

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

COMMUNITY AFFAIRS
Senator Simpson, Chair
Senator Thompson, Vice Chair

MEETING DATE: Wednesday, January 8, 2014
TIME: 4:00 —6:00 p.m.
PLACE: 301 Senate Office Building

MEMBERS: Senator Simpson, Chair; Senator Thompson, Vice Chair; Senators Bradley, Hukill, Latvala, Smith, Soto, Stargel, and Thrasher

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	SB 286 Richter (Similar H 147)	Concrete Masonry Education; Creating the "Concrete Masonry Education Act"; creating the Florida Concrete Masonry Education Council, Inc.; authorizing the council to accept grants, donations, contributions, and gifts under certain circumstances; providing for collection of a voluntary assessment on concrete masonry units; requiring manufacturers who elect to pay the assessment to commit to paying the assessment for a specified period, etc. CA 01/08/2014 Favorable RI GO	Favorable Yeas 9 Nays 0
2	SB 312 Simpson (Identical H 207, Compare H 121)	Agriculture; Providing that participation in a water retention program may be considered a nonincome-producing use under certain circumstances; providing that certain items in agricultural use, certain nets, gas or electricity used for agricultural purposes, and growth enhancers or performance enhancers used by a qualified agricultural producer for cattle are exempt from the sales and use tax imposed under ch. 212, F.S.; requiring a qualified agricultural producer to apply for an agricultural sales and use tax exemption certificate from the Department of Revenue, etc. AG 12/09/2013 Favorable CA 01/08/2014 Fav/CS AFT AP	Fav/CS Yeas 9 Nays 0
3	Presentation by the Florida Housing Finance Corporation.		Discussed

Other Related Meeting Documents.

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Community Affairs

BILL: SB 286

INTRODUCER: Senator Richter and others

SUBJECT: Concrete Masonry Education

DATE: January 8, 2014

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	White	Yeatman	CA	Favorable
2.			RI	
3.			GO	

I. Summary:

SB 286 creates the “Concrete Masonry Education Act.” The bill creates the Florida Concrete Masonry Council, Inc., (council) as a nonprofit corporation operating as a direct-support organization of the Florida Department of Education. Administrative powers and duties of the council include the power to plan, implement, and conduct educational programs related to the field of concrete masonry, particularly for individuals seeking employment. The bill provides for the appointment of the 15 members of the governing board.

This bill allows the council to accept grants, donations, contributions, gifts, and to collect self-imposed, voluntary assessments on concrete masonry units¹ produced and sold by concrete masonry manufacturers in the state. Manufacturers may choose to remit assessments, which are to be paid quarterly for not less than one year.

II. Present Situation:

Concrete Masonry Education Programs

Educational programs to train individuals in the field of concrete masonry are currently offered by school districts, colleges and apprenticeship programs throughout Florida. The Florida Department of Education develops Career and Technical Education programs in ‘Concrete Masonry’ as well as ‘Brick and Block Masonry.’ These programs are provided through a “network of service providers, which include District Technical Centers, Adult Education Providers and Florida colleges.”² Career and Technical Education programs are reviewed on a three-year cycle by programmatic review committees,³ with industry members comprising 50

¹ Made of cement and suitable aggregates, a concrete masonry unit is a building unit or block larger in size than 12 inches by 4 inches by 4 inches. Section 2102, Building, Florida Building Code (2010).

² Florida Department of Education, Career and Adult Education, available at <http://www.fldoe.org/workforce/> (last visited December 9, 2013).

³ Section 1004.92(2)(b)4, F.S.

percent of the review committees in the case of masonry programs.⁴ The 2012 review of the Concrete Masonry program recommended deletion of the program due to low enrollment.⁵ The program will be removed from inventory in the 2014-2015 school year.⁶

The Florida Masonry Apprentice and Educational Foundation, Inc., was created in 2002 as a non-profit educational foundation associated with the Masonry Association of Florida and the Florida Concrete & Products Association. The foundation coordinates and provides apprenticeship education of the masonry trade. Voluntary contributions are the sole financial support of the Florida Masonry Apprentice & Educational Foundation.⁷

Check-off Programs

Commodity check-off programs are cooperative efforts by groups of suppliers intended to enhance their individual and collective profitability. The term “check-off” refers to the collection of a fee and comes from the concept of checking off the appropriate box on a form to authorize a contribution for a specific purpose. These assessments are pooled together to finance programs to enhance producer welfare. As demonstrated in agriculture, lumber, and other industries, check-off programs provide a mechanism by which every producer supports research, education, and promotion efforts intended to expand markets.

Examples of State Industry Marketing Structures

Citrus Industry

The Florida Department of Citrus (department) has regulatory responsibility for all aspects of the citrus industry. The department is funded by the “box tax” and the equalizing excise tax. The box tax is an excise tax levied on each standard field box of fruit grown and placed into the primary channel of trade in Florida. The equalizing excise tax is assessed on processed citrus products imported into the state at a rate equal to the box tax. The majority of the proceeds of these taxes must be used by the department to advertise Florida citrus products.⁸

Florida Beef Council

The Florida Beef Council is a wholly-owned corporation of the Florida Cattlemen’s Association. Created by the Beef Market Development Act, the Council functions as the promotional and educational arm of the beef industry in the state of Florida.⁹

Council activities are funded by beef producers through a federally mandated check-off program, paying one dollar per head on all cattle sold in the state. Half of those funds collected in Florida are designated for national promotion, research, consumer information, and industry information programs. The other half is used in Florida to disseminate nutritional and product information to

⁴ Department of Education, *Senate Bill 286 Agency Legislative Bill Analysis* (Oct. 23, 2013).

⁵ In the 2012-2013 school year, the concrete masonry program was offered in three school districts with only 24 students statewide. Conversation with Florida Department of Education representative (Dec. 11, 2013).

⁶ *Id.*

⁷ Fourteen apprentice programs throughout the state have approximately 300 enrollees. Florida Masonry Apprentice & Educational Foundation, About Us, available at <http://www.masonryeducation.org/about.html> (last visited December 9, 2013).

⁸ Section 601.15, F.S.

⁹ Section 570.9135, F.S.

the media, food service and retail industries, school educators, health professionals, consumers, and producers.¹⁰

The Florida Beef Council's activities are governed by a board of directors comprised of representatives from all segments of the beef industry.¹¹

Florida Building Commission

The Florida Building Commission is established in ch. 553, F.S., within the Department of Business and Professional Regulation (DBPR) and consists of 25 members that are appointed by the Governor and confirmed by the Senate.¹² The Commission is responsible for adopting and enforcing the Florida Building Code as a single, unified state building code used to provide effective and reasonable protection for the public safety, health and welfare.¹³ The Florida Building Code is required to be updated every three years by the Florida Building Commission.¹⁴ Pursuant to s. 553.73, F.S., the Commission is authorized to adopt internal administrative rules, impose fees for binding code interpretations, and use the rule adoption procedures listed under ch. 120, F.S., to approve amendments to the building code.¹⁵

III. Effect of Proposed Changes:

Section 1 provides for an unspecified section of Florida Statutes as follows:

This section may be cited as the "Concrete Masonry Education Act."

Florida Concrete Masonry Education Council, Inc.

The bill establishes the Florida Concrete Masonry Education Council, Inc., (council) as a nonprofit corporation organized under the laws of this state and operating as a direct-support organization of the Florida Department of Education.

The council shall:

- Plan, implement, and conduct programs of education for the purpose of training individuals in the field of concrete masonry.
- Develop and improve educational access to individuals seeking employment in the field of concrete masonry.
- Develop and implement outreach programs to ensure diversity among those trained in the field of concrete masonry.
- Coordinate educational programs with other state or national programs.
- Inform and educate the public concerning the sustainability and economic benefits of concrete masonry products in order to increase employment opportunities in the field of concrete masonry.

¹⁰ Florida Cattlemen's Association, Beef Council, available at <http://www.floridacattlemen.org/fbc.html> (last visited December 9, 2013).

¹¹ *Id.*

¹² See s. 553.74(1)(a)-(w), F.S.

¹³ Sections 553.73 and 553.74, F.S.

¹⁴ Section 553.73(7)(a), F.S. See also Florida Department of Business & Professional Regulation, Florida Building Commission, http://www.floridabuilding.org/fbc/information/building_commission.htm (last visited December 9, 2013).

¹⁵ See ss. 553.76, 553.775, and 553.73(7), F.S., respectively.

- Develop, implement, and monitor a system for collection of a self-imposed voluntary assessment on each concrete masonry unit produced and sold by concrete masonry manufacturers in this state.
- Do all other acts necessary or expedient for the administration of the affairs and achievement of the purposes of the council.

The council may:

- Upon request, provide governmental bodies with information relating to the concrete masonry industry.
- Sue and be sued as a council.
- Maintain a financial reserve for emergency use.
- Employ subordinate officers and employees.
- Cooperate with other organizations and agencies engaged in activities related to concrete masonry education.
- Meet with concrete masonry manufacturers in this state to coordinate collection of the self-imposed voluntary assessments on concrete masonry units.

The council may not:

- Participate in a political campaign, or state or local ballot initiatives.
- Use receipts to benefit directors, officers, or other private persons, not including reasonable compensation for services.
- Participate in activities prohibited for non-profit corporations under federal tax law.

Governing Board

The Florida Concrete Masonry Education Council, Inc., shall be governed by a board of directors consisting of 15 members. A member may not serve more than two consecutive terms. Members of the board serve without compensation, except for reimbursement for per diem and travel expenses incurred in carrying out the intent and purposes of this section.

Acceptance of Grants and Gifts

The bill authorizes the council to receive grants and donations provided that there are no restrictions that it considers to be inconsistent with the objectives of the program.

Payments to Organizations

The bill establishes procedures by which the council can fund other organizations for services rendered through a written agreement which is consistent with the objectives of the program.

Collection of Moneys

Manufacturers electing to pay the assessment shall collect money for each masonry unit produced and sold by the manufacturer, and forward these moneys to the council on a quarterly basis. Participating manufacturers must commit to pay the assessment for at least one year before electing to terminate payment or continue payment for the next year. The council must maintain a separate accounting of all moneys received and provide for an annual financial audit.

Bylaws

The council shall, by September 30, 2014, adopt bylaws to carry out the intent and purposes of the bill. The bill also provides procedures for amending the bylaws.

Section 2 provides an effective date of July 1, 2014.

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:**

Refer to Section B.

B. Private Sector Impact:

Proposed payments by concrete masonry manufacturers to Florida Concrete Masonry Council, Inc., are self-imposed voluntary assessments on concrete masonry units produced and sold in the state. Additionally, the council may accept grants, donations, contributions, or gifts.

The fiscal impact cannot be determined because of the voluntary nature of the anticipated revenue.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates unspecified sections of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

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

None.

B. Amendments:

None.

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

By Senator Richter

23-00309-14

2014286__

1 A bill to be entitled
2 An act relating to concrete masonry education;
3 providing a short title; creating the Florida Concrete
4 Masonry Education Council, Inc.; specifying the powers
5 and duties of the council; providing restrictions;
6 providing for appointment and terms of the governing
7 board of the council; authorizing the council to
8 accept grants, donations, contributions, and gifts
9 under certain circumstances; authorizing the council
10 to make payments to other organizations under certain
11 circumstances; providing for collection of a voluntary
12 assessment on concrete masonry units; requiring
13 manufacturers who elect to pay the assessment to
14 commit to paying the assessment for a specified
15 period; requiring the council to adopt bylaws by a
16 specified date; providing an effective date.
17

18 Be It Enacted by the Legislature of the State of Florida:
19

20 Section 1. Concrete masonry education.—

21 (1) This section may be cited as the "Concrete Masonry
22 Education Act."

23 (2) (a) There is created the Florida Concrete Masonry
24 Education Council, Inc., a nonprofit corporation organized under
25 the laws of this state and operating as a direct-support
26 organization of the Department of Education.

27 (b) The council shall:

28 1. Plan, implement, and conduct programs of education for
29 the purpose of training individuals in the field of concrete

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30 masonry.

31 2. Develop and improve access to education for individuals
32 seeking employment in the field of concrete masonry.

33 3. Develop and implement outreach programs to ensure
34 diversity among individuals trained in the programs conducted
35 pursuant to this section.

36 4. Coordinate educational programs with national programs
37 or programs of other states.

38 5. Inform and educate the public about the sustainability
39 and economic benefits of concrete masonry products in order to
40 increase employment opportunities for individuals trained in the
41 programs conducted pursuant to this section.

42 6. Develop, implement, and monitor a system for the
43 collection of a self-imposed voluntary assessment on each
44 concrete masonry unit produced and sold by concrete masonry
45 manufacturers in this state.

46 7. Do all other things necessary or expedient for the
47 administration of the affairs and achievement of the purposes of
48 the council.

49 (c) The council may:

50 1. Provide to governmental bodies, upon request,
51 information relating to subjects of concern to the concrete
52 masonry industry and act jointly or in cooperation with the
53 state or Federal Government and their agencies in the
54 development or administration of programs that the council
55 considers to be consistent with the objectives of this section.

56 2. Sue and be sued as a council without incurring
57 individual liability of the members for actions of the council
58 when acting within the scope of the powers conferred by this

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59 section and in the manner prescribed by the laws of this state.

60 3. Maintain a financial reserve for emergency use, which
61 may not exceed 50 percent of the council's anticipated annual
62 income.

63 4. Employ subordinate officers and employees of the
64 council, prescribe their duties, and fix their compensation and
65 terms of employment.

66 5. Cooperate with any local, state, regional, or nationwide
67 organization or agency engaged in work or activities consistent
68 with the objectives of this section.

69 6. Meet with concrete masonry manufacturers in this state
70 to coordinate the collection of self-imposed voluntary
71 assessments on concrete masonry units.

72 7. Do all other things necessary to further the intent of
73 this section which are not prohibited by law.

74 (d)1. The council may not participate or intervene in any
75 political campaign on behalf of or in opposition to any
76 candidate for public office or any state or local ballot
77 initiative, including, but not limited to, the publication or
78 distribution of any statement.

79 2. The net receipts of the council may not inure to the
80 benefit of or be distributable to its directors, its officers,
81 or other private persons; however, the council may pay
82 reasonable compensation for services rendered by council
83 officers and employees and may make payments and distributions
84 in furtherance of the purposes of this section.

85 3. Notwithstanding any other provision of law, the council
86 may not carry on any other activity not permitted to be carried
87 on by a corporation:

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88 a. That is exempt from federal income taxation under s.
89 501(c)(3) of the Internal Revenue Code; or

90 b. To which charitable contributions are deductible under
91 s. 170(c)(2) of the Internal Revenue Code.

92 (3)(a) The Florida Concrete Masonry Education Council,
93 Inc., shall be governed by a board of directors consisting of 15
94 members, as follows:

95 1. Nine members representing concrete masonry manufacturers
96 of various sizes, each of whom must represent a different
97 manufacturer. Of these members, at least five must be
98 representatives of manufacturers that are members of the Masonry
99 Association of Florida.

100 2. One member representing a major building industry
101 association in the state.

102 3. One member having expertise in apprenticeship or
103 workforce education training.

104 4. Two members who are masonry contractors and who are
105 members of the Masonry Association of Florida.

106 5. One member who is not a masonry contractor or
107 manufacturer or an employee of a masonry contractor or
108 manufacturer but who is otherwise a stakeholder in the masonry
109 industry.

110 6. The Chancellor of Career and Adult Education or his or
111 her designee.

112 (b) The initial board of directors shall be appointed by
113 the Governor after soliciting recommendations from the Masonry
114 Association of Florida. Five of the initial board members shall
115 be appointed to serve 1-year terms, five shall be appointed to
116 serve 2-year terms, and the remaining five shall be appointed to

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117 serve 3-year terms. Each subsequent vacancy shall be filled in
118 accordance with the bylaws of the council. Thereafter, each
119 board member shall be appointed to serve a 3-year term and may
120 be reappointed to serve an additional consecutive term. A member
121 may not serve more than two consecutive terms. A member
122 representing a manufacturer must have been employed by a
123 manufacturer engaging in the trade of manufacture of concrete
124 masonry products for at least 5 years immediately preceding the
125 first day of his or her service on the board. All members of the
126 board shall serve without compensation but are entitled to
127 reimbursement for per diem and travel expenses incurred in
128 carrying out the intent and purposes of this section in
129 accordance with s. 112.061, Florida Statutes.

130 (4) The council may accept grants, donations,
131 contributions, or gifts from any source if the use of such
132 resources is not restricted in a manner that the council
133 considers to be inconsistent with the objectives of this
134 section.

135 (5) (a) The council may make payments to other organizations
136 for work or services performed which are consistent with the
137 objectives of this section.

138 (b) Before making such payments, the council must secure a
139 written agreement that the organization receiving payment will
140 furnish at least annually, or more frequently on the request of
141 the council, printed or written reports of program activities.
142 The reports must include financial data relative to the
143 council's funding of such activities.

144 (c) The council may require adequate proof of security
145 bonding on the payments to any individual, business, or other

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146 organization.

147 (6) (a) The self-imposed voluntary assessment shall be paid
148 for each masonry unit produced and sold by the manufacturer.

149 (b) Each manufacturer that elects to pay the self-imposed
150 voluntary assessment must commit to paying the assessment for at
151 least 1 year. Thereafter, the manufacturer may elect to
152 terminate payment or continue payment for the next year.

153 (c) The manufacturer shall collect all such moneys and
154 forward them quarterly to the council.

155 (d) The council shall maintain within its financial records
156 a separate accounting of all moneys received under this
157 subsection. The council shall provide for an annual financial
158 audit of its accounts and records to be conducted by an
159 independent certified public accountant licensed under chapter
160 473, Florida Statutes.

161 (7) The council shall, by September 30, 2014, adopt bylaws
162 to carry out the intent and purposes of this section. These
163 bylaws may be amended upon 30 days' written notice to board
164 members at any regular or special meeting called for such
165 purpose. The bylaws must conform to the requirements of this
166 section but may also address any matter not in conflict with the
167 general laws of this state.

168 Section 2. This act shall take effect July 1, 2014.

THE FLORIDA SENATE

APPEARANCE RECORD

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

1-8-14

Meeting Date

Topic MASONRY EDUCATION ACT

Bill Number SB 286 (if applicable)

Name JIM PAINTER

Amendment Barcode (if applicable)

Job Title OWNER PAINTER MASONRY CONSTRUCTION

Address 2425 NE 19th Dr Gainesville

Phone 352-378-7511

Street

City

GAINESVILLE

FL

State

32609

Zip

E-mail jim@paintormasonry.com

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

Representing PAINTER MASONRY CONSTRUCTION

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

Lobbyist registered with Legislature: [] Yes [] No

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

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

S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

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

1/8/14
Meeting Date

Topic Concrete Masonry

Bill Number 286
(if applicable)

Name Richard Watson

Amendment Barcode _____
(if applicable)

Job Title Legislative Council

Address P.O. Box 10038

Phone 850 222-0000

Tallahassee FL 32302
City /State Zip

E-mail rick@rwatsonartassoc.com

Speaking: For Against Information

Representing Associated Builders and Contractors of FL

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

THE FLORIDA SENATE
APPEARANCE RECORD

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

1-8-14

Meeting Date

Topic Concrete Masonry Education Act Bill Number SB 286
Name Rocky Jenkins Amendment Barcode _____ (if applicable)
Job Title Director
Address 880 Maple Ridge Dr Phone 321 543 1415
City Merriett Island State FL Zip 32952 E-mail rocky.jenkins@cent.com
Speaking: For Against Information
Representing CEMEX

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

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

Meeting Date _____

Topic Masonry Education Act Bill Number # 286
(if applicable)

Name Patricia McLaughlin Amendment Barcode _____
(if applicable)

Job Title Executive Director

Address 398 Camino Godens Blvd Phone 561-239-2462
Street

Boca Raton FL 33432 E-mail _____
City State Zip

Speaking: For Against Information

Representing Masonry Association of FL

Appearing at request of Chair: Yes No Lobbyist registered with Legislature: Yes No

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

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



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Gaming, *Chair*
Appropriations
Appropriations Subcommittee on Education
Appropriations Subcommittee on Health
and Human Services
Banking and Insurance
Commerce and Tourism
Judiciary
Rules
Transportation

JOINT COMMITTEE:
Joint Legislative Budget Commission

SENATOR GARRETT RICHTER

President Pro Tempore
23rd District

November 7, 2013

The Honorable Wilton Simpson, Chair
Committee on Community Affairs
315 Knott Building
404 South Monroe Street
Tallahassee, FL 32399

Dear Chairman Simpson:

Senate Bill 286, the Concrete Masonry Education Act, has been referred to the Committee on Community Affairs. I would appreciate the placing of this bill on the committee's agenda at your earliest convenience.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Garrett Richter".

Garrett Richter

cc: Tom Yeatman, Staff Director
Ann Whittaker

REPLY TO:

- 3299 E. Tamiami Trail, Suite 203, Naples, Florida 34112-4961 (239) 417-6205
- 404 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5023
- 25 Homestead Road North, Suite 42 B, Lehigh Acres, Florida 33936 (239) 338-2777

Senate's Website: www.flsenate.gov

DON GAETZ
President of the Senate

GARRETT RICHTER
President Pro Tempore

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Community Affairs

BILL: CS/SB 312

INTRODUCER: Community Affairs Committee and Senator Simpson

SUBJECT: Agriculture

DATE: January 8, 2014

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Akhvein</u>	<u>Halley</u>	<u>AG</u>	Favorable
2.	<u>White</u>	<u>Yeatman</u>	<u>CA</u>	Fav/CS
3.	_____	_____	<u>AFT</u>	_____
4.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 312 provides property assessment limitations for land owners who participate in a water retention program sponsored by a water management district or Florida Department of Environmental Protection.

The bill also expands the exemption for certain farm equipment from the sales and use tax.

II. Present Situation:

Property Valuation in Florida

The Florida Constitution requires that all property be assessed at just value (fair market value) for ad valorem tax purposes.¹ However, sections 3, 4, and 6, Article VII of the Florida Constitution, provide for specified assessment limitations, property classifications, and exemptions. After the property appraiser has considered any assessment limitation or use classification affecting the just value of a property, the assessed value is determined. The assessed value is then reduced by any applicable exemptions to produce the taxable value.²

¹ Fla. Const. Art. VII, s. 4.

² See s. 196.031, F.S.

Agricultural Property Classification

Section 193.461, F.S., provides that each county's property appraiser shall, for assessment purposes on an annual basis, classify all lands within a county as agricultural or nonagricultural. For property to be classified as agricultural land, it must be used "primarily for bona fide agricultural purposes."³ Agricultural purposes include, but are not limited to: horticulture; floriculture; viticulture; forestry; dairy; livestock; poultry; bee; pisciculture, when the land is used principally for the production of tropical fish; aquaculture; sod farming; and all forms of farm products and farm production.⁴

Property appraisers are required to reclassify lands as nonagricultural when:

- The land is diverted from an agricultural to a nonagricultural use;
- The land is no longer being utilized for agricultural purposes;
- The land has been zoned to a nonagricultural use at the request of the owner.⁵

A county commission may reclassify lands from agricultural to nonagricultural when there is contiguous urban or metropolitan development and the county commission finds that the continued use of the lands for agricultural purposes will act as a deterrent to the timely and orderly expansion of the community.⁶

The 2000 Legislature amended s. 193.461, F.S., with respect to agricultural lands that had been taken out of production due to a state or federal eradication or quarantine program.⁷ Section 193.461(7), F.S., allows lands to retain agricultural classification, provided that the lands are: 1) under a state or federal eradication or quarantine program, 2) are not in agricultural use, and 3) are not being diverted to a non-agricultural use. If such lands are nonincome-producing, they are assessed based on a one year assessment methodology, up to \$50 per acre.

Agricultural lands under eradication or quarantine programs that are converted to income-producing uses are not assessed based on the one year methodology. Rather, the property appraiser may use an income methodology approach which relies on a five year moving average of agricultural income. Thus, ad valorem revenues for local governments may be impacted depending on whether the agricultural lands are in eradication or quarantine programs, and whether they have been converted to income-producing uses.

Water Retention Programs

The Legislature encourages and supports the development of creative public-private partnerships and programs, including opportunities for water storage and quality improvement on private lands and water quality credit trading, to facilitate or further the restoration of the surface water resources of the Lake Okeechobee watershed, the Caloosahatchee River watershed, and the

³ Section 193.461(3)(b), F.S.

⁴ Section 193.461(5), F.S.

⁵ Section 193.461(4)(a), F.S.

⁶ Section 193.461(4)(b), F.S.

⁷ Chapter 2000-308, s. 3, Laws of Fla. (creating s. 193.461(7), F.S.).

St. Lucie River watershed.⁸ Since 2005, the South Florida Water Management District has been working with a coalition of agencies, environmental organizations, ranchers, and researchers to enhance opportunities for storing excess surface water on private and public lands. Over the years, these partnerships have made thousands of acre-feet of water retention and storage available throughout the greater Everglades system.⁹

Water retention systems serve to control storm water volume before it is discharged to surface waters, or it floods urban areas. The systems also act to minimize point source and non-point source pollution prior to its entry into streams, natural wetlands, and other receiving waters. These systems vary widely in their pollutant removal capabilities, but can effectively remove a number of contaminants with removal rates as high as 95 and 99 percent for some non-dissolved nutrients and pesticides, respectively.¹⁰

Eight Florida ranchers participated in a \$6 million pilot program run by the South Florida Water Management District called the “Florida Ranchlands Environmental Services Project.” The program, which ran from 2006 to 2011, paid ranchers to construct water retention areas on their properties that acted as natural phosphorous filters. In addition to construction costs, the program paid ranchers for annual maintenance and a participation fee for three years. In August 2013 the district created a \$3 million water farming pilot project that will pay citrus growers to build systems to store excess water on fallow citrus land before it can flow into estuaries.¹¹ The three-year project will provide vital information on the proposed concept of retaining storm water on citrus properties.

Currently, payments that agricultural land owners receive under water retention programs are considered income.

Sales and Use Tax

Chapter 212, F.S., contains the state’s statutory provisions authorizing the levy and collection of Florida’s sales and use tax, as well as the exemptions and credits applicable to certain items or uses under specified circumstances. A 6 percent sales and use tax is levied on tangible personal property and a limited number of services. The statutes currently provide for more than 200 different exemptions. Retail dealers of agricultural products accept the required exemption certificates “from all farmers who use the items as required by the exemption.”¹² Currently, there is no single document or certificate used to show status when buying tax exempt items.

The 2005 Legislature created a definition for “power farm equipment.” It also expanded existing provisions that only offered partial tax exemptions (3 percent) for farm equipment. It provided a total sales tax exemption on the sale, rental, lease, use, consumption, or storage for use in Florida

⁸ Section 373.4595(1)(n), F.S.

⁹ South Florida Water Management District, *SFWMD Taking Action to Store Water Headed to Lake Okeechobee, Coastal Estuaries*, <http://www.sfwmd.gov/portal/page/portal/xweb%20protecting%20and%20restoring/protecting%20and%20restoring%20ecosystems> (last visited Dec. 13, 2013).

¹⁰ University of Florida Institute of Food and Agricultural Sciences, *Detention/Retention for Citrus Stormwater Management*, <http://edis.ifas.ufl.edu/ae216>, (Last visited December 13, 2013).

¹¹ Kevin Bouffard, *Pilot Program Helps Ranchers...*, THE LEDGER, Sep. 14, 2013.

¹² Department of Revenue, *Senate Bill 312 Agency Analysis* (Nov. 19, 2013).

of power farm equipment used exclusively on a farm or in a forest in the agricultural production of crops or products.¹³ The exemption for power farm equipment does not apply to equipment used for transporting, processing, or storage of agricultural crops or products.

III. Effect of Proposed Changes:

Section 1 amends s. 193.461, F.S., to affect the tax assessment of agricultural landowners who participate in water retention programs sponsored by the Department of Environmental Protection or a water management district. Flooded land would be considered agricultural land for property assessment purposes. Flooded lands in recognized water storage programs, or successor programs, would be assessed at a de minimis value, on a single year methodology.

Section 2 amends s. 212.02, F.S., to expand the definition of “agricultural production” to include the storage phase of agricultural production.

Section 3 amends s. 212.08, F.S., to provide exemptions from the sales and use tax imposed under ch. 212, F.S., on the following:

- Irrigation equipment, repairs to farm equipment, and replacement parts and accessories for irrigation and farm equipment.
- Trailers used in agricultural production and the transportation of farm products from the farm to the first point of sale.

Section 4 provides that this act shall take effect July 1, 2014.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

This bill falls under subsection (b) of s. 18 of Article VII, Florida Constitution. Subsection (b) requires a two-thirds vote of the membership of each house in order to enact a general law reducing the authority that municipalities and counties had on February 1, 1989, to raise revenues in the aggregate. By adding an exemption to the state sales tax, the bill has the effect of adding an exemption to the local option county sales tax. The bill may be exempt under insignificant fiscal impact, but no estimate is available at this time.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

¹³ Chapter 212, F.S.

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

The bill will have an indeterminate impact on the ad valorem taxes on agricultural lands participating in a dispersed water storage program. Irrigation equipment and trailers used for agriculture will be exempt from sales and use taxes. The Revenue Estimating Impact Conference has not determined the fiscal impact of this bill.

B. Private Sector Impact:

Under the conditions described in the bill, participants in water retention programs may have reduced ad valorem tax liability for flooded lands. The proposed legislation allows agricultural producers to benefit from reduced tax liability for purchases of specified agricultural items, such as parts and repairs for irrigation equipment.

C. Government Sector Impact:

Purchasers of exempt farm equipment would no longer be required to pay state sales tax or local discretionary sales surtaxes.

The Florida Department of Agriculture believes the bill will have no fiscal impact on the department.¹⁴

The Department of Revenue may need to revise sales and use tax returns and amend existing rules.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 193.461, 212.02, and 212.08.

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

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

CS by Community Affairs on January 8, 2014:

The CS classifies flooded lands as agricultural lands for property tax valuation purposes,

¹⁴ Department of Agriculture and Consumer Services, *Senate Bill 312 Agency Analysis* (November 4, 2013).

instead of classifying the use of such lands as nonincome-producing. Flooded lands in recognized water storage programs, or successor programs, would be assessed at a de minimis value, on a single year methodology, and this provision would not expire.

The CS does not create the legal definition of “qualified agricultural producer,” and does not authorize Department of Revenue to issue a certificate for agricultural sales and use tax exemptions. Power farm equipment and irrigation equipment, including replacement parts, would be exempt from sales and use taxes, without the need for a purchaser to be recognized as a qualified agricultural producer or obtain an exemption certificate from Department of Revenue.

B. Amendments:

None.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/08/2014	.	
	.	
	.	
	.	

The Committee on Community Affairs (Simpson) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Subsection (7) of section 193.461, Florida
Statutes, is amended to read:

193.461 Agricultural lands; classification and assessment;
mandated eradication or quarantine program.—

(7) (a) Lands classified for assessment purposes as
agricultural lands which are taken out of production by a any



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11 state or federal eradication or quarantine program shall
12 continue to be classified as agricultural lands for the duration
13 of such program or successor programs. Lands under these
14 programs which are converted to fallow~~7~~ or otherwise nonincome-
15 producing uses shall continue to be classified as agricultural
16 lands and shall be assessed at a de minimis value of up to ~~no~~
17 ~~more than~~ \$50 per acre, on a single year assessment methodology;
18 however, lands converted to other income-producing agricultural
19 uses permissible under such programs shall be assessed pursuant
20 to this section. Land under a mandated eradication or quarantine
21 program which is diverted from an agricultural to a
22 nonagricultural use shall be assessed under s. 193.011.

23 (b) Lands classified for assessment purposes as
24 agricultural lands which participate in a dispersed water
25 storage program pursuant to a contract with the Department of
26 Environmental Protection or a water management district which
27 requires flooding of land shall continue to be classified as
28 agricultural lands for the duration of the inclusion of the
29 lands in such program or successor programs and shall be
30 assessed at a de minimis value, on a single year assessment
31 methodology.

32 Section 2. Subsection (32) of section 212.02, Florida
33 Statutes, is amended to read:

34 212.02 Definitions.—The following terms and phrases when
35 used in this chapter have the meanings ascribed to them in this
36 section, except where the context clearly indicates a different
37 meaning:

38 (32) "Agricultural production" means the production of
39 plants and animals useful to humans, including the preparation,



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40 planting, cultivating, ~~or~~ harvesting, or storage of these
41 products or any other practices necessary to accomplish
42 production through the harvest and storage phase, and includes
43 aquaculture, horticulture, floriculture, viticulture, forestry,
44 dairy, livestock, poultry, bees, and any and all forms of farm
45 products and farm production.

46 Section 3. Subsection (3) of section 212.08, Florida
47 Statutes, is amended to read:

48 212.08 Sales, rental, use, consumption, distribution, and
49 storage tax; specified exemptions.—The sale at retail, the
50 rental, the use, the consumption, the distribution, and the
51 storage to be used or consumed in this state of the following
52 are hereby specifically exempt from the tax imposed by this
53 chapter.

54 (3) EXEMPTIONS; CERTAIN FARM EQUIPMENT.—There shall be no
55 tax on the sale, rental, lease, use, consumption, repair, or
56 storage for use in this state of power farm equipment and
57 irrigation equipment, including replacement parts and
58 accessories for such equipment, which are used exclusively on a
59 farm or in a forest in the agricultural production of crops or
60 products as produced by those agricultural industries included
61 in s. 570.02(1), or for fire prevention and suppression work
62 with respect to such crops or products. Trailers used in
63 agricultural production and the transportation of farm products
64 from the farm to the first point of sale are also exempt from
65 such tax. Harvesting may not be construed to include processing
66 activities. This exemption is not forfeited by moving farm
67 equipment between farms or forests. However, this exemption may
68 ~~shall~~ not be allowed unless the purchaser, renter, or lessee



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69 signs a certificate stating that the farm equipment is to be
70 used exclusively on a farm or in a forest for agricultural
71 production or for fire prevention and suppression, as required
72 by this subsection. Possession by a seller, lessor, or other
73 dealer of a written certification by the purchaser, renter, or
74 lessee certifying the purchaser's, renter's, or lessee's
75 entitlement to an exemption permitted by this subsection
76 relieves the seller from the responsibility of collecting the
77 tax on the nontaxable amounts, and the department shall look
78 solely to the purchaser for recovery of such tax if it
79 determines that the purchaser was not entitled to the exemption.

80 Section 4. This act shall take effect July 1, 2014.

81
82 ===== T I T L E A M E N D M E N T =====

83 And the title is amended as follows:

84 Delete everything before the enacting clause
85 and insert:

86 A bill to be entitled
87 An act relating to agriculture; amending s. 193.461,
88 F.S.; providing that participation in certain
89 dispersed water storage programs does not change a
90 land's agricultural classification for assessment
91 purposes; amending s. 212.02, F.S.; redefining the
92 term "agricultural production" to include storage;
93 amending s. 212.08, F.S.; expanding the exemption for
94 certain farm equipment from the sales and use tax
95 imposed under ch. 212, F.S., to include repairs of
96 such equipment and trailers that are used for certain
97 purposes; providing an effective date.

By Senator Simpson

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1 A bill to be entitled
2 An act relating to agriculture; amending s. 193.461,
3 F.S.; providing that participation in a water
4 retention program may be considered a nonincome-
5 producing use under certain circumstances; providing a
6 date by which such classification is repealed;
7 amending s. 212.02, F.S.; revising and providing
8 definitions; amending s. 212.0501, F.S.; providing
9 that certain uses of diesel fuel by a qualified
10 agricultural producer are exempt from the sales and
11 use tax imposed under ch. 212, F.S.; deleting a
12 requirement that a purchaser or lessee sign an
13 exclusive use certificate; amending s. 212.08, F.S.;
14 providing that the use of certain farm equipment by a
15 qualified agricultural producer is exempt from the
16 sales and use tax imposed under ch. 212, F.S.;
17 deleting a requirement that a purchaser, renter, or
18 lessee sign an exclusive use certificate; providing
19 that certain items in agricultural use, certain nets,
20 gas or electricity used for agricultural purposes, and
21 growth enhancers or performance enhancers used by a
22 qualified agricultural producer for cattle are exempt
23 from the sales and use tax imposed under ch. 212,
24 F.S.; deleting a requirement that a purchaser or
25 lessee of certain items in agricultural use or certain
26 nets sign an exclusive use certificate; providing that
27 a qualified agricultural producer is exempt from sales
28 and use tax imposed on feeds for poultry, ostriches,
29 and livestock; providing that certain products are

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30 exempt for use in home vegetable gardens; requiring a
31 purchaser or lessee to sign an exclusive use
32 certificate; creating s. 212.0802, F.S.; providing
33 criteria for a qualified agricultural producer;
34 requiring a qualified agricultural producer to apply
35 for an agricultural sales and use tax exemption
36 certificate from the Department of Revenue; requiring
37 the department to issue a wallet-sized card containing
38 the information provided on the tax exemption
39 certificate; authorizing the department to adopt
40 rules, establish an oversight board, direct staff, and
41 charge annual fees; providing criteria for the
42 department to determine eligibility for designation as
43 a qualified agricultural producer; providing that
44 possession by a seller, lessor, or other dealer of a
45 written exemption certification by the purchaser,
46 renter, or lessee relieves the seller, lessor, or
47 dealer from the responsibility of collecting tax on
48 nontaxable amounts; providing an effective date.

49
50 Be It Enacted by the Legislature of the State of Florida:

51
52 Section 1. Subsection (7) of section 193.461, Florida
53 Statutes, is amended to read:

54 193.461 Agricultural lands; classification and assessment;
55 mandated eradication or quarantine program.—

56 (7) (a) Lands classified for assessment purposes as
57 agricultural lands which are taken out of production by a ~~any~~
58 state or federal eradication or quarantine program shall

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59 continue to be classified as agricultural lands for the duration
 60 of such program or successor programs. Lands under these
 61 programs which are converted to fallow~~r~~ or otherwise nonincome-
 62 producing uses shall continue to be classified as agricultural
 63 lands and shall be assessed at a de minimis value of up to ~~no~~
 64 ~~more than~~ \$50 per acre, on a single year assessment methodology;
 65 however, lands converted to other income-producing agricultural
 66 uses permissible under such programs shall be assessed pursuant
 67 to this section. Land under a mandated eradication or quarantine
 68 program which is diverted from an agricultural to a
 69 nonagricultural use shall be assessed under s. 193.011.

70 (b) Participation in a water retention program sponsored by
 71 a water management district which requires flooding of land that
 72 is assessed at a de minimis value under paragraph (a) is
 73 considered a nonincome-producing use if payments to the owner
 74 under the program do not exceed the reasonable expenses
 75 associated with program participation. This paragraph expires on
 76 December 31, 2020.

77 Section 2. Subsections (30) and (32) of section 212.02,
 78 Florida Statutes, are amended, and subsection (35) is added to
 79 that section, to read:

80 212.02 Definitions.—The following terms and phrases when
 81 used in this chapter have the meanings ascribed to them in this
 82 section, except where the context clearly indicates a different
 83 meaning:

84 (30) "Power farm equipment" means moving or stationary
 85 equipment involved in agricultural production which ~~that~~
 86 contains within itself the means for its own propulsion or power
 87 and moving or stationary equipment that is dependent upon an

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88 external power source to perform its functions.

89 (32) "Agricultural production" means the production of
90 plants and animals useful to humans, including the preparation,
91 planting, cultivating, irrigating, ~~or~~ harvesting, transporting,
92 or storing of these products or any other practices necessary to
93 accomplish production through the first point of sale ~~harvest~~
94 ~~phase~~, and includes aquaculture, horticulture, floriculture,
95 viticulture, forestry, dairy, livestock, poultry, bees, and any
96 and all forms of farm products and farm production.

97 (35) "Qualified agricultural producer" means a producer of
98 agricultural commodities that meets one of the criteria
99 specified in s. 212.0802(1).

100 Section 3. Subsections (3) and (5) of section 212.0501,
101 Florida Statutes, are amended to read:

102 212.0501 Tax on diesel fuel for business purposes;
103 purchase, storage, and use.—

104 (3) For purposes of this section, "consumption, use, or
105 storage by a trade or business" does not include those uses of
106 diesel fuel specifically exempt on account of residential
107 purposes; diesel fuel used ~~or~~ in a ~~any~~ tractor, a vehicle, or
108 other equipment used by a qualified agricultural producer
109 exclusively on a farm or for processing farm products on the
110 farm, no part of which diesel fuel is used in any licensed motor
111 vehicle on the public highways of this state; or the purchase or
112 storage of diesel fuel held for resale.

113 (5) Diesel fuel upon which the fuel taxes pursuant to
114 chapter 206 have been paid is exempt from the tax imposed by
115 this chapter. Liquefied petroleum gas or other fuel used by a
116 qualified agricultural producer to heat a structure in which

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117 started pullets or broilers are raised is exempt from the tax
118 imposed by this chapter; ~~however, such exemption shall not be~~
119 ~~allowed unless the purchaser or lessee signs a certificate~~
120 ~~stating that the fuel to be exempted is for the exclusive use~~
121 ~~designated herein.~~

122 Section 4. Subsection (3), paragraphs (a), (e), and (l) of
123 subsection (5), and paragraph (d) of subsection (7) of section
124 212.08, Florida Statutes, are amended, and paragraph (kkk) is
125 added to subsection (7) of that section, to read:

126 212.08 Sales, rental, use, consumption, distribution, and
127 storage tax; specified exemptions.—The sale at retail, the
128 rental, the use, the consumption, the distribution, and the
129 storage to be used or consumed in this state of the following
130 are hereby specifically exempt from the tax imposed by this
131 chapter.

132 (3) EXEMPTIONS; CERTAIN FARM EQUIPMENT.—A qualified
133 agricultural producer is exempt from ~~There shall be no tax on~~
134 ~~the sale, rental, lease, use, consumption, or storage for use in~~
135 ~~this state of power farm equipment, irrigation equipment,~~
136 ~~repairs to farm equipment, and replacement parts for farm~~
137 ~~equipment~~ used exclusively on a farm or in a forest in the
138 agricultural production of crops or products as produced by
139 those agricultural industries included in the definition of the
140 term agriculture in s. 570.02(1), or such equipment used for
141 fire prevention and suppression work with respect to such crops
142 or products. Harvesting may not be construed to include
143 processing activities. This exemption is not forfeited if a
144 qualified agricultural producer moves ~~by moving~~ farm equipment
145 ~~between farms or forests. However, this exemption shall not be~~

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146 ~~allowed unless the purchaser, renter, or lessee signs a~~
147 ~~certificate stating that the farm equipment is to be used~~
148 ~~exclusively on a farm or in a forest for agricultural production~~
149 ~~or for fire prevention and suppression, as required by this~~
150 ~~subsection. Possession by a seller, lessor, or other dealer of a~~
151 ~~written certification by the purchaser, renter, or lessee~~
152 ~~certifying the purchaser's, renter's, or lessee's entitlement to~~
153 ~~an exemption permitted by this subsection relieves the seller~~
154 ~~from the responsibility of collecting the tax on the nontaxable~~
155 ~~amounts, and the department shall look solely to the purchaser~~
156 ~~for recovery of such tax if it determines that the purchaser was~~
157 ~~not entitled to the exemption.~~

158 (5) EXEMPTIONS; ACCOUNT OF USE.—

159 (a) *Items in agricultural use and certain nets.*—A qualified
160 agricultural producer is exempt ~~There are exempt~~ from the tax
161 imposed by this chapter on nets designed and used exclusively by
162 commercial fisheries; disinfectants, fertilizers, insecticides,
163 pesticides, herbicides, fungicides, and weed killers used for
164 application on crops or groves, including commercial nurseries
165 ~~and home vegetable gardens~~, used in dairy barns or on poultry
166 farms for the purpose of protecting poultry or livestock, or
167 used directly on poultry or livestock; portable containers, or
168 movable receptacles in which portable containers are placed,
169 used for processing farm products; field and garden seeds,
170 including flower seeds; nursery stock, seedlings, cuttings, or
171 other propagative material purchased for growing stock; seeds,
172 seedlings, cuttings, and plants used to produce food for human
173 consumption; cloth, plastic, and other similar materials used on
174 a farm for shade, mulch, or protection from frost or insects ~~on~~

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175 ~~a farm~~; generators used on poultry farms; and liquefied
176 petroleum gas or other fuel used to heat a structure in which
177 started pullets or broilers are raised; ~~however, such exemption~~
178 ~~shall not be allowed unless the purchaser or lessee signs a~~
179 ~~certificate stating that the item to be exempted is for the~~
180 ~~exclusive use designated herein. Also exempt are~~ and cellophane
181 wrappers, glue for tin and glass used by ~~(apiarists)~~, mailing
182 cases for honey, shipping cases, window cartons, and baling wire
183 and twine used for baling hay, when used by a qualified
184 agricultural producer ~~farmer~~ to contain, produce, or process an
185 agricultural commodity.

186 (e) *Gas or electricity used for certain agricultural*
187 *purposes.*—

188 1. A qualified agricultural producer is exempt from the tax
189 imposed by this chapter on butane gas, propane gas, natural gas,
190 and all other forms of liquefied petroleum gases ~~are exempt from~~
191 ~~the tax imposed by this chapter~~ if such gas is used in any
192 tractor, vehicle, or other farm equipment that ~~which~~ is used
193 exclusively on a farm or for processing farm products on the
194 farm. Such ~~and no part of which~~ gas may not be ~~is~~ used in any
195 vehicle or equipment driven or operated on the public highways
196 of this state; however,— this restriction does not apply to the
197 movement of farm vehicles or farm equipment between farms. The
198 transporting of bees by water and the operating of equipment
199 used in the apiary of a beekeeper is also deemed an exempt use.

200 2. Electricity used by a qualified agricultural producer
201 directly or indirectly for production, packing, or processing of
202 agricultural products on the farm, ~~or~~ used directly or
203 indirectly in a packinghouse, ~~is~~ exempt from the tax imposed by

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204 this chapter. As used in this subsection, the term
205 "packinghouse" means any building or structure where fruits,
206 vegetables, or meat from cattle or hogs is packed or otherwise
207 prepared for market or shipment in fresh form for wholesale
208 distribution. The exemption does not apply to electricity used
209 in buildings or structures where agricultural products are sold
210 at retail. This exemption applies only if the electricity used
211 for the exempt purposes is separately metered. If the
212 electricity is not separately metered, it is conclusively
213 presumed that some portion of the electricity is used for a
214 nonexempt purpose, and all of the electricity used for such
215 purposes is taxable.

216 (1) *Growth enhancers or performance enhancers for cattle.*—A
217 qualified agricultural producer is ~~There is~~ exempt from the tax
218 imposed by this chapter on the sale of performance-enhancing or
219 growth-enhancing products for cattle.

220 (7) MISCELLANEOUS EXEMPTIONS.—Exemptions provided to any
221 entity by this chapter do not inure to any transaction that is
222 otherwise taxable under this chapter when payment is made by a
223 representative or employee of the entity by any means,
224 including, but not limited to, cash, check, or credit card, even
225 when that representative or employee is subsequently reimbursed
226 by the entity. In addition, exemptions provided to any entity by
227 this subsection do not inure to any transaction that is
228 otherwise taxable under this chapter unless the entity has
229 obtained a sales tax exemption certificate from the department
230 or the entity obtains or provides other documentation as
231 required by the department. Eligible purchases or leases made
232 with such a certificate must be in strict compliance with this

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233 subsection and departmental rules, and any person who makes an
234 exempt purchase with a certificate that is not in strict
235 compliance with this subsection and the rules is liable for and
236 shall pay the tax. The department may adopt rules to administer
237 this subsection.

238 (d) Feeds.—For a qualified agricultural producer, feeds for
239 poultry, ostriches, and livestock, including racehorses and
240 dairy cows, are exempt.

241 (kkk) Home vegetable gardens.—Disinfectants, fertilizers,
242 insecticides, pesticides, herbicides, fungicides, and weed
243 killers used for application on home vegetable gardens are
244 exempt; however, such exemption is not allowed unless the
245 purchaser or lessee signs a certificate stating that the item to
246 be exempted is for the exclusive use designated herein.

247 Section 5. Section 212.0802, Florida Statutes, is created
248 to read:

249 212.0802 Qualified agricultural producer certification.—

250 (1) A qualified agricultural producer is a person or entity
251 that meets one of the following criteria:

252 (a) The person or entity is the owner or lessee of
253 agricultural land or other real property from which at least
254 \$2,500 of agricultural commodities are produced and sold during
255 the year.

256 (b) The person or entity is in the business of providing
257 for-hire custom agricultural services, including, but not
258 limited to, plowing, planting, harvesting, growing, animal
259 husbandry or the maintenance of livestock, raising or
260 substantially modifying agricultural commodities, or the
261 maintenance of agricultural land from which at least \$2,500 of

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262 such services are provided during the year.

263 (c) The person or entity is the owner of land assessed as
264 agricultural property under s. 193.461.

265 (d) The person or entity is in the business of producing
266 long-term agricultural commodities, including, but not limited
267 to, timber, pulpwood, citrus, and horticultural or other
268 multiyear agricultural or farm products, from which there might
269 not be annual income. The applicant must demonstrate that
270 sufficient volumes of such multiyear agricultural products will
271 be produced to generate at least \$2,500 in sales annually in the
272 future.

273 (e) The person or entity is actively engaged in the
274 production of agricultural commodities and has created, or will
275 have created, sufficient volumes to generate at least \$2,500 in
276 annual sales. The applicant must establish such production to
277 the satisfaction of the Department of Revenue.

278 (2) A qualified agricultural producer that meets the
279 criteria under subsection (1) may apply to the Department of
280 Revenue to request an agricultural sales and use tax exemption
281 certificate. Such certificate must contain an exemption number.
282 To facilitate the use of the exemption certificate, the
283 Department of Revenue shall also issue a wallet-sized card
284 containing the same information provided on the exemption
285 certificate.

286 (3) The Department of Revenue may adopt rules governing the
287 issuance of agricultural exemption certificates and the
288 administration of this section. The Department of Revenue may
289 establish an oversight board, direct staff, and charge annual
290 fees of at least \$15 but not more than \$25 per year.

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291 (4) The Department of Revenue may use any of the following
292 criteria as a tool to determine eligibility under this section:

293 (a) Business activity on IRS Schedule F (Form 1040), Profit
294 or Loss From Farming.

295 (b) Farm rental activity on IRS Form 4835, Farm Rental
296 Income and Expenses, or Schedule E (Form 1040), Supplemental
297 Income and Loss.

298 (c) Proof of ownership of land assessed as agricultural
299 property under s. 193.461.

300 (5) Possession by a seller, lessor, or other dealer of a
301 written certification by the purchaser, renter, or lessee
302 certifying the purchaser's, renter's, or lessee's entitlement to
303 an exemption permitted by this section relieves the seller from
304 the responsibility of collecting the tax on the nontaxable
305 amounts, and the department shall look solely to the purchaser
306 for recovery of such tax if it determines that the purchaser was
307 not entitled to the exemption.

308 Section 6. This act shall take effect July 1, 2014.

THE FLORIDA SENATE

APPEARANCE RECORD

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

1/8/14

Meeting Date

Topic Ag SALES TAX Exemptions

Bill Number 312
(if applicable)

Name Jim Spratt

Amendment Barcode _____
(if applicable)

Job Title _____

Address PO Box 10011

Phone 850-228-1296

Street

TALLAHASSEE

FL

32302

City

State

Zip

E-mail Jim@magnoliastrategiesllc.com

Speaking: For Against Information

Representing FLORIDA Forestry Association

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

THE FLORIDA SENATE
APPEARANCE RECORD

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

1/8/14

Meeting Date

Topic Agriculture

Name Leticia M Adams

Job Title Senior Policy Director

Address 136 South Bronough Street

Street

Tallahassee

City

FL

State

32301

Zip

Bill Number 312

(if applicable)

Amendment Barcode _____

(if applicable)

Phone 850-544-6866

E-mail ladams@flchamber.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.

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

THE FLORIDA SENATE
APPEARANCE RECORD

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

1/8/14
Meeting Date

Topic Agriculture - Water Storage

Name Mary Jean Yan

Job Title Legislative Director

Address 3324 Charleston Road
Street

Tallahassee, FL 32309
City State Zip

Bill Number SB 312
(if applicable)

Amendment Barcode _____
(if applicable)

Phone 850/519-7859

E-mail maryjeanyan@concast.net

Speaking: For Against Information

Representing Audubon Florida

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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THE FLORIDA SENATE

APPEARANCE RECORD

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1/8/14
Meeting Date

Topic Agriculture

Bill Number SB 312

Name Adam Bas Bird

Amendment Barcode _____
(if applicable)

Job Title Dir of Legislative Affairs

Phone _____

Address _____
Street

E-mail _____

Speaking: For Against Information

Representing Florida Farm Bureau

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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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)

1/8/14
Meeting Date

Topic _____
Name Butch Calhoun
Job Title _____

Bill Number SB 312
(if applicable)
Amendment Barcode _____
(if applicable)

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

Phone 521-0455
E-mail _____

Speaking: For Against Information

Representing Florida Fruit & Vegetable Association

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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THE FLORIDA SENATE
APPEARANCE RECORD

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

JAN 8, 2014

Meeting Date

Topic Ag. Water

Bill Number SB 312
(if applicable)

Name DOUG MANN

Amendment Barcode _____
(if applicable)

Job Title _____

Address 310 W. College Ave.
Street

Phone 856 - 222 - 7535

Tallahassee FL 32301
City State Zip

E-mail doug@littlesjohnmanna.com

Speaking: For Against Information

Representing AIF

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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Florida Housing Finance Corporation

Update on Implementation of 2013 Resources and New Allocation System

Florida Housing's Allocation System

- Via passage of HB 437/SB 928, Florida Housing was provided the ability to allocate rental funding through a competitive solicitation process. This is a more flexible system compared to the previous Universal Application Cycle.
- Through a series of Requests for Applications (RFAs), Florida Housing now can allocate state and federal resources. This allows Florida Housing to tailor each RFA to the particular housing needs of the intended residents.

Status of Resources Provided by SB 1852, National Mortgage Settlement

State Housing Initiatives Partnership (SHIP) Program

Provides funds to all county local governments and Florida's larger cities on a population-based formula to finance and preserve affordable housing based on locally adopted housing assistance plans.

\$40 Million- SHIP Funding (*Local government funding distribution is found in Attachment 1*)

- Nearly \$39.5 million in SHIP funds have been disbursed to 117 of the 119 SHIP-eligible counties and cities.
- All of the eligible local governments have approved plans capable of addressing SB 1852's additional program guidelines, including the requirement for each local government to use 20% of its funding to serve persons with special needs.
- Florida Housing staff has done extensive outreach to connect local SHIP offices to various Centers for Independent Living, Family Care Councils, Arc of Florida chapters and the Florida Developmental Disabilities Council. We hosted webinars over the summer, held a workshop at the Florida Housing Coalition conference in September, and attended several of the stakeholders' annual or quarterly conferences. Outreach was geared at ensuring that consumers with Developmental Disabilities, their families and service providers are aware of SHIP resources and that local SHIP offices are aware of the needs of these residents.

Competitive Grant Funding (*See Attachment 2*)

\$10 Million- Housing for Homeless Persons and Families

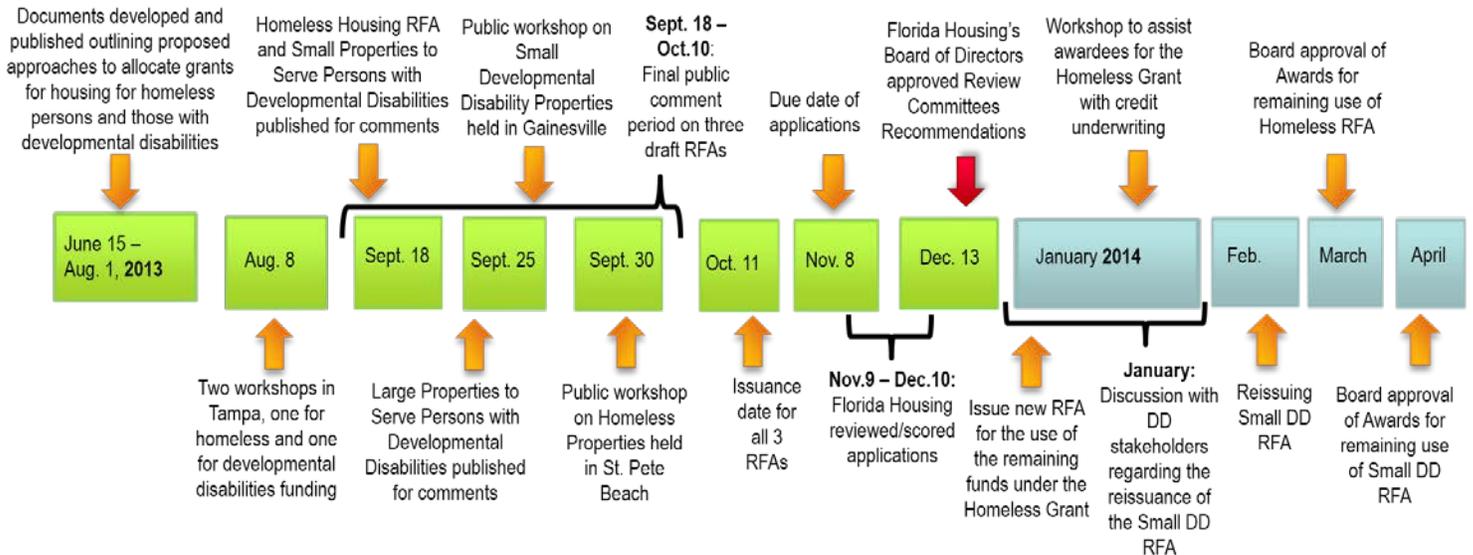
- The funding has been available to non-profit organizations to purchase and renovate existing houses or to construct or purchase and renovate apartment complexes of 15 units or less.
- Florida Housing hosted a public workshop in Tampa in August to discuss our proposed approaches for this funding. We published a draft RFA in September and issued the final RFA in October.
- In December, Florida Housing's Board of Directors awarded \$8,303,102 in funds to six developments located throughout the state. An implementation workshop was held on January 7th to assist awardees with credit underwriting and the timeline for this process.
- Because all funding was not distributed, a new RFA for the remaining \$1,696,898 has just been issued. The Board will make final awards for this funding at its March meeting.

\$10 Million- Housing for Persons with Developmental Disabilities

- Allocation of this competitive grant funding has followed the same timeline and public input process as the homeless grant funding above. It has been available to non-profit organizations with a primary mission of serving persons with developmental disabilities.
- Florida Housing offered this funding through two RFAs:
 1. A \$4 million RFA focused on small developments of up to four units, and
 2. A \$6 million RFA targeted to developments of 30-100 units, with additional funding from federal Low Income Housing Tax Credits, SAIL and SAIL ELI funding.
- In December, Florida Housing's Board of Directors awarded \$2,016,991 out of the \$4 million in funds available for small developments. One written protest was filed in accordance with Section 120.57(3), F.S., from an applicant not awarded funding. A new RFA for the remaining funding will be issued when that protest is resolved.

- The Board awarded all \$6 million available to applicants in the larger development category. Three developments received funding and have been invited into credit underwriting.

Timeline for Grant Awards



State Apartment Incentive Loan Program (SAIL)

Provides gap financing through low-interest loans to developers to leverage federal resources and obtain the full financing needed to develop rental units for very low income families. Appropriated funding will be made available across small, medium and large counties pursuant to s. 420.5087(1), F.S.

\$25 Million- Elderly Housing

- Florida Housing will allocate \$22.5 million targeted for elderly housing with Federal Multifamily Mortgage Revenue Bonds and Low Income Housing Tax Credits to provide new units or to rehabilitate and extend the affordability period on existing units with reduced rents for these seniors.
- A workshop to solicit comments and suggestions for the funding occurred in November. Input from this meeting was incorporated into the draft RFA issued in December with a final RFA scheduled for issuance on January 10th.
- Applications will be due in early February with preliminary awards scheduled for approval by Florida Housing's Board at its March 2014 meeting.
- The other \$2.5 million will be used for a small sub-program of SAIL that calls for 10% of funds reserved for elder housing to be used to provide loans to existing elderly affordable housing for the purpose of making life safety, code and security related repairs or improvements. A timeline is being developed to get this funding out.

\$10 Million- SAIL Funding for Construction or Rehabilitation of Housing, with 10-25% of Units Targeted to Persons with Developmental Disabilities

- Florida Housing expects to pool this SAIL funding with mortgage revenue bonds and a portion of the \$25 million in SAIL ELI funding discussed below.
- The appropriation will finance family properties with a portion of units specifically designed for persons with developmental disabilities.

\$25 Million- Extremely Low Income (ELI) Residents

- An estimated \$7.5 million in ELI funding will be used with the SAIL funding above to make some units more affordable to ELI seniors and persons with developmental disabilities.
- \$3,625,000 in ELI funding was awarded with the developmental disability grant funding described above to allow a portion of units to serve ELI residents.
- An estimated \$3.0 million will be paired with the special needs/ELI funding for the pilot described below.
- The remaining funding will be allocated to “buy down” a portion of units existing affordable developments so that they may serve ELI residents.

Other Resources Provided by the State Legislature Allocated by RFA

Proviso Language Related to Special Needs/Extremely Low Income Funding

- Funding proviso from the 2012 legislative session provided for up to \$10 million in funding that came in to the State Housing Trust Fund from documentary stamp revenue over the \$35.3 million estimated to be collected.
- Florida Housing received funds after the state fiscal year ended and doc stamp revenues were tallied. The full \$10 million was received.
- The proviso calls for \$10 million to go to non-profit organizations specializing in permanent supportive housing for special needs and ELI households.
- Florida Housing’s Board approved the use of the funding for a pilot to finance permanent supportive housing (i.e., housing linked with supportive services) that sets up partnerships with service providers to serve high needs persons with disabilities and frail elders who are homeless or living in a more restrictive institutional or congregate setting than they need or desire. These people cycle in and out of residential care or institutional settings because of their lack of stability in the community, and as a result, are often high utilizers of crisis services, such as emergency rooms and jails. The objective of the pilot is to demonstrate:
 - Improved personal outcomes for residents who will be able to live more independently in a stable situation with supportive services; and
 - Reduced public expenditures as residents stabilize and their use of crisis services or more costly institutional residency goes down.
- Florida Housing will work with state partners, including DCF, AHCA, and Elder Affairs through a memorandum of understanding (MOU) in the implementation of the pilot.
- The non-profits chosen under this demonstration will be required to work with researchers to provide Florida Housing and our state partners with data measuring changes in expenditures on crisis and institutional services and the impact on residents’ health, welfare and quality of life. This will require organizations chosen under this pilot to already be working within a broader, established community framework that has implemented a collaborative approach to identify, screen, assess and prioritize individuals for permanent supportive housing.
- Florida Housing staff has done outreach to stakeholders statewide through a workshop and telephone conference calls. Those cities with local service systems and providers already in place are the communities most capable of carrying out this comprehensive pilot.
- RFA Issue Date: ~January 2014 – Award Date: ~March or April 2014

SHIP Program Allocation

County / Eligible City	Allocation	County / Eligible City	Allocation	County / Eligible City	Allocation
Alachua County	\$ 226,684	Franklin County	\$ 350,000	Okeechobee County	\$ 350,000
Gainesville	\$ 228,596	Gadsden County	\$ 350,000	Orange County	\$ 1,340,435
Baker County	\$ 350,000	Gilchrist County	\$ 350,000	Orlando	\$ 353,530
Bay County	\$ 278,640	Glades County	\$ 350,000	Osceola County	\$ 390,093
Panama City	\$ 74,650	Gulf County	\$ 350,000	Kissimmee	\$ 111,247
Bradford County	\$ 350,000	Hamilton County	\$ 350,000	Palm Beach County	\$ 1,450,757
Brevard County	\$ 475,584	Hardee County	\$ 350,000	Boca Raton	\$ 121,784
Cocoa	\$ 26,966	Hendry County	\$ 350,000	Boynton Beach	\$ 97,998
Melbourne	\$ 120,581	Hernando County	\$ 358,225	Delray Beach	\$ 87,532
Palm Bay	\$ 162,140	Highlands County	\$ 350,000	West Palm Beach	\$ 144,809
Titusville	\$ 68,099	Hillsborough County	\$ 1,308,473	Pasco County	\$ 751,380
Broward County	\$ 533,116	Tampa	\$ 489,127	Pinellas County	\$ 716,111
Coconut Creek	\$ 74,706	Holmes County	\$ 350,000	Clearwater	\$ 158,624
Coral Springs	\$ 171,997	Indian River County	\$ 350,000	Largo	\$ 114,502
Davie	\$ 130,053	Jackson County	\$ 350,000	St. Petersburg	\$ 364,213
Deerfield Beach	\$ 105,730	Jefferson County	\$ 350,000	Polk County	\$ 729,902
Ft. Lauderdale	\$ 236,279	Lafayette County	\$ 350,000	Lakeland	\$ 151,117
Hollywood	\$ 199,546	Lake County	\$ 526,015	Winter Haven	\$ 52,956
Lauderhill	\$ 94,065	Lee County	\$ 628,062	Putnam County	\$ 350,000
Margate	\$ 77,188	Cape Coral	\$ 244,848	Santa Rosa County	\$ 350,000
Miramar	\$ 172,990	Ft. Myers	\$ 102,190	Sarasota County	\$ 550,550
Pembroke Pines	\$ 217,664	Leon County	\$ 168,640	Sarasota	\$ 87,325
Plantation	\$ 119,132	Tallahassee	\$ 329,410	Seminole County	\$ 695,450
Pompano Beach	\$ 143,207	Levy County	\$ 350,000	St. Johns County	\$ 389,480
Sunrise	\$ 120,621	Liberty County	\$ 350,000	St. Lucie County	\$ 127,792
Tamarac	\$ 85,626	Madison County	\$ 350,000	Ft. Pierce	\$ 74,449
Calhoun County	\$ 350,000	Manatee County	\$ 480,594	Port St. Lucie	\$ 299,099
Charlotte County	\$ 313,600	Bradenton	\$ 86,546	Sumter County	\$ 350,000
Punta Gorda	\$ 36,400	Marion County	\$ 474,079	Suwannee County	\$ 350,000
Citrus County	\$ 350,000	Ocala	\$ 97,996	Taylor County	\$ 350,000
Clay County	\$ 384,545	Martin County	\$ 350,000	Union County	\$ 350,000
Collier County	\$ 533,452	Miami-Dade County	\$ 2,279,857	Volusia County	\$ 555,687
Naples	\$ 33,688	Hialeah	\$ 313,771	Daytona Beach	\$ 98,178
Columbia County	\$ 350,000	Miami	\$ 572,606	Deltona	\$ 135,350
DeSoto County	\$ 350,000	Miami Beach	\$ 124,311	Wakulla County	\$ 350,000
Dixie County	\$ 350,000	Miami Gardens	\$ 147,906	Walton County	\$ 350,000
Duval County	\$ 1,286,005	North Miami	\$ 83,109	Washington County	\$ 350,000
Escambia County	\$ 434,646	Monroe County	\$ 350,000	Compliance Monitoring*	\$ 100,000
Pensacola	\$ 91,369	Nassau County	\$ 350,000		
Flagler County	\$ 74,620	Okaloosa County	\$ 335,753	Florida Total	\$ 40,000,000
Palm Coast	\$ 275,380	Ft. Walton Beach	\$ 40,567		

*Compliance monitoring fees as defined in section 420.9079 (2), Florida Statutes

**Total Awarded in RFA 2013-004, RFA 2013-005, and RFA 2013-006
with Grants, ELI Funding and SAIL Funding**

County	Funds from SB 1852, National Mortgage Settlement	Low Income Housing Tax Credit and Additional Resources
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**RFA 2013-004 - Financing To Build Larger Permanent Supportive Housing Properties For
Persons With Developmental Disabilities**

Sarasota	\$	3,835,000.00	\$	940,000.00
Duval	\$	3,290,000.00	\$	2,330,000.00
Polk	\$	2,500,000.00	\$	2,420,000.00
Total	\$	9,625,000.00		

**RFA 2013-005 - Financing To Build Or Rehabilitate Smaller Permanent Supportive Housing
Properties For Persons With Developmental Disabilities**

Citrus	\$	324,500.00
Hernando	\$	325,000.00
Escambia	\$	312,076.00
Bradford	\$	324,940.00
Clay	\$	128,767.00
Pinellas	\$	60,000.00
St. Lucie	\$	72,000.00
Martin	\$	72,000.00
Suwannee	\$	62,822.00
Alachua	\$	71,886.00
Okaloosa	\$	48,000.00
Orange	\$	72,000.00
Seminole	\$	71,000.00
Brevard	\$	72,000.00
Total	\$	2,016,991.00

**RFA 2013-006 - Financing To Build Permanent Supportive Housing For Homeless Persons And
Families**

St. Johns	\$	420,843.00		
Pinellas	\$	1,002,095.00		
Broward	\$	1,581,542.00	\$	230,400.00
Pinellas	\$	1,470,622.00		
Hillsborough	\$	2,100,000.00		
Palm Beach	\$	1,728,000.00	\$	230,400.00
Total	\$	8,303,102.00		

Florida Hardest-Hit Fund (HHF) Program

First announced on February 19, 2010, by the US Department of the Treasury (Treasury), the Housing Finance Agency (HFA) Hardest-Hit Fund provides federal funding to states hardest hit by the aftermath of the burst of the housing bubble. With funding provided to Florida through this fund, Florida Housing has developed programs to address the unique issues of our state.

Unemployment Mortgage Assistance Program (UMAP)*

Loan funds can be used to pay monthly mortgage and escrowed mortgage-related expenses (i.e., property taxes, homeowner insurance, and mortgage insurance) until the homeowner can resume payments or for up to 12 months, with a cap of \$24,000, whichever occurs first.

Additionally, for homeowners who are delinquent on the first mortgage at the time they qualify for the UMAP, up to \$18,000 can be paid to help satisfy all or some of any past due amounts owed; this assistance will be paid prior to the UMAP payments beginning and cannot exceed \$18,000 total. Any past due amounts over and above the \$18,000 are the responsibility of the homeowner.

Population to be served: Homeowners who are unemployed, underemployed or have had at least a 10 percent reduction of income through no fault of their own, and are experiencing a financial hardship.

Use of funds: Pay the monthly first mortgage payment.

Mortgage Loan Reinstatement Payment (MLRP) Program*

Loan funds can be paid directly to the servicer to help satisfy all or some of any past due amounts owed on the first mortgage, only. This assistance cannot exceed \$25,000 total, and any past due amounts over and above the \$25,000 are the responsibility of the homeowner.

Population to be served: Homeowners who have been unemployed, underemployed and experienced at least a 10 percent reduction in income, and are now able to make their payments. In order to qualify for reinstatement funds, the homeowner must show that their monthly housing debt (the combined monthly payment of the mortgage principal, interest, taxes, insurance and association dues of all secured mortgages) is less than 31% of the homeowner's gross monthly income. The homeowner must meet eligibility and program underwriting guidelines, and must complete a hardship affidavit.

Use of funds: MLRP funds will be used as a one-time payment of up to \$25,000 paid directly to the lender to help satisfy all or some of any past due amounts owed; assistance cannot exceed \$25,000 total. Any past due amounts over and above the \$25,000 are the responsibility of the homeowner. This type of assistance is appropriate when the homeowner only needs help to pay past due amounts owed on the first mortgage and/or mortgage-related expenses.

Principal Reduction Program

Florida Housing is using \$350 million in federal Hardest-Hit funds for a principal reduction program. The Principal Reduction Program provides up to \$50,000 to eligible homeowners who owe more on their

* * Florida Housing is using \$417,336,200 in federal Hardest-Hit funds for the UMAP and MLRP Programs.

mortgages than their houses are worth. The program focuses on homeowners who owe at least 125% of their home's current market value—commonly known as having a home that is “underwater.” Funds are applied to reduce the principal balance of the first mortgage by up to \$50,000 or until the resulting loan-to-value ratio is 100%, whichever occurs first.

On October 2, 2013, the program reached the initial goal of 25,000 applicants. Each application is now undergoing an evaluation to determine eligibility for participation in the program. Homeowners who are deemed eligible and whose mortgage servicer has agreed to accept Principal Reduction program funds may receive up to \$50,000 to reduce the principal balance of their first mortgage. Florida Housing expects to fund approximately 10,000 eligible applicants.

Elderly Mortgage Assistance (ELMORE) Program

Florida Housing is using \$25 million of federal Hardest-Hit funds for a reverse mortgage program that provides assistance to eligible senior homeowners who are behind on their property taxes, homeowners' insurance, flood insurance and homeowners' and/or condo association dues (property charges), to the extent that these property charges have been paid on behalf of the senior homeowner by the servicer of their reverse mortgage.

The ELMORE program is designed to assist seniors who are in arrears on their reverse mortgage by providing up to \$25,000 to pay past due and future property charges, so that they may avoid foreclosure and can stay in their homes.

Modification Enabling Pilot (MEP) Program

The Modification Enabling Pilot (MEP) program uses \$50 million of the federal Hardest-Hit Fund and private capital to modify mortgages of qualifying Florida homeowners whose FHA loans have been sold to our partner, National Community Capital (NCC), by the Department of Housing and Urban Development (HUD) through its Distressed Asset Stabilization Program (DASP).

Under the HUD program, FHA-insured loans are sold competitively at a market-determined price generally below the outstanding principal balance. Once the loan is purchased, foreclosure is delayed for a minimum of six additional months, during which time NCC can work with the borrower to find an affordable solution to avoid foreclosure. Purchasing the loans at market rate, which is generally well below the outstanding principal balance, gives the investor the incentive to take additional steps to help the borrower avoid foreclosure, including modifications that may include reduced principal balances.

All HHF Quarterly and Financial reports are available at www.floridahousing.org

THE FLORIDA SENATE

APPEARANCE RECORD

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1/8/14
Meeting Date

Topic RFA & Implementation of SB 1852

Bill Number n/a
(if applicable)

Name Steve Auger

Amendment Barcode n/a
(if applicable)

Job Title Executive Director

Address 227 N. Bronough St., Suite 500

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32312
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E-mail steve.auger@floridahousing.org

Speaking: For Against Information

Representing Florida Housing Finance Corporation

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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CourtSmart Tag Report

Room: SB 301

Caption: Senate Community Affairs

Case:

Judge:

Type:

Started: 1/8/2014 4:03:31 PM

Ends: 1/8/2014 4:40:16 PM **Length:** 00:36:46

4:03:40 PM Call to order
4:05:21 PM Tab 1 SB 286 Senator Richter
4:05:32 PM Senator Richter explains
4:06:10 PM Senator Soto
4:06:20 PM Senator Richter
4:06:41 PM Senator Soto
4:06:51 PM Senator Smith
4:07:21 PM Senator Thompson
4:09:09 PM Senator Richter waives close
4:09:35 PM SB 286 reported favorably
4:09:43 PM Tab 2 SB 312 Senator Simpson
4:10:10 PM Amendment 1 barcode 324694
4:10:33 PM Senator Simpson explains
4:11:19 PM Amendment adopted
4:11:35 PM Speaker Doug Mann Representing AIF
4:12:42 PM Speaker Mary Jean Yon representing Audubon Florida
4:13:32 PM Speaker Leticia Adams representing Florida Chamber of Commerce
4:14:49 PM CS/SB 312 reported favorably
4:15:12 PM Tab 3 Presentation by the Florida Housing Finance Corporation
4:15:21 PM Steve Auger Executive Director
4:35:51 PM Senator Soto
4:38:56 PM Senator Thrasher
4:40:09 PM Close