legislature, within 6 ~~9~~
528 months after the end of its fiscal year, a complete and detailed
529 report setting forth the corporation's state and federal program
530 accomplishments using the most recent available data. The report
531 must include, but is not limited to:

532 (a) The following tenant characteristics in the existing
533 rental units financed through corporation-administered programs:

534 1. The number of households served, delineated by income,
535 race, ethnicity, and age of the head of household.

536 2. The number of households served in large, medium, and
537 small counties as defined by s. 420.5087 and the extent to which
538 geographic distribution has been achieved in accordance with s.
539 420.5087.

540 3. The number of farmworker and commercial-fishing worker
541 households served.

542 4. The number of homeless households served.

543 5. The number of special needs households served.

544 6. By county, the average rent charged based on unit size.

545 (b) The number of rental units to which resources have been
546 allocated in the last fiscal year, including income and
547 demographic restrictions.

548 (c) The estimated average cost of producing units under
549 each rental or homeownership unit financed under each program in
550 the last fiscal year.

551 (d) By county, the average sales price of homeownership

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552 units financed in the last fiscal year.

553 (e) The number of households served by homeownership
554 programs in the last fiscal year, including the income, race,
555 ethnicity, and age of the homeowner of each household.

556 (f) The percentage of homeownership loans that are in
557 foreclosure.

558 (g) The percentage of properties in the corporation's
559 rental portfolio which have an occupancy rate below 90 percent.

560 (h) The amount of economic stimulus created by the
561 affordable housing finance programs administered by the
562 corporation for the most recent year available.

563 (i) For the State Apartment Incentive Loan Program (SAIL),
564 a comprehensive list of all closed loans outstanding at the end
565 of the most recent fiscal year, including, but not limited to,
566 development name, city, county, developer, set-aside type, set-
567 aside percentage, affordability term, total number of units,
568 number of set-aside units, lien position, original loan amount,
569 loan maturity date, loan balance at close of year, status of
570 loan, rate of interest, and interest paid.

571 (j) For the Florida Affordable Housing Guarantee Program, a
572 list of all guaranteed loans through the close of the most
573 recent fiscal year, including, but not limited to, development
574 name, city, county, developer, total number of units, issuer of
575 the bonds, loan maturity date, participation in the United
576 States Department of Housing and Urban Development Risk-Sharing
577 Program, original guarantee amount, guarantee amount at the
578 close of the fiscal year, status of guaranteed loans, and total
579 outstanding Florida Housing Finance Corporation Affordable
580 Housing Guarantee Program revenue bonds at the close of the most

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581 recent fiscal year.582 (k) Any other information the corporation deems
583 appropriate.584 ~~1. Its operations and accomplishments;~~585 ~~2. Its receipts and expenditures during its fiscal year in~~
586 ~~accordance with the categories or classifications established by~~
587 ~~the corporation for its operating and capital outlay purposes;~~588 ~~3. Its assets and liabilities at the end of its fiscal year~~
589 ~~and the status of reserve, special, or other funds;~~590 ~~4. A schedule of its bonds outstanding at the end of its~~
591 ~~fiscal year, together with a statement of the principal amounts~~
592 ~~of bonds issued and redeemed during the fiscal year; and~~593 ~~5. Information relating to the corporation's activities in~~
594 ~~implementing the provisions of ss. 420.5087, 420.5088, and~~
595 ~~420.5095.~~596 ~~(b) The report shall include, but not be limited to:~~597 ~~1. The number of people served, delineated by income, age,~~
598 ~~family size, and racial characteristics.~~599 ~~2. The number of units produced under each program.~~600 ~~3. The average cost of producing units under each program.~~601 ~~4. The average sales price of single-family units financed~~
602 ~~under s. 420.5088.~~603 ~~5. The average amount of rent charged based on unit size on~~
604 ~~units financed under s. 420.5087.~~605 ~~6. The number of persons in rural communities served under~~
606 ~~each program.~~607 ~~7. The number of farmworkers served under each program.~~608 ~~8. The number of homeless persons served under each~~609 ~~program.~~

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610 ~~9. The number of elderly persons served under each program.~~611 ~~10. The extent to which geographic distribution has been~~
612 ~~achieved in accordance with the provisions of s. 420.5087.~~613 ~~11. The success of the Community Workforce Housing~~
614 ~~Innovation Pilot Program in meeting the housing needs of~~
615 ~~eligible areas.~~616 ~~12. Any other information the corporation deems~~
617 ~~appropriate.~~618 (4) Within 6 months after the end of its fiscal year, the
619 corporation shall submit audited financial statements prepared
620 in accordance with generally accepted accounting principles
621 which include all assets, liabilities, revenues, and expenses of
622 the corporation, and a list of all bonds outstanding at the end
623 of its fiscal year. with the annual report required by this
624 section, a copy of an annual financial audit of its accounts and
625 records and an annual compliance The audit must be of its
626 programs conducted by an independent certified public
627 accountant, performed in accordance with generally accepted
628 auditing standards and government auditing standards, and
629 incorporate all reports, including compliance reports, as
630 required by such auditing standards.631 (5) The Auditor General shall conduct an operational audit
632 of the accounts and records of the corporation and provide a
633 written report on the audit to the President of the Senate and
634 the Speaker of the House of Representatives by December 1, 2016.
635 Both the corporation's business plan and annual report must
636 shall recognize the different fiscal periods under which the
637 corporation, the state, the Federal Government, and local
638 governments operate.

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639 Section 10. Paragraph (b) of subsection (4) of section
640 420.0003, Florida Statutes, is amended to read:
641 420.0003 State housing strategy.—

642 (4) IMPLEMENTATION.—The Department of Economic Opportunity
643 and the Florida Housing Finance Corporation in carrying out the
644 strategy articulated herein shall have the following duties:

645 (b) The long-range program ~~agency strategic~~ plan of the
646 Department of Economic Opportunity must ~~shall~~ include specific
647 goals, objectives, and strategies that implement the housing
648 policies in this section ~~and shall include the strategic plan~~
649 ~~for housing production prepared by the corporation pursuant to~~
650 ~~s. 420.511.~~

651 Section 11. Section 420.0006, Florida Statutes, is amended
652 to read:

653 420.0006 Authority to contract with corporation; contract
654 requirements; nonperformance.—The executive director of the
655 department shall contract, notwithstanding part I of chapter
656 287, with the Florida Housing Finance Corporation on a multiyear
657 basis to stimulate, provide, and foster affordable housing in
658 the state. The contract must incorporate the performance
659 measures required by s. 420.511 and ~~must~~ be consistent with ~~the~~
660 ~~provisions of~~ the corporation's strategic business plan prepared
661 in accordance with s. 420.511. The contract must provide that
662 ~~if, in the event~~ the corporation fails to comply with ~~any of the~~
663 ~~a performance measure~~ measures required by s. 420.511, the
664 executive director shall notify the Governor and ~~shall~~ refer the
665 nonperformance to the department's inspector general for review
666 and determination as to whether such failure is due to forces
667 beyond the corporation's control or whether such failure is due

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668 to inadequate management of the corporation's resources.
669 Advances shall continue to be made pursuant to s. 420.0005
670 during the pendency of the review ~~by the department's inspector~~
671 ~~general~~. If such failure is due to outside forces, it ~~may~~ shall
672 not be deemed a violation of the contract. If such failure is
673 due to inadequate management, the department's inspector general
674 shall provide recommendations regarding solutions. The Governor
675 ~~may is authorized to~~ resolve ~~any~~ differences of opinion with
676 respect to performance under the contract and may request that
677 advances continue in the event of a failure under the contract
678 due to inadequate management. The Chief Financial Officer shall
679 approve the request absent a finding by the Chief Financial
680 Officer that continuing such advances would adversely impact the
681 state; however, ~~in any event~~ the Chief Financial Officer shall
682 provide advances sufficient to meet the debt service
683 requirements of the corporation and sufficient to fund contracts
684 committing funds from the State Housing Trust Fund ~~if so long as~~
685 such contracts are in accordance with the laws of this state.

686 Section 12. Subsection (1) of section 420.504, Florida
687 Statutes, is amended to read:

688 420.504 Public corporation; creation, membership, terms,
689 expenses.—

690 (1) ~~There is created within the Department of Economic~~
691 ~~Opportunity~~ A public corporation and a public body corporate and
692 politic, to be known as the "Florida Housing Finance
693 Corporation," ~~is created within the Department of Economic~~
694 Opportunity. ~~"Florida Housing Finance Corporation."~~ It is
695 declared to be the intent of and constitutional construction by
696 the Legislature that the Florida Housing Finance Corporation

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697 constitutes an entrepreneurial public corporation organized to
 698 provide and promote the public welfare by administering the
 699 governmental function of financing or refinancing housing and
 700 related facilities in this state Florida and that the
 701 corporation is not a department of the executive branch of state
 702 government within the scope and meaning of s. 6, Art. IV of the
 703 State Constitution, but is functionally related to the
 704 Department of Economic Opportunity in which it is placed. The
 705 executive function of state government to be performed by the
 706 executive director of the Department of Economic Opportunity in
 707 the conduct of the business of the Florida Housing Finance
 708 Corporation must be performed pursuant to a contract to monitor
 709 and set performance standards for the implementation of the
 710 business plan for the provision of housing approved for the
 711 corporation as provided in s. 420.0006. This contract must ~~shall~~
 712 include ~~the~~ performance standards for the provision of
 713 affordable housing in this state Florida established in the
 714 strategic business plan described in s. 420.511.

715 Section 13. Subsection (1) of section 420.506, Florida
 716 Statutes, is amended to read:

717 420.506 Executive director; agents and employees; inspector
 718 general.—

719 (1) The appointment and removal of an executive director
 720 shall be by the executive director of the Department of Economic
 721 Opportunity, with the advice and consent of the corporation's
 722 board of directors. The executive director shall employ legal
 723 and technical experts and such other agents and employees,
 724 permanent and temporary, as the corporation may require, and
 725 shall communicate with and provide information to the

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726 Legislature with respect to the corporation's activities. ~~The~~
 727 ~~board is authorized,~~ Notwithstanding ~~the provisions of s.~~
 728 216.262, the board may ~~to~~ develop and implement rules regarding
 729 the employment of employees of the corporation and service
 730 providers, including legal counsel. The board ~~of directors of~~
 731 ~~the corporation~~ is entitled to establish travel procedures and
 732 guidelines for employees of the corporation, subject to s.
 733 112.061(6) and (7). The executive director's office and the
 734 corporation's files and records must be located in Leon County.

735 Section 14. Section 420.5091, Florida Statutes, is
 736 repealed.

737 Section 15. This act shall take effect upon becoming a law
 738 and shall first apply to the 2013 ad valorem tax rolls.

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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 Appropriations Subcommittee on Finance and Tax

BILL: CS/SB 564

INTRODUCER: Committee on Community Affairs and Senator Simmons

SUBJECT: Neighborhood Improvement Districts

DATE: April 2, 2013 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Toman	Yeatman	CA	Fav/CS
2.	Babin	Diez-Arguelles	AFT	Pre-meeting
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE..... Statement of Substantial Changes

B. AMENDMENTS..... Technical amendments were recommended

Amendments were recommended

Significant amendments were recommended

I. Summary:

CS/SB 564 renames the Safe Neighborhoods Act as the “Neighborhoods Improvement Act” and revises its focus from safety and crime reduction to neighborhood improvements such as street and sidewalk enhancement, landscaping, mass transit, and stormwater and public utility development.

In addition to local government Neighborhood Improvement Districts’ (NID) current authority to levy ad valorem taxes and special assessments, this bill allows these NIDs to impose fees and user charges.

The bill has no fiscal impact on state government; however, local governments may incur additional costs associated with conducting referenda.

The bill authorizes local government NIDs to borrow money, contract for loans and issue bonds by resolution of the governing body, and, if required by the Florida Constitution, by affirmative vote of the district electors. The bill distinguishes between local government NIDs located in residential areas and those located in commercial areas. The authority of all local government NIDs to levy ad valorem taxes and borrow money, and the authority of commercial local

government NIDs to collect special assessments are subject to approval by a referendum of freeholders (property owners) in the local government NID.

The Safe Neighborhoods Program, unfunded since 1992, and related grant opportunities, are eliminated by the bill. Many of the Department of Legal Affairs' administrative duties associated with safety, crime reduction, and community policing efforts are also removed. The bill also allows NIDs to contract with county or municipal government for legal advice, and to plan for certain public improvements.

The bill substantially amends the following sections of the Florida Statutes: 163.2511, 163.2517, 163.3182, 163.3246, 163.387, 163.501, 163.502, 163.503, 163.5035, 163.504, 163.5055, 163.506, 163.508, 163.511, 163.512, 163.514, 163.5151, 163.516, 163.524, 163.526, 376.84, 775.083, and 932.7055.

The bill repeals the following sections of the Florida Statutes: 163.513, 163.517, 163.519, 163.521, 163.5215, 163.522, and 163.523.

II. Present Situation:

Neighborhood Improvement Districts

Purposes and Creation

Part IV of ch. 163, F.S., is known as the "Safe Neighborhoods Act." The intent of the Act is to:

- Guide and accomplish the coordinated, balanced, and harmonious development of safe neighborhoods;
- Promote the health, safety, and general welfare of these areas and their inhabitants, visitors, property owners, and workers;
- Establish, maintain, and preserve property values and foster the development of attractive neighborhoods and business environments;
- Prevent overcrowding and congestion;
- Improve or redirect traffic and provide pedestrian safety; and
- Reduce crime rates.¹

Section 163.503(1) defines the term "neighborhood improvement district" to mean:

A district located in an area in which more than 75 percent of the land is used for residential purposes, or in an area in which more than 75 percent of the land is used for commercial, office, business, or industrial purposes, excluding the land area used for public facilities, and where there is a plan to reduce crime through the implementation of crime prevention through environmental design, environmental security or defensible space techniques, or through community policing innovations. . . .

¹ See s. 163.502, F.S.

The Safe Neighborhoods Act allows county or municipal governing bodies to create NIDs through the adoption of a planning ordinance. Each NID that is established is required to register within 30 days with both the Department of Economic Opportunity (DEO) and the Department of Legal Affairs (DLA) and provide the name, location, size, type of NID, and such other information that the departments may require.² Under current law, there are four types of NIDs:

- Local government NIDs,
- Property owners' association NIDs,
- Community redevelopment NIDs, and
- Special NIDs, which are further classified as either residential or business.³

As of March 2013, there are 31 active NIDs in the state of Florida.⁴ Twenty-eight of these are local government NIDs, two are special residential NIDs and one is classified as a property owners' association NID.

NID Boards and Revenue Sources

The board of directors of a local government NID is the local governing body of the municipality or county that created the district; however, as an alternative, a majority of the local governing body may also appoint a different board.⁵ The board of a property owners' association NID is comprised of the officers of the property owners' association.⁶ The board of a special NID is a three-member body appointed by the governing body of the municipality or county that created the district. The board of a community redevelopment NID is the community redevelopment board of commissioners, which is designated by the governing body of the municipality or county that created the board of commissioners.⁷

Local government NIDs and special NIDs are authorized to levy ad valorem taxes up to 2 mills annually.⁸ Local government NIDs are authorized to levy tax without a referendum; however, special NIDs require a referendum to levy ad valorem taxes.⁹ For a special *residential* NID, taxes are approved by a majority of the electors voting in the referendum.¹⁰ For a special *business* NID, taxes are approved by freeholders representing in excess of 50 percent of the assessed value of the property within the district endorse the referendum.¹¹

² Section 163.5055, F.S.

³ See ss. 163.506-163.512, F.S.

⁴ Florida Department of Economic Opportunity, Division of Community Development, *Official List of Special Districts Online*, available at <http://dca.deo.myflorida.com/fhcd/sdip/OfficialListdeo/criteria.cfm> (last visited March 21, 2013). See Option 7: Select Functions of Interest.

⁵ Sections 163.506(1)(e) and 163.506(3), F.S.

⁶ Section 163.508(1)(e), F.S.

⁷ Sections 163.511(1)(f), and 163.512(1)(d), F.S., respectively.

⁸ Sections 163.506(1)(c), F.S., and 163.511(1)(b), F.S.

⁹ Section 163.511(1)(a) and (b), F.S.

¹⁰ Section 163.511(3)(g), F.S. Although the word "elector" is used in s. 163.511(3)(g), F.S., it appears that the intent is that the vote be made by residents within the district that are registered voters. See s. 163.511(3)(b), F.S.

¹¹ Section 163.511(4)(g), F.S.

All NIDs are also authorized to make and collect special assessments, but all special assessments are subject to referendum approval.¹² Special assessments are approved by a majority of registered voters residing in the district.¹³ Assessments may be collected pursuant to ss. 197.3632 and 197.3635, F.S. (the uniform method for collection of non-ad valorem assessments). Assessments may not exceed \$500 for each individual parcel of land per year.

Community redevelopment NIDs may also utilize community redevelopment trust funds to implement district planning and programming.¹⁴

NID Dissolutions

Local government and community redevelopment NIDs may be dissolved by the governing body that established them.¹⁵ Property owners' association NIDs continue in perpetuity as long as the property owners' association that was created or existed when the NID was created.¹⁶ Special NIDs are dissolved at the end of the tenth fiscal year of operation.¹⁷

NIDs and Bond Authority

Although NIDs have various powers, they do not have express authority to borrow funds. In 2006, the Florida Attorney General issued Opinion 2006-49, stating that an NID created by ordinance pursuant to s. 163.511, F.S., does not have the authority to borrow money to carry out the purposes of the district.¹⁸ The Attorney General's Office reasoned that a statutorily created entity is limited to such powers expressly granted by law or reasonably implied to carry out its expressly granted power. The opinion further stated that "[w]hen the Legislature has directed how a thing shall be done, that is in effect a prohibition against its being done any other way."

Duties of the Department of Legal Affairs

Many of the programs in the Safe Neighborhoods Act are administered by the DLA whose duties include the authority to:

- Develop program design and criteria for funding NIDs;
- Develop application and review procedures;
- Review and evaluate applications for planning and technical assistance;
- Utilize staff to provide crime prevention through community policing innovations, environmental design, environmental security, and defensible space training; and
- Review and approve or disapprove safe neighborhood improvement plans prior to the adoption by the local governing body.¹⁹

¹² Section 163.514(16), F.S. This authority and any of the other NID powers enumerated in s. 163.514, F.S., may be prohibited by the NID's enacting ordinance.

¹³ *Id.* See also Fn 10 regarding the term "elector."

¹⁴ Section 163.512(1)(c), F.S.

¹⁵ Sections 163.506(4) and 163.512(3), F.S.

¹⁶ Section 163.508(4), F.S.

¹⁷ Section 163.511(13), F.S. Special NIDs may continue for subsequent 10-year periods if the continuation of the district is approved through referendum.

¹⁸ Op. Atty. Gen. Fla. 2006-49 (2006).

¹⁹ See s. 163.519(1)-(11), F.S.

Safe Neighborhoods Program

Section 163.517, F.S., provides for the creation of the Safe Neighborhoods Program. The purpose of this program is to “provide planning grants and technical assistance on a 100-percent matching basis to neighborhood improvement districts.” Under this section, planning grants are to be awarded as follows:

- Property owners’ association NIDs may receive up to \$20,000.
- Local government NIDs may receive up to \$100,000.
- Special NIDs may receive up to \$50,000.
- Community redevelopment NIDs may receive up to \$50,000.

Grants are awarded to eligible applicants based on evaluation of specified criteria provided in subsections (2) and (3) of s. 163.517, F.S.

While the DLA is charged with overseeing the Safe Neighborhoods Program, funding for the program was repealed in 1992.²⁰ According to the Bureau of Criminal Justice Programs in the Office of the Attorney General, there is currently no staff or funding allocated to manage the program and its grants.²¹

Safe Neighborhood Improvement Plan

All NIDs are currently required to prepare a safe neighborhood improvement plan that addresses the statutory criteria provided in s. 163.516, F.S. The safe neighborhood improvement plan must be consistent with the adopted county or municipal comprehensive plan and must be “sufficiently complete to indicate such land acquisition, demolition and removal of structures, street modifications, redevelopment, and rehabilitation as may be proposed to be carried out in the district.”²² Additionally, the NID must provide some method for and measurement of the reduction of crime within the district.²³

According to the Department of Economic Opportunity, because of the lack of funds available for the Safe Neighborhoods Program, it is unknown how many Safe Neighborhood Plans there are or whether they are still being implemented.²⁴

Neighborhood Preservation and Enhancement Programs and Districts

The governing body of a municipality or county may authorize participation in the Neighborhood Preservation and Enhancement Program through the adoption of a local

²⁰ Office of the Attorney General, *Proposed 2012 Legislation*, (Sept. 16, 2011) (on file with the Senate Committee on Community Affairs).

²¹ *Id.*

²² Section 163.516(3), F.S.

²³ *Id.*

²⁴ Department of Economic Opportunity, *Analysis of HB 191 by Representative Soto* (September 29, 2011) on file with the Senate Committee on Community Affairs. Note: HB 191 is similar to SB 582.

ordinance.²⁵ Neighborhood preservation and enhancement districts are created by the residents of a particular neighborhood or through county or municipal initiative by identifying those areas that are in need of enhancement. Neighborhood preservation and enhancement plans are enforced through an agency created by the local government which may be composed of the local code enforcement board or any other agency that will provide adequate enforcement of the plan.²⁶

After the boundaries and size of the neighborhood preservation and enhancement district have been defined, the residents therein shall create a neighborhood council, consisting of five elected members who shall have the authority to receive grants from the Safe Neighborhoods Program under s. 163.517, F.S. The established neighborhood council and local government designated enforcement agency must have such powers and duties as provided under s. 163.526, F.S. These powers include the special assessments provisions of s. 163.514, F.S.²⁷

The Special District Information Program within the DEO currently lists one active Neighborhood Preservation and Enhancement District in the state.²⁸

Neighborhood Improvement Districts inside Enterprise Zones

The local governing body of any municipality or county, in which the boundaries of an enterprise zone, in whole or in part, include an NID, may request the DLA to submit provisions to fund capital improvements within its budget request to the Legislature.²⁹ Local governments must demonstrate the ability to implement the project within two years after the date of appropriation. All requests received for capital improvement functions must be ranked by the DLA based on the following:

- The necessity of the improvements to overall implementation of the safe neighborhood plan;
- The degree to which the improvements help the plan achieve crime prevention through community policing innovations, environmental design, environmental security, and defensible space objectives;
- The effect of the improvements on residents of low or moderate income; and
- The fiscal inability of a local government to perform the improvements without state assistance.³⁰

Community Organization Involvement

Section 163.523, F.S., authorizes local governments to cooperate and seek the involvement of certain community organizations to assist in the creation of safe neighborhood improvement districts. Except for the preparation of safe neighborhood improvement plans, NIDs may contract

²⁵ See s. 163.524, F.S.

²⁶ Section 163.524(1), F.S.

²⁷ Section 163.526(1)(a), F.S.

²⁸ Sugarfoot Oaks/Cedar Ridge Preservation and Enhancement District is located in Alachua County. See Florida Department of Economic Opportunity, Division of Community Development, *Official List of Special Districts Online*, available at <http://dca.deo.myflorida.com/fhcd/sdip/OfficialListdeo/criteria.cfm> (last visited March 21, 2013).

²⁹ Section 163.521, F.S.

³⁰ *Id.*

with community organizations to carry out any activities in the NID and to provide maintenance services for implemented projects. Community Organization compensation for activities is capped at one percent of the total annual budget of the NID. Maintenance services compensation may not exceed two percent of individual project budgets.

Other Sources of Funding for Local Government Improvement Efforts

County and municipal governments have authority under current law and under their constitutional home rule authority to raise revenue that could be used for many of the purposes identified by the Safe Neighborhoods Act in current law and the Neighborhoods Improvement Act created by this bill.

Section 125.01(1)(q), F.S., provides that counties may establish:

municipal service taxing or benefit units for any part or all of the unincorporated area of the county, within which it may provide fire protection, law enforcement, beach erosion control, recreation service and facilities, water..., streets, sidewalks, street lighting, garbage and trash collection and disposal, waste and sewage collection and disposal, drainage, transportation, indigent health care services, mental health care services, and other essential facilities and municipal services from funds derived from service charges, special assessments, or taxes within such unit only.... This paragraph authorizes all counties to levy additional taxes, within the limits fixed for municipal purposes, within such municipal service taxing units under the authority of the second sentence of s. 9(b), Art. VII of the State Constitution.

Section 125.01(1)(r), F.S., grants counties the power to levy and collect ad valorem taxes, and provides that no referendum is required for the levy by a county of ad valorem taxes for county purposes or for providing municipal services within any municipal service taxing unit. The distinction between a municipal service taxing unit and a municipal service benefit unit is that in a benefit unit the services are funded by a service charge or a special assessment rather than a tax.

All taxes, other than ad valorem taxes, are preempted to the state.³¹ Local governments may levy other taxes only if those taxes are authorized by general law. Not all local government revenue sources are taxes. Counties and municipalities may levy fees, assessments, or charges for services under their home rule authority. Special assessments may be used to fund certain services and to construct and maintain capital facilities, such as those appropriate for NIDs, if they meet two requirements: (1) the property subject to assessment must derive a special benefit from the service or improvement funded by the assessment, and (2) the assessment must be fairly and reasonably apportioned among the properties that receive the special benefit.³²

³¹ Fla. Const. Art. VII, s. 1(a)

³² See *City of Boca Raton v. State*, 595 So. 2d 25 (Fla. 1992).

III. Effect of Proposed Changes:

The bill renames the “Safe Neighborhoods Act” as the “Neighborhoods Improvement Act” and makes conforming changes. The bill eliminates current statutory references crime prevention, broadening the intent to address the general improvement of public facilities.

The bill reforms local government NIDs’ authority to generate revenue, permitting them to borrow money, issue bonds, and impose fees and other user charges.

The bill distinguishes between the special assessment authority of a residential local government NID and a commercial local government NID, changing the referendum required for commercial local government NIDs.³³

The bill imposes a new referendum requirement for the following powers of a local government NID:

- For all local government NIDs, to impose ad valorem taxes,
- For all local government NIDs, to charge and enforce fees and other user charges, and
- For commercial local government NIDs, to impose special assessments.

The new referendum is by vote of freeholders owning 50 percent of the assessed value of the property represented by ballots cast.

The following paragraphs provide a section by section analysis.

Sections 1 through 5, 9, and 28 through 30 make conforming changes.

Section 6 amends s. 163.501, F.S., renaming part IV of ch. 163, F.S., as the “Neighborhoods Improvement Act.”

Section 7 amends s. 163.502, F.S., related to the legislative findings and purposes of the Neighborhoods Improvement Act, to include “lack of adequate public improvements such as streets, street lights, street furniture, street landscaping, sidewalks, traffic signals, way-finding signs, mass transit, stormwater systems, and other public utilities and improvements.” References to crime prevention objectives are deleted.

Section 8 amends s. 163.503, F.S., removing references to crime prevention from the definition for “neighborhood improvement district,” and deleting the definitions for the following crime-related terms: “environmental security,” “crime prevention through environmental design,” “defensible space,” and “community policing innovation,” as well as the definition of “enterprise zone.”

Section 10 amends s. 163.504, F.S., deleting provisions relating to the Safe Neighborhoods Program and safe neighborhood improvement plans currently administered by the DLA. The bill

³³ The bill uses the term “commercial” to describe non-residential local government NIDs. Current law uses the term “business” to describe non-residential special NIDs. The definition of “neighborhood improvement district” uses both terms. See s. 163.503, F.S.

amends the reference to the “planning ordinance” used to authorize the formation of a NID to simply an “ordinance.” The deletion of the qualifying term “planning” occurs throughout the remainder of the bill.

Section 11 amends s. 163.5055, F.S., providing that NIDs are required to notify (rather than register with) the DEO . The bill deletes provisions that require registration with the DLA and other obsolete provisions.

Section 12 amends s. 163.506, F.S., specifying that residential local government NIDs use the referendum requirement in s. 163.514(16), F.S., to impose special assessments. This provision requires passage by a majority of the registered voters residing in the district.³⁴

The bill deletes the requirement that the local government body that creates a local government NID be designated as the board of directors of the local government NID; however, the bill also deletes provisions in statute that allow a majority of the local governing body of a city or county to appoint a board of directors as an alternative to designating the local governing body as the board of directors of the local government NID.

The bill authorizes local government NIDs to borrow money, contract loans, and issue bonds, certificates, warrants, notices, or other evidence of indebtedness to finance the undertaking of any capital or other projects for purposes permitted by law. The bill also authorizes the district to pledge the funds, credit, property, and taxing power of the improvement district for payment of such debts and bonds. Bonds issued under this part must be authorized by a resolution of the governing board of the district, and if required, by the Florida Constitution, by affirmative vote of the electors of the district. The section provides criteria and governing board authority regarding the issuance, sale, and distribution of bonds and allows for the establishment and administration of sinking funds for the payment, purchase, or redemption of any outstanding bond indebtedness of the district.

The bill changes the referendum required for commercial local government NIDs to impose special assessments.³⁵

The bill allows the district to charge, collect, and enforce fees and other user charges.

The bill imposes a referendum requirement for local government NIDs to levy ad valorem taxes and collect fees and other user charges, and the bill applies this new referendum requirement when commercial local government NIDs impose special assessments. The bill specifies requirements for the referendum, including notice to freeholders and certification of the referendum results to the governing body of the municipality or county where the local government NID is located. The referendum must be approved by *freeholders* owning in excess of 50 percent of the assessed value of the properties represented by the ballots cast.

The bill revises petition thresholds triggering a governing body’s consideration to dissolve an NID: petitions concerning residential NIDs require signatures of 60 percent of the residents;

³⁴ Section 163.514(16)(a), F.S. *See also* Fn 10.

³⁵ *Id.*

petitions concerning commercial NIDs require signatures of owners representing 60 percent of the district land area.

Section 13 amends s. 163.508, F.S., deleting provisions relating to the Safe Neighborhoods Program and safe neighborhood improvement plans. This section also allows property owners' association NIDs to request grants from any source and requires the property owners' association in a property owners' association NID to be a not-for-profit corporation.

Section 14 amends s. 163.511, F.S., making conforming changes and revising the method of appointing and removing directors of a special NID. The bill also amends the current requirement that the board of directors of a special NID be comprised of residents subject to ad valorem taxes within the district, to allow any property owner within the district to serve on the board.

Section 15 amends s. 163.512, F.S., making conforming changes and deleting provisions that allow community redevelopment NIDs to use a community redevelopment trust fund to implement crime prevention plans. Community redevelopment NIDs may continue to use trust funds to implement the district's neighborhood improvement plan.

Section 16 repeals s. 163.513, F.S., relating to crime prevention through community policing innovations, environmental design, environmental security, and defensible space functions of NIDs.

Section 17 amends s. 163.514, F.S., removing powers provided to NIDs to contract with experts on crime prevention through community policing innovations, environmental design, and similar crime deterrence methods. In addition, s. 163.514, F.S., is amended to allow NIDs to:

- Contract for the services of planners, engineers, attorneys, and other consultants;
- Contract with county or municipal government for legal advice; and
- Plan, design, construct, operate, provide, and maintain street lighting, parks, streets, drainage, utilities, swales, parking facilities, transit, landscaping, and open areas.

The bill removes commercial local government NIDs from the typical referendum requirement used by NIDs to impose special assessments.

Section 18 amends s. 163.5151, F.S., requiring each local government and special NID that levies ad valorem tax on real or personal property to establish its budget pursuant to ch. 200, F.S.

Section 19 amends s. 163.516, F.S., providing that certain information is no longer required to be included in neighborhood improvement plans or amended neighborhood improvement plans.

Section 20 repeals s. 163.517, F.S., relating to the Safe Neighborhoods Program.

Section 21 repeals s. 163.519, F.S., relating to the duties of the DLA with regard to NIDs.

Section 22 repeals s. 163.521, F.S., regarding NIDs located inside enterprise zones.

Section 23 repeals s. 163.5215, F.S., which prohibited this part of the statutes from being construed to modify, limit, expand, or supersede any existing laws relating to the closing or abandonment of public roads, the denial of access to areas for public ingress or egress, or the use of public facilities.

Section 24 repeals s. 163.522, F.S., stating that counties or municipalities with enterprise zones or community redevelopment areas are directed to give consideration to the creation of NIDs.

Section 25 repeals s. 163.523, F.S., relating to safe neighborhood districts and the cooperation and involvement of community organizations.

Sections 26 and 27 amend ss. 163.524 and 163.526, F.S., prohibiting the creation of a Neighborhood Preservation and Enhancement District or Neighborhood Council after June 30, 2013.

Section 31 provides that this act shall take effect July 1, 2013.

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:

In addition to local government NIDs' current authority to levy ad valorem taxes and special assessments, this bill allows these NIDs to impose fees and user charges.

The bill has no fiscal impact on state government; however, local governments may incur additional costs associated with conducting referenda.

B. Private Sector Impact:

Taxpayers located in local government NIDs may be subject to user fees and charges.

C. Government Sector Impact:

Local governments may incur costs associated with conducting referendums.

The bill also allows NIDs to contract with the county or municipal governments for legal advice.

VI. Technical Deficiencies:

Current law refers to non-residential special NIDs as special business NIDs. However, the bill refers to non-residential local government NIDs as commercial local government NIDs. The same term should be used in all instances.

The bill uses the phrase “fees and other user charges.” For clarity, the modifying term “user” should be placed before the terms “fees” and “charges,” if such is the intent.

The bill appears to have conflicting provisions with regard to the governing body of a local government NID. Line 439 deletes a requirement that the governing body of the municipality or county be the board of directors, and line 665 seems to eliminate the authority to name any other board. The provisions of the bill describing the make-up of the local government NID’s governing body should be clarified.

The bill’s provisions with regard to ad valorem taxation could lead to confusion. Line 431 provides that local government NIDs can levy up to 2 mills annually. Line 481 provides that the NID can levy the ad valorem taxes it deems necessary to meet the payment of bonded indebtedness. It is unclear how these two provisions interact. They could mean that ad valorem taxes can only be levied to meet bond requirements, and they could also mean that any ad valorem tax is permitted if bond indebtedness requires it.

The referenda requirements in the bill may be redundant. The new authority of all local government NIDs to issue bonds expressly requires an affirmative vote of the electors of the district when such a vote is required by the Florida Constitution.³⁶ However, this bonding authority is also conditioned on a freeholder referendum.³⁷

VII. Related Issues:

None.

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 March 7, 2013:

Limits the application of statutory provisions governing Neighborhood Preservation and Enhancement Districts and Neighborhood Councils to those active on or before June 30, 2013. Following this date, no new districts or councils may be created.

³⁶ See line 460, CS/SB 564

³⁷ See line 499, CS/SB 564

B. Amendments:

None

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



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LEGISLATIVE ACTION

Senate	.	House
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Appropriations Subcommittee on Finance and Tax (Simmons)
recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Paragraph (d) of subsection (2) of section
163.2511, Florida Statutes, is amended to read:

163.2511 Urban infill and redevelopment.—

(2) It is declared that:

(d) State urban policies should guide the state, regional
agencies, local governments, and the private sector in
preserving and redeveloping existing urban cores and promoting
the adequate provision of infrastructure, human services,



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13 neighborhood improvement ~~safe neighborhoods~~, educational
14 facilities, and economic development to sustain these cores into
15 the future.

16 Section 2. Paragraph (c) of subsection (3) of section
17 163.2517, Florida Statutes, is amended to read:

18 163.2517 Designation of urban infill and redevelopment
19 area.—

20 (3) A local government seeking to designate a geographic
21 area within its jurisdiction as an urban infill and
22 redevelopment area shall prepare a plan that describes the
23 infill and redevelopment objectives of the local government
24 within the proposed area. In lieu of preparing a new plan, the
25 local government may demonstrate that an existing plan or
26 combination of plans associated with a community redevelopment
27 area, Florida Main Street program, Front Porch Florida
28 Community, sustainable community, enterprise zone, or
29 neighborhood improvement district includes the factors listed in
30 paragraphs (a)-(n), including a collaborative and holistic
31 community participation process, or amend such existing plans to
32 include these factors. The plan shall demonstrate the local
33 government and community's commitment to comprehensively address
34 the urban problems within the urban infill and redevelopment
35 area and identify activities and programs to accomplish locally
36 identified goals such as code enforcement; improved educational
37 opportunities; reduction in crime; neighborhood revitalization
38 and preservation; provision of infrastructure needs, including
39 mass transit and multimodal linkages; and mixed-use planning to
40 promote multifunctional redevelopment to improve both the
41 residential and commercial quality of life in the area. The plan



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42 shall also:

43 (c) Identify and map existing enterprise zones, community
44 redevelopment areas, community development corporations,
45 brownfield areas, downtown redevelopment districts, ~~safe~~
46 neighborhood improvement districts, historic preservation
47 districts, and empowerment zones or enterprise communities
48 located within the area proposed for designation as an urban
49 infill and redevelopment area and provide a framework for
50 coordinating infill and redevelopment programs within the urban
51 core.

52 Section 3. Paragraph (a) of subsection (6) of section
53 163.3182, Florida Statutes, is amended to read:

54 163.3182 Transportation deficiencies.—

55 (6) EXEMPTIONS.—

56 (a) The following public bodies or taxing authorities are
57 exempt from this section:

58 1. A special district that levies ad valorem taxes on
59 taxable real property in more than one county.

60 2. A special district for which the sole available source
61 of revenue is the authority to levy ad valorem taxes at the time
62 an ordinance is adopted under this section. However, revenue
63 ~~revenues~~ or aid that may be dispensed or appropriated to a
64 district as defined in s. 388.011 at the discretion of an entity
65 other than such district is ~~are~~ not deemed available.

66 3. A library district.

67 4. A neighborhood improvement district created under the
68 ~~Safe~~ Neighborhoods Improvement Act.

69 5. A metropolitan transportation authority.

70 6. A water management district created under s. 373.069.



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71 7. A community redevelopment agency.
72 Section 4. Subsection (2) of section 163.3246, Florida
73 Statutes, is amended to read:
74 163.3246 Local government comprehensive planning
75 certification program.—
76 (2) In order to be eligible for certification under the
77 program, the local government must:
78 (a) Demonstrate a record of effectively adopting,
79 implementing, and enforcing its comprehensive plan;
80 (b) Demonstrate technical, financial, and administrative
81 expertise to implement the provisions of this part without state
82 oversight;
83 (c) Obtain comments from the state and regional review
84 agencies regarding the appropriateness of the proposed
85 certification;
86 (d) Hold at least one public hearing soliciting public
87 input concerning the local government's proposal for
88 certification; and
89 (e) Demonstrate that it has adopted programs in its local
90 comprehensive plan and land development regulations which:
91 1. Promote infill development and redevelopment, including
92 prioritized and timely permitting processes in which
93 applications for local development permits within the
94 certification area are acted upon expeditiously for proposed
95 development that is consistent with the local comprehensive
96 plan.
97 2. Promote the development of housing for low-income and
98 very-low-income households or specialized housing to assist
99 elderly and disabled persons to remain at home or in independent



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100 living arrangements.

101 3. Achieve effective intergovernmental coordination and
102 address the extrajurisdictional effects of development within
103 the certified area.

104 4. Promote economic diversity and growth while encouraging
105 the retention of rural character, where rural areas exist, and
106 the protection and restoration of the environment.

107 5. Provide and maintain public urban and rural open space
108 and recreational opportunities.

109 6. Manage transportation and land uses to support public
110 transit and promote opportunities for pedestrian and
111 nonmotorized transportation.

112 7. Use design principles to foster individual community
113 identity, create a sense of place, and promote pedestrian-
114 oriented ~~safe~~ neighborhoods and town centers.

115 8. Redevelop blighted areas.

116 9. Adopt a local mitigation strategy and have programs to
117 improve disaster preparedness and the ability to protect lives
118 and property, especially in coastal high-hazard areas.

119 10. Encourage clustered, mixed-use development that
120 incorporates greenspace and residential development within
121 walking distance of commercial development.

122 11. Encourage urban infill at appropriate densities and
123 intensities and separate urban and rural uses and discourage
124 urban sprawl while preserving public open space and planning for
125 buffer-type land uses and rural development consistent with
126 their respective character along and outside the certification
127 area.

128 12. Ensure ~~Assure~~ protection of key natural areas and



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129 agricultural lands that are identified using state and local
130 inventories of natural areas. Key natural areas include, but are
131 not limited to:

132 a. Wildlife corridors.

133 b. Lands with high native biological diversity, important
134 areas for threatened and endangered species, species of special
135 concern, migratory bird habitat, and intact natural communities.

136 c. Significant surface waters and springs, aquatic
137 preserves, wetlands, and outstanding Florida waters.

138 d. Water resources suitable for preservation of natural
139 systems and for water resource development.

140 e. Representative and rare native Florida natural systems.

141 13. Ensure the cost-efficient provision of public
142 infrastructure and services.

143 Section 5. Paragraph (c) of subsection (2) of section
144 163.387, Florida Statutes, is amended to read:

145 163.387 Redevelopment trust fund.—

146 (2)

147 (c) The following public bodies or taxing authorities are
148 exempt from paragraph (a):

149 1. A special district that levies ad valorem taxes on
150 taxable real property in more than one county.

151 2. A special district for which the sole available source
152 of revenue the district has the authority to levy is ad valorem
153 taxes at the time an ordinance is adopted under this section.
154 However, revenue ~~revenues~~ or aid that may be dispensed or
155 appropriated to a district as defined in s. 388.011 at the
156 discretion of an entity other than such district is ~~shall~~ not ~~be~~
157 deemed available.



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158 3. A library district, except a library district in a
159 jurisdiction where the community redevelopment agency had
160 validated bonds as of April 30, 1984.

161 4. A neighborhood improvement district created under the
162 ~~Safe~~ Neighborhoods Improvement Act.

163 5. A metropolitan transportation authority.

164 6. A water management district created under s. 373.069.

165 Section 6. Section 163.501, Florida Statutes, is amended to
166 read:

167 163.501 Short title.—This part may be cited as the "~~Safe~~
168 Neighborhoods Improvement Act."

169 Section 7. Section 163.502, Florida Statutes, is amended to
170 read:

171 163.502 ~~Safe~~ Neighborhoods improvement; legislative
172 findings and purpose.—

173 (1) The Legislature ~~hereby~~ finds and declares that among
174 the many causes of deterioration in the business and residential
175 neighborhoods of the state are the following: proliferation of
176 crime, automobile traffic flow strangled by outmoded street
177 patterns, unsuitable topography, faulty lot layouts,
178 fragmentation of land uses and parking areas necessitating
179 frequent automobile movement, lack of separation of pedestrian
180 areas from automobile traffic, lack of separation of vehicle
181 traffic lanes and railroad traffic, ~~and~~ excessive noise levels
182 from automobile traffic, and lack of adequate public
183 improvements, such as streets, street lights, street furniture,
184 street landscaping, sidewalks, traffic signals, way-finding
185 signs, mass transit, stormwater systems, and other public
186 utilities and improvements.



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187 (2) The Legislature further finds and declares that healthy
188 and vibrant ~~safe~~ neighborhoods are the product of planning and
189 implementation of appropriate environmental design concepts,
190 comprehensive planning ~~crime prevention programs~~, land use
191 recommendations, and beautification techniques.

192 (3) The Legislature further finds and declares that the
193 provisions of this part and the powers granted to local
194 governments, property owners' associations, special dependent
195 districts, and community redevelopment neighborhood improvement
196 districts are desirable to guide and accomplish the coordinated,
197 balanced, and harmonious development of healthy and vibrant ~~safe~~
198 neighborhoods; to promote the health, ~~safety~~, and general
199 welfare of these areas and their inhabitants, visitors, property
200 owners, and workers; to establish, maintain, and preserve
201 property values and preserve and foster the development of
202 attractive neighborhood and business environments; to prevent
203 ~~overcrowding and congestion; and~~ to improve or redirect
204 automobile traffic and provide pedestrian safety; ~~to reduce~~
205 ~~crime rates and the opportunities for the commission of crime;~~
206 ~~and to provide improvements in neighborhoods so they are~~
207 ~~defensible against crime.~~

208 (4) It is the intent of the Legislature to assist local
209 governments in implementing plans that improve the ~~employ crime~~
210 ~~prevention through community policing innovations, environmental~~
211 ~~design, environmental security, and defensible space techniques~~
212 ~~to establish safe~~ neighborhoods of this state. The Legislature,
213 therefore, declares that the development, redevelopment,
214 preservation, and revitalization of neighborhoods in this state,
215 and all the purposes of this part, are public purposes for which



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216 public money may be borrowed, expended, loaned, and granted.

217 Section 8. Section 163.503, Florida Statutes, is amended to
218 read:

219 163.503 ~~Safe neighborhoods~~; Definitions.—

220 (1) "~~Safe Neighborhood improvement district~~" or
221 "~~district~~" ~~or "neighborhood improvement district"~~ means a
222 district located in an area in which more than 75 percent of the
223 land is used for residential purposes, or in an area in which
224 more than 75 percent of the land is used for commercial, office,
225 business, or industrial purposes, excluding the land area used
226 for public facilities, and where there may be ~~is~~ a plan to
227 reduce crime through the implementation of crime prevention
228 through environmental design, environmental security, or
229 defensible space techniques, or through community policing
230 innovations. ~~Nothing in~~ This section does not ~~shall~~ preclude the
231 inclusion of public land in a neighborhood improvement district
232 although the amount of land used for public facilities is
233 excluded from the land use acreage calculations.

234 (2) "Association" means a property owners' association that
235 ~~which~~ is incorporated for the purpose of creating and operating
236 a neighborhood improvement district.

237 (3) "Department" means the Department of Economic
238 Opportunity ~~Legal Affairs~~.

239 (4) "Board" means the board of directors of a neighborhood
240 improvement district, ~~which may be the governing body of a~~
241 ~~municipality or county or the officers of a property owners'~~
242 ~~association or the board of directors of a special neighborhood~~
243 ~~improvement district or community redevelopment neighborhood~~
244 ~~improvement district.~~



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245 (5) "Environmental security" means an urban planning and
246 design process which integrates crime prevention with
247 neighborhood design and community development.

248 (6) "Crime prevention through environmental design" means
249 the planned use of environmental design concepts such as natural
250 access control, natural surveillance, and territorial
251 reinforcement in a neighborhood or community setting which is
252 designed to reduce criminal opportunity and foster positive
253 social interaction among the legitimate users of that setting.

254 (7) "Defensible space" means an architectural perspective
255 on crime prevention through physical design of the environment
256 to create the ability to monitor and control the environment
257 along individual perceived zones of territorial influence that
258 result in a proprietary interest and a felt responsibility.

259 ~~(8) "Enterprise zone" means an area designated pursuant to~~
260 ~~s. 290.0065.~~

261 ~~(8)(9)~~ "Community policing innovation" means techniques or
262 strategies as defined by s. 163.340.

263 (9) "Local governing body" means the governing body of the
264 municipality or county that creates a neighborhood improvement
265 district.

266 Section 9. Section 163.5035, Florida Statutes, is amended
267 to read:

268 163.5035 ~~Safe~~ Neighborhood improvement districts;
269 compliance with special district provisions.—Any ~~special~~
270 district created pursuant to this part shall comply with all
271 applicable provisions contained in chapter 189. In cases where a
272 provision contained in this part conflicts with a provision in
273 chapter 189, the provision in chapter 189 shall prevail.



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274 Section 10. Section 163.504, Florida Statutes, is amended
275 to read:

276 163.504 ~~Safe~~ Neighborhood improvement districts; ~~planning~~
277 ~~funds.~~—

278 ~~(1)~~ The governing body of any municipality or county may
279 authorize the formation of ~~safe~~ neighborhood improvement
280 districts through the adoption of an a ~~planning~~ ordinance that
281 ~~which~~ specifies that such districts may be created by one or
282 more of the methods established in ss. 163.506, 163.508,
283 163.511, and 163.512. A ~~No~~ district may not overlap the
284 jurisdictional boundaries of a municipality and the
285 unincorporated area of a county, unless approved ~~except~~ by
286 interlocal agreement.

287 ~~(2) If the governing body of a municipality or county~~
288 ~~elects to create a safe neighborhood improvement district, it~~
289 ~~shall be eligible to request a grant from the Safe Neighborhoods~~
290 ~~Program, created pursuant to s. 163.517 and administered by the~~
291 ~~Department of Legal Affairs, to prepare a safe neighborhood~~
292 ~~improvement plan for the district.~~

293 ~~(3) Municipalities and counties may implement the~~
294 ~~provisions of this section without planning funds from the~~
295 ~~Department of Legal Affairs. However, nothing in this section~~
296 ~~shall be construed to exempt any district from the requirements~~
297 ~~of providing a safe neighborhood improvement plan pursuant to s.~~
298 ~~163.516.~~

299 Section 11. Section 163.5055, Florida Statutes, is amended
300 to read:

301 163.5055 Notice ~~Registration~~ of district establishment;
302 notice of dissolution.—



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303 (1) ~~(a)~~ Each neighborhood improvement district that is
304 authorized and established under this part shall, within 30 days
305 after its establishment, provide the department thereof register
306 ~~with both the Department of Economic Opportunity and the~~
307 ~~Department of Legal Affairs by providing these departments with~~
308 the district's name, location, size, and type, and such other
309 information as the department ~~departments~~ may request ~~require~~.

310 (2) ~~(b)~~ Each local governing body that authorizes the
311 dissolution of a district shall notify ~~both~~ the department ~~of~~
312 ~~Economic Opportunity and the Department of Legal Affairs~~ within
313 30 days after the dissolution of the district.

314 ~~(2) This section shall apply to all neighborhood~~
315 ~~improvement districts established on or after July 1, 1987.~~

316 Section 12. Section 163.506, Florida Statutes, is amended
317 to read:

318 163.506 Local government neighborhood improvement
319 districts; creation; advisory council; dissolution.—

320 (1) After an ~~a~~ local ~~planning~~ ordinance has been adopted
321 authorizing the creation of local government neighborhood
322 improvement districts, the local governing body ~~of a~~
323 ~~municipality or county~~ may create residential or commercial
324 local government neighborhood improvement districts by the
325 enactment of a separate ordinance for each district, ~~7~~ which
326 ~~ordinance~~:

327 (a) Specifies the boundaries, size, and name of the
328 district.

329 (b) Authorizes the district to receive grants ~~a planning~~
330 ~~grant from the department~~.

331 (c) Authorizes the ~~local government neighborhood~~



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332 ~~improvement~~ district to levy an ad valorem tax on real and
333 personal property of up to 2 mills annually.

334 (d) For residential local government neighborhood
335 improvement districts, authorizes the district to use ~~of~~ special
336 assessments imposed pursuant to s. 163.514(16) to support
337 planning and implementation of district improvements ~~pursuant to~~
338 ~~the provisions of s. 163.514(16), including community policing~~
339 ~~innovations.~~

340 (e) Designates the local governing body as the board of
341 directors of the district.

342 (f) Establishes an advisory council to the board of
343 directors comprised of property owners, representatives of
344 property owners, business owners, or residents of the district.

345 (g) May prohibit the use of any district power authorized
346 by s. 163.514.

347 (h) Requires the district to notify the department ~~of Legal~~
348 ~~Affairs and the Department of Economic Opportunity~~ in writing of
349 its establishment within 30 days after establishment thereof
350 pursuant to s. 163.5055.

351 (i) Authorizes the district to borrow money, contract
352 loans, and issue bonds, certificates, warrants, notes, or other
353 evidence of indebtedness from time to time to finance the
354 undertaking of any capital or other project for the purposes
355 authorized by the State Constitution and this part and to pledge
356 the funds, credit, property, and taxing power of the district
357 for the payment of such debts and bonds.

358 1. Bonds that are issued under this paragraph must be
359 authorized by resolution of the board, by resolution of the
360 local governing body, by affirmative vote of the electors of the



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361 district. Such bonds may be issued in one or more series and
362 shall bear such date or dates; be payable upon demand or mature
363 at such time or times; bear interest at such rate or rates; be
364 in such denomination or denominations; be in such form,
365 registered or not, with or without coupon; carry such conversion
366 or registration privileges; have such rank or priority; be
367 executed in such manner; be payable in such medium of payment,
368 at such place or places, and subject to such terms of
369 redemption, with or without premium; be secured in such manner;
370 and have such other characteristics as may be provided by such
371 resolution or trust indenture or mortgage issued pursuant
372 thereto.

373 2. The board shall determine the terms and manner of sale
374 and distribution or other disposition of any bonds it issues,
375 consistent with s. 218.385, and shall have all powers necessary
376 for and convenient to such disposition.

377 3. The board may establish and administer such sinking
378 funds as it deems necessary or convenient for the payment,
379 purchase, or redemption of any outstanding bonded indebtedness
380 of the district.

381 4. The board may levy ad valorem taxes upon real and
382 tangible personal property within the district as it deems
383 necessary to make payment, including principal and interest,
384 upon the general obligation and ad valorem bonded indebtedness
385 of the district or into any sinking fund created pursuant to
386 this paragraph.

387 5. A board has full authority for the issuance of bonds
388 authorized under this paragraph.

389 (j) For commercial local government neighborhood



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390 improvement districts, authorizes the district to make and
391 collect special assessments pursuant to ss. 197.3632 and
392 197.3635 in order to pay for capital improvements within the
393 district and for reasonable expenses of operating the district,
394 including the payment of expenses included in the district's
395 budget. Such assessments may not exceed \$500 for each individual
396 parcel of land per year.

397 (k) Authorizes the district to charge, collect, and enforce
398 user fees and other charges.

399 (l) For residential local government neighborhood
400 improvement districts, conditions the exercise of powers
401 provided in paragraphs (d) and (i) on approval by the local
402 governing body and a referendum as described in s. 163.514(16).

403 (m) For commercial local government neighborhood
404 improvement districts, conditions the exercise of the powers
405 provided in paragraphs (i) and (j) on approval by the local
406 governing body and a referendum as described in this paragraph:

407 1. Within 45 days after the date the local governing body
408 enacts an ordinance calling a referendum pursuant to this
409 paragraph, the city clerk or the supervisor of elections,
410 whichever is appropriate, shall certify such ordinance and
411 compile a list of the names and last known addresses of the
412 freeholders in the commercial local government neighborhood
413 improvement district from the tax assessment roll of the county
414 applicable as of December 31 in the year preceding the year in
415 which the ordinance is enacted. Except as otherwise provided in
416 this paragraph, the list constitutes the registration list for
417 purposes of the freeholder referendum required under this
418 paragraph.



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419 2. Within 45 days after compilation of the freeholder
420 registration list pursuant to subparagraph 1., the city clerk or
421 the supervisor of elections shall notify each such freeholder of
422 the general provisions of this section, including the taxing
423 authority and the date of the upcoming referendum, and the
424 method provided for submitting corrections to the registration
425 list if the status of the freeholder has changed since the
426 compilation of the tax roll. Notification shall be by first-
427 class mail and, in addition, by publication one time in a
428 newspaper of general circulation in the county or municipality
429 in which the district is located.

430 3. Any freeholder whose name does not appear on the
431 registration list compiled pursuant to subparagraph 1. may
432 register to vote with the city clerk or the supervisor of
433 elections. The registration list must remain open for 75 days
434 after enactment of the ordinance calling for the referendum.

435 4. Notwithstanding s. 101.6102, within 15 days after the
436 closing of the registration list, the city clerk or the
437 supervisor of elections shall send a ballot by first-class mail
438 to each registered freeholder at his or her last known mailing
439 address. The ballot must include:

440 a. A description of the general provisions of this section
441 applicable to local government neighborhood improvement
442 districts;

443 b. The assessed value of the freeholder's property;

444 c. The percent of the freeholder's interest in such
445 property; and

446 d. Immediately following the information required under
447 sub-subparagraphs a.-c., the following:



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"Do you favor authorizing the Local Government
Neighborhood Improvement District to levy up to 2 mills of ad
valorem taxes by such proposed district?"

....Yes, for authorizing the levy of up to 2 mills of ad
valorem taxes by such proposed district.

....No, against authorizing the levy of up to 2 mills of ad
valorem taxes by such proposed district."

"Do you favor authorizing the Local Government
Neighborhood Improvement District to borrow money, including by
issuing bonds, as provided in s. 163.506(1)(i), Florida
Statutes?"

....Yes, for authorizing the borrowing of money for
district purposes.

....No, against authorizing the borrowing of money for
district purposes."

"Do you favor authorizing the Local Government
Neighborhood Improvement District to impose a special assessment
of not greater than \$500 for each individual parcel of land per
year to pay for the expenses of operating the neighborhood
improvement district and for approved capital improvements
within the district?"



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477Yes, for the special assessment.

478
479No, against the special assessment."

480
481 5. Ballots shall be returned by first-class mail or by
482 personal delivery.

483 6. All ballots that are received within 120 days after
484 enactment of the ordinance shall be tabulated by the city clerk
485 or the supervisor of elections, who shall certify the results to
486 the city council or county commission no later than 5 days after
487 the 120-day period.

488 7. The freeholders shall be deemed to have approved of the
489 provisions of paragraph (i) at such time as the city clerk or
490 the supervisor of elections certifies to the local governing
491 body that approval has been given by freeholders owning in
492 excess of 50 percent of the assessed value of the properties
493 represented by ballots cast.

494 8. The freeholders shall be deemed to have approved of the
495 provisions of paragraph (j) at such time as the city clerk or
496 the supervisor of elections certifies to the local governing
497 body that approval has been given by freeholders owning a
498 majority of the parcels represented by ballots cast.

499 9. The city clerk or the supervisor of elections, whichever
500 is appropriate, shall enclose, with each ballot that is sent to
501 the freeholder pursuant to this paragraph, two envelopes: a
502 secrecy envelope, into which the freeholder shall enclose the
503 marked ballot; and a mailing envelope, into which the freeholder
504 shall place the secrecy envelope, which shall be addressed to
505 the city clerk or the supervisor of elections. The back side of



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506 the mailing envelope shall bear a certificate in substantially
507 the following form:

508
509 NOTE: PLEASE READ INSTRUCTIONS CAREFULLY BEFORE MARKING BALLOT
510 AND COMPLETING VOTER'S CERTIFICATE.

511
512 VOTER'S CERTIFICATE

513
514 I,, am a duly qualified and registered freeholder of
515 the proposed ...(name)... Local Government Neighborhood
516 Improvement District, and I am entitled to vote this ballot. I
517 do solemnly swear or affirm that I have not and will not vote
518 more than one ballot in this election. I understand that failure
519 to sign this certificate and have my signature witnessed will
520 invalidate my ballot.

521
522 ...(Voter's Signature)...

523
524 NOTE: YOUR SIGNATURE MUST BE WITNESSED BY ONE WITNESS 18
525 YEARS OF AGE OR OLDER AS PROVIDED IN THE INSTRUCTION SHEET.

526
527 I swear or affirm that the elector signed this voter's
528 certificate in my presence.

529
530 ...(Signature of Witness)...

531 ...(Address)...(City/State)...

532
533 10. The certificate shall be arranged on the back of the
534 mailing envelope so that the lines for the signatures of the



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535 freeholder and the attesting witness are across the seal of the
536 envelope; however, no statement shall appear on the envelope
537 which indicates that a signature of the freeholder or witness
538 must cross the seal of the envelope. The freeholder and the
539 attesting witness shall execute the certificate on the envelope.

540 11. The city clerk or the supervisor of elections shall
541 enclose with each ballot sent to a freeholder pursuant to this
542 paragraph separate printed instructions in substantially the
543 following form:

544
545 READ THESE INSTRUCTIONS CAREFULLY BEFORE MARKING BALLOT.

546
547 a. VERY IMPORTANT. In order to ensure that your ballot will
548 be counted, it should be completed and returned as soon as
549 possible so that it can reach the city clerk or the supervisor
550 of elections no later than 7 p.m. on the (final day of the 120-
551 day period given here).

552 b. Mark your ballot in secret as instructed on the ballot.

553 c. Place your marked ballot in the enclosed secrecy
554 envelope.

555 d. Insert the secrecy envelope into the enclosed mailing
556 envelope, which is addressed to the city clerk or the supervisor
557 of elections.

558 e. Seal the mailing envelope and completely fill out the
559 Voter's Certificate on the back of the mailing envelope.

560 f. VERY IMPORTANT. Sign your name on the line provided for
561 "(Voter's Signature)."

562 g. VERY IMPORTANT. In order for your ballot to be counted,
563 it must include the signature and address of a witness 18 years



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564 of age or older affixed to the Voter's Certificate.

565 h. Mail, deliver, or have delivered the completed mailing
566 envelope. Be sure there is sufficient postage if mailed.

567 (2) The advisory council shall perform such duties as may
568 be prescribed by the governing body and shall submit within the
569 time period specified by the governing body, acting as the board
570 of directors, a report on the district's activities and a
571 proposed budget to accomplish its objectives. In formulating a
572 plan for services or improvements, the advisory council ~~board~~
573 shall consult in public session with the appropriate staff or
574 consultants of the local governing body responsible for the
575 district's plan.

576 ~~(3) As an alternative to designating the local governing~~
577 ~~body as the board of directors, a majority of the local~~
578 ~~governing body of a city or county may appoint a board of three~~
579 ~~to seven directors for the district who shall be residents of~~
580 ~~the proposed area and who are subject to ad valorem taxation in~~
581 ~~the residential neighborhood improvement district or who are~~
582 ~~property owners in a commercial neighborhood improvement~~
583 ~~district. The directors shall be appointed for staggered terms~~
584 ~~of 3 years. The initial appointments shall be as follows: one~~
585 ~~director for a 1-year term; one director for a 2-year term; and~~
586 ~~one director for a 3-year term. If more than three directors are~~
587 ~~to be appointed, the additional members shall initially be~~
588 ~~appointed for 3-year terms. Vacancies shall be filled for the~~
589 ~~unexpired portion of a term in the same manner as the initial~~
590 ~~appointments were made. Each director shall hold office until~~
591 ~~his or her successor is appointed and qualified unless the~~
592 ~~director ceases to be qualified or is removed from office. Upon~~



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593 ~~appointment and qualification and in January of each year, the~~
594 ~~directors shall organize by electing from their number a chair~~
595 ~~and a secretary.~~

596 (3)(4) The local governing body may dissolve a district may
597 ~~be dissolved by the governing body by rescinding the ordinance~~
598 ~~creating the district. The local governing body may rescind~~
599 ~~shall consider rescinding the ordinance if presented with a~~
600 ~~petition requesting that it be rescinded. Petitions related to a~~
601 ~~residential local government neighborhood improvement district~~
602 ~~must contain containing the signatures of 60 percent of the~~
603 ~~residents. Petitions related to a commercial local government~~
604 ~~neighborhood improvement district must contain signatures~~
605 ~~representing owners of 60 percent of the land area of the of a~~
606 ~~district.~~

607 Section 13. Section 163.508, Florida Statutes, is amended
608 to read:

609 163.508 Property owners' association neighborhood
610 improvement districts; creation; powers and duties; duration.-

611 (1) After ~~an a local planning~~ ordinance has been adopted
612 authorizing the creation of property owners' association
613 neighborhood improvement districts, the local governing body of
614 a municipality or county may create property owners' association
615 neighborhood improvement districts by the enactment of a
616 separate ordinance for each district, ~~which ordinance:~~

617 (a) Establishes that an incorporated property owners'
618 association representing 75 percent of all owners of property
619 within a proposed district meeting the requirements of this
620 section has petitioned the local governing body ~~of the~~
621 ~~municipality or county~~ for creation of a district for the area



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622 encompassed by the property owned by members of the association.

623 (b) Specifies the boundaries, size, and name of the
624 district.

625 (c) Authorizes the district ~~governing body~~ through mutual
626 agreement with the property owners' association to:

627 1. Request grants ~~a matching grant from the state's Safe~~
628 ~~Neighborhoods Program to prepare the first year's safe~~
629 ~~neighborhood improvement plan. The provider of the local match~~
630 ~~for the state grant shall be mutually agreed upon between the~~
631 ~~governing body and the property owners' association. The~~
632 ~~governing body may agree to provide the match as a no-interest-~~
633 ~~bearing loan to be paid back from assessments imposed by the~~
634 ~~association on its members or shareholders.~~

635 2. Provide staff and other technical assistance to the
636 property owners' association on a mutually agreed-upon basis,
637 contractual or otherwise.

638 ~~3. Prepare the first year's safe neighborhood improvement~~
639 ~~plan, which shall comply with and be consistent with the~~
640 ~~governing body's adopted comprehensive plan.~~

641 (d) Provides for an audit of the property owners'
642 association.

643 (e) Designates the officers of the incorporated property
644 owners' association as the board of directors of the district.

645 (f) May prohibit the use of any district power authorized
646 by s. 163.514.

647 (g) Requires the district to notify the department ~~of Legal~~
648 ~~Affairs and the Department of Economic Opportunity~~ in writing of
649 its establishment within 30 days after establishment thereof
650 pursuant to s. 163.5055.



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651 (2) In order to qualify for the creation of a neighborhood
652 improvement district, the property owners shall form an
653 association in compliance with this section, or use an existing
654 property owners' association in compliance with this section,
655 which must shall be a not-for-profit corporation. At least, for
656 profit or not for profit, and of which not less than 75 percent
657 of all property owners within the proposed area must consent
658 have consented in writing to become members or shareholders.
659 Upon such consent by 75 percent of the property owners in the
660 proposed district, all consenting property owners and their
661 successors shall become members of the association and are shall
662 be bound by the provisions of the articles of incorporation, the
663 bylaws of the association, the covenants, the deed restrictions,
664 the indentures, and any other properly promulgated restrictions.
665 The association may not shall have a no member or shareholder
666 who is not a bona fide owner of property within the proposed
667 district. Upon receipt of its certificate of incorporation, the
668 property owners' association shall notify the clerk of the city
669 or county court, whichever is appropriate, in writing, of such
670 incorporation and shall list the names and addresses of the
671 officers of the association.

672 (3) Any incorporated property owners' association operating
673 pursuant to this part has shall have the power:

674 (a) To negotiate with the governing body of a municipality
675 or county for closing, privatizing, or modifying the rights-of-
676 way, and appurtenances thereto, within the district.

677 (b) To use utilize various legal instruments such as
678 covenants, deed restrictions, and indentures to preserve and
679 maintain the integrity of property, land, and rights-of-way



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680 owned and conveyed to it within the district.

681 (c) To make and collect assessments against all property
682 within the boundaries of the district pursuant to the provisions
683 of s. 163.514(16) and to lease, maintain, repair, and
684 reconstruct any privatized street, land, or common area within
685 the district upon dedication thereof to the association.

686 (d) Without the joinder of any property owner, to modify,
687 move, or create any easement for ingress and egress or for the
688 purpose of utilities, if such easement constitutes part of or
689 crosses district property. However, this does ~~shall~~ not
690 authorize the association to modify or move any easement that
691 ~~which~~ is created in whole or in part for the use or benefit of
692 anyone other than association members, or that ~~which~~ crosses the
693 property of anyone other than association members, without the
694 consent or approval of such person as required by law or by the
695 instrument creating the easement. ~~Nothing in~~ This paragraph does
696 not ~~shall~~ affect the rights of ingress or egress of any member
697 of the association.

698 (4) A property owners' association neighborhood improvement
699 district shall continue in perpetuity as long as the property
700 owners' association created pursuant to this section exists
701 under the applicable laws of the state.

702 Section 14. Subsections (1), (7), (8), and (10) of section
703 163.511, Florida Statutes, are amended to read:

704 163.511 Special neighborhood improvement districts;
705 creation; referendum; board of directors; duration; extension.-

706 (1) After an ~~a local planning~~ ordinance has been adopted
707 authorizing the creation of special neighborhood improvement
708 districts, the local governing body ~~of a municipality or county~~



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709 may declare the need for and create special residential or
710 commercial business neighborhood improvement districts by the
711 enactment of a separate ordinance for each district, which
712 ordinance:

713 (a) Conditions the implementation of the ordinance on the
714 approval of a referendum as provided in subsection (2).

715 (b) Authorizes the ~~special neighborhood improvement~~
716 district to levy an ad valorem tax on real and personal property
717 of up to 2 mills annually.

718 (c) Authorizes the district to use ~~of~~ special assessments
719 to support planning and implementation of district improvements
720 pursuant to ~~the provisions of s. 163.514(16), including~~
721 ~~community policing innovations.~~

722 (d) Specifies the boundaries, size, and name of the
723 district.

724 (e) Authorizes the district to receive a planning grant
725 from the department.

726 (f) Provides for the appointment of a three-member ~~3-member~~
727 board of directors for the district.

728 (g) May authorize a ~~special neighborhood improvement~~
729 district to exercise the power of eminent domain pursuant to
730 chapters 73 and 74. Any property identified for eminent domain
731 by the district is ~~shall be~~ subject to the approval of the local
732 governing body before eminent domain procedures are exercised.

733 (h) May prohibit the use of any district power authorized
734 by s. 163.514.

735 (i) Requires the district to notify the department ~~of Legal~~
736 ~~Affairs and the Department of Economic Opportunity~~ in writing of
737 its establishment within 30 days after establishment ~~thereof~~



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738 pursuant to s. 163.5055.

739 (j) May authorize a ~~special neighborhood improvement~~
740 district to develop and implement community policing innovations
741 in consultation with the local law enforcement agency having
742 jurisdiction within the district boundaries.

743 (7) The business and affairs of a special neighborhood
744 improvement district shall be conducted and administered by a
745 board of three directors who must ~~shall~~ be residents of or
746 property owners within the proposed area and ~~who are~~ subject to
747 ad valorem taxation in the district. Upon their initial
748 appointment and qualification and in January of each year
749 thereafter, the directors shall organize by electing from their
750 number a chair and a secretary, and may also employ staff and
751 legal representatives as deemed appropriate, who shall serve at
752 the pleasure of the board and may receive such compensation as
753 shall be fixed by the board. The secretary shall keep a record
754 of the proceedings of the district and shall be custodian of all
755 books and records of the district. The directors may ~~shall~~ not
756 receive any compensation for their services or, ~~nor may they~~ be
757 employed by the district.

758 (8) Within 30 days after ~~of~~ the approval of the creation of
759 a special neighborhood improvement district, the local governing
760 body ~~if the district is in a municipality, a majority of the~~
761 ~~governing body of the municipality, or if the district is in the~~
762 ~~unincorporated area of the county, a majority of the county~~
763 ~~commission~~, shall appoint the three directors provided for in
764 this section ~~herein~~ for staggered terms of 3 years. The initial
765 appointments shall be as follows: one for a 1-year term, one for
766 a 2-year term, and one for a 3-year term. Each director holds



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767 ~~shall hold~~ office until his or her successor is appointed and
768 qualified unless the director ceases to be qualified to act as a
769 director or is removed from office. Vacancies on the board shall
770 be filled for the unexpired portion of a term in the same manner
771 as the initial appointments were made.

772 (10) The local governing body ~~of a municipality or county~~
773 may remove a director for inefficiency, neglect of duty, or
774 misconduct in office ~~only after a hearing and only if he or she~~
775 ~~has been given a copy of the charges at least 10 days prior to~~
776 ~~such hearing and has had an opportunity to be heard in person or~~
777 ~~by counsel~~. A vacancy so created shall be filled as provided in
778 this section herein.

779 Section 15. Section 163.512, Florida Statutes, is amended
780 to read:

781 163.512 Community redevelopment neighborhood improvement
782 districts; creation; advisory council; dissolution.—

783 (1) Upon the recommendation of the community redevelopment
784 agency and after an ~~a local planning~~ ordinance has been adopted
785 authorizing the creation of community redevelopment neighborhood
786 improvement districts, the local governing body of a
787 municipality or county may create community redevelopment
788 neighborhood improvement districts by the enactment of a
789 separate ordinance for each district, ~~which ordinance:~~

790 (a) Specifies the boundaries, size, and name of the
791 district.

792 (b) Authorizes the district to receive grants ~~a planning~~
793 ~~grant from the department~~.

794 (c) Authorizes the use of the community redevelopment trust
795 fund created pursuant to s. 163.387 for the purposes of



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796 implementing the district's ~~safe~~ neighborhood improvement plan
797 and ~~furthering crime prevention through community policing~~
798 ~~innovations, environmental design, environmental security, and~~
799 ~~defensible space techniques, if the~~ expenditures from the
800 ~~community redevelopment trust fund~~ are consistent with the
801 community redevelopment plan created pursuant to s. 163.360.

802 (d) Designates the community redevelopment board of
803 commissioners established pursuant to s. 163.356 or s. 163.357
804 as the board of directors for the district.

805 (e) Establishes an advisory council to the board of
806 directors comprised of property owners or residents of the
807 district.

808 (f) May prohibit the use of any district power authorized
809 by s. 163.514.

810 (g) Requires that the district's ~~safe~~ neighborhood
811 improvement plan be consistent with the community redevelopment
812 plan created pursuant to s. 163.360, and permits the ~~safe~~
813 neighborhood improvement plan to be included in the community
814 redevelopment plan as an optional element.

815 (h) Requires that the boundaries of the ~~community~~
816 ~~redevelopment~~ district be contained in whole within the
817 community redevelopment area established pursuant to ss. 163.355
818 and 163.356.

819 (i) Requires that the district ~~to~~ notify the department ~~of~~
820 ~~Legal Affairs and the Department of Economic Opportunity~~ in
821 writing of its establishment within 30 days after establishment
822 ~~thereof~~ pursuant to s. 163.5055.

823 (2) The advisory council shall perform such duties as may
824 be prescribed by the community redevelopment board established



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825 pursuant to s. 163.356 and shall submit within the time period
826 specified by the board of directors a report on the district's
827 activities and a proposed budget to accomplish its objectives.
828 In formulating a plan for services or improvements, the advisory
829 council shall consult in public session with the appropriate
830 staff or consultants of the community redevelopment board
831 ~~responsible for the district's plan.~~

832 (3) The local governing body may dissolve a district ~~may be~~
833 ~~dissolved by the local governing body~~ by rescinding the
834 ordinance creating the district. The local governing body may
835 rescind ~~shall consider rescinding~~ the ordinance if presented
836 with a petition containing the signatures of 60 percent of the
837 residents of a district.

838 Section 16. Section 163.513, Florida Statutes, is repealed.

839 Section 17. Section 163.514, Florida Statutes, is amended
840 to read:

841 163.514 Powers of neighborhood improvement districts.-
842 Unless prohibited by ordinance, the board of any district is
843 ~~shall be~~ empowered to:

844 (1) Enter into contracts and agreements and sue and be sued
845 as a body corporate.

846 (2) Have and use a corporate seal.

847 (3) Acquire, own, convey, or otherwise dispose of, lease as
848 lessor or lessee, construct, maintain, improve, enlarge, raze,
849 relocate, operate, and manage property and facilities of
850 whatever type to which it holds title and grant and acquire
851 licenses, easements, and options with respect thereto.

852 (4) Accept grants and donations of any type of property,
853 labor, or other thing of value from any public or private



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854 source.

855 (5) Have exclusive control of funds legally available to
856 it, subject to limitations imposed by law or by any agreement
857 validly entered into by it.

858 (6) Cooperate and contract with other governmental agencies
859 or other public bodies.

860 (7) Contract for services ~~of planning consultants, experts~~
861 ~~on crime prevention through community policing innovations,~~
862 ~~environmental design, environmental security, or defensible~~
863 ~~space, or other experts~~ in areas pertaining to the operations of
864 the board ~~of directors~~ or the district.

865 (8) Contract with the county or municipal government for
866 planning assistance, legal advice, and ~~for~~ increased levels of
867 law enforcement protection and security, including additional
868 personnel.

869 (9) Promote and advertise the commercial advantages of the
870 district so as to attract new businesses and encourage the
871 expansion of existing businesses.

872 (10) Promote and advertise the district to the public and
873 engage in cooperative advertising programs with businesses
874 located in the district.

875 (11) Improve, plan, design, construct, operate, provide,
876 and maintain street lighting, parks, streets, drainage,
877 utilities, swales, parking facilities, transit facilities,
878 landscaping, and open areas, and provide ~~safe~~ access to mass
879 transportation facilities in the district.

880 (12) Undertake innovative approaches to securing
881 neighborhoods from crime, such as crime prevention through
882 community policing innovations, environmental design,



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883 environmental security, and defensible space.

884 (13) Privatize, close, vacate, plan, or replan streets,
885 roads, sidewalks, and alleys, subject to the concurrence of the
886 local governing body and, if required, the state Department of
887 Transportation.

888 (14) Prepare, adopt, implement, and modify a ~~safe~~
889 neighborhood improvement plan for the district.

890 (15) Identify areas that have ~~with~~ blighted influences,
891 including, but not limited to, areas where unlawful urban
892 dumping or graffiti are prevalent, and develop programs for
893 eradication thereof.

894 (16) (a) Except for commercial local government neighborhood
895 improvement districts and subject to referendum approval, make
896 and collect special assessments pursuant to ss. 197.3632 and
897 197.3635 to pay for improvements to the district and for
898 reasonable expenses of operating the district, including the
899 payment of expenses included in the district's budget, subject
900 to an affirmative vote by a majority of the registered voters
901 residing in the district. Such assessments may ~~shall~~ not exceed
902 \$500 for each individual parcel of land per year.

903 Notwithstanding the provisions of s. 101.6102, the referendum to
904 approve the special assessment must ~~shall~~ be by mail ballot.

905 (b) In order to implement this subsection, the city clerk
906 or the supervisor of elections, whichever is appropriate, shall
907 compile a list of the names and last known addresses of the
908 electors in the neighborhood improvement district from the list
909 of registered voters of the county as of the last day of the
910 preceding month. The same shall constitute the registration list
911 for the purposes of a referendum. Within 45 days after



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912 compilation of the voter registration list, the city clerk or
913 the supervisor of elections shall notify each elector of the
914 general provisions of this subsection ~~section~~, including the
915 taxing authority and the date of the upcoming referendum.
916 Notification must ~~shall~~ be by United States mail and, in
917 addition ~~thereto~~, by publication one time in a newspaper of
918 general circulation in the county or municipality in which the
919 district is located.

920 (c) Any resident of the district whose name does not appear
921 on the list compiled pursuant to paragraph (b) may register to
922 vote as provided by law. The registration list shall remain open
923 for 75 days after the notification required in paragraph (b).

924 (d) Within 15 days after the closing of registration, the
925 city clerk or the supervisor of elections shall send a ballot to
926 each elector at his or her last known mailing address by first-
927 class ~~United States~~ mail. The ballot must ~~shall~~ include:

928 1. A description of the general provisions of this section
929 applicable to the neighborhood improvement district; and

930 2. Immediately following said information, the following:

931
932 "Do you favor the imposition of a special assessment
933 of not greater than \$500 for each individual parcel of
934 land per year to pay for the expenses of operating the
935 neighborhood improvement district?

936
937Yes, for the special assessment.

938
939No, against the special assessment."
940



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941 (e) Ballots shall be returned by United States mail or by
942 personal delivery.

943 (f) All ballots that are received within 60 days after the
944 closing of registration shall be tabulated by the city clerk or
945 the supervisor of elections, who shall certify the results
946 ~~thereof~~ to the local city governing body ~~or county commission~~ no
947 later than 5 days after the said 60-day period.

948 (17) Exercise all lawful powers incidental to the effective
949 and expedient exercise of the foregoing powers.

950 Section 18. Subsections (3) and (4) of section 163.5151,
951 Florida Statutes, are amended to read:

952 163.5151 Fiscal management; budget preparation.-

953 (3) Each local government and special neighborhood
954 improvement district levying an ad valorem tax on real or
955 personal property shall establish a its budget pursuant to the
956 provisions of chapter 200. Before adopting ~~Prior to adoption of~~
957 the final budget and setting of the millage rate to be levied by
958 the board, the board shall submit a tentative budget and
959 proposed millage rate of the district to the local governing
960 body ~~of the municipality in which the district is located, or to~~
961 ~~the county if the district is located in the unincorporated~~
962 ~~portion of the county,~~ for approval or disapproval. Such local
963 governing body has ~~shall have~~ the power to modify the budget or
964 millage submitted by the board. Subsequent to approval, the
965 board shall adopt its final budget and millage rate in
966 accordance with the requirements of chapter 200.

967 (4) At the option of the county property appraiser for the
968 county within which the neighborhood improvement district is
969 located, ~~the~~ assessments levied by the district may ~~shall~~ be



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970 collected in the same manner as all ad valorem taxes if so
971 requested by the local governing body pursuant to s. 197.363.

972 Section 19. Section 163.516, Florida Statutes, is amended
973 to read:

974 163.516 ~~Safe~~ Neighborhood improvement plans.—

975 (1) A ~~safe~~ neighborhood improvement plan is mandated for
976 all neighborhood improvement districts. The plan must ~~shall~~
977 contain at least the following elements:

978 (a) Demographics of the district.

979 ~~(b) Crime activity data and analysis.~~

980 (b)(e) Land use, zoning, housing, and traffic analysis.

981 ~~(d) Determination of the problems of the crime-to-~~
982 ~~environment relationship and the stability of the neighborhood~~
983 ~~improvement district.~~

984 (c)(e) Statement of the district's goal and objectives.

985 ~~(f) Assessment of crime prevention through community~~
986 ~~policing innovations, environmental design, environmental~~
987 ~~security, and defensible space strategies and tactics that will~~
988 ~~be applied to the crime-to-environment relationship problems.~~

989 ~~(g) Cost estimates and the methods of financing.~~

990 ~~(h) Outline of program participants and their functions and~~
991 ~~responsibilities.~~

992 ~~(i) Schedule for executing program activities.~~

993 ~~(j) Evaluation guidelines.~~

994 (2) Every ~~safe~~ neighborhood improvement plan must ~~shall~~
995 show, by diagram and by general explanation:

996 (a) Such property as is intended for use as public parks,
997 recreation areas, streets, public utilities, and public
998 improvements of any nature.



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999 (b) Specific identification of any publicly funded capital
1000 improvement projects to be undertaken within the district.

1001 ~~(c) Adequate assurances that the improvements will be~~
1002 ~~carried out pursuant to the plan.~~

1003 ~~(d) Provision for the retention of controls and the~~
1004 ~~establishment of any restrictions or covenants running with land~~
1005 ~~sold or leased for private use for such periods of time and~~
1006 ~~under such conditions as the governing body of the municipality~~
1007 ~~in which the district is located, or the county if the district~~
1008 ~~is located in the unincorporated portion of the county, deems~~
1009 ~~necessary to effectuate the purposes of this part.~~

1010 ~~(c)~~ (e) Projected costs of improvements, including the
1011 amount to be expended on publicly funded capital improvement
1012 projects in the district and any indebtedness of the district,
1013 the county, or the municipality proposed to be incurred if such
1014 indebtedness is to be repaid with district revenues.

1015 ~~(f) Promotion of advertising programs to be undertaken by~~
1016 ~~the district or in conjunction with businesses in the district.~~

1017 ~~(g) Suggested physical improvements necessary for the~~
1018 ~~safety of residents in or visitors to the district.~~

1019 ~~(h) Law enforcement and security plans for the district.~~

1020 (3) The safe neighborhood improvement plan must ~~shall~~:

1021 (a) Be consistent with the adopted comprehensive plan for
1022 the county or municipality pursuant to the Community Planning
1023 Act. A ~~No~~ district plan may not ~~shall~~ be implemented unless the
1024 local governing body has determined that the ~~said~~ plan is
1025 consistent.

1026 (b) Be sufficiently complete to indicate such land
1027 acquisition, demolition and removal of structures, street



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1028 modifications, redevelopment, and rehabilitation as may be
1029 proposed to be carried out in the district.

1030 ~~(c) Provide some method for and measurement of the~~
1031 ~~reduction of crime within the district.~~

1032 ~~(4) The county, municipality, or district may prepare or~~
1033 ~~cause to be prepared a safe neighborhood improvement plan, or~~
1034 ~~any person or agency, public or private, may submit such a plan~~
1035 ~~to a district. Prior to its consideration of a safe neighborhood~~
1036 ~~improvement plan, the district shall submit such plan to the~~
1037 ~~local governing body for review and written approval as to its~~
1038 ~~consistency with the local government comprehensive plan. The~~
1039 ~~district must be notified of approval or disapproval within 60~~
1040 ~~days after receipt of the plan for review, and a revised version~~
1041 ~~of the plan may be submitted to satisfy any inconsistencies. The~~
1042 ~~district may not proceed with the safe neighborhood improvement~~
1043 ~~plan until final approval is given by the local governing body.~~

1044 ~~(4)-(5) Before~~ Prior ~~to~~ adoption of the safe neighborhood
1045 improvement plan, the board must ~~shall~~ hold a public hearing on
1046 the plan after public notice thereof by publication in a
1047 newspaper of general circulation in the county or municipality
1048 in which the district is located. The notice must ~~shall~~ describe
1049 the time, date, place, and purpose of the hearing; identify the
1050 boundaries of the district; and outline the general scope of the
1051 plan.

1052 ~~(5)-(6)~~ The board, after the public hearing, may approve the
1053 ~~safe~~ neighborhood improvement plan if it finds that:

1054 (a) The plan has been approved as consistent with the local
1055 comprehensive plan by the local governing body; and

1056 (b) The plan will improve the promotion, appearance,



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1057 ~~safety, security,~~ and public amenities of the neighborhood
1058 improvement district as stipulated in s. 163.502.

1059 ~~(6)(7)~~ If, at any time after approval of the ~~safe~~
1060 neighborhood improvement plan, it becomes desirable to amend or
1061 modify the plan, the board may do so. ~~Before~~ ~~Prior to~~ any such
1062 amendment or modification, the board must ~~shall~~ obtain written
1063 approval of the local governing body concerning conformity to
1064 the local government comprehensive plan and must hold a public
1065 hearing on the proposed amendment or modification after public
1066 notice thereof by publication in a newspaper of general
1067 circulation in the county or municipality in which the district
1068 is located. The notice must ~~shall~~ describe the time, place, and
1069 purpose of the hearing and generally describe the proposed
1070 amendment or modification.

1071 ~~(8) Pursuant to s. 163.3184, the governing body of a~~
1072 ~~municipality or county shall hold two public hearings to~~
1073 ~~consider the board-adopted safe neighborhood improvement plan as~~
1074 ~~an amendment or modification to the municipality's or county's~~
1075 ~~adopted local comprehensive plan.~~

1076 ~~(9) A safe neighborhood improvement plan for each district~~
1077 ~~shall be prepared and adopted by the municipality or county~~
1078 ~~prior to the levy and expenditure of any of the proceeds of any~~
1079 ~~tax assessment or fee authorized to such districts other than~~
1080 ~~for the preparation of the safe community or business~~
1081 ~~improvement plan.~~

1082 Section 20. Section 163.517, Florida Statutes, is repealed.

1083 Section 21. Section 163.519, Florida Statutes, is repealed.

1084 Section 22. Section 163.521, Florida Statutes, is repealed.

1085 Section 23. Section 163.5215, Florida Statutes, is



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1086 repealed.

1087 Section 24. Section 163.522, Florida Statutes, is repealed.

1088 Section 25. Section 163.523, Florida Statutes, is repealed.

1089 Section 26. Subsection (13) is added to section 163.524,
1090 Florida Statutes, to read:

1091 163.524 Neighborhood Preservation and Enhancement Program;
1092 participation; creation of Neighborhood Preservation and
1093 Enhancement Districts; creation of Neighborhood Councils and
1094 Neighborhood Enhancement Plans.—

1095 (13) Effective July 1, 2013, this section applies only to a
1096 Neighborhood Preservation and Enhancement District and a
1097 Neighborhood Council that are active on or before June 30, 2013.
1098 A Neighborhood Preservation and Enhancement District and a
1099 Neighborhood Council may not be created after June 30, 2013.

1100 Section 27. Section 27. Subsection (4) is added to section
1101 163.526, Florida Statutes, to read:

1102 163.526 Neighborhood Councils and local government
1103 designated agency; powers and duties.—

1104 (4) Effective July 1, 2013, this section applies only to a
1105 Neighborhood Council that is active on or before June 30, 2013.

1106 Section 28. Paragraph (c) of subsection (1) of section
1107 376.84, Florida Statutes, is amended to read:

1108 376.84 Brownfield redevelopment economic incentives.—It is
1109 the intent of the Legislature that brownfield redevelopment
1110 activities be viewed as opportunities to significantly improve
1111 the utilization, general condition, and appearance of these
1112 sites. Different standards than those in place for new
1113 development, as allowed under current state and local laws,
1114 should be used to the fullest extent to encourage the



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1115 redevelopment of a brownfield. State and local governments are
1116 encouraged to offer redevelopment incentives for this purpose,
1117 as an ongoing public investment in infrastructure and services,
1118 to help eliminate the public health and environmental hazards,
1119 and to promote the creation of jobs in these areas. Such
1120 incentives may include financial, regulatory, and technical
1121 assistance to persons and businesses involved in the
1122 redevelopment of the brownfield pursuant to this act.

1123 (1) Financial incentives and local incentives for
1124 redevelopment may include, but not be limited to:

1125 (c) ~~Safe~~ Neighborhood improvement districts as provided in
1126 part IV of chapter 163 ss. 163.501-163.523.

1127 Section 29. Subsection (2) of section 775.083, Florida
1128 Statutes, is amended to read:

1129 775.083 Fines.—

1130 (2) In addition to the fines set forth in subsection (1),
1131 court costs shall be assessed and collected in each instance a
1132 defendant pleads nolo contendere to, or is convicted of, or
1133 adjudicated delinquent for, a felony, a misdemeanor, or a
1134 criminal traffic offense under state law, or a violation of any
1135 municipal or county ordinance if the violation constitutes a
1136 misdemeanor under state law. The court costs imposed by this
1137 section shall be \$50 for a felony and \$20 for any other offense
1138 and shall be deposited by the clerk of the court into an
1139 appropriate county account for disbursement for the purposes
1140 provided in this subsection. A county shall account for the
1141 funds separately from other county funds as crime prevention
1142 funds. The county, in consultation with the sheriff, must expend
1143 such funds for crime prevention programs in the county,



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1144 including ~~safe~~ neighborhood improvement programs under part IV
1145 of chapter 163 ss. ~~163.501-163.523.~~

1146 Section 30. Subsection (5) of section 932.7055, Florida
1147 Statutes, is amended to read:

1148 932.7055 Disposition of liens and forfeited property.-

1149 (5) (a) If the seizing agency is a county or municipal
1150 agency, the remaining proceeds shall be deposited in a special
1151 law enforcement trust fund established by the board of county
1152 commissioners or the governing body of the municipality. These
1153 ~~Such~~ proceeds and interest earned therefrom shall be used for
1154 school resource officer, crime prevention, ~~safe~~ neighborhood
1155 improvement, drug abuse education and prevention programs, or
1156 for other law enforcement purposes, which include defraying the
1157 cost of protracted or complex investigations, providing
1158 additional equipment or expertise, purchasing automated external
1159 defibrillators for use in law enforcement vehicles, and
1160 providing matching funds to obtain federal grants. The proceeds
1161 and interest may not be used to meet normal operating expenses
1162 of the law enforcement agency.

1163 (b) These funds may be expended upon request by the sheriff
1164 to the board of county commissioners or by the chief of police
1165 to the governing body of the municipality, accompanied by a
1166 written certification that the request complies with the
1167 provisions of this subsection, and only upon appropriation to
1168 the sheriff's office or police department by the board of county
1169 commissioners or the governing body of the municipality.

1170 (c) An agency or organization, other than the seizing
1171 agency, that wishes to receive such funds shall apply to the
1172 sheriff or chief of police for an appropriation and its



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1173 application shall be accompanied by a written certification that
1174 the moneys will be used for an authorized purpose. Such requests
1175 for expenditures must ~~shall~~ include a statement describing
1176 anticipated recurring costs for the agency for subsequent fiscal
1177 years. An agency or organization that receives money pursuant to
1178 this subsection shall provide an accounting for such moneys and
1179 shall furnish the same reports as an agency of the county or
1180 municipality that receives public funds. Such funds may be
1181 expended in accordance with the following procedures:

1182 1. Such funds may be used only for school resource officer,
1183 crime prevention, ~~safe~~ neighborhood improvement, drug abuse
1184 education, or drug prevention programs or such other law
1185 enforcement purposes as the board of county commissioners or
1186 governing body of the municipality deems appropriate.

1187 2. Such funds may ~~shall~~ not be a source of revenue to meet
1188 normal operating needs of the law enforcement agency.

1189 3. After July 1, 1992, and during every fiscal year
1190 thereafter, any local law enforcement agency that acquires at
1191 least \$15,000 pursuant to the Florida Contraband Forfeiture Act
1192 within a fiscal year must expend or donate at least ~~no less than~~
1193 15 percent of such proceeds for the support or operation of any
1194 drug treatment, drug abuse education, drug prevention, crime
1195 prevention, ~~safe~~ neighborhood improvement, or school resource
1196 officer program or programs ~~program(s)~~. The local law
1197 enforcement agency has the discretion to determine which program
1198 or programs ~~program(s)~~ will receive the designated proceeds.

1199
1200 Notwithstanding the drug abuse education, drug treatment, drug
1201 prevention, crime prevention, ~~safe~~ neighborhood improvement, or



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1202 school resource officer minimum expenditures or donations, the
1203 sheriff and the board of county commissioners or the chief of
1204 police and the governing body of the municipality may agree to
1205 expend or donate such funds over a period of years if the
1206 expenditure or donation of such minimum amount in any given
1207 fiscal year would exceed the needs of the county or municipality
1208 for such program or programs ~~program(s)~~. ~~Nothing in~~ This section
1209 does not preclude ~~precludes~~ the expenditure or donation of
1210 forfeiture proceeds in excess of the minimum amounts established
1211 in this subsection ~~herein~~.

1212 Section 31. This act shall take effect July 1, 2013.

1213

1214 ===== T I T L E A M E N D M E N T =====

1215 And the title is amended as follows:

1216 Delete everything before the enacting clause
1217 and insert:

1218 A bill to be entitled
1219 An act relating to neighborhood improvement districts;
1220 amending ss. 163.2511, 163.2517, 163.3182, 163.3246,
1221 and 163.387, F.S.; conforming provisions to changes
1222 made by the act; amending s. 163.501, F.S.; renaming
1223 the "Safe Neighborhoods Act" as the "Neighborhoods
1224 Improvement Act"; amending s. 163.502, F.S.; revising
1225 legislative findings and purpose; amending s. 163.503,
1226 F.S.; revising and deleting definitions; amending s.
1227 163.5035, F.S.; conforming provisions to changes made
1228 by the act; amending s. 163.504, F.S.; authorizing the
1229 governing body of any municipality or county to form a
1230 neighborhood improvement district through the adoption



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1231 of an ordinance rather than by a planning ordinance;
1232 deleting provisions relating to the creation and
1233 funding of safe neighborhood improvement districts;
1234 amending s. 163.5055, F.S.; requiring each
1235 neighborhood improvement district authorized under law
1236 to provide the Department of Economic Opportunity with
1237 certain information; requiring a local governing body
1238 to notify the department of a dissolution of a
1239 district; deleting an obsolete provision; amending s.
1240 163.506, F.S.; revising provisions authorizing a local
1241 governing body to create a residential or commercial
1242 local government neighborhood improvement district by
1243 the enactment of an ordinance; revising the
1244 requirements of the ordinance; specifying that the
1245 ordinance may authorize residential or commercial
1246 local government neighborhood improvement districts to
1247 borrow money, contract loans, and issue bonds or other
1248 evidence of indebtedness; authorizing the governing
1249 body of the improvement district to levy ad valorem
1250 taxes upon real and tangible personal property within
1251 the district; authorizing a commercial local
1252 government neighborhood improvement district to make
1253 and collect special assessments; conditioning the
1254 exercise of certain powers by a residential local
1255 government neighborhood improvement district on
1256 approval by the local governing body and a referendum;
1257 conditioning the exercise of power by a commercial
1258 local government neighborhood improvement district to
1259 borrow money; contract loans; issue bonds; charge,



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1260 collect, and enforce fees; make and collect special
1261 assessments; and levy ad valorem taxes upon real and
1262 tangible personal property within the district upon
1263 the approval of a referendum by the freeholders of the
1264 district; providing ballot requirements; removing
1265 provisions allowing an alternative organization for
1266 the board of directors; revising requirements for
1267 dissolving a district; amending s. 163.508, F.S.,
1268 relating to property owners' association neighborhood
1269 improvement districts; revising the requirements for
1270 creating a property owners' association neighborhood
1271 improvement district by the enactment of a separate
1272 ordinance for each district; authorizing the governing
1273 body to request grants; requiring that the property
1274 owners form an association or use an existing property
1275 owners' association that is a not-for-profit
1276 corporation; amending s. 163.511, F.S., relating to
1277 special neighborhood improvement districts; revising
1278 provisions to conform to changes made by the act;
1279 revising the method of appointing and removing
1280 directors of the district; amending s. 163.512, F.S.;
1281 revising provisions authorizing a municipality or
1282 county to create a community redevelopment
1283 neighborhood improvement district; authorizing the
1284 district to receive grants and other funding;
1285 providing that the local governing body may dissolve
1286 the district under certain circumstances; repealing s.
1287 163.513, F.S., relating to crime prevention through
1288 community policing innovations; amending s. 163.514,



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1289 F.S.; revising the powers of the board of a
1290 neighborhood improvement district; authorizing the
1291 district to contract for services in areas pertaining
1292 to the operations of the board or the district;
1293 authorizing the district to improve, plan, design,
1294 construct, operate, provide, and maintain certain
1295 facilities; authorizing a district, except for a
1296 commercial local government neighborhood improvement
1297 district, to collect special assessments under certain
1298 circumstances and following implementation of
1299 designated procedures; amending s. 163.5151, F.S.;
1300 requiring a local government and a special
1301 neighborhood improvement district levying an ad
1302 valorem tax on real or personal property to prepare a
1303 budget in a specified manner; amending s. 163.516,
1304 F.S.; requiring that neighborhood improvement plans be
1305 created for each improvement district; revising the
1306 contents of the neighborhood improvement plan;
1307 conforming provisions to changes made by the act;
1308 repealing s. 163.517, F.S., relating to the Safe
1309 Neighborhoods Program; repealing s. 163.519, F.S.,
1310 relating to the duties of the Department of Legal
1311 Affairs relating to neighborhood improvement
1312 districts; repealing s. 163.521, F.S., relating to
1313 funding for a neighborhood improvement district inside
1314 an enterprise zone; repealing s. 163.5215, F.S.,
1315 relating to the effect and construction of existing
1316 laws relating to neighborhood improvement districts;
1317 repealing s. 163.522, F.S., relating to state



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1318 redevelopment programs; repealing s. 163.523, F.S.,
1319 relating to cooperation and involvement of community
1320 organizations in the creation of safe neighborhood
1321 improvement districts; amending s. 163.524, F.S.;
1322 limiting application of provisions governing
1323 Neighborhood Preservation and Enhancement District and
1324 Neighborhood Council to those districts and councils
1325 that are active on or before a specified date;
1326 prohibiting a new Neighborhood Preservation and
1327 Enhancement District and Neighborhood Councils from
1328 being created after a specified date; amending ss.
1329 163.526, 376.84, 775.083, and 932.7055, F.S.;
1330 conforming provisions to changes made by the act;
1331 providing an effective date.

By the Committee on Community Affairs; and Senator Simmons

578-02030-13

2013564c1

1 A bill to be entitled
 2 An act relating to neighborhood improvement districts;
 3 amending ss. 163.2511, 163.2517, 163.3182, 163.3246,
 4 and 163.387, F.S.; conforming provisions to changes
 5 made by the act; amending s. 163.501, F.S.; renaming
 6 the "Safe Neighborhoods Act" as the "Neighborhoods
 7 Improvement Act"; amending s. 163.502, F.S.; revising
 8 legislative findings and purpose; amending s. 163.503,
 9 F.S.; revising and deleting definitions; amending s.
 10 163.5035, F.S.; conforming provisions to changes made
 11 by the act; amending s. 163.504, F.S.; authorizing the
 12 governing body of any municipality or county to form a
 13 neighborhood improvement district through the adoption
 14 of an ordinance rather than by a planning ordinance;
 15 removing provisions pertaining to the creation and
 16 funding of safe neighborhood improvement districts;
 17 amending s. 163.5055, F.S.; deleting the requirement
 18 that each neighborhood improvement district authorized
 19 under law notify the Department of Legal Affairs of
 20 its existence; removing the requirement that a local
 21 governing body notify the Department of Legal Affairs
 22 of a dissolution of a district; deleting an obsolete
 23 provision; amending s. 163.506, F.S.; revising
 24 provisions authorizing a local governing body to
 25 create a local government neighborhood improvement
 26 district by the enactment of an ordinance; specifying
 27 that the ordinance may authorize the improvement
 28 district to borrow money, contract loans, and issue
 29 bonds or other evidence of indebtedness; authorizing

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30 the governing body of the improvement district to levy
 31 ad valorem taxes upon real and tangible personal
 32 property within the district; authorizing the district
 33 to make and collect special assessments; conditioning
 34 the exercise of power by the local government
 35 neighborhood improvement district to borrow money,
 36 contract loans, issue bonds, charge, collect, and
 37 enforce fees, make and collect special assessments,
 38 and levy ad valorem taxes upon real and tangible
 39 personal property within the district upon the
 40 approval of a referendum by the freeholders of the
 41 district; providing ballot requirements; removing
 42 provisions allowing an alternative organization for
 43 the board of directors; revising requirements for
 44 dissolving a district; amending s. 163.508, F.S.,
 45 relating to property owners' association neighborhood
 46 improvement districts; revising the requirements for
 47 creating a property owners' association neighborhood
 48 improvement district by the enactment of a separate
 49 ordinance for each district; authorizing the governing
 50 body to request grants; requiring that the property
 51 owners form an association or use an existing property
 52 owners' association that is a not-for-profit
 53 corporation; amending s. 163.511, F.S., relating to
 54 special neighborhood improvement districts; revising
 55 provisions to conform to changes made by the act;
 56 revising the method of appointing and removing
 57 directors of the district; amending s. 163.512, F.S.;
 58 revising provisions authorizing a municipality or

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59 county to create a community redevelopment
60 neighborhood improvement district; authorizing the
61 district to receive grants and other funding;
62 providing that the local governing body may dissolve
63 the district under certain circumstances; repealing s.
64 163.513, F.S., relating to crime prevention through
65 community policing innovations; amending s. 163.514,
66 F.S.; revising the powers of neighborhood improvement
67 districts; authorizing the district to contract with
68 legal counsel and other needed professionals;
69 authorizing the district to improve, plan, design,
70 construct, operate, provide, and maintain certain
71 facilities; authorizing the district to collect
72 special assessments under certain circumstances and
73 following implementation of designated procedures;
74 amending s. 163.5151, F.S.; requiring a local
75 government and a special neighborhood improvement
76 district levying an ad valorem tax on real or personal
77 property to prepare a budget in a specified manner;
78 amending s. 163.516, F.S.; requiring that neighborhood
79 improvement plans be created for each improvement
80 district; revising the contents of the neighborhood
81 improvement plan; conforming provisions to changes
82 made by the act; repealing s. 163.517, F.S., relating
83 to the Safe Neighborhoods Program; repealing s.
84 163.519, F.S., relating to the duties of the
85 Department of Legal Affairs relating to neighborhood
86 improvement districts; repealing s. 163.521, F.S.,
87 relating to funding for a neighborhood improvement

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88 district inside an enterprise zone; repealing s.
89 163.5215, F.S., relating to the effect and
90 construction of existing laws relating to neighborhood
91 improvement districts; repealing s. 163.522, F.S.,
92 relating to state redevelopment programs; repealing s.
93 163.523, F.S., relating to cooperation and involvement
94 of community organizations in the creation of safe
95 neighborhood improvement districts; amending s.
96 163.524, F.S.; limiting application of provisions
97 governing Neighborhood Preservation and Enhancement
98 Districts and Neighborhood Councils to those districts
99 and councils that were active on or before a specified
100 date; prohibiting new Neighborhood Preservation and
101 Enhancement Districts and Neighborhood Councils from
102 being created after a specified date; amending ss.
103 163.526, 376.84, 775.083, and 932.7055, F.S.;
104 conforming provisions to changes made by the act;
105 providing an effective date.

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

109 Section 1. Paragraph (d) of subsection (2) of section
110 163.2511, Florida Statutes, is amended to read:

111 163.2511 Urban infill and redevelopment.—

112 (2) It is declared that:

113 (d) State urban policies should guide the state, regional
114 agencies, local governments, and the private sector in
115 preserving and redeveloping existing urban cores and promoting
116 the adequate provision of infrastructure, human services,

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117 neighborhood improvement ~~safe neighborhoods~~, educational
 118 facilities, and economic development to sustain these cores into
 119 the future.

120 Section 2. Paragraph (c) of subsection (3) of section
 121 163.2517, Florida Statutes, is amended to read:

122 163.2517 Designation of urban infill and redevelopment
 123 area.—

124 (3) A local government seeking to designate a geographic
 125 area within its jurisdiction as an urban infill and
 126 redevelopment area shall prepare a plan that describes the
 127 infill and redevelopment objectives of the local government
 128 within the proposed area. In lieu of preparing a new plan, the
 129 local government may demonstrate that an existing plan or
 130 combination of plans associated with a community redevelopment
 131 area, Florida Main Street program, Front Porch Florida
 132 Community, sustainable community, enterprise zone, or
 133 neighborhood improvement district includes the factors listed in
 134 paragraphs (a)-(n), including a collaborative and holistic
 135 community participation process, or amend such existing plans to
 136 include these factors. The plan shall demonstrate the local
 137 government and community's commitment to comprehensively address
 138 the urban problems within the urban infill and redevelopment
 139 area and identify activities and programs to accomplish locally
 140 identified goals such as code enforcement; improved educational
 141 opportunities; reduction in crime; neighborhood revitalization
 142 and preservation; provision of infrastructure needs, including
 143 mass transit and multimodal linkages; and mixed-use planning to
 144 promote multifunctional redevelopment to improve both the
 145 residential and commercial quality of life in the area. The plan

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146 shall also:

147 (c) Identify and map existing enterprise zones, community
 148 redevelopment areas, community development corporations,
 149 brownfield areas, downtown redevelopment districts, ~~safe~~
 150 neighborhood improvement districts, historic preservation
 151 districts, and empowerment zones or enterprise communities
 152 located within the area proposed for designation as an urban
 153 infill and redevelopment area and provide a framework for
 154 coordinating infill and redevelopment programs within the urban
 155 core.

156 Section 3. Paragraph (a) of subsection (6) of section
 157 163.3182, Florida Statutes, is amended to read:

158 163.3182 Transportation deficiencies.—

159 (6) EXEMPTIONS.—

160 (a) The following public bodies or taxing authorities are
 161 exempt from this section:

- 162 1. A special district that levies ad valorem taxes on
 163 taxable real property in more than one county.
- 164 2. A special district for which the sole available source
 165 of revenue is the authority to levy ad valorem taxes at the time
 166 an ordinance is adopted under this section. However, revenue
 167 ~~revenues~~ or aid that may be dispensed or appropriated to a
 168 district as defined in s. 388.011 at the discretion of an entity
 169 other than such district is ~~are~~ not deemed available.
- 170 3. A library district.
- 171 4. A neighborhood improvement district created under the
 172 ~~Safe~~ Neighborhoods Improvement Act.
- 173 5. A metropolitan transportation authority.
- 174 6. A water management district created under s. 373.069.

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175 7. A community redevelopment agency.
 176 Section 4. Subsection (2) of section 163.3246, Florida
 177 Statutes, is amended to read:
 178 163.3246 Local government comprehensive planning
 179 certification program.—
 180 (2) In order to be eligible for certification under the
 181 program, the local government must:
 182 (a) Demonstrate a record of effectively adopting,
 183 implementing, and enforcing its comprehensive plan;
 184 (b) Demonstrate technical, financial, and administrative
 185 expertise to implement the provisions of this part without state
 186 oversight;
 187 (c) Obtain comments from the state and regional review
 188 agencies regarding the appropriateness of the proposed
 189 certification;
 190 (d) Hold at least one public hearing soliciting public
 191 input concerning the local government's proposal for
 192 certification; and
 193 (e) Demonstrate that it has adopted programs in its local
 194 comprehensive plan and land development regulations which:
 195 1. Promote infill development and redevelopment, including
 196 prioritized and timely permitting processes in which
 197 applications for local development permits within the
 198 certification area are acted upon expeditiously for proposed
 199 development that is consistent with the local comprehensive
 200 plan.
 201 2. Promote the development of housing for low-income and
 202 very-low-income households or specialized housing to assist
 203 elderly and disabled persons to remain at home or in independent

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204 living arrangements.
 205 3. Achieve effective intergovernmental coordination and
 206 address the extrajurisdictional effects of development within
 207 the certified area.
 208 4. Promote economic diversity and growth while encouraging
 209 the retention of rural character, where rural areas exist, and
 210 the protection and restoration of the environment.
 211 5. Provide and maintain public urban and rural open space
 212 and recreational opportunities.
 213 6. Manage transportation and land uses to support public
 214 transit and promote opportunities for pedestrian and
 215 nonmotorized transportation.
 216 7. Use design principles to foster individual community
 217 identity, create a sense of place, and promote pedestrian-
 218 oriented ~~safe~~ neighborhoods and town centers.
 219 8. Redevelop blighted areas.
 220 9. Adopt a local mitigation strategy and have programs to
 221 improve disaster preparedness and the ability to protect lives
 222 and property, especially in coastal high-hazard areas.
 223 10. Encourage clustered, mixed-use development that
 224 incorporates greenspace and residential development within
 225 walking distance of commercial development.
 226 11. Encourage urban infill at appropriate densities and
 227 intensities and separate urban and rural uses and discourage
 228 urban sprawl while preserving public open space and planning for
 229 buffer-type land uses and rural development consistent with
 230 their respective character along and outside the certification
 231 area.
 232 12. Ensure ~~Assure~~ protection of key natural areas and

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233 agricultural lands that are identified using state and local
 234 inventories of natural areas. Key natural areas include, but are
 235 not limited to:

- 236 a. Wildlife corridors.
 237 b. Lands with high native biological diversity, important
 238 areas for threatened and endangered species, species of special
 239 concern, migratory bird habitat, and intact natural communities.
 240 c. Significant surface waters and springs, aquatic
 241 preserves, wetlands, and outstanding Florida waters.
 242 d. Water resources suitable for preservation of natural
 243 systems and for water resource development.

244 e. Representative and rare native Florida natural systems.
 245 13. Ensure the cost-efficient provision of public
 246 infrastructure and services.

247 Section 5. Paragraph (c) of subsection (2) of section
 248 163.387, Florida Statutes, is amended to read:

249 163.387 Redevelopment trust fund.—

250 (2)

251 (c) The following public bodies or taxing authorities are
 252 exempt from paragraph (a):

- 253 1. A special district that levies ad valorem taxes on
 254 taxable real property in more than one county.
 255 2. A special district for which the sole available source
 256 of revenue the district has the authority to levy is ad valorem
 257 taxes at the time an ordinance is adopted under this section.
 258 However, ~~revenue~~ ~~revenues~~ or aid that may be dispensed or
 259 appropriated to a district as defined in s. 388.011 at the
 260 discretion of an entity other than such district ~~is~~ ~~shall~~ ~~not~~ ~~be~~
 261 deemed available.

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262 3. A library district, except a library district in a
 263 jurisdiction where the community redevelopment agency had
 264 validated bonds as of April 30, 1984.

265 4. A neighborhood improvement district created under the
 266 ~~Safe~~ Neighborhoods Improvement Act.

267 5. A metropolitan transportation authority.

268 6. A water management district created under s. 373.069.

269 Section 6. Section 163.501, Florida Statutes, is amended to
 270 read:

271 163.501 Short title.—This part may be cited as the "~~Safe~~
 272 Neighborhoods Improvement Act."

273 Section 7. Section 163.502, Florida Statutes, is amended to
 274 read:

275 163.502 ~~Safe~~ Neighborhoods improvement; legislative
 276 findings and purpose.—

277 (1) The Legislature ~~hereby~~ finds and declares that among
 278 the many causes of deterioration in the business and residential
 279 neighborhoods of the state are the following: proliferation of
 280 crime, automobile traffic flow strangled by outmoded street
 281 patterns, unsuitable topography, faulty lot layouts,
 282 fragmentation of land uses and parking areas necessitating
 283 frequent automobile movement, lack of separation of pedestrian
 284 areas from automobile traffic, lack of separation of vehicle
 285 traffic lanes and railroad traffic, ~~and~~ excessive noise levels
 286 from automobile traffic, and lack of adequate public
 287 improvements, such as streets, street lights, street furniture,
 288 street landscaping, sidewalks, traffic signals, way-finding
 289 signs, mass transit, stormwater systems, and other public
 290 utilities and improvements.

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291 (2) The Legislature further finds and declares that healthy
 292 and vibrant ~~safe~~ neighborhoods are the product of planning and
 293 implementation of appropriate environmental design concepts,
 294 comprehensive planning ~~crime prevention programs~~, land use
 295 recommendations, and beautification techniques.

296 (3) The Legislature further finds and declares that the
 297 provisions of this part and the powers granted to local
 298 governments, property owners' associations, special dependent
 299 districts, and community redevelopment neighborhood improvement
 300 districts are desirable to guide and accomplish the coordinated,
 301 balanced, and harmonious development of healthy and vibrant ~~safe~~
 302 neighborhoods; to promote the health, ~~safety~~, and general
 303 welfare of these areas and their inhabitants, visitors, property
 304 owners, and workers; to establish, maintain, and preserve
 305 property values and preserve and foster the development of
 306 attractive neighborhood and business environments; to prevent
 307 ~~overcrowding and~~ congestion; and to improve or redirect
 308 automobile traffic and provide pedestrian safety, ~~to reduce~~
 309 ~~crime rates and the opportunities for the commission of crime,~~
 310 ~~and to provide improvements in neighborhoods so they are~~
 311 ~~defensible against crime.~~

312 (4) It is the intent of the Legislature to assist local
 313 governments in implementing plans that improve the ~~employ crime~~
 314 ~~prevention through community policing innovations, environmental~~
 315 ~~design, environmental security, and defensible space techniques~~
 316 ~~to establish~~ safe neighborhoods of this state. The Legislature,
 317 therefore, declares that the development, redevelopment,
 318 preservation, and revitalization of neighborhoods in this state,
 319 and all the purposes of this part, are public purposes for which

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320 public money may be borrowed, expended, loaned, and granted.

321 Section 8. Section 163.503, Florida Statutes, is amended to
 322 read:

323 163.503 ~~Safe neighborhoods~~. Definitions.—

324 (1) "~~Safe~~ Neighborhood improvement district," or
 325 "district," ~~or "neighborhood improvement district"~~ means a
 326 district located in an area in which more than 75 percent of the
 327 land is used for residential purposes, or in an area in which
 328 more than 75 percent of the land is used for commercial, office,
 329 business, or industrial purposes, excluding the land area used
 330 for public facilities, ~~and where there is a plan to reduce crime~~
 331 ~~through the implementation of crime prevention through~~
 332 ~~environmental design, environmental security, or defensible~~
 333 ~~space techniques, or through community policing innovations.~~
 334 ~~Nothing in~~ This section does not ~~shall~~ preclude the inclusion of
 335 public land in a neighborhood improvement district although the
 336 amount of land used for public facilities is excluded from the
 337 land use acreage calculations.

338 (2) "Association" means a property owners' association that
 339 ~~which~~ is incorporated for the purpose of creating and operating
 340 a neighborhood improvement district.

341 (3) "Department" means the Department of Economic
 342 Opportunity ~~Legal Affairs~~.

343 (4) "Board" means the board of directors of a neighborhood
 344 improvement district, which may be the governing body of a
 345 municipality or county, ~~or~~ the officers of a property owners'
 346 association, or the board of directors of a special neighborhood
 347 improvement district or community redevelopment neighborhood
 348 improvement district.

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349 ~~(5) "Environmental security" means an urban planning and~~
 350 ~~design process which integrates crime prevention with~~
 351 ~~neighborhood design and community development.~~

352 ~~(6) "Crime prevention through environmental design" means~~
 353 ~~the planned use of environmental design concepts such as natural~~
 354 ~~access control, natural surveillance, and territorial~~
 355 ~~reinforcement in a neighborhood or community setting which is~~
 356 ~~designed to reduce criminal opportunity and foster positive~~
 357 ~~social interaction among the legitimate users of that setting.~~

358 ~~(7) "Defensible space" means an architectural perspective~~
 359 ~~on crime prevention through physical design of the environment~~
 360 ~~to create the ability to monitor and control the environment~~
 361 ~~along individual perceived zones of territorial influence that~~
 362 ~~result in a proprietary interest and a felt responsibility.~~

363 ~~(8) "Enterprise zone" means an area designated pursuant to~~
 364 ~~s. 290.0065.~~

365 ~~(9) "Community policing innovation" means techniques or~~
 366 ~~strategies as defined by s. 163.240.~~

367 Section 9. Section 163.5035, Florida Statutes, is amended
 368 to read:

369 163.5035 ~~Safe~~ Neighborhood improvement districts;
 370 compliance with special district provisions.—Any special
 371 district created pursuant to this part shall comply with all
 372 applicable provisions contained in chapter 189. In cases where a
 373 provision contained in this part conflicts with a provision in
 374 chapter 189, the provision in chapter 189 shall prevail.

375 Section 10. Section 163.504, Florida Statutes, is amended
 376 to read:

377 163.504 ~~Safe~~ Neighborhood improvement districts; ~~planning~~

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378 ~~funds.—~~

379 ~~(1)~~ The governing body of any municipality or county may
 380 authorize the formation of ~~safe~~ neighborhood improvement
 381 districts through the adoption of an a planning ordinance that
 382 ~~which~~ specifies that such districts may be created by one or
 383 more of the methods established in ss. 163.506, 163.508,
 384 163.511, and 163.512. A ~~Ne~~ district may not overlap the
 385 jurisdictional boundaries of a municipality and the
 386 unincorporated area of a county, unless approved ~~except~~ by
 387 interlocal agreement.

388 ~~(2) If the governing body of a municipality or county~~
 389 ~~elects to create a safe neighborhood improvement district, it~~
 390 ~~shall be eligible to request a grant from the Safe Neighborhoods~~
 391 ~~Program, created pursuant to s. 163.517 and administered by the~~
 392 ~~Department of Legal Affairs, to prepare a safe neighborhood~~
 393 ~~improvement plan for the district.~~

394 ~~(3) Municipalities and counties may implement the~~
 395 ~~provisions of this section without planning funds from the~~
 396 ~~Department of Legal Affairs. However, nothing in this section~~
 397 ~~shall be construed to exempt any district from the requirements~~
 398 ~~of providing a safe neighborhood improvement plan pursuant to s.~~
 399 ~~163.516.~~

400 Section 11. Section 163.5055, Florida Statutes, is amended
 401 to read:

402 163.5055 Notice Registration of district establishment;
 403 notice of dissolution.—

404 (1) ~~(a)~~ Each neighborhood improvement district that is
 405 authorized and established under this part shall, within 30 days
 406 after its establishment, notify thereof register with both the

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407 Department of Economic Opportunity ~~and the Department of Legal~~
 408 ~~Affairs~~ by providing the department ~~these departments~~ with the
 409 district's name, location, size, and type, and such other
 410 information as the ~~department~~ ~~departments~~ may request ~~require~~.

411 ~~(2) (b)~~ Each local governing body that authorizes the
 412 dissolution of a district shall notify ~~both~~ the Department of
 413 Economic Opportunity ~~and the Department of Legal Affairs~~ within
 414 30 days after the dissolution of the district.

415 ~~(2) This section shall apply to all neighborhood~~
 416 ~~improvement districts established on or after July 1, 1987.~~

417 Section 12. Section 163.506, Florida Statutes, is amended
 418 to read:

419 163.506 Local government neighborhood improvement
 420 districts; creation; advisory council; dissolution.-

421 (1) After an a local planning ordinance has been adopted
 422 authorizing the creation of local government neighborhood
 423 improvement districts, the local governing body of a
 424 municipality or county may create local government neighborhood
 425 improvement districts by the enactment of a separate ordinance
 426 for each district, ~~which ordinance:~~

427 (a) Specifies the boundaries, size, and name of the
 428 district.

429 (b) Authorizes the district to receive grants ~~a planning~~
 430 ~~grant from the department.~~

431 (c) Authorizes the local government neighborhood
 432 improvement district to levy an ad valorem tax on real and
 433 personal property of up to 2 mills annually.

434 (d) Authorizes the use of special assessments to support
 435 planning and implementation of district improvements pursuant to

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436 ~~the provisions of s. 163.514(16), if the district is a~~
 437 residential local government neighborhood improvement district
 438 ~~including community policing innovations.~~

439 (e) Designates the local governing body ~~as the board of~~
 440 ~~directors~~ of the district.

441 (f) Establishes an advisory council to the board of
 442 directors comprised of property owners, representatives of
 443 property owners, business owners, or residents of the district.

444 (g) May prohibit the use of any district power authorized
 445 by s. 163.514.

446 (h) Requires the district to notify the ~~Department of Legal~~
 447 ~~Affairs and the~~ Department of Economic Opportunity in writing of
 448 its establishment within 30 days after establishment thereof
 449 pursuant to s. 163.5055.

450 (i) Authorizes the district to borrow money, contract
 451 loans, and issue bonds, certificates, warrants, notes, or other
 452 evidence of indebtedness from time to time to finance the
 453 undertaking of any capital or other project for the purposes
 454 permitted by the State Constitution and this part and to pledge
 455 the funds, credit, property, and taxing power of the improvement
 456 district for the payment of such debts and bonds.

457 1. Bonds that are issued under this paragraph shall be
 458 authorized by resolution of the governing body of the district
 459 and, if required by the State Constitution, by affirmative vote
 460 of the electors of the district. Such bonds may be issued in one
 461 or more series and shall bear such date or dates, be payable
 462 upon demand or mature at such time or times, bear interest at
 463 such rate or rates, be in such denomination or denominations, be
 464 in such form, registered or not, with or without coupon, carry

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465 such conversion or registration privileges, have such rank or
 466 priority, be executed in such manner, be payable in such medium
 467 of payment, at such place or places, and subject to such terms
 468 of redemption, with or without premium, be secured in such
 469 manner, and have such other characteristics as may be provided
 470 by such resolution or trust indenture or mortgage issued
 471 pursuant thereto.

472 2. The governing body of the district shall determine the
 473 terms and manner of sale and distribution or other disposition
 474 of any bonds it issues, consistent with s. 218.385, and shall
 475 have all powers necessary for, and convenient to, such
 476 disposition.

477 3. The governing body of the district may establish and
 478 administer such sinking funds as it deems necessary or
 479 convenient for the payment, purchase, or redemption of any
 480 outstanding bonded indebtedness of the district.

481 4. The governing body of the district may levy ad valorem
 482 taxes upon real and tangible personal property within the
 483 district as it deems necessary to make payment, including
 484 principal and interest, upon the general obligation and ad
 485 valorem bonded indebtedness of the district or into any sinking
 486 fund created pursuant to this paragraph.

487 5. A district has full authority for the issuance of bonds
 488 authorized under this paragraph.

489 (j) Authorizes the district to make and collect special
 490 assessments pursuant to ss. 197.3632 and 197.3635 in order to
 491 pay for capital improvements within the district and for
 492 reasonable expenses of operating the district, including the
 493 payment of expenses included in the district's budget, if the

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494 district is a commercial local government neighborhood
 495 improvement district. Such assessments may not exceed \$500 for
 496 each individual parcel of land per year.

497 (k) Authorizes the district to charge, collect, and enforce
 498 fees and other user charges.

499 (l) Conditions the exercise of the powers provided in
 500 paragraphs (c), (i), and (j) on approval pursuant to a
 501 referendum as described in this paragraph:

502 1. Within 45 days after the date the governing body of the
 503 municipality or county enacts an ordinance calling a referendum
 504 pursuant to this subsection, the city clerk or the supervisor of
 505 elections, whichever is appropriate, shall certify such
 506 ordinance and compile a list of the names and last known
 507 addresses of the freeholders in the proposed local government
 508 neighborhood improvement district from the tax assessment roll
 509 of the county applicable as of December 31 in the year preceding
 510 the year in which the ordinance is enacted. Except as otherwise
 511 provided in this paragraph, the list shall constitute the
 512 registration list for purposes of the freeholder referendum
 513 required under this paragraph.

514 2. Within 45 days after compilation of the freeholder
 515 registration list pursuant to subparagraph 1., the city clerk or
 516 the supervisor of elections shall notify each such freeholder of
 517 the general provisions of this section, including the taxing
 518 authority and the date of the upcoming referendum, and the
 519 method provided for submitting corrections to the registration
 520 list if the status of the freeholder has changed since the
 521 compilation of the tax roll. Notification shall be by first-
 522 class mail and, in addition, by publication one time in a

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523 newspaper of general circulation in the county or municipality
 524 in which the district is located.

525 3. Any freeholder whose name does not appear on the
 526 registration list compiled pursuant to subparagraph 1. may
 527 register to vote with the city clerk or the supervisor of
 528 elections. The registration list must remain open for 75 days
 529 after enactment of the ordinance calling for the referendum.

530 4. Within 15 days after the closing of the registration
 531 list, the city clerk or the supervisor of elections shall send a
 532 ballot by first-class mail to each registered freeholder at his
 533 or her last known mailing address. The ballot must include:

534 a. A description of the general provisions of this section
 535 applicable to local government neighborhood improvement
 536 districts;

537 b. The assessed value of the freeholder's property;

538 c. The percent of the freeholder's interest in such
 539 property; and

540 d. Immediately following the information required in sub-
 541 paragraphs a.-c., the following:

542
 543 "Do you favor authorizing the ... Local Government
 544 Neighborhood Improvement District to levy up to 2 mills of ad
 545 valorem taxes by such proposed district?"

546
 547 ...Yes, for authorizing the levy of up to 2 mills of ad
 548 valorem taxes by such proposed district.

549
 550 ...No, against authorizing the levy of up to 2 mills of ad
 551 valorem taxes by such proposed district."

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552
 553 "Do you favor authorizing the ... Local Government
 554 Neighborhood Improvement District to borrow money, including by
 555 issuing bonds, as provided by s. 163.506(1)(i), Florida
 556 Statutes?"

557
 558 ...Yes, for authorizing the borrowing of money for
 559 district purposes.

560
 561 ...No, against authorizing the borrowing of money for
 562 district purposes."

563
 564 "Do you favor authorizing the ... Local Government
 565 Neighborhood Improvement District to impose a special assessment
 566 of not greater than \$500 for each individual parcel of land per
 567 year to pay for the expenses of operating the neighborhood
 568 improvement district and for approved capital improvements
 569 within the district?"

570
 571 ...Yes, for the special assessment.

572
 573 ...No, against the special assessment."

574
 575 5. Ballots shall be returned by first-class mail or by
 576 personal delivery.

577 6. All ballots that are received within 120 days after
 578 enactment of the ordinance shall be tabulated by the city clerk
 579 or the supervisor of elections, who shall certify the results to
 580 the city council or county commission no later than 5 days after

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581 the 120-day period.

582 7. The freeholders shall be deemed to have approved of the
 583 provisions of this paragraph at such time as the city clerk or
 584 the supervisor of elections certifies to the governing body of
 585 the municipality or county that approval has been given by
 586 freeholders owning in excess of 50 percent of the assessed value
 587 of the properties represented by ballots cast.

588 8. The city clerk or the supervisor of elections, whichever
 589 is appropriate, shall enclose, with each ballot that is sent to
 590 the freeholder pursuant to this paragraph, two envelopes: a
 591 secrecy envelope, into which the freeholder shall enclose the
 592 marked ballot; and a mailing envelope, into which the freeholder
 593 shall place the secrecy envelope, which shall be addressed to
 594 the city clerk or the supervisor of elections. The back side of
 595 the mailing envelope shall bear a certificate in substantially
 596 the following form:

597
 598 NOTE: PLEASE READ INSTRUCTIONS CAREFULLY BEFORE MARKING BALLOT
 599 AND COMPLETING VOTER'S CERTIFICATE.

600
 601 VOTER'S CERTIFICATE

602
 603 I, . . . , am a duly qualified and registered freeholder of
 604 the proposed . . . (name) . . . Local Government Neighborhood
 605 Improvement District, and I am entitled to vote this ballot. I
 606 do solemnly swear or affirm that I have not and will not vote
 607 more than one ballot in this election. I understand that failure
 608 to sign this certificate and have my signature witnessed will
 609 invalidate my ballot.

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610
 611 . . . (Voter's Signature) . . .

612
 613 NOTE: YOUR SIGNATURE MUST BE WITNESSED BY ONE WITNESS 18
 614 YEARS OF AGE OR OLDER AS PROVIDED IN THE INSTRUCTION SHEET.

615
 616 I swear or affirm that the elector signed this voter's
 617 certificate in my presence.

618
 619 . . . (Signature of Witness) . . .
 620 . . . (Address) . . . (City/State) . . .

621
 622 9. The certificate shall be arranged on the back of the
 623 mailing envelope so that the lines for the signatures of the
 624 freeholder and the attesting witness are across the seal of the
 625 envelope; however, no statement shall appear on the envelope
 626 which indicates that a signature of the freeholder or witness
 627 must cross the seal of the envelope. The freeholder and the
 628 attesting witness shall execute the certificate on the envelope.

629 10. The city clerk or the supervisor of elections shall
 630 enclose with each ballot sent to a freeholder pursuant to this
 631 paragraph separate printed instructions in substantially the
 632 following form:

633
 634 READ THESE INSTRUCTIONS CAREFULLY BEFORE MARKING BALLOT.

635
 636 a. VERY IMPORTANT. In order to ensure that your ballot will
 637 be counted, it should be completed and returned as soon as
 638 possible so that it can reach the city clerk or the supervisor

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639 of elections no later than 7 p.m. on the (final day of the 120-
 640 day period given here).

641 b. Mark your ballot in secret as instructed on the ballot.

642 c. Place your marked ballot in the enclosed secrecy
 643 envelope.

644 d. Insert the secrecy envelope into the enclosed mailing
 645 envelope, which is addressed to the city clerk or the supervisor
 646 of elections.

647 e. Seal the mailing envelope and completely fill out the
 648 Voter's Certificate on the back of the mailing envelope.

649 f. VERY IMPORTANT. Sign your name on the line provided for
 650 "(Voter's Signature)."

651 g. VERY IMPORTANT. In order for your ballot to be counted,
 652 it must include the signature and address of a witness 18 years
 653 of age or older affixed to the Voter's Certificate.

654 h. Mail, deliver, or have delivered the completed mailing
 655 envelope. Be sure there is sufficient postage if mailed.

656 (2) The advisory council shall perform such duties as may
 657 be prescribed by the governing body and shall submit within the
 658 time period specified by the governing body, acting as the board
 659 of directors, a report on the district's activities and a
 660 proposed budget to accomplish its objectives. In formulating a
 661 plan for services or improvements, the advisory board shall
 662 consult in public session with the appropriate staff or
 663 consultants of the local governing body responsible for the
 664 district's plan.

665 ~~(3) As an alternative to designating the local governing~~
 666 ~~body as the board of directors, a majority of the local~~
 667 ~~governing body of a city or county may appoint a board of three~~

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668 ~~to seven directors for the district who shall be residents of~~
 669 ~~the proposed area and who are subject to ad valorem taxation in~~
 670 ~~the residential neighborhood improvement district or who are~~
 671 ~~property owners in a commercial neighborhood improvement~~
 672 ~~district. The directors shall be appointed for staggered terms~~
 673 ~~of 3 years. The initial appointments shall be as follows: one~~
 674 ~~director for a 1-year term; one director for a 2-year term; and~~
 675 ~~one director for a 3-year term. If more than three directors are~~
 676 ~~to be appointed, the additional members shall initially be~~
 677 ~~appointed for 3 year terms. Vacancies shall be filled for the~~
 678 ~~unexpired portion of a term in the same manner as the initial~~
 679 ~~appointments were made. Each director shall hold office until~~
 680 ~~his or her successor is appointed and qualified unless the~~
 681 ~~director ceases to be qualified or is removed from office. Upon~~
 682 ~~appointment and qualification and in January of each year, the~~
 683 ~~directors shall organize by electing from their number a chair~~
 684 ~~and a secretary.~~

685 (3) ~~(4)~~ A district may be dissolved by the governing body by
 686 rescinding the ordinance creating the district. The governing
 687 body may rescind ~~shall consider rescinding~~ the ordinance if
 688 presented with a petition requesting that it be rescinded.
 689 Petitions related to a residential neighborhood improvement
 690 district must contain ~~containing~~ the signatures of 60 percent of
 691 the residents. Petitions related to a commercial neighborhood
 692 improvement district must contain signatures representing owners
 693 of 60 percent of the land area of the ~~of a~~ district.

694 Section 13. Section 163.508, Florida Statutes, is amended
 695 to read:

696 163.508 Property owners' association neighborhood

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697 improvement districts; creation; powers and duties; duration.-

698 (1) After ~~an a local planning~~ ordinance has been adopted
 699 authorizing the creation of property owners' association
 700 neighborhood improvement districts, the local governing body of
 701 a municipality or county may create property owners' association
 702 neighborhood improvement districts by the enactment of a
 703 separate ordinance for each district, ~~which ordinance:~~

704 (a) Establishes that an incorporated property owners'
 705 association representing 75 percent of all owners of property
 706 within a proposed district meeting the requirements of this
 707 section has petitioned the governing body of the municipality or
 708 county for creation of a district for the area encompassed by
 709 the property owned by members of the association.

710 (b) Specifies the boundaries, size, and name of the
 711 district.

712 (c) Authorizes the governing body through mutual agreement
 713 with the property owners' association to:

714 1. Request grants a matching grant from the state's Safe
 715 ~~Neighborhoods Program to prepare the first year's safe~~
 716 ~~neighborhood improvement plan. The provider of the local match~~
 717 ~~for the state grant shall be mutually agreed upon between the~~
 718 ~~governing body and the property owners' association. The~~
 719 ~~governing body may agree to provide the match as a no-interest-~~
 720 ~~bearing loan to be paid back from assessments imposed by the~~
 721 ~~association on its members or shareholders.~~

722 2. Provide staff and other technical assistance to the
 723 property owners' association on a mutually agreed-upon basis,
 724 contractual or otherwise.

725 3. ~~Prepare the first year's safe neighborhood improvement~~

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726 ~~plan, which shall comply with and be consistent with the~~
 727 ~~governing body's adopted comprehensive plan.~~

728 (d) Provides for an audit of the property owners'
 729 association.

730 (e) Designates the officers of the incorporated property
 731 owners' association as the board of directors of the district.

732 (f) May prohibit the use of any district power authorized
 733 by s. 163.514.

734 (g) Requires the district to notify the ~~Department of Legal~~
 735 ~~Affairs and the~~ Department of Economic Opportunity in writing of
 736 its establishment within 30 days after establishment ~~thereof~~
 737 pursuant to s. 163.5055.

738 (2) In order to qualify for the creation of a neighborhood
 739 improvement district, the property owners shall form an
 740 association in compliance with this section, or use an existing
 741 property owners' association in compliance with this section,
 742 which ~~must shall~~ be a not-for-profit corporation. ~~At least, for~~
 743 ~~profit or not for profit, and of which not less than~~ 75 percent
 744 of all property owners within the proposed area must consent
 745 ~~have consented~~ in writing to become members ~~or shareholders~~.
 746 Upon such consent by 75 percent of the property owners in the
 747 proposed district, all consenting property owners and their
 748 successors ~~shall~~ become members of the association and are shall
 749 ~~be~~ bound by the provisions of the articles of incorporation, the
 750 bylaws of the association, the covenants, the deed restrictions,
 751 the indentures, and any other properly promulgated restrictions.
 752 The association may not shall have a no member ~~or shareholder~~
 753 who is not a bona fide owner of property within the proposed
 754 district. Upon receipt of its certificate of incorporation, the

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755 property owners' association shall notify the clerk of the city
756 or county court, whichever is appropriate, in writing, of such
757 incorporation and shall list the names and addresses of the
758 officers of the association.

759 (3) Any incorporated property owners' association operating
760 pursuant to this part ~~has shall have~~ the power:

761 (a) To negotiate with the governing body of a municipality
762 or county for closing, privatizing, or modifying the rights-of-
763 way, and appurtenances thereto, within the district.

764 (b) To use ~~utilize~~ various legal instruments such as
765 covenants, deed restrictions, and indentures to preserve and
766 maintain the integrity of property, land, and rights-of-way
767 owned and conveyed to it within the district.

768 (c) To make and collect assessments against all property
769 within the boundaries of the district pursuant to the provisions
770 of s. 163.514(16) and to lease, maintain, repair, and
771 reconstruct any privatized street, land, or common area within
772 the district upon dedication thereof to the association.

773 (d) Without the joinder of any property owner, to modify,
774 move, or create any easement for ingress and egress or for the
775 purpose of utilities, if such easement constitutes part of or
776 crosses district property. However, this ~~does shall~~ not
777 authorize the association to modify or move any easement that
778 ~~which~~ is created in whole or in part for the use or benefit of
779 anyone other than association members, or that which crosses the
780 property of anyone other than association members, without the
781 consent or approval of such person as required by law or by the
782 instrument creating the easement. ~~Nothing in~~ This paragraph does
783 ~~not shall~~ affect the rights of ingress or egress of any member

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784 of the association.

785 (4) A property owners' association neighborhood improvement
786 district shall continue in perpetuity as long as the property
787 owners' association created pursuant to this section exists
788 under the applicable laws of the state.

789 Section 14. Subsections (1), (7), (8), and (10) of section
790 163.511, Florida Statutes, are amended to read:

791 163.511 Special neighborhood improvement districts;
792 creation; referendum; board of directors; duration; extension.-

793 (1) After an a ~~local planning~~ ordinance has been adopted
794 authorizing the creation of special neighborhood improvement
795 districts, the governing body of a municipality or county may
796 declare the need for and create special residential or business
797 neighborhood improvement districts by the enactment of a
798 separate ordinance for each district, ~~which ordinance:~~

799 (a) Conditions the implementation of the ordinance on the
800 approval of a referendum as provided in subsection (2).

801 (b) Authorizes the special neighborhood improvement
802 district to levy an ad valorem tax on real and personal property
803 of up to 2 mills annually.

804 (c) Authorizes the use of special assessments to support
805 planning and implementation of district improvements pursuant to
806 ~~the provisions of s. 163.514(16), including community policing~~
807 ~~innovations.~~

808 (d) Specifies the boundaries, size, and name of the
809 district.

810 (e) Authorizes the district to receive a planning grant
811 from the department.

812 (f) Provides for the appointment of a three-member ~~3-member~~

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813 board of directors for the district.

814 (g) May authorize a special neighborhood improvement
815 district to exercise the power of eminent domain pursuant to
816 chapters 73 and 74. Any property identified for eminent domain
817 by the district ~~is shall be~~ subject to the approval of the local
818 governing body before eminent domain procedures are exercised.

819 (h) May prohibit the use of any district power authorized
820 by s. 163.514.

821 (i) Requires the district to notify ~~the Department of Legal~~
822 ~~Affairs and~~ the Department of Economic Opportunity in writing of
823 its establishment within 30 days after establishment thereof
824 pursuant to s. 163.5055.

825 (j) May authorize a special neighborhood improvement
826 district to develop and implement community policing innovations
827 in consultation with the local law enforcement agency having
828 jurisdiction within the district boundaries.

829 (7) The business and affairs of a special neighborhood
830 improvement district shall be conducted and administered by a
831 board of three directors who must shall be residents of or
832 property owners within the proposed area and ~~who are~~ subject to
833 ad valorem taxation in the district. Upon their initial
834 appointment and qualification and in January of each year
835 thereafter, the directors shall organize by electing from their
836 number a chair and a secretary, and may also employ staff and
837 legal representatives as deemed appropriate, who shall serve at
838 the pleasure of the board and may receive such compensation as
839 shall be fixed by the board. The secretary shall keep a record
840 of the proceedings of the district and shall be custodian of all
841 books and records of the district. The directors may shall not

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842 receive any compensation for their services ~~or, nor may they~~ be
843 employed by the district.

844 (8) Within 30 days after ~~of~~ the approval of the creation of
845 a special neighborhood improvement district, the governing body
846 of the municipality if the district is in a municipality, ~~a~~
847 ~~majority of the governing body of the municipality,~~ or the
848 county commission if the district is in the unincorporated area
849 of the county, ~~a majority of the county commission,~~ shall
850 appoint the three directors provided for in this section herein
851 for staggered terms of 3 years. The initial appointments shall
852 be as follows: one for a 1-year term, one for a 2-year term, and
853 one for a 3-year term. Each director holds shall hold office
854 until his or her successor is appointed and qualified unless the
855 director ceases to be qualified to act as a director or is
856 removed from office. Vacancies on the board shall be filled for
857 the unexpired portion of a term in the same manner as the
858 initial appointments were made.

859 (10) The governing body of a municipality or county may
860 remove a director for inefficiency, neglect of duty, or
861 misconduct in office ~~only after a hearing and only if he or she~~
862 ~~has been given a copy of the charges at least 10 days prior to~~
863 ~~such hearing and has had an opportunity to be heard in person or~~
864 ~~by council.~~ A vacancy so created shall be filled as provided in
865 this section herein.

866 Section 15. Section 163.512, Florida Statutes, is amended
867 to read:

868 163.512 Community redevelopment neighborhood improvement
869 districts; creation; advisory council; dissolution.—

870 (1) Upon the recommendation of the community redevelopment

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871 agency and after ~~an a local planning~~ ordinance has been adopted
 872 authorizing the creation of community redevelopment neighborhood
 873 improvement districts, the local governing body of a
 874 municipality or county may create community redevelopment
 875 neighborhood improvement districts by the enactment of a
 876 separate ordinance for each district, ~~which ordinance:~~

877 (a) Specifies the boundaries, size, and name of the
 878 district.

879 (b) Authorizes the district to receive grants ~~a planning~~
 880 ~~grant from the department.~~

881 (c) Authorizes the use of the community redevelopment trust
 882 fund created pursuant to s. 163.387 for the purposes of
 883 implementing the district's safe neighborhood improvement plan
 884 ~~and furthering crime prevention through community policing~~
 885 ~~innovations, environmental design, environmental security, and~~
 886 ~~defensible space techniques, if the expenditures from the~~
 887 ~~community redevelopment trust fund~~ are consistent with the
 888 community redevelopment plan created pursuant to s. 163.360.

889 (d) Designates the community redevelopment board of
 890 commissioners established pursuant to s. 163.356 or s. 163.357
 891 as the board of directors for the district.

892 (e) Establishes an advisory council to the board of
 893 directors comprised of property owners or residents of the
 894 district.

895 (f) May prohibit the use of any district power authorized
 896 by s. 163.514.

897 (g) Requires that the district's safe neighborhood
 898 improvement plan be consistent with the community redevelopment
 899 plan created pursuant to s. 163.360, and permits the ~~safe~~

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900 neighborhood improvement plan to be included in the community
 901 redevelopment plan as an optional element.

902 (h) Requires that the boundaries of the community
 903 redevelopment district be contained in whole within the
 904 community redevelopment area established pursuant to ss. 163.355
 905 and 163.356.

906 (i) Requires that the district ~~to~~ notify the ~~Department of~~
 907 ~~Legal Affairs and the~~ Department of Economic Opportunity in
 908 writing of its establishment within 30 days after establishment
 909 ~~thereof~~ pursuant to s. 163.5055.

910 (2) The advisory council shall perform such duties as may
 911 be prescribed by the community redevelopment board established
 912 pursuant to s. 163.356 and shall submit within the time period
 913 specified by the board of directors a report on the district's
 914 activities and a proposed budget to accomplish its objectives.
 915 In formulating a plan for services or improvements, the advisory
 916 council shall consult in public session with the appropriate
 917 staff or consultants of the community redevelopment board
 918 ~~responsible for the district's plan.~~

919 (3) A district may be dissolved by the local governing body
 920 by rescinding the ordinance creating the district. The governing
 921 body may rescind ~~shall consider rescinding~~ the ordinance if
 922 presented with a petition containing the signatures of 60
 923 percent of the residents of a district.

924 Section 16. Section 163.513, Florida Statutes, is repealed.

925 Section 17. Section 163.514, Florida Statutes, is amended
 926 to read:

927 163.514 Powers of neighborhood improvement districts.—
 928 Unless prohibited by ordinance, the board of any district is

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929 ~~shall be~~ empowered to:

930 (1) Enter into contracts and agreements and sue and be sued
931 as a body corporate.

932 (2) Have and use a corporate seal.

933 (3) Acquire, own, convey, or otherwise dispose of, lease as
934 lessor or lessee, construct, maintain, improve, enlarge, raze,
935 relocate, operate, and manage property and facilities of
936 whatever type to which it holds title and grant and acquire
937 licenses, easements, and options with respect thereto.

938 (4) Accept grants and donations of any type of property,
939 labor, or other thing of value from any public or private
940 source.

941 (5) Have exclusive control of funds legally available to
942 it, subject to limitations imposed by law or by any agreement
943 validly entered into by it.

944 (6) Cooperate and contract with other governmental agencies
945 or other public bodies.

946 (7) Contract for services of planners, engineers,
947 attorneys, and other planning consultants, ~~experts on crime~~
948 ~~prevention through community policing innovations, environmental~~
949 ~~design, environmental security, or defensible space, or other~~
950 ~~experts~~ in areas pertaining to the operations of the board of
951 directors or the district.

952 (8) Contract with the county or municipal government for
953 planning assistance, legal advice, and ~~for~~ increased levels of
954 law enforcement protection and security, including additional
955 personnel.

956 (9) Promote and advertise the commercial advantages of the
957 district so as to attract new businesses and encourage the

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958 expansion of existing businesses.

959 (10) Promote and advertise the district to the public and
960 engage in cooperative advertising programs with businesses
961 located in the district.

962 (11) Improve, plan, design, construct, operate, provide,
963 and maintain street lighting, parks, streets, drainage,
964 utilities, swales, parking facilities, transit facilities,
965 landscaping, and open areas, and provide ~~safe~~ access to mass
966 transportation facilities in the district.

967 (12) Undertake innovative approaches to securing
968 neighborhoods from crime, such as crime prevention through
969 community policing innovations, environmental design,
970 environmental security, and defensible space.

971 (13) Privatize, close, vacate, plan, or replan streets,
972 roads, sidewalks, and alleys, subject to the concurrence of the
973 local governing body and, if required, the state Department of
974 Transportation.

975 (14) Prepare, adopt, implement, and modify a ~~safe~~
976 neighborhood improvement plan for the district.

977 (15) Identify areas that have ~~with~~ blighted influences,
978 including, but not limited to, areas where unlawful urban
979 dumping or graffiti are prevalent, and develop programs for
980 eradication thereof.

981 (16) (a) Subject to referendum approval, and for residential
982 local government, special, community redevelopment, and property
983 owners' association neighborhood improvement districts only,
984 make and collect special assessments pursuant to ss. 197.3632
985 and 197.3635 to pay for improvements to the district and for
986 reasonable expenses of operating the district, including the

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987 payment of expenses included in the district's budget, subject
 988 to an affirmative vote by a majority of the registered voters
 989 residing in the district. Such assessments ~~may shall~~ not exceed
 990 \$500 for each individual parcel of land per year.

991 Notwithstanding the provisions of s. 101.6102, the referendum to
 992 approve the special assessment ~~must shall~~ be by mail ballot.

993 (b) In order to implement this subsection, the city clerk
 994 or the supervisor of elections, whichever is appropriate, shall
 995 compile a list of the names and last known addresses of the
 996 electors in the neighborhood improvement district from the list
 997 of registered voters of the county as of the last day of the
 998 preceding month. The same shall constitute the registration list
 999 for the purposes of a referendum. Within 45 days after
 1000 compilation of the voter registration list, the city clerk or
 1001 the supervisor of elections shall notify each elector of the
 1002 general provisions of this ~~subsection section~~, including the
 1003 taxing authority and the date of the upcoming referendum.
 1004 Notification ~~must shall~~ be by United States mail and, in
 1005 addition ~~thereto~~, by publication one time in a newspaper of
 1006 general circulation in the county or municipality in which the
 1007 district is located.

1008 (c) Any resident of the district whose name does not appear
 1009 on the list compiled pursuant to paragraph (b) may register to
 1010 vote as provided by law. The registration list shall remain open
 1011 for 75 days after the notification required in paragraph (b).

1012 (d) Within 15 days after the closing of registration, the
 1013 city clerk or the supervisor of elections shall send a ballot to
 1014 each elector at his or her last known mailing address by first-
 1015 class ~~United States~~ mail. The ballot ~~must shall~~ include:

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1016 1. A description of the general provisions of this section
 1017 applicable to the neighborhood improvement district; and

1018 2. Immediately following said information, the following:

1019

1020 "Do you favor the imposition of a special assessment
 1021 of not greater than \$500 for each individual parcel of
 1022 land per year to pay for the expenses of operating the
 1023 neighborhood improvement district?

1024

1025 ...Yes, for the special assessment.

1026

1027 ...No, against the special assessment."

1028

1029 (e) Ballots shall be returned by United States mail or by
 1030 personal delivery.

1031

1032 (f) All ballots that are received within 60 days after the
 1033 closing of registration shall be tabulated by the city clerk or
 1034 the supervisor of elections, who shall certify the results
 1035 ~~thereof~~ to the city governing body or county commission no later
 1036 than 5 days after ~~the said~~ 60-day period.

1036

1037 (17) Exercise all lawful powers incidental to the effective
 1038 and expedient exercise of the foregoing powers.

1038

1039 Section 18. Subsections (3) and (4) of section 163.5151,
 1040 Florida Statutes, are amended to read:

1040

1041 163.5151 Fiscal management; budget preparation.—

1041

1042 (3) Each local government and special neighborhood
 1043 improvement district levying an ad valorem tax on real or
 1044 personal property shall establish a ~~its~~ budget pursuant to the
 1045 provisions of chapter 200. Before adopting ~~Prior to adoption of~~

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1045 the final budget and setting of the millage rate to be levied by
 1046 the board, the board shall submit a tentative budget and
 1047 proposed millage rate of the district to the governing body of
 1048 the municipality in which the district is located, or to the
 1049 county if the district is located in the unincorporated portion
 1050 of the county, for approval or disapproval. Such governing body
 1051 ~~has shall have~~ the power to modify the budget or millage
 1052 submitted by the board. Subsequent to approval, the board shall
 1053 adopt its final budget and millage rate in accordance with the
 1054 requirements of chapter 200.

1055 (4) At the option of the county property appraiser for the
 1056 county within which the neighborhood improvement district is
 1057 located, ~~the~~ assessments levied by the district may shall be
 1058 collected in the same manner as all ad valorem taxes if so
 1059 requested by the local governing body pursuant to s. 197.363.

1060 Section 19. Section 163.516, Florida Statutes, is amended
 1061 to read:

1062 163.516 ~~Safe~~ Neighborhood improvement plans.—

1063 (1) A ~~safe~~ neighborhood improvement plan is mandated for
 1064 all neighborhood improvement districts. The plan must shall
 1065 contain at least the following elements:

1066 (a) Demographics of the district.

1067 ~~(b) Crime activity data and analysis.~~

1068 ~~(b)(c)~~ Land use, zoning, housing, and traffic analysis.

1069 ~~(d) Determination of the problems of the crime to-~~
 1070 ~~environment relationship and the stability of the neighborhood~~
 1071 ~~improvement district.~~

1072 ~~(c)(e)~~ Statement of the district's goal and objectives.

1073 ~~(f) Assessment of crime prevention through community~~

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1074 ~~policing innovations, environmental design, environmental~~
 1075 ~~security, and defensible space strategies and tactics that will~~
 1076 ~~be applied to the crime to environment relationship problems.~~

1077 ~~(g) Cost estimates and the methods of financing.~~

1078 ~~(h) Outline of program participants and their functions and~~
 1079 ~~responsibilities.~~

1080 ~~(i) Schedule for executing program activities.~~

1081 ~~(j) Evaluation guidelines.~~

1082 (2) Every ~~safe~~ neighborhood improvement plan must shall
 1083 show, by diagram and by general explanation:

1084 (a) Such property as is intended for use as public parks,
 1085 recreation areas, streets, public utilities, and public
 1086 improvements of any nature.

1087 (b) Specific identification of any publicly funded capital
 1088 improvement projects to be undertaken within the district.

1089 ~~(c) Adequate assurances that the improvements will be~~
 1090 ~~carried out pursuant to the plan.~~

1091 ~~(d) Provision for the retention of controls and the~~
 1092 ~~establishment of any restrictions or covenants running with land~~
 1093 ~~sold or leased for private use for such periods of time and~~
 1094 ~~under such conditions as the governing body of the municipality~~
 1095 ~~in which the district is located, or the county if the district~~
 1096 ~~is located in the unincorporated portion of the county, deems~~
 1097 ~~necessary to effectuate the purposes of this part.~~

1098 ~~(c)(e)~~ Projected costs of improvements, including the
 1099 amount to be expended on publicly funded capital improvement
 1100 projects in the district and any indebtedness of the district,
 1101 the county, or the municipality proposed to be incurred if such
 1102 indebtedness is to be repaid with district revenues.

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1103 ~~(f) Promotion of advertising programs to be undertaken by~~
 1104 ~~the district or in conjunction with businesses in the district.~~

1105 ~~(g) Suggested physical improvements necessary for the~~
 1106 ~~safety of residents in or visitors to the district.~~

1107 ~~(h) Law enforcement and security plans for the district.~~

1108 (3) The ~~safe~~ neighborhood improvement plan must shall:

1109 (a) Be consistent with the adopted comprehensive plan for
 1110 the county or municipality pursuant to the Community Planning
 1111 Act. ~~A No~~ district plan may not shall be implemented unless the
 1112 local governing body has determined that the said plan is
 1113 consistent.

1114 (b) Be sufficiently complete to indicate such land
 1115 acquisition, demolition and removal of structures, street
 1116 modifications, redevelopment, and rehabilitation as may be
 1117 proposed to be carried out in the district.

1118 ~~(e) Provide some method for and measurement of the~~
 1119 ~~reduction of crime within the district.~~

1120 ~~(4) The county, municipality, or district may prepare or~~
 1121 ~~cause to be prepared a safe neighborhood improvement plan, or~~
 1122 ~~any person or agency, public or private, may submit such a plan~~
 1123 ~~to a district. Prior to its consideration of a safe neighborhood~~
 1124 ~~improvement plan, the district shall submit such plan to the~~
 1125 ~~local governing body for review and written approval as to its~~
 1126 ~~consistency with the local government comprehensive plan. The~~
 1127 ~~district must be notified of approval or disapproval within 60~~
 1128 ~~days after receipt of the plan for review, and a revised version~~
 1129 ~~of the plan may be submitted to satisfy any inconsistencies. The~~
 1130 ~~district may not proceed with the safe neighborhood improvement~~
 1131 ~~plan until final approval is given by the local governing body.~~

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1132 ~~(4)(5) Before~~ Prior to adoption of the ~~safe~~ neighborhood
 1133 improvement plan, the board must shall hold a public hearing on
 1134 the plan after public notice thereof by publication in a
 1135 newspaper of general circulation in the county or municipality
 1136 in which the district is located. The notice must shall describe
 1137 the time, date, place, and purpose of the hearing; identify the
 1138 boundaries of the district; and outline the general scope of the
 1139 plan.

1140 ~~(5)(6)~~ The board, after the public hearing, may approve the
 1141 ~~safe~~ neighborhood improvement plan if it finds that:

1142 (a) The plan has been approved as consistent with the local
 1143 comprehensive plan by the local governing body; and

1144 (b) The plan will improve the promotion, appearance,
 1145 ~~safety, security,~~ and public amenities of the neighborhood
 1146 improvement district as stipulated in s. 163.502.

1147 ~~(6)(7)~~ If, at any time after approval of the ~~safe~~
 1148 neighborhood improvement plan, it becomes desirable to amend or
 1149 modify the plan, the board may do so. ~~Before~~ Prior to any such
 1150 amendment or modification, the board must shall obtain written
 1151 approval of the local governing body concerning conformity to
 1152 the local government comprehensive plan and must hold a public
 1153 hearing on the proposed amendment or modification after public
 1154 notice thereof by publication in a newspaper of general
 1155 circulation in the county or municipality in which the district
 1156 is located. The notice must shall describe the time, place, and
 1157 purpose of the hearing and generally describe the proposed
 1158 amendment or modification.

1159 ~~(8) Pursuant to s. 163.3184, the governing body of a~~
 1160 ~~municipality or county shall hold two public hearings to~~

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1161 ~~consider the board adopted safe neighborhood improvement plan as~~
 1162 ~~an amendment or modification to the municipality's or county's~~
 1163 ~~adopted local comprehensive plan.~~

1164 ~~(9) A safe neighborhood improvement plan for each district~~
 1165 ~~shall be prepared and adopted by the municipality or county~~
 1166 ~~prior to the levy and expenditure of any of the proceeds of any~~
 1167 ~~tax assessment or fee authorized to such districts other than~~
 1168 ~~for the preparation of the safe community or business~~
 1169 ~~improvement plan.~~

1170 Section 20. Section 163.517, Florida Statutes, is repealed.

1171 Section 21. Section 163.519, Florida Statutes, is repealed.

1172 Section 22. Section 163.521, Florida Statutes, is repealed.

1173 Section 23. Section 163.5215, Florida Statutes, is
 1174 repealed.

1175 Section 24. Section 163.522, Florida Statutes, is repealed.

1176 Section 25. Section 163.523, Florida Statutes, is repealed.

1177 Section 26. Subsection (13) is added to section 163.524,
 1178 Florida Statutes, to read:

1179 163.524 Neighborhood Preservation and Enhancement Program;
 1180 participation; creation of Neighborhood Preservation and
 1181 Enhancement Districts; creation of Neighborhood Councils and
 1182 Neighborhood Enhancement Plans.—

1183 (13) Effective July 1, 2013, this section applies only to a
 1184 Neighborhood Preservation and Enhancement District and a
 1185 Neighborhood Council that are active on or before June 30, 2013.
 1186 A Neighborhood Preservation and Enhancement District and a
 1187 Neighborhood Council may not be created after June 30, 2013.

1188 Section 27. Section 27. Subsection (4) is added to section
 1189 163.526, Florida Statutes, to read:

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1190 163.526 Neighborhood Councils and local government
 1191 designated agency; powers and duties.—

1192 (4) Effective July 1, 2013, this section applies only to a
 1193 a Neighborhood Council that was active on or before June 30,
 1194 2013.

1195 Section 28. Paragraph (c) of subsection (1) of section
 1196 376.84, Florida Statutes, is amended to read:

1197 376.84 Brownfield redevelopment economic incentives.—It is
 1198 the intent of the Legislature that brownfield redevelopment
 1199 activities be viewed as opportunities to significantly improve
 1200 the utilization, general condition, and appearance of these
 1201 sites. Different standards than those in place for new
 1202 development, as allowed under current state and local laws,
 1203 should be used to the fullest extent to encourage the
 1204 redevelopment of a brownfield. State and local governments are
 1205 encouraged to offer redevelopment incentives for this purpose,
 1206 as an ongoing public investment in infrastructure and services,
 1207 to help eliminate the public health and environmental hazards,
 1208 and to promote the creation of jobs in these areas. Such
 1209 incentives may include financial, regulatory, and technical
 1210 assistance to persons and businesses involved in the
 1211 redevelopment of the brownfield pursuant to this act.

1212 (1) Financial incentives and local incentives for
 1213 redevelopment may include, but not be limited to:

1214 (c) ~~Safe~~ Neighborhood improvement districts as provided in
 1215 part IV of chapter 163 ~~ss. 163.501-163.523.~~

1216 Section 29. Subsection (2) of section 775.083, Florida
 1217 Statutes, is amended to read:

1218 775.083 Fines.—

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1219 (2) In addition to the fines set forth in subsection (1),
 1220 court costs shall be assessed and collected in each instance a
 1221 defendant pleads nolo contendere to, or is convicted of, or
 1222 adjudicated delinquent for, a felony, a misdemeanor, or a
 1223 criminal traffic offense under state law, or a violation of any
 1224 municipal or county ordinance if the violation constitutes a
 1225 misdemeanor under state law. The court costs imposed by this
 1226 section shall be \$50 for a felony and \$20 for any other offense
 1227 and shall be deposited by the clerk of the court into an
 1228 appropriate county account for disbursement for the purposes
 1229 provided in this subsection. A county shall account for the
 1230 funds separately from other county funds as crime prevention
 1231 funds. The county, in consultation with the sheriff, must expend
 1232 such funds for crime prevention programs in the county,
 1233 including ~~safe~~ neighborhood improvement programs under part IV
 1234 of chapter 163 ss. 163.501-163.523.

1235 Section 30. Subsection (5) of section 932.7055, Florida
 1236 Statutes, is amended to read:

1237 932.7055 Disposition of liens and forfeited property.—

1238 (5) (a) If the seizing agency is a county or municipal
 1239 agency, the remaining proceeds shall be deposited in a special
 1240 law enforcement trust fund established by the board of county
 1241 commissioners or the governing body of the municipality. These
 1242 ~~Such~~ proceeds and interest earned therefrom shall be used for
 1243 school resource officer, crime prevention, ~~safe~~ neighborhood
 1244 improvement, drug abuse education and prevention programs, or
 1245 for other law enforcement purposes, which include defraying the
 1246 cost of protracted or complex investigations, providing
 1247 additional equipment or expertise, purchasing automated external

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1248 defibrillators for use in law enforcement vehicles, and
 1249 providing matching funds to obtain federal grants. The proceeds
 1250 and interest may not be used to meet normal operating expenses
 1251 of the law enforcement agency.

1252 (b) These funds may be expended upon request by the sheriff
 1253 to the board of county commissioners or by the chief of police
 1254 to the governing body of the municipality, accompanied by a
 1255 written certification that the request complies with the
 1256 provisions of this subsection, and only upon appropriation to
 1257 the sheriff's office or police department by the board of county
 1258 commissioners or the governing body of the municipality.

1259 (c) An agency or organization, other than the seizing
 1260 agency, that wishes to receive such funds shall apply to the
 1261 sheriff or chief of police for an appropriation and its
 1262 application shall be accompanied by a written certification that
 1263 the moneys will be used for an authorized purpose. Such requests
 1264 for expenditures must ~~shall~~ include a statement describing
 1265 anticipated recurring costs for the agency for subsequent fiscal
 1266 years. An agency or organization that receives money pursuant to
 1267 this subsection shall provide an accounting for such moneys and
 1268 shall furnish the same reports as an agency of the county or
 1269 municipality that receives public funds. Such funds may be
 1270 expended in accordance with the following procedures:

1271 1. Such funds may be used only for school resource officer,
 1272 crime prevention, ~~safe~~ neighborhood improvement, drug abuse
 1273 education, or drug prevention programs or such other law
 1274 enforcement purposes as the board of county commissioners or
 1275 governing body of the municipality deems appropriate.

1276 2. Such funds may ~~shall~~ not be a source of revenue to meet

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1277 normal operating needs of the law enforcement agency.

1278 3. After July 1, 1992, and during every fiscal year
1279 thereafter, any local law enforcement agency that acquires at
1280 least \$15,000 pursuant to the Florida Contraband Forfeiture Act
1281 within a fiscal year must expend or donate at least ~~no less than~~
1282 15 percent of such proceeds for the support or operation of any
1283 drug treatment, drug abuse education, drug prevention, crime
1284 prevention, ~~safe~~ neighborhood improvement, or school resource
1285 officer program or programs ~~program(s)~~. The local law
1286 enforcement agency has the discretion to determine which program
1287 or programs ~~program(s)~~ will receive the designated proceeds.

1288
1289 Notwithstanding the drug abuse education, drug treatment, drug
1290 prevention, crime prevention, ~~safe~~ neighborhood improvement, or
1291 school resource officer minimum expenditures or donations, the
1292 sheriff and the board of county commissioners or the chief of
1293 police and the governing body of the municipality may agree to
1294 expend or donate such funds over a period of years if the
1295 expenditure or donation of such minimum amount in any given
1296 fiscal year would exceed the needs of the county or municipality
1297 for such program or programs ~~program(s)~~. ~~Nothing in~~ This section
1298 ~~does not preclude~~ ~~precludes~~ the expenditure or donation of
1299 forfeiture proceeds in excess of the minimum amounts established
1300 in this subsection herein.

1301 Section 31. This act shall take effect July 1, 2013.

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 Appropriations Subcommittee on Finance and Tax

BILL: CS/SB 770

INTRODUCER: Committee on Community Affairs and Senator Ring

SUBJECT: Neighborhood Improvement Districts

DATE: April 2, 2013 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Toman	Yeatman	CA	Fav/CS
2.	Babin	Diez-Arguelles	AFT	Pre-meeting
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE..... Statement of Substantial Changes

B. AMENDMENTS..... Technical amendments were recommended

Amendments were recommended

Significant amendments were recommended

I. Summary:

CS/SB 770 authorizes local government neighborhood improvement districts (NIDs) to borrow money and incur debt and to pledge revenues and ad valorem taxes to meet such obligations. Local government NIDs are also authorized to lease or lease-purchase property and to impose user fees and charges. Bonds may not be issued for an amount greater than the amount assessed by the district. All powers provided by the bill are conditioned upon referendum approval by the electors of the district.

In addition to local government NIDs' current authority to levy ad valorem taxes and special assessments, this bill allows these NIDs to impose user fees and charges.

The bill has no fiscal impact on state government; however, local governments may incur additional costs associated with conducting referenda.

This bill substantially amends section 163.506, Florida Statutes.

II. Present Situation:

Neighborhood Improvement Districts

Purposes and Creation

Part IV of ch. 163, F.S., is known as the “Safe Neighborhoods Act.” The intent of the Act is to:

- Guide and accomplish the coordinated, balanced, and harmonious development of safe neighborhoods;
- Promote the health, safety, and general welfare of these areas and their inhabitants, visitors, property owners, and workers;
- Establish, maintain, and preserve property values and foster the development of attractive neighborhoods and business environments;
- Prevent overcrowding and congestion;
- Improve or redirect traffic and provide pedestrian safety; and
- Reduce crime rates.¹

Section 163.503(1) defines the term “neighborhood improvement district” to mean:

A district located in an area in which more than 75 percent of the land is used for residential purposes, or in an area in which more than 75 percent of the land is used for commercial, office, business, or industrial purposes, excluding the land area used for public facilities, and where there is a plan to reduce crime through the implementation of crime prevention through environmental design, environmental security or defensible space techniques, or through community policing innovations. . . .

The Safe Neighborhoods Act allows county or municipal governing bodies to create NIDs through the adoption of a planning ordinance. Each NID that is established is required to register within 30 days with both the Department of Economic Opportunity and the Department of Legal Affairs and provide the name, location, size, type of NID, and such other information that the departments may require.² Under current law, there are four types of NIDs:

- Local government NIDs,
- Property owners’ association NIDs,
- Community redevelopment NIDs, and
- Special NIDs, which are further classified as either residential or business.³

As of March 2013, there are 31 active NIDs in the state of Florida.⁴ Twenty-eight of these are local government NIDs, two are special residential NIDs and one is classified as a property owners’ association NID.

¹ See s. 163.502, F.S.

² Section 163.5055, F.S.

³ See ss. 163.506-163.512, F.S.

NID Boards and Revenue Sources

The board of directors of a local government NID is the local governing body of the municipality or county that created the NID; however, as an alternative, a majority of the local governing body may also appoint a different board.⁵ The officers of an incorporated property owners' association serve as the board of directors for property owners' association NIDs.⁶ The board of a special NID is a three-member body appointed by the governing body of the municipality or county that created the district.⁷ The board of a community redevelopment NID is the community redevelopment board of commissioners, which is designated by the governing body of the municipality or county that created the board.⁸

Local government NIDs are authorized to levy an ad valorem tax on real and personal property of up to two mills annually.⁹ Special NIDs have the same taxing authority; however, this authority is subject to referendum.¹⁰ Special *residential* NID ad valorem taxes are approved by a majority of the district electors voting in a referendum.¹¹ Special *business* NID ad valorem taxes are approved if freeholders representing in excess of 50 percent of the assessed value of the property within the district endorse the referendum.¹²

All NIDs are also authorized, subject to referendum approval, to make and collect special assessments.¹³ Assessments may not exceed \$500 for each individual parcel of land per year and require an affirmative vote by a majority of the registered voters residing in the district.¹⁴ Community redevelopment NIDs may also utilize community redevelopment trust funds to implement district planning and programming.¹⁵

NID Dissolutions

Local government and community redevelopment NIDs may be dissolved by the governing body that established them.¹⁶ Property owners' association NIDs continue in perpetuity as long as the

⁴ Florida Department of Economic Opportunity, Division of Community Development, *Official List of Special Districts Online*, available at <http://dca.deo.myflorida.com/fhcd/sdip/OfficialListdeo/criteria.cfm> (last visited March 21, 2013). See Option 7: Select Functions of Interest.

⁵ Sections 163.506(1)(e), 163.506(3), F.S.

⁶ Section 163.508(1)(e), F.S.

⁷ Section 163.511(1)(f), F.S.

⁸ Section 163.356, F.S.

⁹ Section 163.506(1)(c), F.S.

¹⁰ Section 163.511(1)(a) and (b), F.S.

¹¹ Section 163.511(3)(g), F.S.

¹² Section 163.511(4)(g), F.S.

¹³ Section 163.514(16), F.S. This authority and any of the other NID powers enumerated in s.163.514, F.S., may be prohibited by the NID's enacting ordinance.

¹⁴ *Id.*

¹⁵ Section 163.512(1)(c), F.S.

¹⁶ Sections 163.506(4) and 163.512(3), F.S.

property owners' association created when establishing the NID exists.¹⁷ Special NIDs are dissolved at the end of the tenth fiscal year of operation.¹⁸

NIDs and Bond Authority

Although NIDs have various powers, they do not have express authority to borrow funds. In 2006, the Florida Attorney General issued Opinion 2006-49, stating that an NID created by ordinance pursuant to s. 163.511, F.S., does not have the authority to borrow money to carry out the purposes of the district.¹⁹ The Attorney General's Office reasoned that a statutorily created entity is limited to such powers expressly granted by law or reasonably implied to carry out its expressly granted power. The opinion further stated that "[w]hen the Legislature has directed how a thing shall be done, that is in effect a prohibition against its being done any other way."

Other Sources of Funding for Local Government Improvement Efforts

County and municipal governments have authority under current law and under their constitutional home rule authority to raise revenue that could be used for many of the purposes identified by the Safe Neighborhoods Act.

Section 125.01(1)(q), F.S., provides that counties may establish:

municipal service taxing or benefit units for any part or all of the unincorporated area of the county, within which it may provide fire protection, law enforcement, beach erosion control, recreation service and facilities, water..., streets, sidewalks, street lighting, garbage and trash collection and disposal, waste and sewage collection and disposal, drainage, transportation, indigent health care services, mental health care services, and other essential facilities and municipal services from funds derived from service charges, special assessments, or taxes within such unit only.... This paragraph authorizes all counties to levy additional taxes, within the limits fixed for municipal purposes, within such municipal service taxing units under the authority of the second sentence of s. 9(b), Art. VII of the State Constitution.

Section 125.01(1)(r), F.S., grants counties the power to levy and collect ad valorem taxes, and provides that no referendum is required for the levy by a county of ad valorem taxes for county purposes or for providing municipal services within any municipal service taxing unit. The distinction between a municipal service taxing unit and a municipal service benefit unit is that in a benefit unit the services are funded by a service charge or a special assessment rather than a tax.

¹⁷ Section 163.508(4), F.S.

¹⁸ Section 163.511(13), F.S. Special NIDs may continue for subsequent 10-year periods if the continuation of the district is approved through referendum.

¹⁹ Op. Atty Gen. Fla. 2006-49 (2006).

All taxes, other than ad valorem taxes, are reserved to the state.²⁰ Local governments may levy other taxes only if these taxes are authorized by general law. Not all local government revenue sources are taxes. Counties and municipalities may levy fees, assessments, or charges for services under their home rule authority. Special assessments may be used to fund certain services and to construct and maintain capital facilities, such as those appropriate for NIDs, if they meet two requirements: (1) the property subject to assessment must derive a special benefit from the service or improvement funded by the assessment, and (2) the assessment must be fairly and reasonably apportioned among the properties that receive the special benefit.²¹

III. Effect of Proposed Changes:

Section 1 amends s. 163.506, F.S., to authorize local government NIDs to:

- Borrow money and incur indebtedness;
- Finance and refinance district projects;
- Pledge revenues and ad valorem taxes to secure or repay district obligations;
- Lease or lease-purchase property as lessor or lessee; and
- Impose user fees and charges.

The bill authorizes the governing body of local government NIDs to issue a resolution authorizing bonds. Bonds may not be issued or sold for an amount greater than the amount assessed by the district. All powers provided in this section are conditioned upon referendum approval by the electors of the district.

Section 2 provides an effective date of July 1, 2013.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

²⁰ Fla. Const. Art. VII, s. 1(a)

²¹ See *City of Boca Raton v. State*, 595 So. 2d 25 (Fla. 1992).

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

In addition to local government NIDs' current authority to levy ad valorem taxes and special assessments, this bill allows these NIDs to impose user fees and charges.

B. Private Sector Impact:

Taxpayers located in local government NIDs may be subject to user fees and charges.

C. Government Sector Impact:

Local governments may incur costs associated with conducting referenda.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

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 March 7, 2013:**

- Provides that bonds require a resolution of the district's governing body and may not be issued or sold for an amount greater than the amount assessed by the district.
- Conditions the powers authorized in the bill upon referendum approval by the electors of the district.

B. Amendments:

None.



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LEGISLATIVE ACTION

Senate	.	House
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	.	
	.	
	.	

Appropriations Subcommittee on Finance and Tax (Ring)
recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Paragraph (i) is added to subsection (1) of
section 163.506, Florida Statutes, to read:

163.506 Local government neighborhood improvement
districts; creation; advisory council; dissolution.—

(1) After a local planning ordinance has been adopted
authorizing the creation of local government neighborhood
improvement districts, the local governing body of a
municipality or county may create local government neighborhood



679098

13 improvement districts by the enactment of a separate ordinance
14 for each district, which ordinance:

15 (i) Authorizes the district to borrow money, contract
16 loans, and issue bonds, certificates, warrants, notes, or other
17 evidence of indebtedness to finance the undertaking of a capital
18 or other project for a purpose permitted by the State
19 Constitution and this part, and to pledge the funds, credit,
20 property, and special assessment power of the district for the
21 payment of such debts and bonds. Bonds that are issued under
22 this paragraph must be authorized by resolution of the board, by
23 resolution of the governing body of the municipality or county,
24 and by a referendum as described in s. 163.514(16). Such bonds
25 may be issued in one or more series and shall bear such date or
26 dates, be payable upon demand or mature at such time or times,
27 bear interest at such rate or rates, be in such denomination or
28 denominations, be in such form, registered or not, with or
29 without coupon, carry such conversion or registration
30 privileges, have such rank or priority, be executed in such
31 manner, be payable in such medium of payment, at such place or
32 places, and subject to such terms of redemption, with or without
33 premium, be secured in such manner, and have such other
34 characteristics as may be provided by such resolution or trust
35 indenture or mortgage issued pursuant thereto.

36 Section 2. This act shall take effect July 1, 2013.

37
38 ===== T I T L E A M E N D M E N T =====

39 And the title is amended as follows:

40 Delete everything before the enacting clause
41 and insert:



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50

A bill to be entitled
An act relating to neighborhood improvement districts;
amending s. 163.506, F.S.; providing that an ordinance
that creates a neighborhood improvement district may
authorize the district to exercise certain powers, in
addition to those already granted to such districts;
specifying such powers; conditioning the exercise of
those powers on resolution and referendum; providing
an effective date.

By the Committee on Community Affairs; and Senator Ring

578-02029-13

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A bill to be entitled

An act relating to neighborhood improvement districts; amending s. 163.506, F.S.; providing that an ordinance that creates a neighborhood improvement district may authorize the district to exercise certain powers, in addition to those already granted to such districts; specifying such powers; conditioning the exercise of those powers by the local government neighborhood improvement district upon referendum approval by the electors of the district; providing an effective date.

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

Section 1. Paragraph (i) is added to subsection (1) of section 163.506, Florida Statutes, to read:

163.506 Local government neighborhood improvement districts; creation; advisory council; dissolution.—

(1) After a local planning ordinance has been adopted authorizing the creation of local government neighborhood improvement districts, the local governing body of a municipality or county may create local government neighborhood improvement districts by the enactment of a separate ordinance for each district, which ordinance:

(i) Authorizes the district to exercise powers, in addition to those described in s. 163.514, deemed necessary and useful by the local governing body, including the power to borrow money and incur indebtedness; finance and refinance projects of the district; pledge revenues and ad valorem taxes to secure or repay obligations of the district; and lease or lease-purchase

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property, as lessor or lessee, and impose user fees and charges.

1. Bonds that are issued under this paragraph shall be authorized by resolution of the governing body of the district and, if required by the State Constitution, by affirmative vote of the electors of the district. Such bonds may be issued in one or more series and shall bear such date or dates, be payable upon demand or mature at such time or times, bear interest at such rate or rates, be in such denomination or denominations, be in such form, registered or not, with or without coupon, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and subject to such terms of redemption, with or without premium, be secured in such manner, and have such other characteristics as may be provided by such resolution or trust indenture or mortgage issued pursuant thereto. A bond may not be issued or sold for a greater amount than the amount assessed by the district.

2. The exercise of the powers provided in this paragraph is conditioned upon referendum approval by the electors of the district.

Section 2. This act shall take effect July 1, 2013.

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**APPROPRIATIONS SUBCOMMITTEE ON
FINANCE AND TAX
COMMITTEE MEETING
MARCH 27, 2013**

**REVIEW OF SELECTED ECONOMIC DEVELOPMENT
TAX INCENTIVES**

REVIEW OF SELECTED ECONOMIC DEVELOPMENT TAX INCENTIVES

1. INTERNATIONAL BANKING FACILITY INCOME DEDUCTION ADDITIONAL INFORMATION	PAGE 1
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INTERNATIONAL BANKING FACILITY INCOME DEDUCTION

Section 220.63(5), F.S.

INCENTIVE:

- Income from international banking activities is not subject to Florida Corporate Income Tax.
- Although the statute is more detailed, qualifying income generally includes income derived from:
 - loans to foreign persons,
 - deposits with foreign banks or other international banking facilities; and
 - foreign exchange trading or hedging transactions.

PURPOSE:

- To encourage banks that engage in international banking activities to locate their physical facilities in Florida.
- Note: At the time this deduction was adopted, federal banking laws were such that Florida's deduction was restricted to Florida banks that had international banking facilities. Because of changes to federal law, a bank paying tax in Florida can take advantage of the deduction even if the international banking facility is located in another state.

QUALIFYING REQUIREMENTS:

- The deduction applies only to income from international banking activities. International banking accounts must be segregated from other banking organization accounts.

APPROVAL / OVERSIGHT / LIMITATIONS:

- No prior approval necessary.
- DOR reviews deductions through its normal auditing procedures.

SIGNIFICANT HISTORY:

- 1981 – Created.
- 1994 – Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 allowed interstate branch banking throughout the U.S., except in states that passed laws to prohibit it.

FISCAL IMPACT:

- \$10.8 Million per year

ADDITIONAL INFORMATION:

- The international banking facility deduction was created during an expansion of U.S. banks into international banking, apparently pursuant to increased authority granted by the federal Edge Act of 1919. See 12 U.S.C. ss. 611-631.
- The initial intent of the federal authority was directed at U.S. banks being permitted to conduct more activities outside of the U.S.
- U.S. banks taking advantage of this authority had discretion in choosing the location of their facilities for managing these accounts. Florida's deduction was created in an apparent attempt to have these facilities located in Florida.

SINGLE SALES FACTOR APPORTIONMENT

Sections 220.153, F.S.

INCENTIVE:

- Allows a multi-state corporation to use single sales factor apportionment to determine its Florida corporate taxable income.
- Typically, Florida uses a 3-factor formula to determine taxable income. The use of a single sales factor apportionment formula benefits corporations with a large percentage of sales to out-of-state customers.

PURPOSE:

- To encourage capital investment in Florida.

SIGNIFICANT HISTORY:

- 2011 – created.

QUALIFYING REQUIREMENTS:

- The company must declare a 2-year period for measuring its capital investment in Florida, and then within that 2-year period invest at least \$250 million into Florida real property, fixtures, and equipment.
- Expenditures to acquire an existing business and expenditures in excess of \$125 million for land or buildings do not qualify.
- There is no requirement that the company demonstrate that the incentive caused it to make the investment in Florida.

APPROVAL / OVERSIGHT / LIMITATIONS:

- DEO reviews and approves the qualifying capital expenditures.
- DOR oversees the use of apportionment factors through its normal auditing procedures.
- The first year during which single sales factor appointment could be used is a taxable year beginning on or after January 1, 2013.

FISCAL IMPACT:

- \$7.6 Million, beginning in 2013-2014, as originally estimated by the Revenue Estimating Conference in 2011.
- To date, 5 companies have filed notices of intent to begin their 2-year measurement period. One of the 5 companies has completed its \$250 million investment.

ADDITIONAL INFORMATION:

Program Participants	
1	CSX
2	Publix
3	NextEra Energy
4	Mosaic
5	(Confidential due to nature of project)

RESEARCH & DEVELOPMENT TAX CREDIT

Section 220.196, F.S.

INCENTIVE:

- Provides a credit against Corporate Income Tax for increasing research and development expenses in Florida. The credit is equal to 10 percent of the annual increase. Florida's credit is based on a similar federal credit.

PURPOSE:

- To encourage research and development activities within Florida.

QUALIFYING REQUIREMENTS:

- Companies must increase their qualifying research expenses in Florida over their average qualifying research expenses in Florida during the 4 immediately preceding years.
- The company must qualify for and receive the federal research and development credit.

APPROVAL / OVERSIGHT / LIMITATIONS:

- No prior approval necessary.
- Department of Revenue oversees through its normal auditing procedures.
- For companies that have not existed for 4 years, the credit amount is reduced 25 percent for each year that the business did not exist.
- Total credits may not exceed \$9 million per calendar year.

SIGNIFICANT HISTORY:

- 2011 – created.

FISCAL IMPACT:

- \$9 Million per year, as originally estimated by the Revenue Estimating Conference in 2011.

CAPITAL INVESTMENT TAX CREDIT

Section 220.191, F.S.

INCENTIVE:

- Corporate Income Tax credits and/or Insurance Premium Tax credits are provided to high-impact sector and qualified target industry companies, as well as corporate headquarters, if they invest significant capital (\$25 million or more) within Florida.

- High-impact sectors have evolved over time, but currently include:
 - Transportation Equipment (Aviation/Aerospace),
 - Silicon Technology,
 - Information Technology,
 - Life Sciences,
 - Financial Services,
 - Corporate Headquarters, and
 - Clean Energy.

- Qualified Target Industry business sectors include:
 - All High-impact sectors, and
 - Homeland Security and Defense.

PURPOSE:

- To encourage qualifying companies to locate or expand physical facilities in Florida.

QUALIFYING REQUIREMENTS:

CURRENT CAPITAL INVESTMENT TAX CREDIT QUALIFYING PROJECT TYPES					
	High-Impact Tier 1	High-Impact Tier 2	High-Impact Tier 3	Target Industry	Headquarters
Investment Required	\$25 Million	\$50 Million	\$100 Million	\$100 Million	\$250 Million
Taxes that the Credit can be Applied Against	Corporate Income Tax or Insurance Premium	Corporate Income Tax or Insurance Premium	Corporate Income Tax or Insurance Premium	Corporate Income Tax or Insurance Premium	Corporate Income Tax
Jobs Requirement	100 New Jobs	100 New Jobs	100 New Jobs	100 New, 900 New or Retained	1,500 New
Annual Credit Amount	5% of Eligible Costs	5% of Eligible Costs	5% of Eligible Costs	50% of increased tax liability arising out of the project	Lesser of \$15 million or 5% of Eligible Costs
Annual Credit Limit	50% of tax arising out of project	75% of tax arising out of project	100% of tax arising out of project	50% of increased tax liability arising out of project	\$15 million per year
Credit Period	20 years	20 Years	20 Years	5 years	20 years
Credit Carryover	None	None	Amounts not used within the 20-yr period can be taken between years 21 and 30	None	Annual unused amounts can be carried forward within the 20-yr period
Disproportionately Affected County Waiver	Between 7/1/11 and 6/30/14, the high impact sector requirement is waived for any business that relocates all or a portion of its out-of-state business to Bay, Escambia, Franklin, Gulf, Okaloosa, Santa Rosa, Walton or Wakulla County.			N/A	N/A
Taxpayer Permitted to Transfer Credit?	Generally no. However, if a project establishes a new solar panel manufacturing facility and generates at least 400 jobs within 6 months of commencing operations and pays those jobs at least \$50,000 average annual salary, it may transfer its permissible credit to another business.				

APPROVAL / OVERSIGHT / LIMITATIONS:

- Businesses must apply and have their projects pre-approved through DEO.
- After credit is awarded, DEO reviews businesses annually to ensure continuing requirements are satisfied.
- DOR oversees credit use through DOR's normal auditing procedures.
- Taxpayer is only permitted to offset the income generated from the qualifying project.
- Taxpayer can only offset a set percentage of its income from the qualifying project.
- Except for certain projects, unused credits expire at the end of each year.

SIGNIFICANT HISTORY:

- 1998 – Capital Investment Tax Credit (CITC) was created for high-impact sectors. High-impact sectors included Aviation/Aerospace, Automotive, and Silicon Technology. The credit only applied against Florida's Corporate Income Tax.
- 1999 – CITC was amended to allow the credit to apply to insurance premium tax.
- 1999 – DEO expanded high-impact sectors to include Information Technology.
- 2002 – DEO expanded high-impact sectors to include Life Sciences.
- 2003 – CITC was amended to temporarily allow financial services businesses to qualify for the CITC through June 30, 2004.
- 2004 – DEO expanded high-impact sectors to include Financial Services.
- 2005 – CITC was expanded to allow target industry businesses to qualify.
- 2006 – CITC was expanded to allow corporate headquarters to qualify.
- 2006 – DEO expanded high-impact sectors to include corporate headquarters.
- 2008 – CITC was amended to allow certain solar projects to transfer the credits.
- 2008 – DEO expanded high-impact sectors to include clean energy.
- 2011 – CITC was amended to allow certain tax credits to be used outside of the normal 20-year period following commencement of operations.
- 2011 – High-impact sector requirement was temporarily waived from 7/1/2011 through 6/30/2014, for Bay, Escambia, Franklin, Gulf, Okaloosa, Santa Rosa, Walton, and Wakulla counties, due to the significant impacts from the Deepwater Horizon oil spill.

FISCAL IMPACT:

The following information is valid as of December 2012:

Number of Applicants recommended from Enterprise Florida, Inc.	24
Number of Applicants Certified by DEO to Participate	23
Amount of Credit Initially Certified	\$2.6 billion
Number of Projects Completed and Audited	5
Number of Completed Projects Taking Credit	5
Amount of Credit Taken	\$90.2 million
Amount of Credit Taken in 2011	\$5.6 million

ADDITIONAL INFORMATION:

Active CITC Participants (as of March 3, 2013)			
	Company	Investment	Location
1	Bellsouth Telecommunications, Inc.	\$127m	Statewide
2	Chase (dba Pricing, Billing & Commerce Solutions)	\$82.8m	Hillsborough
3	Chico's FAS, Inc.	unconfirmed	Lee
4	Chromalloy Castings	unconfirmed	Hillsborough
5	Cox Target Media	unconfirmed	Pinellas
6	Darden Restaurants, Inc.	\$150.1m	Orange
7	Embraer Aircraft Holdings	unconfirmed	Brevard
8	Harris Corporation.	unconfirmed	Brevard
9	Jabil Circuit, Inc.	unconfirmed	Pinellas
10	Lockheed Martin Astronautics	\$356m	Brevard
11	Lockheed Martin Missiles and Fire Control	unconfirmed	Orange
12	Nabi Biopharmaceuticals	unconfirmed	Broward
13	Nipro Diagnostics, Inc.	\$38.9m	Broward
14	Planar Energy Devices, Inc.	unconfirmed	Alachua
15	SAFT Industrial Battery Group	unconfirmed	Duval
16	T. Rowe Price Associates, Inc.	unconfirmed	Pasco
17	The Boeing Company	unconfirmed	Brevard
18	The Depository Trust & Clearing Corporation	\$35.7m	Hillsborough
19	UBS AG	unconfirmed	Dade
20	Verizon Corporate Resources Group, LLC	unconfirmed	Seminole

NEW MARKETS TAX CREDIT

Sections 288.9916, F.S.

INCENTIVE:

- Corporate Income Tax credits or Insurance Premium Tax credits equal to 39 percent of qualified investments in Community Development Entities (CDEs). The CDEs use qualified investments to fund projects in low-income communities. Florida's program is related to a similar federal government program.

PURPOSE:

- To encourage capital investment in low-income communities.

QUALIFYING REQUIREMENTS:

- The investor must make a qualifying investment in a CDE.
- The CDE must be certified under the federal New Markets Tax Program.
- CDEs must use these funds to invest in qualifying businesses in low-income communities. These investments are typically made in the form of loans.

APPROVAL / OVERSIGHT / LIMITATIONS:

- DEO reviews projects and approves credit allocations.
- DOR reviews credit use through its normal auditing procedures.
- The 39 percent credit must be taken in portions spread over 5 taxable years.
- A qualifying business may not receive more than \$10 million in qualifying investments under the entire program.
- The total amount of annual credits that may be awarded to CDEs is \$33.6 million per state fiscal year, and the total amount of credits that may be awarded for all years of the program is \$163.8 million.
- The New Markets Development Program expires December 31, 2022.

SIGNIFICANT HISTORY:

- 2000 -- The federal New Markets Tax Program was created by the Community Renewal Tax Relief Act.
- 2009 -- Florida created its New Markets Development Program, with an annual cap on credits of \$20 million, and a total program credit limit of \$97.5 million.
- 2012 -- The credit limits were raised to \$33.6 million per year and \$163.8 million for the life of the program, and some clarifying amendments were made.

FISCAL IMPACT:

- \$33.6 million per year; \$163.8 million over the life of the program.
- To date, \$163.8 million has been allocated.

ADDITIONAL INFORMATION:

PARTICIPATING COMMUNITY DEVELOPMENT ENTITIES	
1	Whitney New Market Fund, LLC
2	Urban Development Fund, LLC
3	Stonehenge Community Development, LLC
4	USBCDE Sub-CDE LXV, LLC
5	Enhanced Community Development, LLC
6	Advantage-BizCapital BIDCO I, LLC
7	Advantage- Southeast Community Development Fund V, LLC

QUALIFIED LOW-INCOME COMMUNITY BUSINESSES RECEIVING INVESTMENTS			
	BUSINESS	LOCATION	USE OF INVESTMENT
1	Cocoa Expo Sports	Cocoa	Construct Facility
2	Agri-Source Fuels, LLC	Dade City	Facility Expansion & Working Capital
3			
4			
5	Halifax Media Holdings & Halifax Media Acquisition	Daytona Beach	Media Acquisitions & Working Capital
6			
7	Contego Services Group, LLC	Fort Lauderdale	Working Capital
8	Patriot Risk Management	Fort Lauderdale	Employees
9	Harlem Heights	Fort Myers	Construct a Community Arts & Education Center
10	Coppert Art, LLC & Tropical Imports by Damar, LLC	Fort Pierce	Refinance & Working Capital
11	Prioria Robotics, Inc.	Gainesville	Working Capital for Contracts to provide UAVs
12			
13	Second Campbell Associates, LLC	Homestead	Create a Training Facility for a Restaurant Chain
14	Basic Products, LLC (Jerome Brown BBQ)	Jacksonville	Facility Renovations, New Equipment, Inventory & Working Capital
15	Litmark, Inc.	Jacksonville	Purchase Realty
16			
17	Lake Montessori by Weston, Inc.	Leesburg	Purchase Business & Working Capital
18	Advanced Footcare, Inc.	Miami	Purchase & Improve Realty
19	Sunburst Farms, Inc.	Miami	Corporate Headquarters & Warehouse Facilities

20	Summit Aerospace Holdings, LLC	Miami	Employees & Inventory
21	Aspira of Florida	Miami	Purchase & Renovate a Middle School
22	International Cruise Food and Hotel Supplies Inc.	Miami	Improve Operations
23			
24	Atlas Paper Mills, LLC	Miami	Refinance / Working Capital
25	University Plaza Properties, LLC	Miami	Construct Nursing Facility & Working Capital
26	Florida Trading Import & Export, Inc. (American Spice Trading Co., Inc.)	Miami	Refinance, New Equipment, Inventory & Working Capital
27	DCR Engineering Services, Inc.	Mulberry	Business Expansion & New Employees
28	ABC's of Learning and Growing, Inc.	North Lauderdale	Improve Operations
29			
30			
31	Okeechobee Funeral Home	Okeechobee	Purchase Realty
32	Orlando Telephone Company	Orlando	Operating Facility Investment
33	Harvill's Produce Company, Inc.	Orlando	Refinance and Improve Realty
34			
35	Orlando Historic Aloft Hotel	Orlando	Construct Facility
36	ESP Management of Florida, Inc.	Orlando	Refinance
37	Community Maritime Park Associates, Inc.	Pensacola	Construct Facility
38	BN Bio-Fuels, LLC	Riviera Beach	Construct a Bio-Fuel Facility
39	SunnyLand Solar, Inc.	Tallahassee	Construct Manufacturing Facility
40	Solar Distributors of America	Tallahassee	Construct commercial solar array, establish Headquarters & Working Capital
41	SolarSink, LLC	Tallahassee	Establish Manufacturing Facility
42	Manna Pro Products Florida	Tampa	Refinance & Working Capital
43	Glazer Children's Museum	Tampa	Finance Facility & Working Capital
44	Tampa Bay History Center	Tampa	Working Capital & Facility Improvements
45	Tampa Bay Arena, L.P.	Tampa	Facility Renovation
46	Drug Abuse Comprehensive Coordinating Office Properties, Inc.	Tampa	Construct Facility

URBAN HIGH-CRIME AREA JOB TAX CREDIT

Sections 212.097 and 220.1895, F.S.

INCENTIVE:

- Provides a credit of \$500 to \$2,000 per qualified job against either Sales Tax or Corporate Income Tax for creating new jobs within designated urban areas nominated by local governments and qualified by the Department of Economic Opportunity as high-crime areas.

PURPOSE:

- To encourage the creation of jobs in urban areas of Florida.¹

QUALIFYING REQUIREMENTS:

- “Qualified high-crime areas” were nominated by local governments and ranked by DEO based on:
 - Arrest rates for violent crimes and other crimes such as drug sales, drug possession, prostitution, vandalism, and civil disturbances
 - Reported crime volume and rate of specific property crimes
 - Percentage of reported index crimes that are violent in nature
 - Overall index crime volume for the area, and
 - Overall index crime rate for the geographic area
- Rankings are based on comparisons to other nominated areas, not to the community as a whole.
- Qualified high-crime areas are designated in 3 tiers, with tier one containing the highest crime areas. Available credits per job created are higher in higher-crime tiers.
- An area that has been designated as a federal Empowerment Zone is also considered a qualified high-crime area.
- Eligible businesses include sole proprietorships, firms, partnerships, and corporations predominantly engaged in:
 - Agriculture, forestry and fishing
 - Manufacturing
 - Retail
 - Public warehousing and storage
 - Hotels and other lodging places
 - Research and development
 - Motion picture production and allied services

¹ *State of Florida Job Creation Plan*, pg. 34.

- Public golf courses
- Amusement parks
- Targeted industries eligible for the targeted industry business tax refund
- Call centers or similar customer service operations that service a multistate or international market
- A qualified employee must work for an eligible business at least 36 hours per week for at least 3 months.
- A new business with at least 10 employees in a tier one area is eligible for tax credits; tiers two and three require 20 and 30 new employees, respectively.
- An existing business within a tier one area must add at least 5 employees; existing businesses in tiers two and three must add 10 and 15 more employees, respectively.
- To be eligible for this credit, an existing business's number of eligible employees as of one year before the application date must be at least as great as the number of qualified employees on January 1, 2009, or on the application date on which a credit was based for any previous application.
- A new or existing business will receive an additional \$500 credit for any qualified employee who is a welfare transition program participant.

APPROVAL / OVERSIGHT / LIMITATIONS:

- The Department of Economic Opportunity must approve all applications for this credit.
- The maximum credit amount that may be approved during any calendar year is \$5 million, and \$1 million is reserved for tier-one areas.
- Up to 15 high-crime areas are authorized by Florida Statutes but only 13 applications were submitted by local governments. These areas have not changed since the program's original application period in 1998.
- A municipality, or a county and one or more municipalities together, may not nominate more than one high-crime area. This limitation does not apply to Miami-Dade County.
- The size of a designated area is limited to 20 square miles in a community having more than 150,000 persons, and in smaller communities the allowable size is smaller. The designated area may consist of up to 3 noncontiguous parcels.

SIGNIFICANT HISTORY:

- Created in 1997.
- In 2001 qualified target industry businesses and motion picture production and allied services were added to the list of eligible businesses.
- In 2012, dates for the reference period number of employees for existing businesses applying for the credit for a second time or more were changed so that when a business is applying for the second time or more, the number of qualified employees the business has at the time must be no lower than the number of qualified employees that the employer had on January 1, 2009, or on the date of its previous application for this credit. The change also allowed a business to reapply for credits that had been disallowed under the law as it existed at the time of application, but would have been allowed under the law as amended.

FISCAL IMPACT:

- 13 Urban High-Crime Areas have been designated by DEO based on nominations by local governments.
- \$2.5 m in credits were approved in 2012.
- \$21.9 m in credits have been approved since the program's inception.

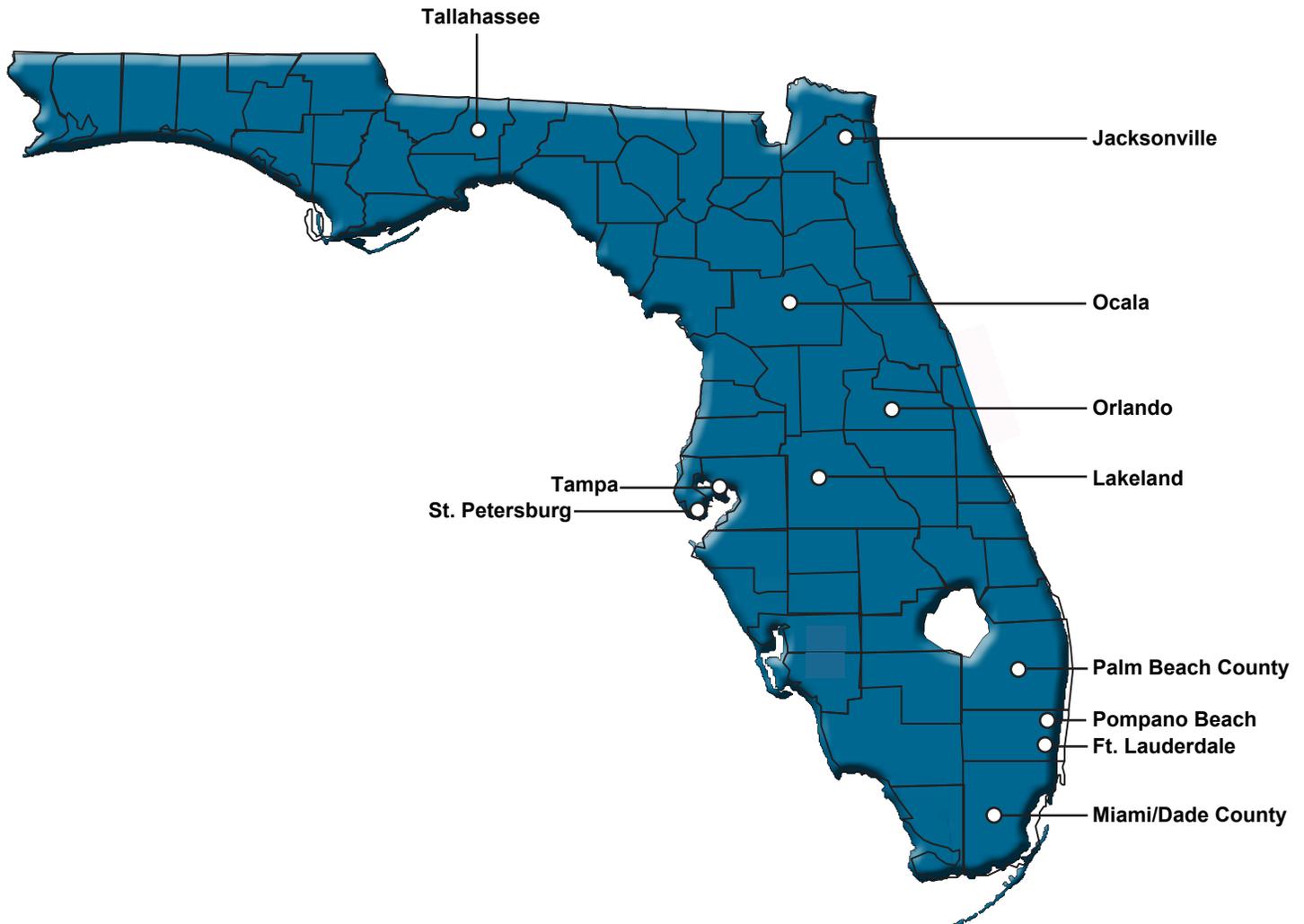
ADDITIONAL INFORMATION:

- Under this program the credit is based on the creation of new jobs; there is no ongoing obligation for the state to provide credits in the future. Job creation is measured over a 12-month period, and any change to the program could be crafted to allow any eligible business to receive credits for jobs created during its current 12-month measurement period.
- 46 percent (\$10.1 million) of the credits approved under this program have gone to hotel projects, and 2 companies—Universal City Development Partners, Ltd., and UCF Hotel Venture—have received 80 percent of those credits.
- Retail or distribution projects have received \$6.2 million in credits, and a handful of large businesses—Wal-Mart, Home Depot, Winn Dixie, Publix, Target, Lowes, and IKEA—account for \$5.6 million.
- Mail order fulfillment centers have received credits worth \$2.5 million.
- Auto dealers have received \$1 million in credits.
- Credits have been received by projects located in 11 Urban High Crime Areas, but 91 percent of credits have gone to 4 areas, namely, Orlando (48 percent), Miami-Dade (20 percent), Palm Beach (13 percent), and Jacksonville (11 percent).

- 76 percent of credits approved have gone to businesses that serve a predominantly local or regional market (retail and auto dealers) or could not easily locate elsewhere (hotels).

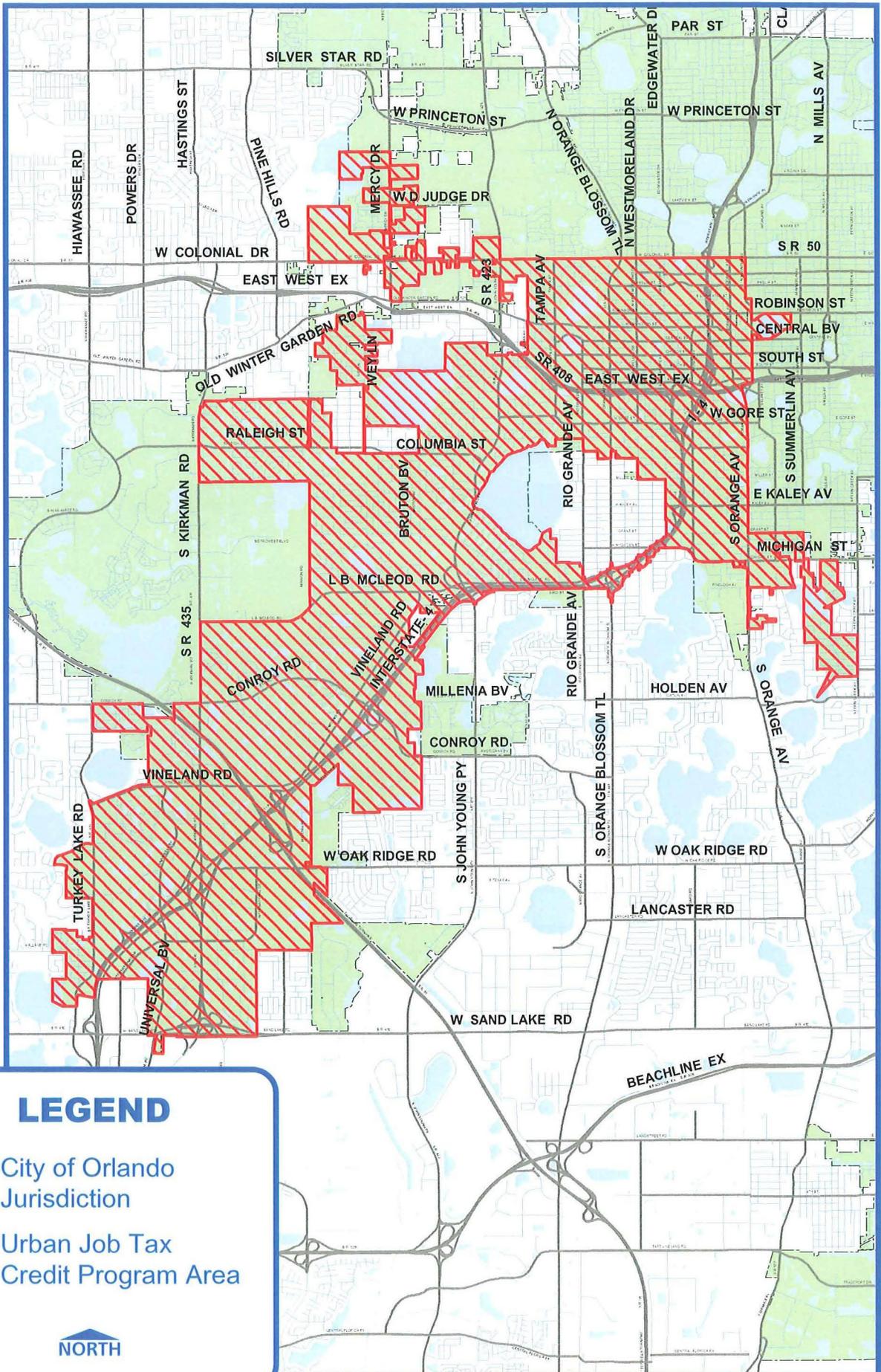
FLORIDA URBAN JOB TAX CREDIT PROGRAM

Effective January 2013



**Florida Department of Economic Opportunity
Division of Community Development
107 East Madison Street; MSC 160
Tallahassee, Florida 32399**

Urban Job Tax Credit Program Area



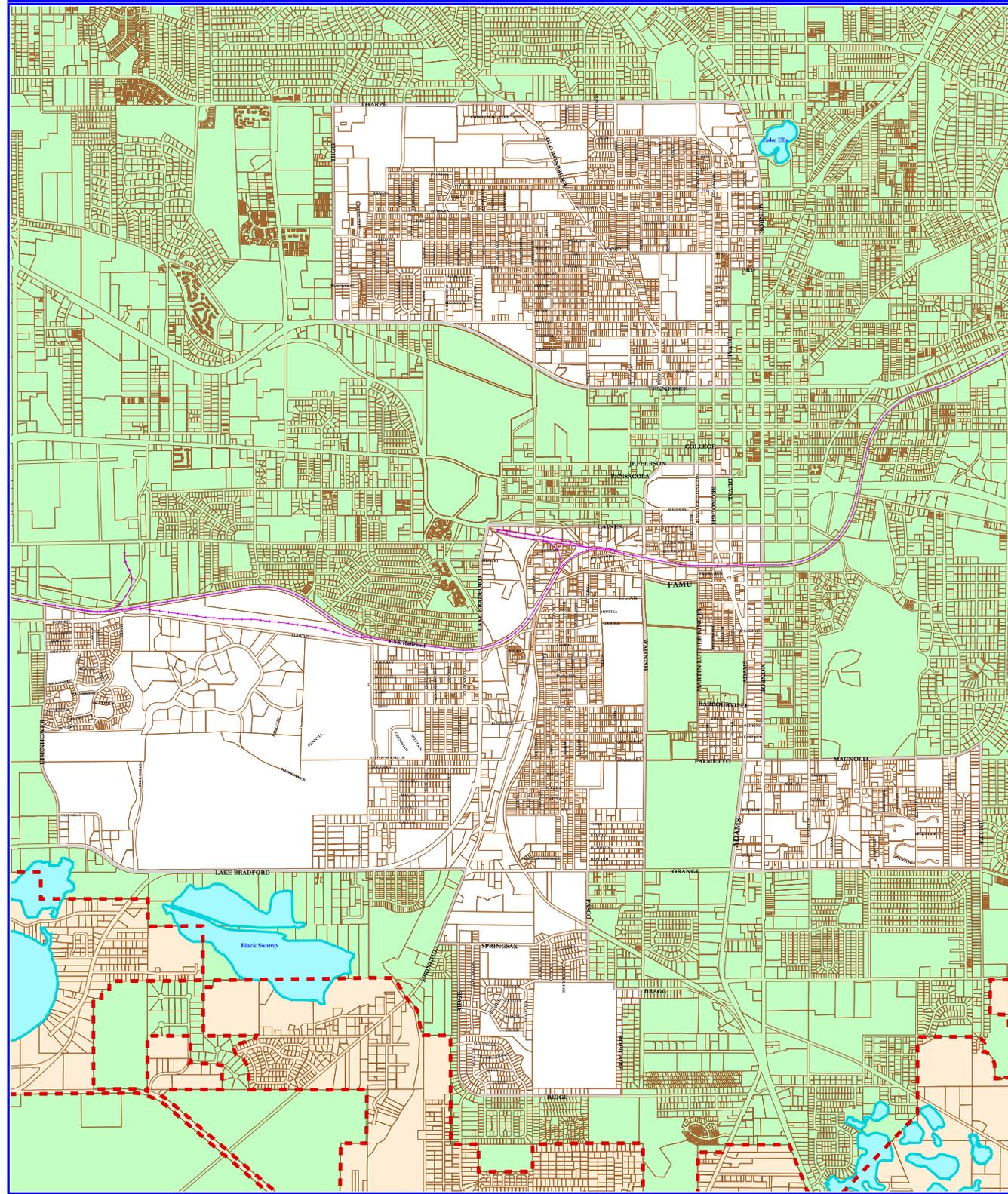
LEGEND

-  City of Orlando Jurisdiction
-  Urban Job Tax Credit Program Area

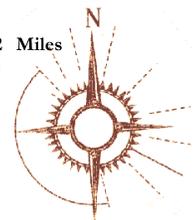
 NORTH

City of Tallahassee

Urban Job Tax Credit Program Area



- City Limits
- Lakes
- Railroad
- Parcels
- UJTCP Area
- Tallahassee
- Leon County



RURAL JOB TAX CREDIT

Sections 212.098 and 220.1895, F.S.

INCENTIVE:

- Provides a credit of \$1,000 to \$1,500 per qualified job against either Sales Tax or Corporate Income Tax for creating new jobs in rural counties.

PURPOSE:

- To encourage meaningful employment opportunities that will improve the quality of life of those employed and to encourage economic expansion of new and existing businesses in rural areas of Florida.²

QUALIFYING REQUIREMENTS:

- A “Qualified Rural Area” is any area that is:
 - Within a Rural Area of Critical Economic concern;
 - A county with a population of fewer than 75,000; or
 - A county with a population of 125,000 or fewer that is contiguous to a county with a population of fewer than 75,000.
- Eligible businesses include sole proprietorships, firms, partnerships, and corporations predominantly engaged in:
 - Agriculture, forestry and fishing
 - Manufacturing
 - Public warehousing and storage
 - Hotels and other lodging places
 - Motion picture production and allied services
 - Public golf courses
 - Amusement parks
 - Targeted industries eligible for the targeted industry business tax refund
 - Call centers or similar customer service operations that service a multistate or international market
- A qualified employee must work for an eligible business at least 36 hours per week for at least 3 months.
- A new business with at least 10 employees is eligible for tax credits.
- An existing business with fewer than 50 employees must increase employment by at least 20 percent; and existing business with more than 50 employees must add at least 10 employees.

² *State of Florida Job Creation Plan*, pg. 36.

- For existing businesses, the number of qualified employees required for the credit is measured against the number of qualified employees the business had one year prior to application for the credit.
- A new or existing business will receive an addition \$500 credit for any qualified employee who is a welfare transition program participant.

APPROVAL / OVERSIGHT / LIMITATIONS:

- The Department of Economic Opportunity must approve all applications for this credit.
- The maximum credit amount available to any one business in a single year is \$500,000.
- The maximum credit amount that may be approved during any calendar year is \$5 million.

SIGNIFICANT HISTORY:

- Created in 1997.
- In 2001 qualified target industry businesses and motion picture production and allied services were added to the list of eligible businesses, and total tax credits available to a business in any one calendar year were limited to \$500,000.

FISCAL IMPACT:

- 32 rural counties, 3 cities, and one rural area qualify for the program.
- \$0.2 m in credits were approved in 2012.
- \$4.5 m in credits have been approved since the program's inception.

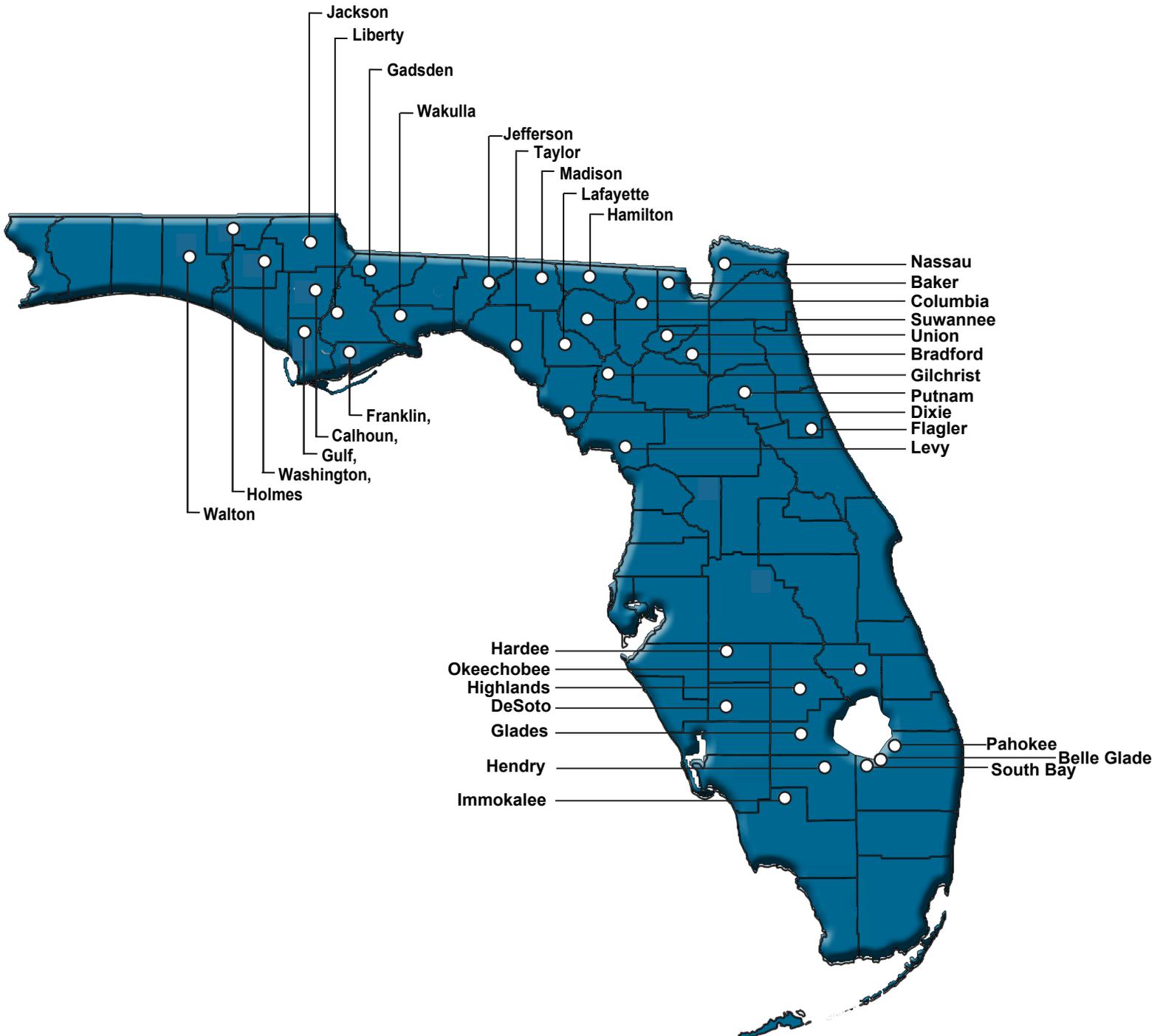
ADDITIONAL INFORMATION:

- Under this program the credit is based on the creation of new jobs; there is no ongoing obligation for the state to provide credits in the future. Job creation is measured over a 12 month period, and any change to the program could be crafted to allow any eligible business to receive credits for jobs created during its current 12-month measurement period.
- 64 applicants, representing 4,714 jobs, have been funded by this program since its inception.
- The largest single industry by number of projects is hospitality, with 24 projects and 915 jobs.
- The greatest number of credited jobs—1,490—was created in distribution centers for major retailers.
- Other industries that have received credits under this program are:
 - Food processing (980 jobs),
 - Manufacturing (420 jobs),

- Transportation and related services (332 jobs),
- Construction and construction materials (271 jobs),
- Business services (256 jobs), and
- Real estate development (31 jobs).
- Projects located in 20 counties have received credits under this program.

FLORIDA RURAL JOB TAX CREDIT PROGRAM

Effective January 2013



**Florida Department of Economic Opportunity
Division of Community Development
107 East Madison Street; MSC 160
Tallahassee, Florida 32399**

FLORIDA BROWNFIELDS REDEVELOPMENT ACT

Sections 220.1845, 212.08(5)(o), 288.107, and 376.77-376.85, F.S.

INCENTIVE:

- Florida's Brownfields Redevelopment Program offers 3 incentives for cleaning up and developing brownfield areas.
- **Voluntary Cleanup Tax Credits** are transferable corporate income tax credits for 50% of the cost of site rehabilitation, with an additional 25% credit when cleanup is complete. These credits are available to projects that are executed under a Brownfield Site Rehabilitation agreement with DEP, and are limited to \$500,000 per project per year and \$5 million annually.
- **Building Materials Sales Tax Refunds** are available in brownfield areas for construction of housing projects that set aside at least 20% of the units for low-income and moderate income persons, or mixed-use projects that set aside at least 20% of the square footage for housing reserved for low-income and moderate-income persons.
- **Brownfield Redevelopment Bonus Refund**, a tax refund of up to \$2,500 for each new job created by a pre-approved business in a brownfield area. The business must create at least 10 new jobs and satisfy other criteria, and the total amount of money available for refunds for a given year is subject to appropriation.

PURPOSE:

- To encourage cleanup and development of sites that are “abandoned, idled, or underused properties where expansion or redevelopment is complicated by actual or perceived environmental contamination.”³
- The program provides incentives to rehabilitate contaminated sites, and develop “brownfield areas” which are contiguous areas of one or more brownfield sites, **some of which may not be contaminated**. A brownfield site is real property, the expansion, redevelopment, or reuse of which may be complicated by actual **or perceived** environmental contamination. There are no objective criteria for designating brownfield sites or brownfield areas.

³ Office of Program Policy Analysis and Government Accountability Report No. 11-15, “Over 600 Brownfield Acres Cleaned Up; Businesses Tax Advantage of Program Incentives,” p. 1.

QUALIFYING REQUIREMENTS:

- A local government may designate a brownfield area by resolution.
- Voluntary Cleanup Tax Credits are 50 percent of the costs of voluntary cleanup activity that is integral to site rehabilitation in the previous year. An additional 25 percent of total cleanup costs is available in the final year of cleanup. This credit is also available for cleanup of a drycleaning-solvent contaminated site.
- Building materials sales tax refunds are available for housing projects and mixed use projects in brownfield areas if at least 20 percent of the project is set aside for low-income and moderate-income persons.
- Brownfield Redevelopment Bonus Refund, a tax refund of up to \$2,500 for each new job created by a pre-approved business in a brownfield area, is limited to a qualified target industry business, or a business that provides benefits to its employees and that can demonstrate a fixed capital investment of at least \$2 million in mixed-use business activities or at least \$500,000 in brownfield areas that do not require site cleanup. At least 10 new full-time permanent jobs must be created, and the actual amount of the refund is 20 percent of the average annual wage for the jobs created.

APPROVAL / OVERSIGHT / LIMITATIONS:

- Voluntary Cleanup Tax Credits require a Site Rehabilitation Agreement between the responsible party and either the Department of Environmental Protection (DEP) or a county with authorized program authority and DEP must authorize the credits.
- Voluntary Cleanup Tax Credits for any project are limited to \$500,000 per year, and the total amount of tax credits that may be granted under this program is limited to \$5 million annually. As of June 30, 2012, there was a backlog for unissued credits of \$13.6 million.
- The Department of Revenue also oversees these tax credits and building materials sales tax refunds through its normal auditing procedures.
- Brownfield Redevelopment Bonus Refunds require a recommendation by resolution of the governing board of the county or municipality that certain types of businesses be approved by the Department of Economic Opportunity.
- The total amount of bonus refunds approved in any fiscal year is limited by the amount appropriated to the Economic Development Incentives Account for this purpose.

SIGNIFICANT HISTORY:

- Created in 1997 as a voluntary program in which a local government may designate a brownfield area by resolution.

- In 2000 additional types of businesses were made eligible for the Brownfield Redevelopment Bonus Refund, and in 2009 the minimum investment required to qualify for the bonus refund was reduced for investments in brownfield areas that do not require site cleanup.
- In 2011 the annual authorization for the Voluntary Cleanup Tax Credit was increased from \$2 million to \$5 million.

FISCAL IMPACT:

- As of June 30, 2012, brownfield areas have been designated in 43 counties. There are 312 designated areas covering 226,948 acres.
- The extent of property subject to cleanup is much smaller--167 brownfield site rehabilitation agreements have been executed covering 3,642 acres. This equals 1.6% of total brownfield areas.
- Rehabilitation has been completed on 54 sites, totaling 812 acres, or 22% of the area covered by rehabilitation agreements.
- Voluntary Cleanup Tax Credits--\$5 million annually, \$20.5 million credits issued since program began through FY 2011-12. As of June 30, 2012, there was a backlog for unissued credits of \$13.6 million.
- Building Materials Sales Tax Refunds— \$1.2 m in FY 2011-12, \$7.0 m since FY 2005-06.
- Brownfield Redevelopment Bonus Refund--\$8.0 m through FY 2011-12.

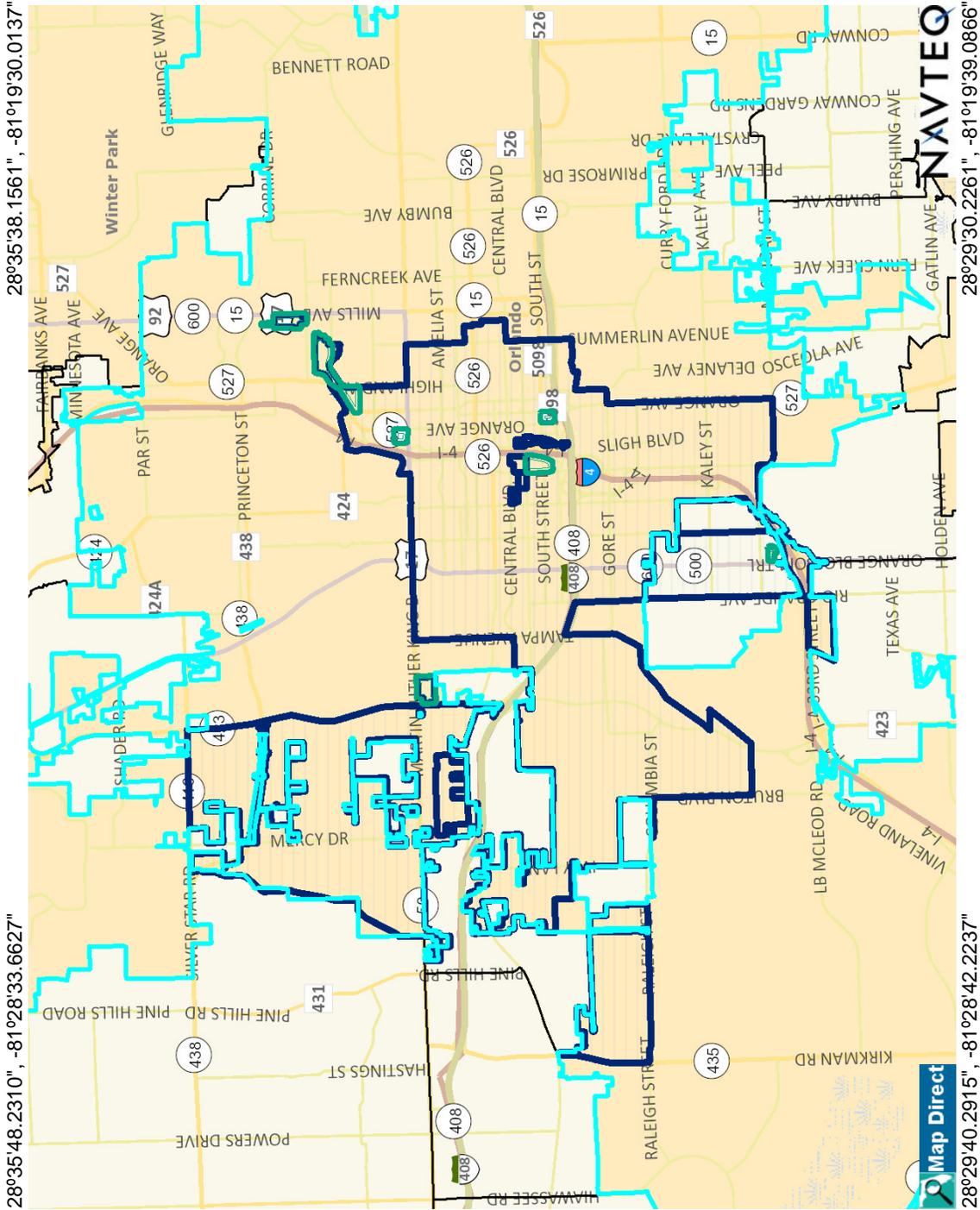
ADDITIONAL INFORMATION:

- Maps of all brownfield sites and areas can be viewed on the DEP website: <http://ca.dep.state.fl.us/mapdirect/?focus=brnfls>
- Some local governments have designated brownfield areas that are far larger than actual brownfield sites; others have limited the brownfield area designations.
- There are advantages to expansive brownfield areas because it is easier to initiate a site rehabilitation agreement for voluntary cleanup in a designated brownfield area.
- The Legislature could limit Brownfield Redevelopment Bonus Refunds and building materials sales tax refunds to actual brownfield sites and locations within a limited distance of these sites.
- The attached maps show where brownfield areas are located in the state and details of brownfield areas and sites in parts of Miami-Dade County and the cities of Orlando and Tampa.

- 42 projects have been **approved** for Brownfield Redevelopment Bonus incentive payments worth \$12.8 million (\$1 million was for a project that was subsequently terminated).⁴
- 15 projects have **received** Brownfield Redevelopment Bonus incentive payments of \$2.2 million.
- The single largest business type to receive bonus incentives is retail, with 16 projects. Other recipients include manufacturing (10 projects), wholesale distributors (4 projects), restaurants (3 projects), hotels and call centers (2 projects each), and recycling and smelting (1 project each).

⁴ Department of Economic Opportunity Economic Development Incentives Portal, Report Generated on 03/03/13

Map Direct: Brownfields



Scale 1:79,461

- Aerial Imagery 2004-2009
- TIGER 2010 Places
- Counties
- Aerial Imagery Flight Dates 2004-2009
- Brownfield Sites
- Brownfield Areas



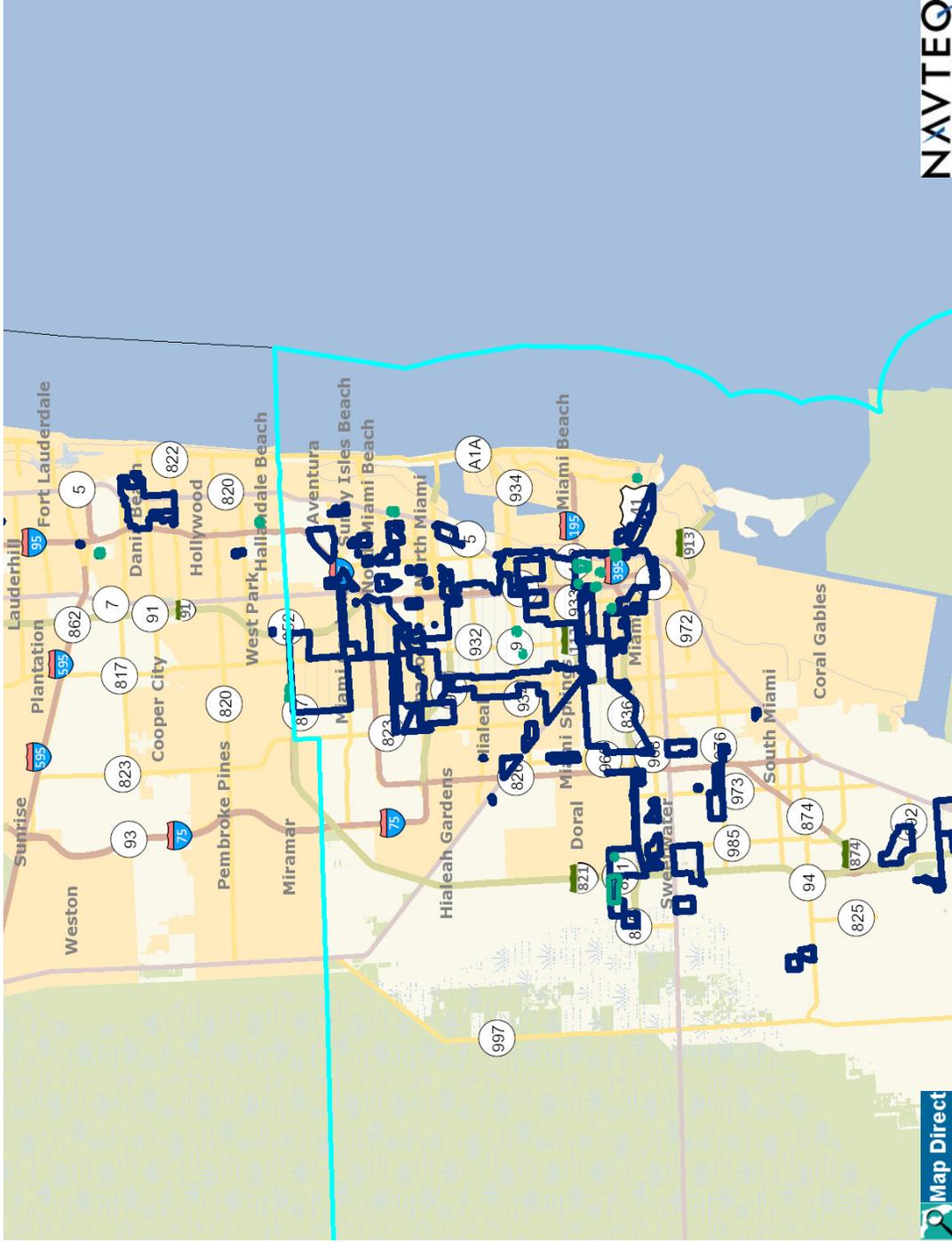
Florida Department of Environmental Protection Disclaimer: This map created in Map Direct on Mon, 4 Mar 2013 15:10:37 UTC is intended for display purposes only. It was created using data from different sources collected at different scales, with different levels of accuracy, and for differing purposes. The user assumes all responsibility for the accuracy of the information displayed on this map. The user should verify the information displayed on this map for a specific purpose, satisfactory quality and non-infringement. YOU SHOULD THEREFORE VERIFY ANY INFORMATION OBTAINED FROM THIS SITE BEFORE ACTING ON IT.



Map Direct: Brownfields

26°08'27.9585", -80°36'0.6570"

26°07'11.5231", -79°49'52.7811"



25°36'30.2758", -80°36'59.1585"

25°35'14.1766", -79°51'4.4944"



Scale 1:413,855

Aerial Imagery 2004-2009

Counties



Aerial Imagery Flight Dates
2004-2009

Brownfield Sites

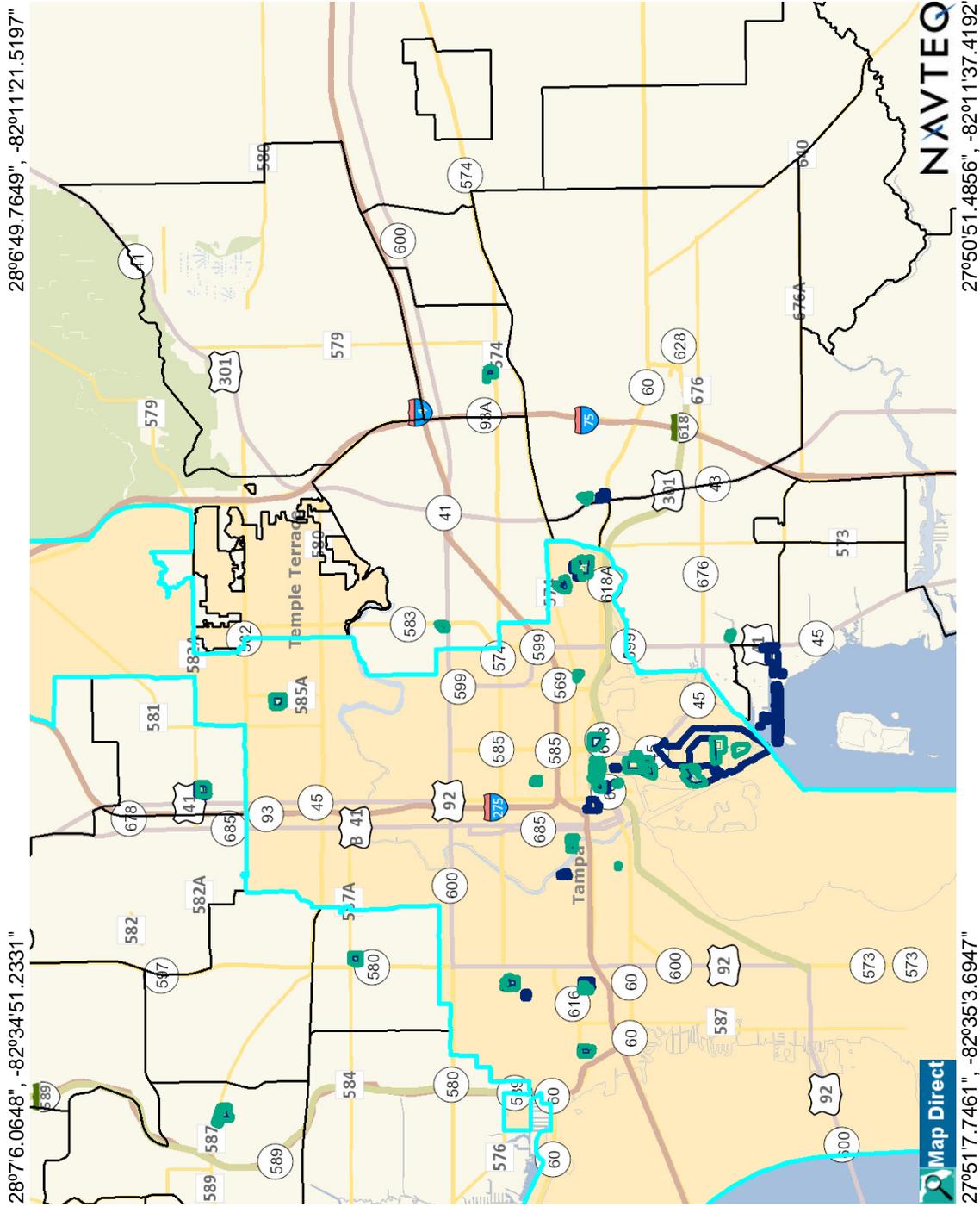


Brownfield Areas



Florida Department of Environmental Protection Disclaimer: This map created in Map Direct on Mon, 4 Mar 2013 14:55:19 UTC is intended for display purposes only. It was created using data from different sources collected at different scales, with different levels of accuracy, or for different purposes. The road data is provided as a general reference only. The accuracy of any data on this map is not guaranteed. The information on this map is provided for informational purposes only. It is not intended for any purpose, satisfactory quality and non-infringement. YOU SHOULD THEREFORE VERIFY ANY INFORMATION OBTAINED FROM THIS SITE BEFORE ACTING ON IT.

Map Direct: Brownfields



28°06'49.7649", -82°01'21.5197"

28°07'6.0648", -82°34'51.2331"

27°51'7.7461", -82°35'3.6947"

27°50'51.4856", -82°01'37.4192"



Scale 1:206,928

Aerial Imagery 2004-2009

TIGER 2010 Places

Counties

Aerial Imagery Flight Dates 2004-2009

Brownfield Sites

Brownfield Areas

Florida Department of Environmental Protection Disclaimer: This map created in Map Direct on Mon, 4 Mar 2013 15:04:04 UTC is intended for display purposes only. It was created using data from different sources collected at different scales, with different levels of accuracy, or for different purposes. The user assumes all responsibility for the accuracy of the information displayed on this map. The user should verify the information obtained from this map for their intended purpose, satisfactory quality and non-infringement. YOU SHOULD THEREFORE VERIFY ANY INFORMATION OBTAINED FROM THIS MAP BEFORE ACTING ON IT.

FLORIDA EMPLOYEES' SALARY INSURANCE PREMIUM TAX CREDIT

Section 624.509(5), F.S.

INCENTIVE:

- This statute provides a credit against the insurance premium tax equal to 15 percent of the amount paid by an insurer in salaries to employees located or based within Florida.

PURPOSE:

- To encourage insurance companies to locate employees in Florida.

QUALIFYING REQUIREMENTS:

- Employees of the insurance company, or employees of an affiliated group of corporations who perform insurance-related activities, must be located or based within Florida to qualify for the credit.

APPROVAL / OVERSIGHT / LIMITATIONS:

- "Salaries" does not include amounts paid as commissions, and "employees" does not include independent contractors or persons required to hold a license under the Florida Insurance Code (including insurance agents), except for adjusters, managing general agents, and service representatives.
- The sum of the salary credit and the credit for Florida corporate income taxes paid cannot exceed 65 percent of the premium tax due after deducting the taxes paid under s. 175.101 and s. 185.08, F.S., (Municipal Firefighters' Pension Fund and Municipal Police Retirement Fund Credits) and any assessments under s. 440.51, F.S.(Workers Compensation Assessments Credits).

SIGNIFICANT HISTORY:

- In 1949, the Legislature provided an insurance premium tax exemption for insurers that maintained their home offices in Florida.
- In 1953 it reduced premium taxes of a foreign insurance company incorporated under the laws of another state or foreign country, if the company owned and substantially occupied any building in the state as a regional home office.

- In 1985, the U.S. Supreme Court ruled in *Metropolitan Life Insurance Company v. Ward* that a domestic preference provision in Alabama's insurance tax law similar to the preference provision in Florida at the time violated the Equal Protection Clause.
- Florida and other states looked for ways to provide tax breaks to their domestic insurance companies that would pass constitutional muster, and in 1987 the Florida Legislature responded by repealing its own domestic preference provision and replacing it with a Florida Employees' Salary Credit.
- Chapter 87- 99, L.O.F, provided a credit against the net insurance premium tax equal to 10 percent of the amount paid by an insurer in salaries to employees located or based within Florida.
- The salary credit was increased to 15 percent by ch. 88-206, L.O.F, which also increased the amount of credit granted for corporate income taxes and Florida employees' salaries.

FISCAL IMPACT:

- In 2011, \$219.8 m in Florida employees' salary credit was taken against the insurance premium tax.

ADDITIONAL INFORMATION:

- Since 2006, the actual salary credits **taken** have ranged from \$202 million in 2006 to \$234.4 million in 2010.
- Total salary credits **available** have ranged from \$312.3 million in 2007 to \$399.1 million in 2008. Some credits are unused because the total amount of combined salary and corporate income tax credits that can be taken is capped at 65 percent of premium tax due after deductions.
- According to research done by NCSL, Arkansas is the only other state that provides an across-the-board salary credit against insurance premium tax. Several states allow premium tax credits for creating new jobs under programs meant to encourage job creation.
- Citizens Insurance is subject to the insurance premium tax laws, including the credit for employees' salaries. This credit is available to any insurance company with employees located in Florida, up to 65 percent of its net premium tax.

FLORIDA ENTERPRISE ZONE PROGRAM

PURPOSE:

- The Florida Enterprise Zone Program was created in 1982 to encourage economic development in economically distressed areas of the state by providing incentives and inducing private investment.

INCENTIVES: The Florida Enterprise Zone Program includes a variety of tax incentives available to qualified businesses.

- **Enterprise Zone Jobs Tax Credit – Sales and Use Tax (s. 212.096, F.S.) or Corporate Income Tax (s. 220.181, F.S.)**
Businesses located in an enterprise zone can receive sales tax or corporate income tax credits for wages paid to new employees who have been employed for at least three months and are residents of a Florida enterprise zone. The amount of the credit is limited to 20% of monthly wages, or 30% of monthly wages if at least 20 percent of all full-time employees are enterprise zone residents. For rural enterprise zones, the credit is limited to 30% of monthly wages, or 45% of monthly wages if at least 20 percent of all full-time employees are enterprise zone residents. The qualified business may receive the credit for up to 24 months.
- **Enterprise Zone Property Tax Credit - Corporate Income Tax (s. 220.182, F.S.)**
New or expanded businesses located in an enterprise zone can receive corporate income tax credits for property taxes paid in Florida. To qualify, a business must hire 5 or more additional full-time employees. The amount of the credit is limited to \$25,000 per business, or \$50,000 if at least 20 percent of full-time employees are enterprise zone residents. The qualified business may receive the credit for up to 5 years.
- **Sales Tax Refund for Building Materials Used in an Enterprise Zone (s. 212.08(5)(g), F.S.)**
A refund is available for sales taxes paid on the purchase of building materials used to rehabilitate real property located in an enterprise zone. The amount of the refund is limited to \$5,000 per parcel of property, or \$10,000 if at least 20 percent of full-time employees are enterprise zone residents. The refund is limited to one per parcel of property.

- **Sales Tax Refund for Business Machinery and Equipment Used in an Enterprise Zone (s. 212.08(5)(h), F.S.)**

A refund is available for sales taxes paid on the purchase of certain business property, (e.g., tangible personal property such as office equipment, warehouse equipment, and some industrial machinery and equipment). The minimum purchase price of equipment is \$5,000 per unit. The amount of the refund is limited to \$5,000, or \$10,000 if at least 20 percent of full-time employees are enterprise zone residents.

- **Sales Tax Exemption for Electrical Energy Used in an Enterprise Zone (s.212.08(15), F.S.)**

Qualified businesses located in an enterprise zone are eligible for a sales tax exemption on their electricity purchases if the municipality in which they are located has enacted an ordinance providing an exemption from municipal utility tax. The sales tax exemption is 50 percent or 100 percent if at least 20 percent of full-time employees are enterprise zone residents. The qualified business may receive the exemption for up to 5 years.

QUALIFYING REQUIREMENTS:

- Sections 290.001-290.016, F.S., authorize the creation of enterprise zones and establish criteria and goals for the program. Prior to submitting an application for an enterprise zone, a local governed body must determine that an area:
 - Has pervasive poverty, unemployment, physical deterioration, and economic disinvestment;
 - Needs rehabilitation or redevelopment for the public health, safety, and welfare of the residents in the county or municipality; and
 - Can be revitalized through the inducement of the private sector.
- An enterprise zone is subject to the following mileage limitations:
 - Up to 20 square miles for a rural enterprise zone or for communities with a population of 150,000 or more.
 - Up to 10 square miles for communities with a population between 50,000 and 150,000.
 - Up to 5 square miles for communities with a population between 20,000 and 50,000.
 - Up to 3 square miles for communities with a population less than 20,000.

APPROVAL / OVERSIGHT / LIMITATIONS:

- The Department of Economic Opportunity is responsible for approving applications for enterprise zones, and also approves changes to the boundaries of an enterprise zone. As part of the application process for an enterprise zone, the county or municipality in which the designation will be located is also responsible for creating an Enterprise Zone Development Agency and an enterprise zone development plan.

SIGNIFICANT HISTORY:

- Created in 1982 and revised several times since.
- There are currently 65 enterprise zones.
- The Florida Enterprise Zone Program is repealed December 31, 2015.

FISCAL IMPACT:**Enterprise zone incentives (\$ claimed)**

Category	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
Jobs Credit - Sales Tax	6,777,250	6,087,843	5,732,605	5,227,245	5,683,252	757,739	865,560
Jobs Credit – Corporate Tax	4,253,621	5,919,236	5,507,311	5,072,555	4,348,031	4,956,598	4,455,624
Property Tax Credits	1,267,999	2,291,961	2,184,036	1,910,708	1,384,668	1,994,562	1,022,199
Building Materials Refunds	7,415,711	18,855,129	25,665,025	30,994,860	54,012,915	13,590,376	2,462,136
Business Equipment Refunds	2,940,864	1,771,396	1,269,955	1,139,066	1,035,562	679,440	1,228,479
Electric Energy Exemption	778,090	793,179	606	1,007,007	1,138,054	972,185	900,476
Total all zones	23,433,535	35,718,744	40,359,538	45,351,441	67,602,482	22,950,900	10,934,474

ADDITIONAL INFORMATION:**OPPAGA Report No. 11-01 (January 2011)**

- Other states' enterprise zone programs are similar to Florida's.
- Research in Florida and other states has found mixed results regarding program effectiveness.
- Low program participation limited progress towards meeting major legislative goals.
- EZ coordinators rated program performance and incentives as moderately effective.
- EZ coordinators suggested program improvements (e.g., reducing incentive thresholds).

The Legislature could consider several options to modify the Enterprise Zone Program:

- Modify program eligibility requirements to encourage participation.
- Target program incentives to encourage job creation.
- Implement a one-year program moratorium.
- Abolish the program.
- Allow the program to sunset on December 31, 2015.

A copy of the OPPAGA report can be found here:

www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1101rpt.pdf

Florida Enterprise Zone Program Annual Reports

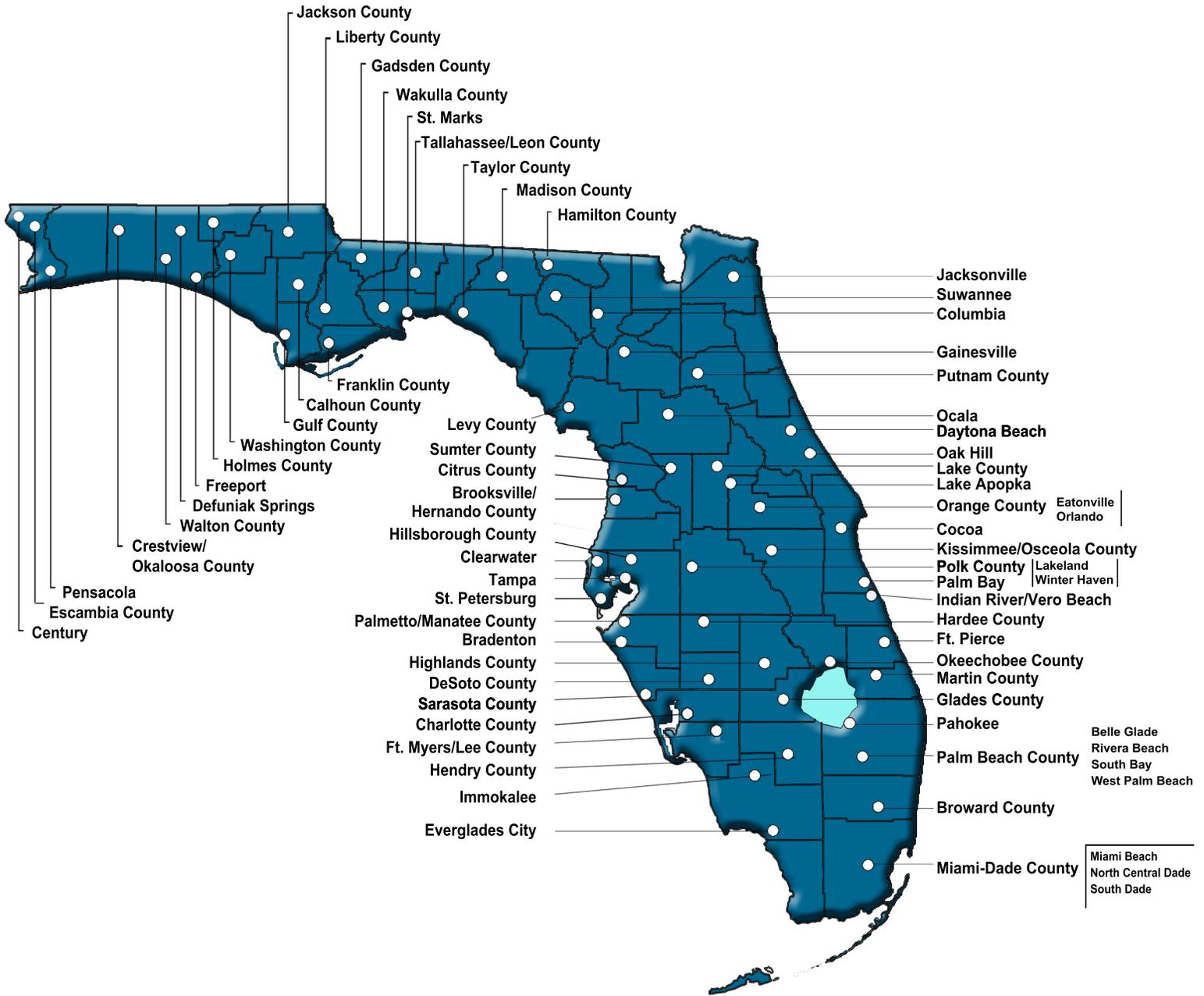
By March 1st of each year, the Department of Economic Opportunity submits a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives. Each year’s annual report is based on information provided by the local Enterprise Zone Development Agencies and the Florida Department of Revenue. The purpose of the reports is to examine the impact of the program and monitor the use of state and local incentives.

Summary: FY 05-06 to FY 11-12

Category	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	Total
Businesses Moved into or Created	3,324	4,976	2,719	3,104	7,559	4,103	4,500	30,285
Jobs Created	12,490	11,456	9,600	9,073	6,784	11,559	11,602	72,564
State Incentives Claimed	\$23.43m	\$35.72m	\$40.36m	\$45.35m	\$67.60m	\$22.95m	\$10.93m	\$246.34m
Number of Zones	55	56	56	56	59	59	63	

FLORIDA ENTERPRISE ZONES

EFFECTIVE JANUARY 1, 2013



Florida Department of Economic Opportunity
 Division of Community Development
 107 East Madison Street; MSC 160
 Tallahassee, Florida 32399
www.floridaenterprisezone.com

ENTERTAINMENT INDUSTRY FINANCIAL INCENTIVE PROGRAM

Sections 288.1254, F.S.

INCENTIVE:

- Transferable Corporate Income Tax credits and/or Sales and Use Tax credits are provided to companies that produce films, commercials, music videos, television shows, video games, etc. within Florida.

PURPOSE:

- To encourage the use of Florida as a site for filming, for the digital production of films, and to sustain the workforce and infrastructure for film, digital media, and entertainment production.

QUALIFYING REQUIREMENTS:

- Productions that qualify include motion pictures, television programs, digital effects and animation sequences, commercials, music videos, industrial/educational films, telenovelas, game shows, and digital media projects (video games, animations, interactive websites, etc.)
- 60 percent of the production cast and certain crew positions must be filled by Florida residents (75 percent for digital media projects).
- The project cannot include obscene content.
- The credit is calculated based upon qualifying expenditures. Qualifying expenditures include:
 - Goods and services, purchased or leased from a supplier in Florida, and
 - Salary or wage payments to Florida residents (\$400,000 per person limit).

Entertainment Industry Financial Incentive Program			
FY 2010/11 – 2015/16	\$296 million		
Queue	General Production	Commercials and Music Videos	Independent and Emerging Media
Credit Allocation	94% \$284 million	3% \$8.9 million	3% \$8.9 million
Required Expenses	\$625,000	\$500,000	\$100,000
Credit Calculation	20% of Expenses	20% of Expenses	20% of Expenses
Bonus Credits	15% Film Students 5% Qual. Prod. Facility 5% Off-season 5% Underutilized region 5% Family-friendly	None	5% family-friendly 5% Off-Season
Maximum Credit	30% \$8 million per project	20% \$500,000 per project	30% \$125,000 per project
Internal Allocation Limit	No greater than 45% of credits awarded after 4/1/2012 can go to high-impact television	None	None
Credit Carryforwards	5 years	5 years	5 years
Credit Transfers	Transferable	Transferable	Transferable

APPROVAL / OVERSIGHT / LIMITATIONS:

- Applicants must apply to DEO to determine if their project qualifies.
- DEO certifies credit amount after production is completed.
- DOR oversees credit use through DOR's normal auditing procedures.
- Anecdotal evidence suggests that credits are sold at 85-98% of their value.

SIGNIFICANT HISTORY:

- 2003 – Florida created the Entertainment Industry Financial Incentive Program. Initially, the program was structured as a reimbursement program, rather than a tax credit program. Qualifying projects could earn payments based on expenses.
- 2005 – The program was expanded to cover more types of projects and to remove time restraints (prior to 2005, certain projects had to have minimum airtimes).
- 2007 – The program was substantially reworded and amended to bring it up to date to industry practices.
- 2009 – The program was amended to increase the queue allocation for independent Florida filmmakers and to allow excess amounts to flow to digital media projects.
- 2010 – The program was substantially rewritten and changed into a tax credit program. Tax credits were allocated for FY 2010-11 through FY 2014-15, totaling \$242 million.
- 2011 – The program was amended to limit the allocation of credits to television series, provide additional credits for certain activities, and permit limited transfers of credits. An additional \$12 million of credit was added for FYs 2012-13, 2013-14, and 2014-15, raising the total credit under the program to \$254 million.
- 2012 – The program was amended to add an additional year of allocations of \$42 million (FY 2015-16), and to delay the television series limitations that were passed in 2011.

FISCAL IMPACT:

FISCAL YEAR	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
ANNUAL	\$53.5m	\$74.5m	\$42m	\$42m	\$42m	\$42m
TOTAL	\$296 million					

TOP 5 CREDIT ALLOCATION CATEGORIES AND PERCENT OF TOTAL CREDIT ALLOCATIONS		
HIGH-IMPACT TELEVISION SERIES	\$118.6m	40.6%
VIDEO GAMES	\$56.8m	19.4%
MOTION PICTURES	\$47.5m	16.3%
TELENOVELA TELEVISION SERIES	\$26.4m	9.0%
OTHER (INCLUDES 13 CATEGORIES, EACH CLAIMING LESS THAN 3.4% OF TOTAL CREDIT)	\$43.0m	14.7%

QUALIFIED PRODUCTION COMPANY SALES TAX EXEMPTION

Sections 288.1258, 212.031(1)(a)9. and 212.08(5)(f), F.S.

INCENTIVES:

- A purchase or lease of motion picture and sound recording equipment is exempt from sales tax. The exemption may include a building and its structural components when they are closely related to the motion picture or sound recording equipment.
- A lease of property that is used as an integral part of a motion picture is exempt from the sales tax on commercial rentals.

PURPOSE:

- To encourage commercial filming and recording activities in Florida

QUALIFYING REQUIREMENTS:

- The exemption is for companies that produce motion pictures, television programs, commercials, music videos and sound recordings.

APPROVAL / OVERSIGHT / LIMITATIONS:

- Production companies apply to DOR for a certificate of exemption.
- DEO ultimately approves the applicants.

SIGNIFICANT HISTORY:

- 1983 – Created sales tax exemption, which would be obtained by a refund through the Department of Revenue.
- 2000 – Restructured the program to create oversight of production companies by the Office of Film and Entertainment.

FISCAL IMPACT:

- \$30.1 million

INTERCOMPANY TRANSACTIONS

1. A Corporation's State Income Tax Liability

a. Tax Rate

Forty-seven states and the District of Columbia impose a corporate income tax. The rates vary between 1 and 12 percent. The states that do not impose a tax are Nevada, South Dakota, Washington, and Wyoming. Texas and Ohio could be said not to have income taxes, but they do have similar tax burdens that are not measured on income.

b. Type of Income

Some states have a unique definition of "income." For instance, Delaware does not impose tax on income from intangible assets.

c. Consolidated Filing / Separate Return Filing

Many modern businesses are not made up of a single corporation doing business one state, but rather consist of many commonly-owned corporations doing business in many states. Some states permit separate filing by each individual corporation. However, as of 2010, twenty-two states required all related corporations to join in a single return (often referred to as a "combined report"). These combined reporting states then determine what their share of the total "corporate family" income is through their apportionment formula.

All southeastern states are "separate return" states. Additionally, some states throughout the Midwest and Northeast remain separate return states.

Separate return states are especially susceptible to the techniques described below.

2. Use of Intercompany Transactions

a. Basics

When a business transaction crosses state lines, it has the potential to "shift" income from one state to the other. For example, if a business in Florida buys a product from a business in Alabama, the Alabama business will have an item of income, while the Florida company will have a business expense (less income).

Some businesses use this “shifting” feature of multi-state transactions to move income to a no-tax or lower-tax state. By creating a subsidiary in a no-tax or lower-tax state and having that subsidiary conduct business with related corporations, a business can “shift” income to the no-tax or lower-tax state.

b. Leases

i. Intangible Holding Companies

Intangible Holding Companies are probably the most well-known method for using intercompany transactions to lower taxes. The basic structure is to create a holding company in a state that either does not have a tax or does not tax income from intangible assets. The main business then transfers its intangible assets (usually a trademark) to the holding company. The holding company then charges its related companies in other states a fee for the use of the intangible asset in the other state. In paying for the use of the intangible, the companies that are located in states that impose taxes (in-state companies) are creating business expenses.

This technique was involved in the recent case reported in Florida.

ii. Real Estate Investment Trusts

Real Estate Investment Trusts use the same type of structure, but rather than lease payments for an intangible asset, the in-state companies pay rent for the use of realty. The rental payments are made to a Real Estate Investment Trust that then pays out dividends to a company located in a no-tax state. By doing this, the in-state companies create a rental expense.

This technique is not effective in Florida due to Florida’s sales tax on commercial rents.

c. Transfer Pricing Issues

Related companies can also be used to reduce income through the use of inflated pricing. When a company calculates its income from the sale of a product, the income generally is the sales price of the item minus all of the costs of producing it.

The purchaser of a product can insert a related company between itself and a supplier in an effort to inflate the price it pays for supplies. For instance, a Florida company purchasing supplies could have the supplier sell the product to a related company in a low-tax or no-tax state. The related company could then inflate the price of the product when selling it to the Florida company. By doing so, the Florida company reduces its income because of the higher cost of goods.

d. Loans

Related companies can be established in no-tax states to make loans. In paying the interest on the loan, the in-state company creates an interest deduction.

e. Management Fees

Related companies can be established to provide management services. In paying for the management services, the in-state company creates a regular business expense.

3. Methods to Impose Tax

a. Add-Back Statute

A legislative approach to address these techniques is to require the Florida company to disregard or “add-back” the business expense for the payment to the related subsidiary.

In 2009, the Senate Committee on Finance and Taxation considered and passed a bill that contained an add-back provision. It addressed payments to related companies for intangible assets, interest, and management fees.

b. Impose Tax on “Out-of-State” Company

i. Nexus

A state could attempt address these related-company issues by attempting to subject the no-tax state subsidiary to tax. The primary obstacle to overcome is the Commerce Clause requirements of the federal Constitution. The U.S. Supreme Court has interpreted the Commerce Clause to require that a company must have a sufficient presence within the taxing state to support taxation. The Court has not provided a lot of guidance on what presence is sufficient in the context of income taxes. Oftentimes, these related companies will not have employees or a location within the state.

ii. Litigation Has Mixed Results

States that have attempted to impose tax have had varying results:

Toys-R-Us.....Taxable. South Carolina (1993)
SYL, Inc.....Not Taxable. Maryland (1999)
Lane Bryant.....Not Taxable. New Jersey (2003)
Autozone.....Not Taxable. Louisiana (2004)
KFC.....Taxable. Iowa (2010)
Conagra Brands, Inc.....Not Taxable. West Virginia (2012)

c. Consolidated Reporting (“Combined Reporting”)

The approach taken by 22 states is to require all related companies to join in a single return. With this approach, all of the income of every related corporation is included; the state just uses its apportionment factor to determine the portion of the combined income that is subject to tax.

SELECTED SALES TAX EXEMPTIONS FOR INDUSTRIAL MACHINERY AND EQUIPMENT

Generally, the sale at retail of tangible personal property, including industrial machinery and equipment, is subject to sales tax. Currently, there are several sales tax exemptions for machinery and equipment available to eligible businesses under specified conditions. These exemptions generally apply to manufacturing, defense and space activities.

PURPOSE:

- To encourage manufacturing, defense, and space activities within Florida.

INCENTIVES:

- Industrial Machinery and Equipment for New and Expanding Businesses or for Spaceports (s. 212.08(5)(b), F.S.)
- Industrial Machinery and Equipment Used in Semiconductor, Defense or Space Technology Production (s. 212.08(5)(j), F.S.)
- Research and Development Costs (ss. 212.052 and 212.08(18), F.S.)
- Repair Parts, Materials and Labor Charges for Industrial Machinery and Equipment (s. 212.08(7)(xx), F.S.)

INDUSTRIAL MACHINERY AND EQUIPMENT FOR NEW AND EXPANDING BUSINESSES OR FOR SPACEPORTS

Section 212.08(5)(b), F.S.

INCENTIVE:

- Industrial machinery and equipment purchased for exclusive use by a **new** business in spaceport activities or for use in a new business that manufactures, processes, compounds, or produces for sales items of tangible personal property at a fixed location in this state are exempt from sales and use tax.
- Industrial machinery and equipment purchased for exclusive use by an **expanding** facility engaged in spaceport activities or used in an expanding manufacturing facility that manufactures, processes, compounds, or produces for sales items of tangible personal property at a fixed location in this state are exempt from sales and use tax if the items are used to increase the productive output of a facility by at least 5%.

PURPOSE:

- To encourage manufacturing and spaceport activities within Florida.

QUALIFYING REQUIREMENTS:

- To qualify, the business must be new or increase production at the facility by at least 5% over the previous 12 month period.
- “Industrial machinery and equipment” is defined as tangible personal property or other property that has a depreciable life of 3 years or more and that is used as an integral part in the **manufacturing, processing, compounding, or production** of tangible personal property for sale or is exclusively used in spaceport activities.
- This exemption does not apply to machinery and equipment purchased by electric utilities, communications companies, oil or gas exploration or production, publishing firms that do not export at least 50% of their finished product out of state, or hotels and restaurants.
- “Spaceport activities” means activities directed or sponsored by Space Florida on spaceport territory.

APPROVAL / OVERSIGHT / LIMITATIONS:

- To receive these exemptions, a qualifying business must apply to the Department of Revenue for a temporary tax exemption permit.

SIGNIFICANT HISTORY:

- Created in 1978 and amended several times since.
- When the exemption was enacted in 1978, it applied to sales tax in excess of \$100,000. This threshold was reduced to \$50,000 in 1996. In 1999, the exemption was extended to included machinery and equipment used for phosphate and other solid mineral severance. In 2006, the \$50,000 tax threshold for expanding manufacturing businesses was eliminated. In 2012, the productive output requirement for expanding businesses was lowered from 10% to 5%.

FISCAL IMPACT:

\$41.7m per state fiscal year

INDUSTRIAL MACHINERY AND EQUIPMENT USED IN SEMICONDUCTOR, DEFENSE OR SPACE TECHNOLOGY PRODUCTION

Section 212.08(5)(j), F.S.

INCENTIVE:

- Industrial machinery and equipment used in **semiconductor** facilities to manufacture, process, compound or produce semiconductor products for sale or for use by these facilities is exempt from sales and use tax.
- Industrial machinery and equipment used in **defense or space technology** facilities to *design*, manufacture, *assemble*, process, compound or produce defense or space technology products for sale or for use by these facilities is exempt from sales and use tax.

PURPOSE:

- To encourage the development of defense and space technology facilities within Florida.

QUALIFYING REQUIREMENTS:

- The facilities must be certified by the Department of Economic Opportunity and the certification is valid for 2 years. A business may renew the certification biennially.

APPROVAL / OVERSIGHT / LIMITATIONS:

- The Department of Economic Opportunity is responsible for processing applications and certifying businesses.

SIGNIFICANT HISTORY:

- Created in 2000 to provide a full exemption for industrial M&E used in semiconductor facilities and a 25% exemption for industrial M&E used in defense or space technology facilities. A business using the exemption was required to apply for certification each year.
- In 2006, the exemption for industrial M&E used in defense or space technology facilities was increased to 100% and the certification was extended to 2 years. The definition of “space technology products” was expanded to include space flight vehicles and components of space technology products. The exemption was also extended to include M&E used to “design” or “assemble” defense or space technology products.

FISCAL IMPACT:

\$4.5m per state fiscal year

RESEARCH AND DEVELOPMENT COSTS

Sections 212.052 and 212.08(18), F.S.

INCENTIVE:

- Tangible personal property manufactured, produced, compounded, processed or fabricated for use directly or solely in research or development, and machinery and equipment used predominately for research and development is exempt from sales and use tax.

PURPOSE:

- To encourage research and development activities within Florida.

QUALIFYING REQUIREMENTS:

- “Machinery and equipment” includes, but is not limited to, molds, dies, machine tooling, other appurtenances or accessories to machinery and equipment, testing and measuring equipment, test beds, computers, and software.
- Must use machinery and equipment for research and development purposes at least 50% of the time, however, there is no requirement that machinery and equipment have a depreciable life of 3 years or more.
- Purchasers must provide an affidavit to seller stating the machinery and equipment will be used for research and development.

APPROVAL / OVERSIGHT / LIMITATIONS:

- The Department of Revenue oversees through its normal auditing procedures.

SIGNIFICANT HISTORY:

- Enacted in 2006.

FISCAL IMPACT:

\$46.8m per state fiscal year

REPAIR PARTS, MATERIALS AND LABOR CHARGES FOR INDUSTRIAL MACHINERY AND EQUIPMENT

Section 212.08(7)(xx), F.S.

INCENTIVE:

- Parts, materials and labor charges for the repair of industrial machinery and equipment are exempt from sales and use tax.

PURPOSE:

- To encourage manufacturing activities within Florida.

QUALIFYING REQUIREMENTS:

- The exemption is available to those industries classified under specified Standard Industrial Classification (SIC) Industry Major Group Numbers provided in statute. These classifications generally include mining, construction, and manufacturing industries.
- Purchasers must provide an exemption certificate to the seller stating that the repair parts, materials and labor charges will be used for the repair of machinery and equipment.

APPROVAL / OVERSIGHT / LIMITATIONS:

- The Department of Revenue oversees through its normal auditing procedures.

SIGNIFICANT HISTORY:

- Enacted in 1999. This exemption was phased in over a 4-year period. Starting July 1, 1999, only 25% of the charges for repair parts and labor were exempt. The exemption increased by 25% on July 1 of each year until it reached 100% on July 1, 2002.

FISCAL IMPACT:

\$10.3m per state fiscal year

ENERGY ECONOMIC ZONE PILOT PROGRAM

Section 377.809, F.S.

PURPOSE:

- The Florida Energy Economic Zone Pilot Program was created in 2009 to help communities cultivate green economic development, encourage renewable electric energy generation, and promote product manufacturing that contributes to energy conservation and green jobs.

INCENTIVES: All incentives and benefits provided for enterprise zones are available to the energy economic zones. However, the total amount of incentives is limited to \$300,000 annually for each zone.

- **Enterprise Zone Jobs Tax Credit – Sales and Use Tax (s. 212.096, F.S.) or Corporate Income Tax (s. 220.181, F.S.)**

Businesses located in an enterprise zone can receive sales tax or corporate income tax credits for wages paid to new employees who have been employed for at least three months and are residents of a Florida enterprise zone. The amount of the credit is limited to 20% of monthly wages, or 30% of monthly wages if at least 20 percent of all full-time employees are enterprise zone residents. For rural enterprise zones, the credit is limited to 30% of monthly wages, or 45% of monthly wages if at least 20 percent of all full-time employees are enterprise zone residents. The qualified business may receive the credit for up to 24 months.

- **Enterprise Zone Property Tax Credit - Corporate Income Tax (s. 220.182, F.S.)**

New or expanded businesses located in an enterprise zone can receive corporate income tax credits for property taxes paid in Florida. To qualify, a business must hire 5 or more additional full-time employees. The amount of the credit is limited to \$25,000 per business, or \$50,000 if at least 20 percent of full-time employees are enterprise zone residents. The qualified business may receive the credit for up to 5 years.

- **Sales Tax Refund for Building Materials Used in an Enterprise Zone (s. 212.08(5)(g), F.S.)**

A refund is available for sales taxes paid on the purchase of building materials used to rehabilitate real property located in an enterprise zone. The amount of the refund is limited to \$5,000 per parcel of property, or \$10,000 if at least 20 percent of full-time employees are enterprise zone residents. The refund is limited to one per parcel of property.

- **Sales Tax Refund for Business Machinery and Equipment Used in an Enterprise Zone (s. 212.08(5)(h), F.S.)**

A refund is available for sales taxes paid on the purchase of certain business property, (e.g., tangible personal property such as office equipment, warehouse equipment, and some industrial machinery and equipment). The minimum purchase price of equipment is \$5,000 per unit. The amount of the refund is limited to \$5,000, or \$10,000 if at least 20 percent of full-time employees are enterprise zone residents.

- **Sales Tax Exemption for Electrical Energy Used in an Enterprise Zone (s.212.08(15), F.S.)**

Qualified businesses located in an enterprise zone are eligible for a sales tax exemption on their electricity purchases if the municipality in which they are located has enacted an ordinance providing an exemption from municipal utility tax. The sales tax exemption is 50 percent or 100 percent if at least 20 percent of full-time employees are enterprise zone residents. The qualified business may receive the exemption for up to 5 years.

- **Sales Tax Exemption for Machinery and Equipment used in the Production of Renewable Energy (s. 212.08(5)(c), F.S.)**

The purchase of machinery and equipment used in the production of renewable energy is exempt from sales and use tax.

QUALIFYING REQUIREMENTS:

- The incentives and benefits are available to energy economic zones designated before July 1, 2010.
- By March 1, 2012, each local governing body with jurisdiction over an energy economic zone, must by local ordinance, establish the boundary of the energy economic zones, specify applicable energy-efficiency standards and determine the eligibility criteria for the application of state and local incentives and benefits.

APPROVAL / OVERSIGHT / LIMITATIONS:

- The Department of Economic Opportunity, Department of Transportation and the Department of Agriculture and Consumer Services provide technical assistance to designated communities.
- The governing body of an energy economic zone is responsible for allocating the incentives and verifying that businesses are eligible.
- The Department of Economic Opportunity must submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by February 15, 2015, evaluating whether the pilot program has demonstrated success.

SIGNIFICANT HISTORY:

- Created in 2009 and revised in 2011 to include tax incentives.
- There are currently two designated Energy Economic Zone Pilot Program Communities located in the City of Miami Beach and Sarasota County.

FISCAL IMPACT:

\$300,000 per energy economic zone in any state fiscal year

INCENTIVES SPECIFIC TO SPACEFLIGHT ACTIVITY

Since the creation of Spaceport Florida in 1989, the state has pursued space-related businesses as part of its economic development policy.

- The Spaceport Florida Authority Act included tax exemptions for rocket fuel as well as orbital space facilities, space propulsion systems, space vehicles, satellites, space stations, and tangible personal property placed or used on any of these devices.
- In 2000, an exemption was created for renting or leasing property used or occupied predominantly for space flight business purposes.
- In 2011, spaceflight business tax credits were created to attract launch, payload, research and development, and other space business to Florida. For a spaceflight business meeting job creation and other criteria, nontransferable corporate income tax credits can be used to offset up to 50 percent of the business's corporate income tax liability and transferable credits may be sold in an amount equal to the business's net operating loss.
 - The credits in this program are limited to tax returns filed on or after October 1, 2015, and no credit may be approved after October 1, 2017.
 - The maximum amount of nontransferable credit that may be approved under this program is \$3 million, and the maximum amount of transferable credit is \$7 million.
- Spaceflight activity is also eligible for many other tax incentives relating to machinery and equipment purchases.

SPACEPORT TAX EXEMPTIONS

Sections 206.42 and 212.08(16), F.S.

INCENTIVE:

- Provides tax exemptions for:
 - Rocket fuel, defined as fuel being produced for and sold and exclusively used for space flight, from sales tax and the tax on aviation fuel;
 - Any orbital space facility, space propulsion system, or space vehicle, satellite, or station of any kind possessing space flight capacity, including the components thereof; and
 - Tangible personal property placed on or used aboard any orbital space facility, space propulsion system, or space vehicle, satellite, or station of any kind, irrespective of whether such tangible personal property is returned to this state for subsequent use, storage, or consumption in any manner.

PURPOSE:

- These exemptions were enacted as part of the Spaceport Florida Authority Act, and the purpose of that act was to:
 - (P)rovide a unified direction for space-related economic growth and educational development, to ensure a stable and dynamic economic climate, to attract and maintain space-related businesses suitable to the state, and to further the coordination and development of Florida's economy.⁵

QUALIFYING REQUIREMENTS:

- In order to qualify for any of these exemptions, a transaction must meet the statutory criteria, as cited above.

APPROVAL / OVERSIGHT / LIMITATIONS:

- The Department of Revenue's normal oversight of tax exemption claims applies to these exemptions.

SIGNIFICANT HISTORY:

- Created in 1989.

⁵ Chapter 89-300, L.O.F., sec. 2.

FISCAL IMPACT:

- The Florida Tax Handbook reports that the exemption for satellites or other space vehicles reduces sales tax revenue by \$70.6 million annually,⁶ but this estimate has not been examined closely in recent years.

⁶2012 Florida Tax Handbook, p. 159.

SALES TAX EXEMPTION FOR SPACEFLIGHT COMMERCIAL LEASES

Section 212.031(1)(a)12., F.S.

INCENTIVE:

- Provides a sales tax exemption for renting or leasing property used or occupied predominantly for space flight business purposes.

PURPOSE:

- Is consistent with other tax preferences provided to the space industry to attract and maintain space-related businesses suitable to the state.

QUALIFYING REQUIREMENTS:

- To qualify for this exemption, property must be used or occupied predominantly for “space flight business” purposes, which means the manufacturing, processing, or assembly of a space facility, space propulsion system, space vehicle, satellite, or station of any kind possessing the capacity for space flight, or components thereof, and also means the following activities supporting spaceflight:
 - Vehicle launch activities,
 - Flight operations,
 - Ground control or ground support, and
 - All administrative activities related thereto.

APPROVAL / OVERSIGHT / LIMITATIONS:

- Possession by a landlord of a signed written statement from the tenant claiming the exemption relieves the landlord from the responsibility of collecting the tax.
- The Department of Revenue looks solely to the tenant for recovery of the tax if it determines that the exemption was not applicable.

SIGNIFICANT HISTORY:

- Created in 2000.

FISCAL IMPACT:

- This exemption is estimated to reduce state revenue by \$600,000 annually.

SPACEFLIGHT BUSINESS TAX CREDITS

Sections 220.194, F.S.

INCENTIVE:

- Provides nontransferable corporate income tax credits for up to 50 percent of the business's corporate income tax liability; and
- Provides transferable tax credits equal to the amount of a certified spaceflight business's Florida net operating loss, if the activity that gave rise to the net operating loss occurred after July 1, 2011.

PURPOSE:

- To create incentives to attract launch, payload, research and development, and other space business to this state.⁷

QUALIFYING REQUIREMENTS:

- The applicant must be a spaceflight business with a physical address in Florida.
- The applicant must have engaged in a qualifying spaceflight project before taking or transferring a credit.
- The applicant must have created 35 new fulltime jobs in this state directly associated with spaceflight projects during its immediately preceding 3 taxable years, and these jobs must pay at least 115 percent of the statewide or countywide average annual private sector wage for the preceding 3 taxable years.
- The applicant must have invested a total of at least \$15 million in this state on a spaceflight project during its immediately preceding 3 taxable years.

APPROVAL / OVERSIGHT / LIMITATIONS:

- The Department of Economic Opportunity must approve all applications for this credit, as well as the transfer of transferable credits.
- A certified spaceflight business may be approved for nontransferable credits only once and for transferable credits only once, and may not be approved for both types of credits in a single year.
- Credits must be based upon tax liabilities directly related to spaceflight projects as verified by an audit or examination by a certified public accountant and verified by DEO.

⁷ Section 220.194, F.S.

- Previously claimed tax credits may be forfeited if DOR determines that the taxpayer was not entitled to the credits.
- DEO may revoke or modify a certificate granting eligibility for tax credits if it finds that the certified spaceflight business made a false statement or representation on its application or other document filed in an attempt to receive these tax credits.
- This program is limited to returns filed for any tax period beginning October 1, 2015, and no credit may be approved after October 1, 2017.
- The maximum nontransferable credit amount available to any one business in a single year is \$1 million, and the total amount of nontransferable credits that may be approved during the life of the program is \$3 million.
- The maximum transferable credit amount available to any one business in a single year is \$2.5 million, and the total amount of transferable credits that may be approved during the life of the program is \$7 million.

SIGNIFICANT HISTORY:

- Created in 2011.⁸

FISCAL IMPACT:

- \$10 million in FY 2015-16 through 2017-18.

⁸ Chapter 2011-76, L.O.F.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Appropriations Subcommittee on Criminal and Civil Justice
Appropriations Subcommittee on Finance and Tax
Banking and Insurance
Children, Families, and Elder Affairs
Ethics and Elections
Rules
Transportation

JOINT COMMITTEE:

Joint Committee on Administrative Procedures

SENATOR MIGUEL DIAZ de la PORTILLA
40th District

March 25, 2013

The Honorable Don Gaetz
President of the Florida Senate
409 The Capitol
404 South Monroe Street
Tallahassee, FL 32399-1100

By Delivery

Dear President Gaetz:

I respectfully request that I be excused from Legislative business on Wednesday, March 27, 2013, including Session and Committee Meetings. I have a previously-scheduled hearing for my law firm that requires my presence in Miami on that date.

Your consideration is greatly appreciated.

Sincerely,

Miguel Diaz de la Portilla
State Senator, District 40

REPLY TO:

- 2100 Coral Way, Suite 505, Miami, Florida 33145 (305) 643-7200
- 612 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (904) 487-5040

Senate's Website: www.flsenate.gov

DON GAETZ
President of the Senate

GARRETT RICHTER
President Pro Tempore

RECEIVED
THE FLORIDA SENATE
OFFICE OF THE SECRETARY
2013 MAR 26 A 9:13



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

SENATOR ANDY GARDINER
13th District

COMMITTEES:
Appropriations Subcommittee on Transportation,
Tourism, and Economic Development, *Chair*
Appropriations
Appropriations Subcommittee on Finance and Tax
Environmental Preservation and Conservation
Ethics and Elections
Gaming
Judiciary
Military Affairs, Space, and Domestic Security
Rules

JOINT COMMITTEE:
Joint Legislative Budget Commission

March 27, 2013

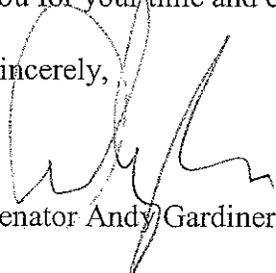
The Honorable Dorothy Hukill, Chair
Appropriations Subcommittee on Finance and Tax
201 The Capitol
404 South Monroe Street
Tallahassee, FL 32399

Dear Chair Hukill:

I am writing to respectfully request that I be excused from the Appropriations Subcommittee on Finance and Tax meeting scheduled for Wednesday, March 27. I have a prior commitment and will not be able to attend.

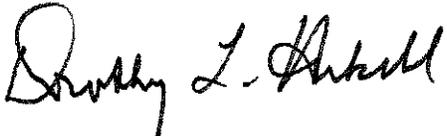
If you have any questions regarding this request, please do not hesitate to call my office. Thank you for your time and consideration of this matter.

Sincerely,


Senator Andy Gardiner

AG:gh

Cc: Jose Diez-Arguelles, Staff Director
Cheryl Dewees, Administrative Assistant



REPLY TO:

- 1013 East Michigan Street, Orlando, Florida 32806 (407) 428-5800
- 420 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5013

Senate's Website: www.flsenate.gov

DON GAETZ
President of the Senate

GARRETT RICHTER
President Pro Tempore

CourtSmart Tag Report

Room: LL 37

Case:

Type:

Caption: Senate Appropriations Subcommittee on Finance and Tax

Judge:

Started: 3/27/2013 1:05:09 PM

Ends: 3/27/2013 3:10:13 PM

Length: 02:05:05

1:05:10 PM Sen. Hukill calls the meeting to order
1:05:35 PM Roll call
1:05:56 PM Sen. Hukill
1:06:49 PM Sen. Stargel Presents CS/SB 404
1:07:06 PM Sen. Hukill
1:07:20 PM Howard Adams, Attorney, Real Property Probate & Trust Law Section, FL Bar Association, waives in support
1:07:33 PM Brian Pitts, Trustee, Justice-2-Jesus, waives in support
1:07:40 PM Trey Price, Public Policy Representative, Florida Realtors, waives in support
1:07:44 PM Sen. Hukill
1:07:55 PM Sen. Stargel waives close
1:07:57 PM Sen. Hukill
1:08:05 PM Roll call on CS/SB 404
1:08:27 PM Sen. Hukill - CS/SB 404 is recommended favorably
1:09:17 PM Sen. Simpson - Presents CS/SB 560
1:09:23 PM Sen. Hukill - strike-all Amendment 739124 by Sen. Ring
1:09:27 PM Sen. Simpson- Presents strike-all Amendment 739124
1:10:03 PM Sen. Hukill
1:10:31 PM Keyna. Cory, Natioanl Solid Wastes Management Assn.- FL Chapter
1:11:28 PM Sen. Hukill
1:11:39 PM Carl Zalak, Marion County Commissioner, Marion County Board of County Commissioners
1:13:26 PM Sen. Hukill
1:13:35 PM Brian Pitts, Trustee, Justice-2-Jesus
1:15:09 PM Sen. Hukill - Amendment 739124 adopted
1:15:52 PM Sen. Simpson waives close
1:15:54 PM Sen. Hukill - Sen. Clemens recommends Committee Substitute for CS/SB 560
1:16:13 PM Roll call on CS/CS/SB 560
1:16:32 PM Sen. Hukill - CS/SB 560 recommended favorably as a committee substitute
1:16:48 PM Sen. Thrasher - Presents CS/SB 864
1:18:25 PM Sen. Hukill
1:18:34 PM Sen. Sachs
1:18:49 PM Sen. Thrasher
1:18:51 PM Sen. Sachs
1:19:01 PM Sen. Thrasher
1:19:07 PM Sen. Sachs
1:19:10 PM Sen. Hukill
1:19:11 PM Sen. Clemens
1:19:14 PM Sen. Hukill
1:19:16 PM Sen. Thrasher
1:19:26 PM Sen. Hukill
1:19:31 PM Sen. Brandes
1:19:37 PM Sen. Thrasher
1:19:48 PM Sen. Hukill
1:19:59 PM Jose' L. Gonzalez, Director, State Affairs, Anheuser-Busch, waives in support
1:20:07 PM Brian Pitts, Trustee, Justice-2-Jesus
1:21:53 PM Sen. Hukill
1:22:07 PM Sen. Thrasher waives close
1:22:09 PM Sen. Hukill
1:22:19 PM Roll call on CS/SB 864
1:22:37 PM Sen. Hukill - CS/SB 864 recomended favorably
1:22:57 PM Sen. Simpson - Presents CS/SB 928
1:23:50 PM Sen. Hukill - Amendment 367800 by Sen. Ring

1:24:07 PM Sen. Simpson - Presents Amendment 367800
1:24:16 PM Sen. Hukill
1:24:45 PM Barbara Inman, Executive Director, Habitat for Humanity of FL
1:25:36 PM Sen. Hukill - Amendment 367800 adopted
1:26:16 PM Mr. Pitts waives in support
1:26:23 PM Eric Poole, Asst. Legislative Director, FL Association of Counties, waives in support
1:26:26 PM Trey Price waives in support
1:26:32 PM Brecht Heuchan, Government Affairs, Richman Group, waives in support
1:26:37 PM Sen. Hukill
1:26:51 PM Sen. Simpson waives close
1:26:55 PM Sen. Hukill - Sen. Altman moves to recommend CS/SB 928 favorably as a committee substitute
1:27:07 PM Roll Call on CS/SB 928 as a committee substitute
1:27:25 PM Sen. Hukill - CS/SB 928 recommend favorably as a committee substitute
1:27:35 PM Sen. Evers
1:27:46 PM Sen. Hukill
1:27:59 PM Sen. Sachs
1:28:15 PM Sen. Hukill
1:29:01 PM Jose Diez-Arguelles, Sstaff Director, Approp. Subcom. on Finance and Tax
1:29:17 PM Sen. Hukill
1:29:30 PM Randy Miller, Ex. Vice Pres, Florida Retail Federation, Presentation on Combined Reporting
1:36:26 PM Sen. Hukill
1:36:31 PM Sen. Margolis
1:37:00 PM Sen. Hukill
1:37:02 PM Mr. Miller
1:37:27 PM Sen. Hukill
1:37:28 PM Sen. Margolis
1:37:38 PM Sen. Hukill
1:37:40 PM Mr. Miller
1:37:57 PM Sen. Hukill
1:38:02 PM Sen. Margolis
1:38:10 PM Sen. Hukill
1:38:12 PM Sen. Ring
1:39:03 PM Sen. Hukill
1:39:12 PM Sen. Sachs
1:39:18 PM Sen. Hukill
1:39:23 PM Mr. Miller
1:39:29 PM Sen. Hukill
1:39:31 PM Mr. Miller
1:39:33 PM Sen. Hukill
1:39:39 PM Sen. Ring
1:39:43 PM Sen. Hukill
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1:40:19 PM Sen. Clemens
1:40:30 PM Sen. Hukill
1:40:31 PM Mr. Miller
1:40:38 PM Sen. Hukill
1:40:48 PM Mr. Miller
1:40:50 PM Sen. Hukill
1:40:59 PM Frank Meiners, Associated Industries of Florida - Intercompany Transactions Issue
1:46:08 PM Sen. Hukill
1:46:15 PM Sen. Clemens
1:46:18 PM Sen. Hukill
1:46:20 PM Mr. Meiners
1:46:31 PM Sen. Clemens
1:46:33 PM Sen. Hukill
1:46:41 PM Mr. Meiners
1:46:59 PM Sen. Hukill
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1:47:22 PM Sen. Altman
1:48:39 PM Sen. Hukill
1:48:42 PM Mr. Meiners
1:49:13 PM Sen. Hukill
1:49:15 PM Sen. Altman
1:50:24 PM Sen. Hukill
1:50:27 PM Sen. Clemens
1:51:20 PM Sen. Hukill
1:52:11 PM Karen Woodall, Ex. Director, Florida Center for Fiscal & Economic Policy, Combined Reporting Issue
1:59:36 PM Sen. Hukill
1:59:38 PM Sen. Margolis
2:00:41 PM Sen. Hukill
2:00:46 PM Sen. Altman
2:01:46 PM Sen. Hukill
2:01:47 PM Ms. Woodall
2:02:48 PM Sen. Hukill
2:02:52 PM Sen. Altman
2:03:01 PM Sen. Hukill
2:03:02 PM Ms. Woodall
2:03:48 PM Sen. Altman
2:03:49 PM Sen. Hukill
2:04:05 PM Vicki Weber, Attorney with Hopping Green & Sams, FL Chamber of Commerce - Intercompany
Transactions Issue
2:12:52 PM Sen. Hukill
2:13:02 PM Sen. Simmons
2:14:30 PM Sen. Hukill
2:14:32 PM Ms. Weber
2:14:58 PM Sen. Hukill
2:14:59 PM Sen. Simmons
2:15:08 PM Sen. Hukill
2:15:10 PM Ms. Weber
2:15:31 PM Sen. Hukill
2:15:32 PM Sen. Simmons
2:15:35 PM Sen. Hukill
2:15:39 PM Sen. Altman
2:16:59 PM Sen. Hukill
2:17:00 PM Ms. Weber
2:17:26 PM Sen. Hukill
2:18:44 PM Marshall Stranburg, Interim Ex. Dir., FL Dept. of Revenue, Cost of administration
2:22:56 PM Sen. Hukill
2:23:00 PM Sen. Sachs
2:24:27 PM Sen. Hukill
2:24:29 PM Mr. Stranburg
2:24:50 PM Sen. Hukill
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2:28:49 PM Sen. Margolis
2:29:52 PM Sen. Hukill
2:29:54 PM Sen. Margolis
2:30:35 PM Sen. Hukill
2:30:38 PM Mr. Stranburg
2:30:45 PM Sen. Hukill
2:31:01 PM Bill Wilson, Dir. Dept. of Economic Opportunity Leg. Affairs - Costs to Administer Tax Credits
2:31:42 PM Sen. Hukill
2:31:44 PM Michelle Dennard, Director, Strategic Business Development, Dept. of Economic Opportunity
2:34:46 PM Sen. Hukill
2:34:48 PM Burt C. Von Hoff, Bureau Coordinator, Dept. of Economic Opportunity - New Markets Program
2:37:09 PM Sen. Hukill
2:37:10 PM Sen. Sachs
2:37:20 PM Mr. Von Hoff
2:37:24 PM Sen. Sachs
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2:49:31 PM Sen. Hukill
2:49:51 PM Sen. Simmons
2:49:58 PM Sen. Hukill
2:50:07 PM Sen. Simmons
2:57:34 PM Sen. Hukill
2:57:48 PM Sen. Altman
3:00:02 PM Sen. Hukill
3:00:07 PM Sen. Margolis

3:03:51 PM Sen. Hukill
3:03:59 PM Sen. Abruzzo
3:06:52 PM Sen. Hukill
3:06:57 PM Sen. Sachs
3:08:03 PM Sen. Hukill
3:08:09 PM Sen. Evers
3:09:16 PM Sen. Hukill
3:10:09 PM Meeting adjourned

THE FLORIDA SENATE
APPEARANCE RECORD

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

3/27/2013

Meeting Date

Topic LIENS

Bill Number SB 404
(if applicable)

Name HOWARD E. "GENE" ADAMS

Amendment Barcode _____
(if applicable)

Job Title ATTORNEY

Address 215 N MONROE ST., 2ND FLOOR

Phone 850-222-3533

Street

TALLAHASSEE

FLA.

City

State

Zip

E-mail GENE@PERMENOCONLAW.COM

Speaking: For Against Information

Representing REAL PROPERTY PROBATE + TRUST LAW SECTION, FLA. BAR

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
APPEARANCE RECORD

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

3/27/2013

Meeting Date

Topic _____ Bill Number 404
(if applicable)

Name BRIAN PITTS Amendment Barcode _____
(if applicable)

Job Title TRUSTEE

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

SAINT PETERSBURG FLORIDA 33705
City State Zip

E-mail JUSTICE2JESUS@YAHOO.COM

Speaking: For Against Information

Representing JUSTICE-2-JESUS

Appearing at request of Chair: Yes No Lobbyist registered with Legislature: Yes No

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

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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)

3/27/13

Meeting Date

Topic Real Property Laws

Bill Number 404
(if applicable)

Name Trey Price

Amendment Barcode _____
(if applicable)

Job Title Public Policy Rep.

Address 200 S. Monroe St.

Phone (850) 227-1400

Tallahassee FL 32301
City State Zip

E-mail TreyP@floridarealtors.org

Speaking: For Against Information

Representing Florida Realtors

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)

3/27/13

Meeting Date

Topic NATURAL GAS MOTOR FUEL

Bill Number SB 560

(if applicable)

Name KEYNA CORY

Amendment Barcode

(if applicable)

Job Title

Address 110 E. COLLEGE AVE

Phone 850 681-1065

Street

TAMAHASSEE FL 32301

City

State

Zip

E-mail keynacory@paconsultants.com

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

Representing NATIONAL SOLID WASTES MANAGEMENT ASSN. - FL CHAPTER

Appearing at request of Chair: [] Yes [X] 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.

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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)

3/27/13

Meeting Date

Topic Relating to Natural Gas Motor Fuel

Bill Number SB 560
(if applicable)

Name Carl Zalak

Amendment Barcode _____
(if applicable)

Job Title Marion County Commissioner

Address 601 SE 25th Avenue

Phone 352-438-2323

Street

Ocala FL 34471

E-mail Carl.Zalak@MarionCountyfl.org

City

State

Zip

Speaking: For Against Information

Representing Marion County Board of County Commissioners

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)

3/27/2013

Meeting Date

Topic _____ Bill Number 560
(if applicable)

Name BRIAN PITTS Amendment Barcode _____
(if applicable)

Job Title TRUSTEE

Address 1119 NEWTON AVNUE SOUTH Phone 727-897-9291

Street
SAINT PETERSBURG FLORIDA 33705
City *State* *Zip*

E-mail JUSTICE2JESUS@YAHOO.COM

Speaking: For Against Information

Representing JUSTICE-2-JESUS

Appearing at request of Chair: Yes No Lobbyist registered with Legislature: Yes No

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

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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)

3/27/2012
Meeting Date

Topic _____

Bill Number SB 864
(if applicable)

Name JOSE L. GONZALEZ

Amendment Barcode _____
(if applicable)

Job Title DIRECTOR, STATE AFFAIRS

Address 907 LASSWADE DRIVE
Street
TALLAHASSEE, FL 32312
City State Zip

Phone 850-294-4057

E-mail JOSE.GONZALEZ@
ANHEUSER-BUSCH.COM

Speaking: For Against Information

Representing ANHEUSER-BUSCH

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
APPEARANCE RECORD

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



3/27/2013

Meeting Date

Topic _____

Bill Number 864
(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
APPEARANCE RECORD

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

3-27-13

Meeting Date

Topic Community Contribution Tax Credit

Bill Number 928
(if applicable)

Name Barbara Inman

Amendment Barcode 3167800
(if applicable)

Job Title Exec Director

Address 13355 49th St. N.

Phone 727 536 4755

Street

Clearwater FL 33762

City

State

Zip

E-mail CEO@habitatpinellas.org

Speaking: For Against Information

Representing Habitat for Humanity

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
APPEARANCE RECORD

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

3/27/2013

Meeting Date

Topic _____

Bill Number 928
(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
APPEARANCE RECORD

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

3/27/13
Meeting Date

Topic Community Dev

Bill Number 928
(if applicable)

Name ERIC POOLE

Amendment Barcode _____
(if applicable)

Job Title Asst Leg. Director

Address 100 Monroe
Street

Phone 9774300

Toll FL 32311
City State Zip

E-mail _____

Speaking: For Against Information

Representing Florida Assoc. 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.

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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)

3/27/13

Meeting Date

Topic Community Development

Bill Number 928
(if applicable)

Name Trey Price

Amendment Barcode _____
(if applicable)

Job Title Public Policy Representative

Address 200 S. Monroe St.

Phone (850) 224-1400

Street

Tallahassee

FL

32301

City

State

Zip

E-mail Trey@floridarealtors.org

Speaking: For Against Information

Representing Florida Realtors

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

APPEARANCE RECORD

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

3/27

Meeting Date

Topic Community Affairs

Bill Number 928
(if applicable)

Name BRECHT HEUCHAN

Amendment Barcode _____
(if applicable)

Job Title Gov't Affairs

Address PO Box 10549

Phone 850.702.0143

Street Tallahassee FL 32302
City *State* *Zip*

E-mail _____

Speaking: For Against Information

Representing RICHMAN GROUP

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)

3/27/13

Meeting Date

Topic COMBINED REPORTING

Bill Number _____
(if applicable)

Name RANDY MILLER

Amendment Barcode _____
(if applicable)

Job Title EX. VICE PRESIDENT

Address 227 S. ADAMS ST

Phone 850-222-4082

Street

TALLAHASSEE, FL 32312

City

State

Zip

E-mail RMILLER@FRF.ORG

Speaking: For Against Information

Representing FLORIDA RETAIL FEDERATION

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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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)

3/27/13
Meeting Date

Topic Intercompany transactions

Bill Number NA
(if applicable)

Name Frank Meinert

Amendment Barcode _____
(if applicable)

Job Title _____

Address PO Box 1632
Street

Phone 850 591-0177

JAL FL 32302
City State Zip

E-mail frank@chqmail.com

Speaking: For Against Information

Representing AIF

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)

3/27/13
Meeting Date

Topic Corporate Tax Intercorporate Transactions Bill Number _____
(if applicable)

Name Karen Woodall Amendment Barcode _____
(if applicable)

Job Title Executive Director

Address 579 E. Coll Phone 850-321-9386

Tallahassee FL 32301
City State Zip

E-mail _____

Speaking: For Against Information

Representing Florida Center for Fiscal & Economic Policy

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)

3/2713

Meeting Date

Topic Intercompany Transactions

Bill Number _____
(if applicable)

Name Vicki Weber

Amendment Barcode _____
(if applicable)

Job Title Attorney with Hopping Green & Sams

Address 119 South Monroe Street Suite 300

Phone 850-222-7500

Street

Tallahassee

Florida

32301

City

State

Zip

E-mail vweber@hgslaw.com

Speaking: For Against Information

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.

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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)

3/27/2013

Meeting Date

Topic REVIEW OF ECONOMIC DEVELOPMENT TAX INVESTIVES Bill Number _____
(if applicable)

Name MARSHALL STRANBURG Amendment Barcode _____
(if applicable)

Job Title INTERIM EXECUTIVE DIRECTOR

Address P.O. BOX 5906 Phone (850) 617-8950

Street

TALLAHASSEE FL 32314-5906
City State Zip

E-mail STRANBURG@DOR.STATE.FL.US

Speaking: For Against Information

Representing FLORIDA DEPARTMENT OF REVENUE

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)

3/27/13
Meeting Date

Topic ADMINISTRATIVE COST OVERVIEW Bill Number _____ (if applicable)
Name BILL WILSON Amendment Barcode _____ (if applicable)
Job Title DIRECTOR, DEO LEGISLATIVE AFFAIRS
Address CALDWELL ~~BLVD~~ BUILDING Phone _____
Street
City TALLAHASSEE State FL Zip 32399 E-mail _____

Speaking: For Against Information

Representing DEO

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)