

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

TRANSPORTATION
Senator Brandes, Chair
Senator Margolis, Vice Chair

MEETING DATE: Thursday, February 21, 2013
TIME: 11:30 a.m.—12:30 p.m.
PLACE: *Mallory Horne Committee Room, 37 Senate Office Building*

MEMBERS: Senator Brandes, Chair; Senator Margolis, Vice Chair; Senators Clemens, Diaz de la Portilla, Evers, Garcia, Joyner, Lee, Richter, and Thompson

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	SB 432 Altman (Identical H 661)	Tax Exemptions; Establishing a lower takeoff weight threshold for rotary wing aircraft qualifying for certain tax exemptions, etc. TR 02/21/2013 Favorable AFT AP	Favorable Yeas 8 Nays 0
2	SB 560 Simpson (Identical H 579)	Natural Gas Motor Fuel; Repealing provisions relating to the annual decal fee program for alternative fuel powered motor vehicles 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; establishing the Natural Gas Fuel Vehicle Investment Program, etc. TR 02/21/2013 Fav/CS AFT AP	Fav/CS Yeas 9 Nays 0

Other Related Meeting Documents

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Transportation

BILL: SB 432

INTRODUCER: Senator Altman

SUBJECT: Tax Exemptions

DATE: February 11, 2013 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Everette	Eichin	TR	Favorable
2.	_____	_____	AFT	_____
3.	_____	_____	AP	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

Senate Bill 432 expands the tax exemption for the repair and maintenance of qualified rotary wing aircraft (*e.g.* helicopters.) The expansion consists of reducing a qualified aircraft’s weight requirement from 10,000 pounds to 2,000 pounds maximum certified takeoff weight. The bill also expands the exemption for equipment, parts, and replacement engines used in the repair and maintenance of qualified aircraft as long as such parts or equipment are installed and/or repaired on the aircraft in the state.

This bill amends s. 212.08 of the Florida Statutes:

II. Present Situation:

Generally, the retail sale of repair parts and labor are subject to sales tax in Florida. Section 212.08(7)(ee), F.S., provides a sales tax exemption for aircraft repair and maintenance labor charges for “qualified aircraft.” The exemption is applicable to fixed-wing aircraft of more than 2,000 pounds maximum certified takeoff weight.¹ For rotary wing aircraft,² the exemption is applicable to aircraft with more than 10,000 pounds maximum certified takeoff weight.

¹ Maximum takeoff weight (MTOW) is the heaviest weight at which the aircraft has been shown to meet all the airworthiness requirements applicable to it. The current minimum weight requirement of 2,000 pounds for fixed-wing aircraft was reduced from 15,000 pounds by the passage of House Bill 7087 by the 2012 Legislature.

² A rotary wing aircraft is a heavier-than-air flying machine that uses lift generated by wings, called rotor blades, that revolve around a mast. The International Civil Aviation Organization (ICAO) defines a rotorcraft as “supported in flight by the reactions of the air on one or more rotors.” Rotorcraft generally include those aircraft where one or more rotors are required to provide lift throughout the entire flight, such as helicopters, cyclocopters, autogyros, and gyrodyne.

Section 212.08(7)(rr), F.S., provides an exemption for equipment, parts, and replacement engines used in aircraft repair and maintenance for "qualified aircraft." The exemption is applicable to fixed-wing aircraft of more than 2,000 pounds maximum certified takeoff weight, and for rotary wing aircraft of more than 10,300 pounds maximum certified takeoff weight.

III. Effect of Proposed Changes:

The bill expands the sales tax exemption for labor charges stemming from the repair and maintenance of rotary wing aircraft. The exemption is expanded to allow more aircraft to be eligible by reducing the allowable maximum takeoff weight from 10,000 pounds to 2,000 pounds.

The exemption for equipment, parts, and replacement engines used in the repair or maintenance of rotary wing aircraft is also expanded by reducing the allowable maximum takeoff weight from more than 10,300 pounds to more than 2,000 pounds takeoff weight when such parts or equipment are installed and is repaired or maintained in the state.

The bill has 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.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The bill expands the tax exemption for the repair and maintenance of qualified rotary wing aircraft, and also expands the exemption for equipment, parts, and replacement engines used in the repair and maintenance of qualified aircraft as long as such parts or equipment are installed and/or repaired on the aircraft in the state.

B. Private Sector Impact:

Persons or entities owning or purchasing aircrafts between 2,000 to 10,000 (10,300) pounds maximum certified takeoff weight will no longer pay taxes on labor, replacement engines, parts, and equipment, or the repair and maintenance charges, when such parts or equipment are installed on such aircraft that is being repaired or maintained in the state.

C. Government Sector Impact:

Total impact to General Revenue by the bill's exemption of parts and labor charged from sales and use tax for rotary wing aircrafts between 2,000 and 10,000 pounds was estimated by the Revenue Estimating Conference to be \$1.3 million, cash and \$1.2 million, recurring.³

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.)

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.

³Revenue Impact Results of the Revenue Estimating Conference meeting on February 8, 2013.
<http://edr.state.fl.us/Content/conferences/revenueimpact/index.cfm>

By Senator Altman

16-00683-13

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A bill to be entitled

An act relating to tax exemptions; amending s. 212.08, F.S., relating to exemptions from the sales, rental, use, consumption, distribution, and storage tax; establishing a lower takeoff weight threshold for rotary wing aircraft qualifying for certain tax exemptions; providing an effective date.

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

Section 1. Paragraphs (ee) and (rr) of subsection (7) of section 212.08, Florida Statutes, are amended to read:

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

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

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

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

(ee) *Aircraft repair and maintenance labor charges.*—~~There shall be exempt from the tax imposed by this chapter~~ All labor charges for the repair and maintenance of qualified aircraft and, aircraft, including rotary wing aircraft, of more than 2,000 pounds maximum certified takeoff weight are exempt from the tax imposed under this chapter, ~~and rotary wing aircraft of more than 10,000 pounds maximum certified takeoff weight.~~ Except as otherwise provided in this chapter, charges for parts and equipment furnished in connection with such labor charges are taxable.

(rr) *Equipment used in aircraft repair and maintenance.*—~~There shall be exempt from the tax imposed by this chapter~~ Replacement engines, parts, and equipment used in the repair or maintenance of qualified aircraft and, aircraft, including rotary wing aircraft, of more than 2,000 pounds maximum certified takeoff weight are exempt from the tax imposed under this chapter if, ~~and rotary wing aircraft of more than 10,300 pounds maximum certified takeoff weight,~~ when such parts or equipment are installed on such aircraft that is being repaired or maintained in this state.

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

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

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 Transportation

BILL: CS/SB 560

INTRODUCER: Transportation Committee and Senator Simpson

SUBJECT: Natural Gas Motor Fuel

DATE: February 21, 2013 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Price	Eichin	TR	Fav/CS
2.			AFT	
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 560 addresses a number of issues related to the use of natural gas used as a motor fuel. The bill:

- establishes a fuel tax structure for natural gas used as a motor fuel similar to that for diesel fuel beginning January 1, 2019
- relocates provisions relating to retailer of alternative fuel licenses and related reporting requirements and provides penalties for acting as a retailer without a license;
- eliminates the current decal program for vehicles powered by alternative fuels;
- revises provisions governing distribution of state alternative fuel fee proceeds, thereby delaying further distributions until the distribution for calendar year 2019; and
- repeals the Local Alternative Fuel User Fee Clearing Trust Fund.

This bill amends the following sections of the Florida Statutes: 206.86, 206.87, 206.91, and 212.055.

This bill renumbers and amends the following section of the Florida Statutes: 206.879.

This bill creates the following sections of the Florida Statutes: 206.9951, 206.9952, 206.9955, 206.996, 206.9965, 206.9975, and 206.998.

This bill repeals the following sections of the Florida Statutes: 206.877 and 206.89.

II. Present Situation:

Due to increased domestic exploration and production, the supply of natural gas in the U.S. and in Florida is expanding. Expanded supply translates into a significant reduction in fuel costs and increased potential for recognized environmental benefits for both the private and public sector. The discussion surrounding the expansion of the use of natural gas as a motor fuel is in part a “chicken v. egg” dilemma, *i.e.*, which needs to come first: vehicles powered by natural gas, or natural gas refueling infrastructure? Spurred by the benefits of the use of natural gas, the discussion often focuses on the conversion of truck fleets to the use of natural gas and the corresponding, dependent need for natural gas refueling infrastructure.

The inherent benefits of natural gas, federal incentives, and favorable treatment of alternative fuel under current state law already appear to be having an impact on the supply of both refueling stations and natural gas powered vehicles. For example, one dealership reports selling as many natural gas vehicles in 2012 than it did in the previous two years combined.¹ According to Transport Topics magazine, LNG and CNG are increasingly found at more fuel islands at truck stops and travel plazas, and in June of last year, Shell Oil Co. announced plans to build more than 200 LNG lanes at approximately 100 locations throughout the county.² Similar evidence is found in Florida, where a Tampa-based beer distributor recently ordered 43 CNG tractors with plans to replace its entire 95-unit fleet within the next 36 months, in what is called “one of the first fair market value leases for a CNG vehicle in the United States.”³

Benefits of Natural Gas

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, CNG⁴, is clearly cheaper than diesel or gasoline. The savings in fuel costs are, of course, offset to a degree by the incremental cost of a natural gas vehicle over a gasoline or diesel-powered vehicle.

¹ JSONline website: <http://www.jsonline.com/business/more-fleets-turning-to-compressed-natural-gas-bq8gtko-188512051.html>. Retrieved February 18, 2013.

² Transport Topics, *Truck Stops Expanding Purchase Options at Fuel Islands to Speed Driver Transactions*, February 4, 2013, p.12.

³ Market Watch, The Wall Street Journal online: <http://www.tampabay.com/news/business/energy/trucks-fueled-by-natural-gas-are-on-a-roll-in-florida/1275519>. Retrieved February 18, 2013.

⁴ 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>.

Due to the substantially higher fuel usage and the larger fuel price differential associated with CNG-powered fleet trucks, the recovery of the incremental cost is substantially more rapid than for standard passenger vehicles. In a study prepared for the Florida Natural Gas Vehicle Coalition (FNGVC),⁵ the incremental cost of a standard passenger vehicle powered by CNG, compared to a standard passenger vehicle powered by gasoline, ranges from \$7,000 to \$18,500.⁶ 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.⁷

In contrast, the incremental cost of a truck powered by CNG over a diesel-powered truck is \$76,100.⁸ 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,⁹ 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.¹⁰ 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.

“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 Vehicles”¹¹

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

- Natural gas vehicles can save a company 30 – 50% of its fuel costs.

⁵ Fishkind & Associates, *Economic Impact of Incentives to Facilitate Compressed Natural Gas Vehicles in Florida*, August 1, 2012.

⁶ *Id.* at 17-18.

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

¹⁰ See Green Truck Association website for information on CNG and LNG:

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

¹¹ Naturalgas.org website: <http://www.naturalgas.org/environment/naturalgas.asp>. Retrieved February 15, 2013.

- 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.¹²

The FNGVC study recommends resolving the chicken vs. egg dilemma by 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. In a February 7, 2013, memo¹³ by the FNGVC, discussing an update of the 2012 study, the coalition indicates that "...new research reflects a dramatic increase in the positive economic impact of an incentive program targeted toward commercial fleets in one quarter of the previously calculated time: over 20,000 new jobs, \$715 million in new wages, and \$2.5 billion in economic output – all over a 5-year period rather than a 20-year period."¹⁴ (The scenario assumed a \$12 million per year incentive for 5 years with \$30,000 for large trucks and \$15,000 for small trucks.)

Existing Federal Incentives for Alternative Fuel under Federal Law

Research reveals existing federal incentives and laws related to natural gas.¹⁵ Among the incentives and laws are the:

- *Alternative Fuel Infrastructure Tax Credit* - Fueling equipment for natural gas as defined in the bill and installed between January 1, 2006, and December 31, 2013, is eligible for a tax credit of 30% of the cost, not to exceed \$30,000. If qualified equipment is installed at multiple sites, the fuel station owner may apply the \$30,000 credit towards each location.¹⁶ Unused credits that qualify as general business tax credits, as defined by the Internal Revenue Service (IRS), may be carried backward one year and carried forward 20 years.

¹² FNGVC website: <http://www.fuelforjobs.com/wp-content/uploads/2012/03/Executive-Summary-FINAL1.pdf>. Retrieved February 15, 2013.

¹³ On file with the Senate Transportation Committee.

¹⁴ Certain assumptions in the original study appear to raise questions. For example, the original study on page 25 cites a 1.6 increase in "construction and ongoing clean fuel technology jobs for every truck provided as part of an alternative fuel network. The clean fuel technology jobs are related to vehicles (production, training, service, and operation), stations (construction, maintenance, and ongoing operation), facilities (upgrades of maintenance facilities for CNG as required by code), and exploration and production (gas demand met by local production)." However, this figure is based not just on operation of the vehicle, but on manufacturing of the truck, development of the fuel network (including temporary construction jobs), and exploration and production. Given that manufacture of natural gas-powered vehicles and exploration or production of natural gas has no significant presence in Florida, it is unclear whether the projected economic impacts will be realized within the State of Florida.

¹⁵ U.S. Department of Energy: <http://www.afdc.energy.gov/laws/laws/US/tech/3253>. Retrieved February 17, 2013.

¹⁶ A tax credit of up to \$1,000 is also available to consumers who purchased qualified residential fueling equipment prior to December 31, 2013.

- *Alternative Fuel Excise Tax Credit* - A tax incentive is available for alternative fuel that is sold for use or used as a fuel to operate a motor vehicle. A tax credit in the amount of \$0.50 per gallon is available for sale of alternative fuels as defined in the bill. For an entity to be eligible to claim the credit they must be liable for reporting and paying the federal excise tax on the sale or use of the fuel in a motor vehicle. Tax exempt entities such as state and local governments that dispense qualified fuel from an on-site fueling station for use in vehicles qualify for the incentive. Eligible entities must be registered with the Internal Revenue Service (IRS). The incentive must first be taken as a credit against the entity's alternative fuel tax liability; any excess over this fuel tax liability may be claimed as a direct payment from the IRS. This tax credit is applicable to fuel sold or used between January 1, 2005, and December 31, 2013.¹⁷
- *Tax credit for purchase of alternative fuel vehicles* - Federal law at one time also provided for an income tax credit for the purchase of a new, dedicated alternative fuel vehicle of 50 percent of the incremental cost of the vehicle. An additional 30 percent was allowed if the vehicle met certain tighter emission standards. Ranging from \$2,500 to \$32,000 depending on the size of the vehicle, the credit was effective after December 31, 2005, and expired on December 31, 2010. Congress did not extend the credit, but it did enact a new bonus depreciation provision that allowed companies to expense 100 percent of the cost of new capital equipment. The 100% depreciation level applied to equipment placed in service after September 8, 2010 through 2011. For 2012 and through 2013, the bonus depreciation level is at 50 percent.¹⁸

Current State Taxation of Gasoline, Diesel, and Alternative Fuel

Motor Fuel

Section 206.41(1)(a), F.S., currently imposes an excise or license tax of 2 cents upon each net gallon of specified motor fuel,¹⁹ designated as the "constitutional gas tax." Section 206.41(1), also imposes on each net gallon of motor fuel an additional 1 cent, designated as the "county fuel tax;" an additional 1 cent, designated as the "municipal fuel tax;" an additional tax, designated as the State Comprehensive Enhanced Transportation System Tax (SCETS), at a rate determined as specified in paragraph (f); and an additional tax, designated as the "fuel sales tax," at a rate determined as specified in paragraph (g). An additional tax of 1 cent per net gallon may be imposed by each county, designated as the "ninth-cent fuel tax," as well as an additional tax of between 1 and 11 cents per net gallon, designated as the "local option fuel tax." 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.²⁰

¹⁷ Fishkind notes that the "fuel-excise tax credit has been one of the most successful programs in terms of driving large deployments of natural gas trucks. In addition, unlike grant funding, the value of a federal tax credit is not considered taxable income to a private entity. It is therefore equivalent to a cash rebate, or grant funding at 100% of the value. When the Federal Tax Credits are combined, expedited payback periods of less than two years can be realized on the incremental investment required for a natural gas truck." Fishkind & Associates, *Economic Impact of Incentives to Facilitate Compressed Natural Gas Vehicles in Florida*, August 1, 2012, pp. 23-24.

¹⁸ NGVAmerica, citing Pub. L. no. 111-312 (2010) and Pub. L. no. 112-240 (2012): <http://ngvamerica.org/incentives/federalTax.html>. Retrieved February 17, 2013.

¹⁹ 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."

²⁰ 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.

Diesel Fuel

Section 206.87(1)(a), F.S., currently imposes an excise tax of 4 cents upon each net gallon of specified diesel fuel,²¹ except for alternative fuels, which are subject to the fee imposed by s. 206.877, F.S. Section 206.87(1), F.S., also imposes on each net gallon of diesel fuel subject to the tax, an additional 1 cent tax known as the “ninth-cent fuel tax;” an additional 6 cents tax known as the “local option fuel tax;” an additional tax, designated as the State Comprehensive Enhanced Transportation System Tax (SCETS), at a rate specified in paragraph (d); and an additional “fuel sales tax,” at a rate determined as specified in paragraph (e). The SCETS Tax rate on diesel for 2013 is 7.1 cents and the fuel sales tax rate on diesel for 2013 is 12.9 cents.²²

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.

With reference to the SCETS tax, note that s. 206.608, F.S., after deduction of the specified service charge and administrative costs, requires that 99.35 percent of the proceeds of the SCETS tax levied on *motor fuel* be transferred to State Transportation Trust Fund (STTF),²³ and *all of the proceeds from the SCETS tax on diesel fuel* be transferred to the STTF. These funds may be used only for transportation projects in the adopted work program in the Florida Department of Transportation (FDOT) district in which the tax proceeds are collected and, to the maximum extent feasible, shall be programmed for use in the county where collected.

Alternative Fuel

Section 206.86(4), F.S., currently 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 any form of liquefied petroleum gas (*i.e.*, natural gas, butane gas, propane gas) or compressed natural gas. Section 206.86(5), F.S., currently 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 4 cents per gallon excise tax on diesel fuel, an annual decal fee on each such motor vehicle in accordance with the rate schedule specified in that paragraph. The taxes imposed on diesel fuel under s. 206.87, F.S., apply to purchases of alternative fuels by operators of vehicles licensed in other states and other vehicles that do not have the proper decal. In addition, the sale of alternative fuel is generally subject to sales tax imposed under ch. 212, F.S.²⁴

A person fueling vehicles from his or her own facilities must, in addition, pay a local alternative fuel fee in lieu of each cent of excise tax levied by a county under s. 206.87(1)(b) and (c), F.S.

²¹ 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.

²² 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.

²³ The Agricultural Emergency Eradication Trust Fund receives 0.35 percent of the proceeds of the SCETS tax on motor fuel.

²⁴ Fla. Admin. Code R. 12A-1.059.

Those who do not operate their own fueling facilities must pay the appropriate local fee for the particular county where the vehicles are predominantly used.

Generally, 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 without limitation 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, and the revenues from the local alternative fuel fees imposed in lieu of s. 206.87(1)(b) or (c), F.S., are deposited into the Local Alternative Fuel User Fee Clearing Trust Fund, as provided in s. 206.879, F.S. 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% of the remainder to the State Board of Administration for distribution in accordance with Article XII, Section (9)(c), of the Florida Constitution (first call on the proceeds is to meet debt service requirements, if any, on local bond issues backed by the tax proceeds with the balance credited to the counties' transportation trust funds);
- 25% of the remainder to the Revenue Sharing Trust Fund for Municipalities (distributed in accordance with criteria contained in ch. 218, F.S.); and
- the remaining 25% distributed in accordance with s. 206.60(1), F.S. (to the counties for specified public transportation purposes).

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.

Annual distributions to the STTF from the State Alternative Fuel User Fee Clearing Trust Fund reported by the Florida Department of Transportation for the current year and the previous 10 fiscal years are as shown below, suggesting an upward trend in the sale of alternative fuel decals in the more recent past.

Alt. Fuel Tax to STTF	
2003	\$124,567.28
2004	\$141,906.37
2005	\$115,870.65
2006	\$168,235.78
2007	\$ 77,635.60
2008	\$ 49,039.66
2009	\$ 39,480.07
2010	\$ 33,758.92
2011	\$ 32,915.48
2012	\$ 42,045.66
2013	\$ 54,217.96

III. Effect of Proposed Changes:

Section 1: Amends s. 206.86, F.S., to remove the definitions of “alternative fuel” and “natural gasoline.” Definitions are being provided in a new part V of ch. 206, F.S.

Section 2: Amends s. 206.87(1)(a), F.S., to remove the exception from the 4-cents-per-net-gallon excise tax for alternative fuels subject to the fee imposed by s. 206.877, F.S. A natural gas fuel tax structure is being provided in a new part V of ch. 206, F.S.

Section 3: Repeals s. 206.877, F.S., relating to payment of annual decal fees in lieu of the tax imposed by s. 206.87, F.S., for motor vehicles fueled by liquefied petroleum gas or compressed natural gas. A natural gas fuel tax structure is being provided in a new part V of ch. 206, F.S.

Section 4: Repeals s. 206.89, F.S., relating to retailer of alternative fuel licenses, applications for such licenses, DOR issuance, and monthly reports and payment of tax on all fuel purchases. The provisions of s. 206.89, F.S., are being moved to a new part V of ch. 206, F.S.

Section 5: Amends s. 206.91(1), to remove from required monthly reports to DOR information on inventories, purchases, nontaxable disposals, and taxable sales in gallons of alternative fuel; and to make editorial changes. These reporting requirements are being moved to a new part V of ch. 206, F.S., to be applicable for natural gas fuel.

Section 6: Requests the Division of Law Revision and Information to create part V of ch. 206, F.S., consisting of ss. 206.9951 – 206.998, entitled “NATURAL GAS FUEL.”

Section 7: Creates s. 206.9951, F.S., entitled “Definitions,” to define terms as follows:

- “Motor fuel equivalent gallon” means the volume of natural gas fuel it takes to equal the energy content of one gallon of fuel.

- “Natural gas fuel” means any liquefied petroleum gas product, 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 without limitation all forms of fuel commonly or commercially know or sold as natural gasoline, butane gas, propane gas, or any other form of liquefied petroleum gas, compressed natural gas, or liquefied natural gas. (This definition is all but identical to the definition of “alternative fuel” being deleted from s. 206.86, F.S.)
- “Natural gas fuel retailer” means any person who sells natural gas fuel to be placed into the fuel supply system of a motor vehicle or used to propel any form of vehicle, machine, or mechanical contrivance.
- “Natural gasoline” is a liquid hydrocarbon that is produced by natural gas and must be blended with other liquid petroleum products to produce motor fuel. (This definition is identical to the definition of “natural gasoline” being deleted from s. 206.86, F.S.)
- “Person” means a natural person, corporation, copartnership, firm, company, agency, or association; a state agency, or a political subdivision of the state.

Section 8: Creates s. 206.9952, F.S., entitled “Application for license as a natural gas fuel retailer,” to provide that it is unlawful for any person to engage in business as a natural gas fuel retailer within this state unless he or she is the holder of a valid license issued by DOR to engage in such business; to exempt from licensure a person who has facilities for placing natural gas fuel into the supply system of an internal combustion engine fueled by individual portable containers of 10 gallons or less, provided that the fuel is only used for exempt purposes; to require any person acting as a natural gas retailer without holding a valid natural gas fuel retailer license to pay a \$200 penalty for each month of operation without a license; to require, effective January 1, 2019, any person acting as a natural gas fuel retailer without holding a valid natural gas fuel retailer license to pay a penalty of 25% of the tax assessed on the total purchases made during the unlicensed period; to require a person to file an application and a bond with DOR on a form prescribed by DOR and to prohibit DOR from issuing a license unless the application is accompanied by a bond; to authorize DOR, if evidence warrants, to refuse to issue a license when a natural gas fuel retailer license application is filed by a person whose previous license was canceled for cause or when DOR believes that such application was not filed in good faith or is filed by another person as a subterfuge for the actual person in interest whose previous license has been canceled; to provide that a natural gas fuel retailer license issued by DOR remains in effect so long as the natural gas fuel retailer is in compliance with this part; to prohibit assigning a license and provide that the license is valid only for the natural gas fuel retailer in whose name the license is issued; to require the license be displayed conspicuously in the principal place of business for which the license was issued; to require each person who operates as a natural gas fuel retailer, except a state or federal agency or a political subdivision licensed under this chapter, to report monthly to DOR and pay a tax on all natural gas fuel purchases beginning January 1, 2019; to require a \$5 license fee for the license application; to require annual renewal of each license by submitting a reapplication and the \$5 license fee to DOR; and to require payment of the license fee to DOR for deposit into the General Revenue Fund. These revisions primarily lift the provisions of s. 206.89, F.S., which are being repealed, and place them in the new part V of ch. 206, F.S.

Section 9: Creates s. 206.9955, entitled “Levy of natural gas fuel tax,” to establish the motor fuel equivalent gallon for a compressed natural gas gallon (5.66 pounds, or per each 126.67 cubic feet), for a liquefied natural gas gallon (6.22 pounds), and for a liquefied petroleum gas gallon (1.35 gallons); to impose an excise tax of 4 cents upon each motor fuel equivalent gallon of natural gas fuel; to impose an additional 1 cent tax, designated as the “ninth-cent fuel tax;” to impose an additional 6 cents tax, designated as the “local option fuel tax;” to impose an additional tax designated as the “State Comprehensive Enhanced Transportation System Tax,” determined by DOR beginning January 1 for the following 12-month period, rounded to the nearest tenth of a cent, by adjusting the initially established rate of 6.9 cents per gallon by the Consumer Price Index; to impose an additional tax for the privilege of selling natural gas fuel, designated as the “fuel sales tax,” determined by DOR beginning January 1 for the following 12-month period, rounded to the nearest tenth of a cent, calculated by adjusting the initially established tax rate of 12.9 cents per gallon by the Consumer Price Index and authorizing DOR to adopt rules and publish forms to administer the fuel sales tax; and to impose the 4 cents excise tax and additional taxes on natural gas fuel when it is placed into the fuel supply tank of a motor vehicle or used to propel any form of vehicle, machine, or mechanical contrivance, and to impose liability for payment of the identified taxes on the person selling the fuel to the end user, where the fuel is placed into the fuel supply tank of a motor vehicle or used to propel any form of vehicle, machine, or mechanical contrivance. These taxes replace the annual decal fees in current s. 206.877, F.S., but are not effective until January 1, 2019. Natural gas fuel will be taxed in the same fashion as diesel fuel beginning January 1, 2019, except that natural gas fuel remains subject to the sales tax under ch. 212, F.S.

Section 10: Creates s. 206.996, entitled “Monthly reports by natural gas fuel retailers; deductions,” to require each natural gas fuel retailer, beginning with February 2019 and each month thereafter, and for the purpose of determining the amount of taxes imposed by s. 206.9955, F.S., to file monthly electronic reports with DOR showing information on inventory, purchases, nontaxable disposals, and taxable sales in gallons of natural gas fuel for the preceding month, no later than the 20th day of each month; to provide that if the 20th day falls on a Saturday, Sunday, or federal or state legal holiday, a return must be accepted if it is electronically filed on the next succeeding business day; to require the reports to include, or be verified by, a written declaration stating that such report is made under penalties of perjury; to require the natural gas fuel retailer to deduct from the amount of taxes shown by the report to be payable an amount equivalent to .67% of the taxes on natural gas fuel imposed by s. 206.9955(2)(a) and (e) [the 4 cents excise tax and the fuel sales tax] to compensate the retailer for services rendered and expenses incurred in complying with part V; to prohibit the deduction unless the natural gas fuel retailer has allowed 50% of the allowance provided to a purchaser that has a valid wholesaler or terminal supplier license; to prohibit the deduction unless payment of applicable taxes is made on or before the 20th day of the month; to prohibit any construction that would authorize a deduction from the constitutional gas tax or the fuel sales tax; to require each natural gas fuel retailer to pay DOR the full amount of natural gas fuel taxes for the preceding month, less the amount allowed the retailer for services and expenses, upon the electronic filing of the monthly report; to provide that DOR may authorize a quarterly return and payment of taxes when the taxes remitted by the retailer for the preceding quarter did not exceed \$100 and may authorize a semiannual return and payment when the taxes remitted for the preceding 6 months did not exceed \$200; to authorize an additional retailer deduction of 1.1 percent of the taxes imposed under s. 206.9955(2)(b) and (c) [the ninth-cent fuel tax and the local

option fuel tax] on account of services and expenses incurred in complying with part V; and to prohibit the deduction unless payment of the tax is made on or before the 20th day of the month. These requirements are virtually identical to those currently contained in s. 206.91, F.S., from which reference to alternative fuel is removed.

Section 11: Creates s. 206.9965, F.S., effective January 1, 2019, to authorize the purchase of tax-exempt natural gas fuel from natural gas fuel retailers when the fuel is used or purchased for:

- Exclusive use by the United States or its departments or agencies, defined to mean the consumption by the United States or its departments or agencies of the natural gas fuel in a motor vehicle or used to propel any form of vehicle, machine, or mechanical contrivance;
- Use for an internal combustion engine or motor to propel any form of vehicle, machine, or mechanical contrivance for agricultural purposes as defined in s. 206.41(c), F.S. [agricultural, aquacultural, commercial fishing, or commercial aviation purposes];
- Uses as provided in s. 206.874(3), F.S. [dyed diesel fuel];
- Use by vehicles operated by state and local government agencies;
- Individual use resulting from residential refueling devices located at a person's primary residence; and
- Purchases of natural gas fuel between licensed natural gas fuel retailers. A natural gas fuel retailer that sells tax-paid natural gas fuel to another natural gas fuel retailer is authorized to take a credit on its monthly return or may file a claim for refund with the Chief Financial Officer pursuant to s. 215.26, F.S. ["Repayment of funds paid into the State Treasury through error"]. All sales of natural gas fuel between natural gas fuel retailers must be documented on invoices or other evidence of the sale of such fuel and the seller must retain a copy of the purchaser's natural gas fuel retailer license.

Section 12: Transfers and renumbers current s. 206.879, F.S., as s. 206.997, F.S.; revises and updates provisions governing distribution of state alternative fuel fee proceeds (does not change the distribution shares currently in place for the State Alternative Fuel User Fee Clearing Trust Fund but delays further distributions until the distribution for calendar year 2019); and repeals the provisions requiring revenues from the local alternative fuel fees imposed in lieu of s. 206.87(1)(b) or (c), F.S., into the Local Alternative Fuel User Fee Clearing Trust Fund, to be returned monthly to the appropriate county after deducting the required service charge.

Section 13: Terminates the Local Alternative Fuel User Fee Clearing Trust Fund within DOR; directs DOR to pay any outstanding debts or obligations of the terminated fund as soon as practicable; and directs the Chief Financial Officer to close out and remove the terminated fund from various state accounting systems.

Section 14: Creates s. 206.998, entitled "Applicability of specified sections of parts I and II" of ch. 206, F.S., provides that the specified sections are applicable to the natural gas fuel tax; and provides that the specified statutes do not apply in the event of conflict with the new part V of ch. 206, F.S.

Section 15: Amends s. 212.055(2)(d), F.S., relating to the local government infrastructure surtax, to include “installation of systems for natural gas fuel as defined in s. 206.9951” in the definition of “energy efficiency improvement” and make a grammatical change. This allows counties to use surtax revenues as loans, grants, or rebates to private property owners who install natural gas fueling systems.

Section 16: Provides an effective date of January 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:

The Revenue Estimating Conference has not yet completed its analysis of the fiscal impact of this bill. The STTF will experience a negative fiscal impact resulting from the loss of distributions of decal proceeds from the State Alternative Fuel User Fee Clearing Trust Fund (\$54,217.96 for 2013) until the distribution for calendar year 2019, but will thereafter experience a positive fiscal impact resulting from distributions of the alternative fuel tax structure imposed beginning January 1, 2019.

B. Private Sector Impact:

The private sector would experience the identified environmental benefits.

C. Government Sector Impact:

The government sector would experience the identified environmental benefits.

VI. Technical Deficiencies:

None.

VII. Related Issues:

DOR is authorized to adopt rules and publish forms to administer the fuel sales tax being imposed on each motor fuel equivalent gallon of natural gas fuel.

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 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 the distribution for calendar year 2019 and delay imposition of the natural gas fuel tax structure 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.

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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/21/2013	.	
	.	
	.	
	.	

The Committee on Transportation (Garcia) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Section 206.86, Florida Statutes, is amended to read:

206.86 Definitions.—As used in this part:

(1) "Diesel fuel" means 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.

(2) "Taxable diesel fuel" or "fuel" means any diesel fuel

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13 not held in bulk storage at a terminal ~~and~~ which has not been
14 dyed for exempt use in accordance with Internal Revenue Code
15 requirements.

16 (3) "User" includes any person who uses diesel fuels within
17 this state for the propulsion of a motor vehicle on the public
18 highways of this state, even though the motor is also used for a
19 purpose other than the propulsion of the vehicle.

20 ~~(4) "Alternative fuel" means any liquefied petroleum gas~~
21 ~~product or compressed natural gas product or combination thereof~~
22 ~~used in an internal combustion engine or motor to propel any~~
23 ~~form of vehicle, machine, or mechanical contrivance. This term~~
24 ~~includes, but is not limited to, all forms of fuel commonly or~~
25 ~~commercially known or sold as natural gasoline, butane gas,~~
26 ~~propane gas, or any other form of liquefied petroleum gas or~~
27 ~~compressed natural gas.~~

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

31 ~~(4)~~~~(6)~~ "Removal" means any physical transfer of diesel fuel
32 and any use of diesel fuel other than as a material in the
33 production of diesel fuel.

34 ~~(5)~~~~(7)~~ "Blender" means any person who ~~that~~ produces blended
35 diesel fuel outside the bulk transfer/terminal system.

36 ~~(6)~~~~(8)~~ "Colorless marker" means material that is not
37 perceptible to the senses until the diesel fuel into which it is
38 introduced is subjected to a scientific test.

39 ~~(7)~~~~(9)~~ "Dyed diesel fuel" means diesel fuel that is dyed in
40 accordance with United States Environmental Protection Agency or
41 Internal Revenue Service requirements for high sulfur diesel

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42 fuel or low sulfur diesel fuel.

43 ~~(8)-(10)~~ "Ultimate vendor" means a licensee that sells
44 undyed diesel fuel to the United States or its departments or
45 agencies in bulk lots of not less than 500 gallons in each
46 delivery or to the user of the diesel fuel for use on a farm for
47 farming purposes.

48 ~~(9)-(11)~~ "Local government user of diesel fuel" means any
49 county, municipality, or school district licensed by the
50 department to use untaxed diesel fuel in motor vehicles.

51 ~~(10)-(12)~~ "Mass transit system" means any licensed local
52 transportation company providing local bus service that is open
53 to the public and that travels regular routes.

54 ~~(11)-(13)~~ "Diesel fuel registrant" means anyone required by
55 this chapter to be licensed to remit diesel fuel taxes,
56 including, but not limited to, terminal suppliers, importers,
57 local government users of diesel fuel, and mass transit systems.

58 ~~(12)-(14)~~ "Biodiesel" means any product made from
59 nonpetroleum-based oils or fats which is suitable for use in
60 diesel-powered engines. Biodiesel is also referred to as alkyl
61 esters.

62 ~~(13)-(15)~~ "Biodiesel manufacturer" means those industrial
63 plants, regardless of capacity, where organic products are used
64 in the production of biodiesel. This includes businesses that
65 process or blend organic products that are marketed as
66 biodiesel.

67 Section 2. Paragraph (a) of subsection (1) of section
68 206.87, Florida Statutes, is amended to read:

69 206.87 Levy of tax.—

70 (1) (a) An excise tax of 4 cents per gallon is hereby

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71 imposed upon each net gallon of diesel fuel subject to the tax
72 under subsection (2), ~~except alternative fuels which are subject~~
73 ~~to the fee imposed by s. 206.877.~~

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

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

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

78 206.91 Tax reports; computation and payment of tax.—

79 (1) For the purpose of determining the amount of taxes
80 imposed by s. 206.87, each diesel fuel registrant shall, not
81 later than the 20th day of each calendar month, mail to the
82 department, on forms prescribed by the department, monthly
83 reports that provide ~~which shall show such~~ information on
84 inventories, purchases, nontaxable disposals, and taxable sales
85 in gallons of diesel fuel ~~and alternative fuel~~, for the
86 preceding calendar month ~~as may be~~ required by the department.
87 However, if the 20th day falls on a Saturday, a Sunday, or a
88 federal or state legal holiday, returns shall be accepted if
89 postmarked on the next succeeding workday. The reports must
90 include, ~~shall contain~~ or be verified by, a written declaration
91 stating that they are ~~such report is~~ made under the penalties of
92 perjury. The diesel fuel registrant shall deduct from the amount
93 of taxes shown by the report to be payable an amount equivalent
94 to .67 percent of the taxes on diesel fuel imposed by s.
95 206.87(1)(a) and (e), which deduction is ~~hereby~~ allowed to the
96 diesel fuel registrant on account of services and expenses in
97 complying with the provisions of this part. The allowance on
98 taxable gallons of diesel fuel sold to persons licensed under
99 this chapter is not ~~shall not be~~ deductible unless the diesel

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100 fuel registrant has allowed 50 percent of the allowance provided
101 by this section to a purchaser with a valid wholesaler or
102 terminal supplier license. This allowance is not ~~shall not be~~
103 deductible unless payment of the taxes is made on or before the
104 20th day of the month as ~~herein~~ required in this subsection.
105 ~~Nothing in~~ This subsection does not ~~shall be construed to~~
106 authorize a deduction from the constitutional fuel tax or fuel
107 sales tax.

108 Section 6. The Division of Law Revision and Information is
109 requested to create part V of chapter 206, Florida Statutes,
110 consisting of ss. 206.9951-206.998, entitled "NATURAL GAS FUEL."

111 Section 7. Section 206.9951, Florida Statutes, is created
112 to read:

113 206.9951 Definitions.-As used in this part, the term:

114 (1) "Motor fuel equivalent gallon" means the volume of
115 natural gas fuel it takes to equal the energy content of 1
116 gallon of motor fuel.

117 (2) "Natural gas fuel" means any liquefied petroleum gas
118 product, compressed natural gas product, or combination thereof
119 used in an internal combustion engine or motor to propel any
120 form of vehicle, machine, or mechanical contrivance. This term
121 includes, but is not limited to, all forms of fuel commonly or
122 commercially known or sold as natural gasoline, butane gas,
123 propane gas, or any other form of liquefied petroleum gas,
124 compressed natural gas, or liquefied natural gas.

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

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

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

135 Section 8. Section 206.9952, Florida Statutes, is created
136 to read:

137 206.9952 Application for license as a natural gas fuel
138 retailer.-

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

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

148 (3) Effective January 1, 2019, any person who acts as a
149 natural gas fuel retailer and does not hold a valid natural gas
150 fuel retailer license shall pay a penalty of 25 percent of the
151 tax assessed on the total purchases made during the unlicensed
152 period.

153 (4) To procure a natural gas fuel retailer license, a
154 person shall file an application and a bond with the department
155 on a form prescribed by the department. The department may not
156 issue a license upon the receipt of any application unless it is
157 accompanied by a bond.

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158 (5) When a natural gas fuel retailer license application is
159 filed by a person whose previous license was canceled for cause
160 by the department or the department believes that such
161 application was not filed in good faith or is filed by another
162 person as a subterfuge for the actual person in interest whose
163 previous license has been canceled, the department may, if
164 evidence warrants, refuse to issue a license for such an
165 application.

166 (6) Upon the department's issuance of a natural gas fuel
167 retailer license, such license remains in effect so long as the
168 natural gas fuel retailer is in compliance with the requirements
169 of this part.

170 (7) Such license may not be assigned and is valid only for
171 the natural gas fuel retailer in whose name the license is
172 issued. The license shall be displayed conspicuously by the
173 natural gas fuel retailer in the principal place of business for
174 which the license was issued.

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

180 (9) The license application requires a license fee of \$5.
181 Each license shall be renewed annually by submitting a
182 reapplication and the license fee to the department. The license
183 fee shall be paid to the department for deposit into the General
184 Revenue Fund.

185 Section 9. Section 206.9955, Florida Statutes, is created
186 to read:

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187 206.9955 Levy of natural gas fuel tax.-

188 (1) The motor fuel equivalent gallon means the following
189 for:

190 (a) Compressed natural gas gallon: 5.66 pounds, or per each
191 126.67 cubic feet.

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

193 (c) Liquefied petroleum gas gallon: 1.35 gallons.

194 (2) Effective January 1, 2019, the following taxes shall be
195 imposed:

196 (a) An excise tax of 4 cents upon each motor fuel
197 equivalent gallon of natural gas fuel.

198 (b) An additional tax of 1 cent upon each motor fuel
199 equivalent gallon of natural gas fuel, which is designated as
200 the "ninth-cent fuel tax."

201 (c) An additional tax of 6 cents on each motor fuel
202 equivalent gallon of natural gas fuel by each county, which is
203 designated as the "local option fuel tax."

204 (d) An additional tax on each motor fuel equivalent gallon
205 of natural gas fuel, which is designated as the "State
206 Comprehensive Enhanced Transportation System Tax," at a rate
207 determined pursuant to this paragraph. Each calendar year, the
208 department shall determine the tax rate applicable to the sale
209 of natural gas fuel for the following 12-month period beginning
210 January 1, rounded to the nearest tenth of a cent, by adjusting
211 the initially established tax rate of 7.1 cents per gallon by
212 the percentage change in the average of the Consumer Price Index
213 issued by the United States Department of Labor for the most
214 recent 12-month period ending September 30.

215 (e)1. An additional tax is imposed on each motor fuel

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216 equivalent gallon of natural gas fuel for the privilege of
217 selling natural gas fuel and is designated as the "fuel sales
218 tax." Each calendar year, the department shall determine the tax
219 rate applicable to the sale of natural gas fuel, rounded to the
220 nearest tenth of a cent, for the following 12-month period
221 beginning January 1. The tax rate is calculated by adjusting the
222 initially established tax rate of 12.9 cents per gallon by the
223 percentage change in the average of the Consumer Price Index
224 issued by the United States Department of Labor for the most
225 recent 12-month period ending September 30.

226 2. The department is authorized to adopt rules and publish
227 forms to administer this paragraph.

228 (3) Unless otherwise provided by this chapter, the taxes
229 specified in subsection (2) are imposed on natural gas fuel when
230 it is placed into the fuel supply tank of a motor vehicle or
231 used to propel any form of vehicle, machine, or mechanical
232 contrivance. The person liable for payment of the taxes imposed
233 by this section is the person selling the fuel to the end user,
234 where the fuel is placed into the fuel supply tank of a motor
235 vehicle or used to propel any form of vehicle, machine, or
236 mechanical contrivance.

237 Section 10. Section 206.996, Florida Statutes, is created
238 to read:

239 206.996 Monthly reports by natural gas fuel retailers;
240 deductions.-

241 (1) For the purpose of determining the amount of taxes
242 imposed by s. 206.9955, each natural gas fuel retailer shall
243 file beginning with February 2019 and each month thereafter, no
244 later than the 20th day of each month, monthly reports

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245 electronically with the department showing information on
246 inventory, purchases, nontaxable disposals, and taxable sales in
247 gallons of natural gas fuel for the preceding month. However, if
248 the 20th day of the month falls on a Saturday, Sunday, or
249 federal or state legal holiday, a return must be accepted if it
250 is electronically filed on the next succeeding business day. The
251 reports must include, or be verified by, a written declaration
252 stating that such report is made under the penalties of perjury.
253 The natural gas fuel retailer shall deduct from the amount of
254 taxes shown by the report to be payable an amount equivalent to
255 0.67 percent of the taxes on natural gas fuel imposed by s.
256 206.9955(2) (a) and (e), which deduction is allowed to the
257 natural gas fuel retailer to compensate it for services rendered
258 and expenses incurred in complying with the requirements of this
259 part. The allowance on taxable gallons of natural gas fuel sold
260 to persons licensed under this part is not deductible unless the
261 natural gas fuel retailer has allowed 50 percent of the
262 allowance provided by this section to a purchaser that has a
263 valid wholesaler or terminal supplier license. This allowance is
264 not deductible unless payment of applicable taxes is made on or
265 before the 20th day of the month. This subsection may not be
266 construed as authorizing a deduction from the constitutional
267 fuel tax or the fuel sales tax.

268 (2) Upon the electronic filing of the monthly report, each
269 natural gas fuel retailer shall pay the department the full
270 amount of natural gas fuel taxes for the preceding month at the
271 rate provided in s. 206.9955, less the amount allowed the
272 natural gas fuel retailer for services and expenses as provided
273 in subsection (1).

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274 (3) The department may authorize a quarterly return and
275 payment of taxes when the taxes remitted by the natural gas fuel
276 retailer for the preceding quarter did not exceed \$100, and the
277 department may authorize a semiannual return and payment of
278 taxes when the taxes remitted by the natural gas fuel retailer
279 for the preceding 6 months did not exceed \$200.

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

287 Section 11. Section 206.9965, Florida Statutes, is created
288 to read:

289 206.9965 Exemptions and refunds; natural gas fuel
290 retailers.-

291 (1) Effective January 1, 2019, natural gas fuel may be
292 purchased from natural gas fuel retailers exempt from the tax
293 imposed by this part when used or purchased for the following:

294 (a) Exclusive use by the United States or its departments
295 or agencies. Exclusive use by the United States or its
296 departments and agencies means the consumption by the United
297 States or its departments or agencies of the natural gas fuel in
298 a motor vehicle or used to propel any form of vehicle, machine,
299 or mechanical contrivance.

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

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

304 (d) Use by vehicles operated by state and local government
305 agencies.

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

308 (f) Purchases of natural gas fuel between licensed natural
309 gas fuel retailers. A natural gas fuel retailer that sells tax-
310 paid natural gas fuel to another natural gas fuel retailer may
311 take a credit on its monthly return or may file a claim for
312 refund with the Chief Financial Officer pursuant to s. 215.26.
313 All sales of natural gas fuel between natural gas fuel retailers
314 must be documented on invoices or other evidence of the sale of
315 such fuel and the seller shall retain a copy of the purchaser's
316 natural gas fuel retailer license.

317 Section 12. Section 206.879, Florida Statutes, is
318 transferred and renumbered as section 206.997, Florida Statutes,
319 and amended to read:

320 206.997 ~~206.879~~ ~~State and local~~ alternative fuel user fee
321 clearing trust funds; distribution.-

322 (1) Notwithstanding ~~the provisions of~~ s. 206.875, the
323 revenues from the natural gas fuel tax imposed by s. 206.9955
324 ~~state alternative fuel fees imposed by s. 206.877~~ shall be
325 deposited into the State Alternative Fuel User Fee Clearing
326 Trust Fund, which is hereby created. After deducting the service
327 charges provided in s. 215.20, the proceeds in this trust fund
328 shall be distributed as follows: one-half of the proceeds in
329 calendar year 2019 and ~~one-fifth of the proceeds in calendar~~
330 ~~year 1991, one-third of the proceeds in calendar year 1992,~~
331 ~~three-sevenths of the proceeds in calendar year 1993, and one-~~

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332 ~~half of the proceeds in each calendar year thereafter shall be~~
333 ~~transferred to the State Transportation Trust Fund; the~~
334 ~~remainder shall be distributed as follows: 50 percent shall be~~
335 ~~transferred to the State Board of Administration for~~
336 ~~distribution according to the provisions of s. 16, Art. IX of~~
337 ~~the State Constitution of 1885, as amended; 25 percent shall be~~
338 ~~transferred to the Revenue Sharing Trust Fund for~~
339 ~~Municipalities; and the remaining 25 percent shall be~~
340 ~~distributed using the formula contained in s. 206.60(1).~~

341 ~~(2) Notwithstanding the provisions of s. 206.875, the~~
342 ~~revenues from the local alternative fuel fees imposed in lieu of~~
343 ~~s. 206.87(1)(b) or (c) shall be deposited into The Local~~
344 ~~Alternative Fuel User Fee Clearing Trust Fund, which is hereby~~
345 ~~created. After deducting the service charges provided in s.~~
346 ~~215.20, the proceeds in this trust fund shall be returned~~
347 ~~monthly to the appropriate county.~~

348 Section 13. (1) The Local Alternative Fuel User Fee
349 Clearing Trust Fund within the Department of Revenue is
350 terminated.

351 (2) The Department of Revenue shall pay any outstanding
352 debts or obligations of the terminated fund as soon as
353 practicable, and the Chief Financial Officer shall close out and
354 remove the terminated fund from various state accounting systems
355 using generally accepted accounting principles concerning
356 warrants outstanding, assets, and liabilities.

357 Section 14. Section 206.998, Florida Statutes, is created
358 to read:

359 206.998 Applicability of specified sections of parts I and
360 II.—The provisions of ss. 206.01, 206.02, 206.025, 206.026,

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361 206.027, 206.028, 206.03, 206.05, 206.055, 206.06, 206.07,
362 206.075, 206.09, 206.10, 206.11, 206.12, 206.13, 206.14, 206.15,
363 206.16, 206.17, 206.175, 206.18, 206.199, 206.20, 206.204,
364 206.205, 206.21, 206.215, 206.22, 206.23, 206.24, 206.25,
365 206.27, 206.28, 206.405, 206.406, 206.41, 206.413, 206.43,
366 206.44, 206.48, 206.485, 206.49, 206.56, 206.59, 206.606,
367 206.608, and 206.61, Florida Statutes, of part I of this chapter
368 and ss. 206.86, 206.872, 206.874, 206.8745, 206.88, 206.90, and
369 206.93, Florida Statutes, of part II of this chapter shall, as
370 far as lawful or practicable, be applicable to the tax levied
371 and imposed and to the collection thereof as if fully set out in
372 this part. However, any provision of any such section does not
373 apply if it conflicts with any provision of this part.

374 Section 15. Paragraph (d) of subsection (2) of section
375 212.055, Florida Statutes, is amended to read:

376 212.055 Discretionary sales surtaxes; legislative intent;
377 authorization and use of proceeds.—It is the legislative intent
378 that any authorization for imposition of a discretionary sales
379 surtax shall be published in the Florida Statutes as a
380 subsection of this section, irrespective of the duration of the
381 levy. Each enactment shall specify the types of counties
382 authorized to levy; the rate or rates which may be imposed; the
383 maximum length of time the surtax may be imposed, if any; the
384 procedure which must be followed to secure voter approval, if
385 required; the purpose for which the proceeds may be expended;
386 and such other requirements as the Legislature may provide.
387 Taxable transactions and administrative procedures shall be as
388 provided in s. 212.054.

389 (2) LOCAL GOVERNMENT INFRASTRUCTURE SURTAX.—

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390 (d) The proceeds of the surtax authorized by this
391 subsection and any accrued interest shall be expended by the
392 school district, within the county and municipalities within the
393 county, or, in the case of a negotiated joint county agreement,
394 within another county, to finance, plan, and construct
395 infrastructure; to acquire land for public recreation,
396 conservation, or protection of natural resources; to provide
397 loans, grants, or rebates to residential or commercial property
398 owners who make energy efficiency improvements to their
399 residential or commercial property, if a local government
400 ordinance authorizing such use is approved by referendum; or to
401 finance the closure of county-owned or municipally owned solid
402 waste landfills that have been closed or are required to be
403 closed by order of the Department of Environmental Protection.
404 Any use of the proceeds or interest for purposes of landfill
405 closure before July 1, 1993, is ratified. The proceeds and any
406 interest may not be used for the operational expenses of
407 infrastructure, except that a county that has a population of
408 fewer than 75,000 and that is required to close a landfill may
409 use the proceeds or interest for long-term maintenance costs
410 associated with landfill closure. Counties, as defined in s.
411 125.011, and charter counties may, in addition, use the proceeds
412 or interest to retire or service indebtedness incurred for bonds
413 issued before July 1, 1987, for infrastructure purposes, and for
414 bonds subsequently issued to refund such bonds. Any use of the
415 proceeds or interest for purposes of retiring or servicing
416 indebtedness incurred for refunding bonds before July 1, 1999,
417 is ratified.

418 1. For the purposes of this paragraph, the term

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419 "infrastructure" means:

420 a. Any fixed capital expenditure or fixed capital outlay
421 associated with the construction, reconstruction, or improvement
422 of public facilities that have a life expectancy of 5 or more
423 years and any related land acquisition, land improvement,
424 design, and engineering costs.

425 b. A fire department vehicle, an emergency medical service
426 vehicle, a sheriff's office vehicle, a police department
427 vehicle, or any other vehicle, and the equipment necessary to
428 outfit the vehicle for its official use or equipment that has a
429 life expectancy of at least 5 years.

430 c. Any expenditure for the construction, lease, or
431 maintenance of, or provision of utilities or security for,
432 facilities, as defined in s. 29.008.

433 d. Any fixed capital expenditure or fixed capital outlay
434 associated with the improvement of private facilities that have
435 a life expectancy of 5 or more years and that the owner agrees
436 to make available for use on a temporary basis as needed by a
437 local government as a public emergency shelter or a staging area
438 for emergency response equipment during an emergency officially
439 declared by the state or by the local government under s.
440 252.38. Such improvements are limited to those necessary to
441 comply with current standards for public emergency evacuation
442 shelters. The owner must enter into a written contract with the
443 local government providing the improvement funding to make the
444 private facility available to the public for purposes of
445 emergency shelter at no cost to the local government for a
446 minimum of 10 years after completion of the improvement, with
447 the provision that the obligation will transfer to any

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448 subsequent owner until the end of the minimum period.

449 e. Any land acquisition expenditure for a residential
450 housing project in which at least 30 percent of the units are
451 affordable to individuals or families whose total annual
452 household income does not exceed 120 percent of the area median
453 income adjusted for household size, if the land is owned by a
454 local government or by a special district that enters into a
455 written agreement with the local government to provide such
456 housing. The local government or special district may enter into
457 a ground lease with a public or private person or entity for
458 nominal or other consideration for the construction of the
459 residential housing project on land acquired pursuant to this
460 sub-subparagraph.

461 2. For the purposes of this paragraph, the term "energy
462 efficiency improvement" means any energy conservation and
463 efficiency improvement that reduces consumption through
464 conservation or a more efficient use of electricity, natural
465 gas, propane, or other forms of energy on the property,
466 including, but not limited to, air sealing; installation of
467 insulation; installation of energy-efficient heating, cooling,
468 or ventilation systems; installation of solar panels; building
469 modifications to increase the use of daylight or shade;
470 replacement of windows; installation of energy controls or
471 energy recovery systems; installation of electric vehicle
472 charging equipment; installation of systems for natural gas fuel
473 as defined in s. 206.9951; and installation of efficient
474 lighting equipment.

475 3. Notwithstanding any other provision of this subsection,
476 a local government infrastructure surtax imposed or extended

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477 after July 1, 1998, may allocate up to 15 percent of the surtax
478 proceeds for deposit into ~~in~~ a trust fund within the county's
479 accounts created for the purpose of funding economic development
480 projects having a general public purpose of improving local
481 economies, including the funding of operational costs and
482 incentives related to economic development. The ballot statement
483 must indicate the intention to make an allocation under the
484 authority of this subparagraph.

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

486

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

488 And the title is amended as follows:

489 Delete everything before the enacting clause
490 and insert:

491

A bill to be entitled

492 An act relating to natural gas motor fuel; amending s.
493 206.86, F.S.; deleting definitions for the terms
494 "alternative fuel" and "natural gasoline"; amending s.
495 206.87, F.S.; conforming a cross-reference; repealing
496 s. 206.877, F.S., relating to the annual decal fee
497 program for motor vehicles powered by alternative
498 fuels; repealing s. 206.89, F.S., relating to the
499 requirements for alternative fuel retailer licenses;
500 amending s. 206.91, F.S.; making grammatical and
501 technical changes; providing a directive to the
502 Division of Law Revision and Information; creating s.
503 206.9951, F.S.; providing definitions; creating s.
504 206.9952, F.S.; establishing requirements for natural
505 gas fuel retailer licenses; creating s. 206.9955,

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506 F.S.; providing calculations for a motor fuel
507 equivalent gallon; providing for the levy of the
508 natural gas fuel tax; authorizing the Department of
509 Revenue to adopt rules; creating s. 206.996, F.S.;
510 establishing requirements for monthly reports of
511 natural gas fuel retailers; providing that reports are
512 made under the penalties of perjury; allowing natural
513 gas fuel retailers to seek a deduction of the tax
514 levied under specified conditions; creating s.
515 206.9965, F.S.; providing exemptions and refunds from
516 the natural gas fuel tax; transferring, renumbering,
517 and amending s.206.879, F.S; revising provisions
518 relating to the State Alternative Fuel User Fee
519 Clearing Trust Fund; terminating the Local Alternative
520 Fuel User Fee Clearing Trust Fund within the
521 Department of Revenue; prescribing procedures for the
522 termination of the trust fund; creating s. 206.998,
523 F.S.; providing for the applicability of specified
524 sections of parts I and II of ch. 206, F.S.; amending
525 s. 212.055, F.S.; conforming a cross-reference;
526 providing an effective date.

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LEGISLATIVE ACTION

Senate	.	House
Comm: RE	.	
02/21/2013	.	
	.	
	.	
	.	

The Committee on Transportation (Garcia) recommended the following:

1 **Senate Amendment to Amendment (117894) (with title**
2 **amendment)**

3
4 Delete line 148
5 and insert:

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

10 (b) Effective January 1, 2019, any person who acts as a
11

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

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13 And the title is amended as follows:

14 Delete line 505

15 and insert:

16 gas fuel retailer licenses; providing penalties for
17 certain licensure violations; creating s. 206.9955,

SB 560

LEGISLATIVE ACTION

Senate	.	House
Comm: RE	.	
02/21/2013	.	
	.	
	.	
	.	

The Committee on Transportation (Garcia) recommended the following:

Senate Amendment to Amendment (117894)

Delete line 291

and insert:

(1) Natural gas fuel may be

By Senator Simpson

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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 alternative fuel powered motor vehicles;
 8 repealing s. 206.89, F.S., relating to the
 9 requirements for alternative fuel retailer licenses;
 10 amending s. 206.91, F.S.; conforming a cross-
 11 reference; providing a directive to the Division of
 12 Law Revision and Information; creating s. 206.9951,
 13 F.S.; providing definitions; creating s. 206.9952,
 14 F.S.; establishing requirements for natural gas fuel
 15 retailer licenses; creating s. 206.9955, F.S.;
 16 providing calculations for a motor fuel equivalent
 17 gallon; providing for the levy of the natural gas fuel
 18 tax; authorizing the department to adopt rules;
 19 creating s. 206.996, F.S.; establishing requirements
 20 for monthly reports of natural gas fuel retailers;
 21 providing that reports are made under the penalties of
 22 perjury; allowing natural gas fuel retailers to seek a
 23 deduction of the tax levied under specified
 24 conditions; creating s. 206.9965, F.S.; providing
 25 exemptions and refunds from the natural gas fuel tax;
 26 transferring, renumbering, and amending s.206.879,
 27 F.S; revising provisions relating to the State
 28 Alternative Fuel User Fee Clearing Trust Fund;
 29 terminating the Local Alternative Fuel User Fee

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30 Clearing Trust Fund within the Department of Revenue;
 31 prescribing procedures for the termination of the
 32 trust fund; creating s. 206.9975, F.S.; establishing
 33 the Natural Gas Fuel Vehicle Investment Program;
 34 providing for funding of the program; authorizing the
 35 Department of Agriculture and Consumer Services to
 36 initiate rulemaking by a specified date; providing a
 37 repeal date; creating s. 206.998, F.S.; providing for
 38 the applicability of specified sections of parts I and
 39 II of ch. 206, F.S.; amending s. 212.055, F.S.;
 40 conforming a cross-reference; providing effective
 41 dates.
 42
 43 Be It Enacted by the Legislature of the State of Florida:
 44
 45 Section 1. Section 206.86, Florida Statutes, is amended to
 46 read:
 47 206.86 Definitions.—As used in this part:
 48 (1) "Diesel fuel" means all petroleum distillates commonly
 49 known as diesel #2, biodiesel, or any other product blended with
 50 diesel or any product placed into the storage supply tank of a
 51 diesel-powered motor vehicle.
 52 (2) "Taxable diesel fuel" or "fuel" means any diesel fuel
 53 not held in bulk storage at a terminal ~~and~~ which has not been
 54 dyed for exempt use in accordance with Internal Revenue Code
 55 requirements.
 56 (3) "User" includes any person who uses diesel fuels within
 57 this state for the propulsion of a motor vehicle on the public
 58 highways of this state, even though the motor is also used for a

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59 purpose other than the propulsion of the vehicle.

60 ~~(4) "Alternative fuel" means any liquefied petroleum gas~~
 61 ~~product or compressed natural gas product or combination thereof~~
 62 ~~used in an internal combustion engine or motor to propel any~~
 63 ~~form of vehicle, machine, or mechanical contrivance. This term~~
 64 ~~includes, but is not limited to, all forms of fuel commonly or~~
 65 ~~commercially known or sold as natural gasoline, butane gas,~~
 66 ~~propane gas, or any other form of liquefied petroleum gas or~~
 67 ~~compressed natural gas.~~

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

71 ~~(4)(6) "Removal" means any physical transfer of diesel fuel~~
 72 ~~and any use of diesel fuel other than as a material in the~~
 73 ~~production of diesel fuel.~~

74 ~~(5)(7) "Blender" means any person who ~~that~~ produces blended~~
 75 ~~diesel fuel outside the bulk transfer/terminal system.~~

76 ~~(6)(8) "Colorless marker" means material that is not~~
 77 ~~perceptible to the senses until the diesel fuel into which it is~~
 78 ~~introduced is subjected to a scientific test.~~

79 ~~(7)(9) "Dyed diesel fuel" means diesel fuel that is dyed in~~
 80 ~~accordance with United States Environmental Protection Agency or~~
 81 ~~Internal Revenue Service requirements for high sulfur diesel~~
 82 ~~fuel or low sulfur diesel fuel.~~

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

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88 ~~(9)(11) "Local government user of diesel fuel" means any~~
 89 ~~county, municipality, or school district licensed by the~~
 90 ~~department to use untaxed diesel fuel in motor vehicles.~~

91 ~~(10)(12) "Mass transit system" means any licensed local~~
 92 ~~transportation company providing local bus service that is open~~
 93 ~~to the public and that travels regular routes.~~

94 ~~(11)(13) "Diesel fuel registrant" means anyone required by~~
 95 ~~this chapter to be licensed to remit diesel fuel taxes,~~
 96 ~~including, but not limited to, terminal suppliers, importers,~~
 97 ~~local government users of diesel fuel, and mass transit systems.~~

98 ~~(12)(14) "Biodiesel" means any product made from~~
 99 ~~nonpetroleum-based oils or fats which is suitable for use in~~
 100 ~~diesel-powered engines. Biodiesel is also referred to as alkyl~~
 101 ~~esters.~~

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

107 Section 2. Paragraph (a) of subsection (1) of section
 108 206.87, Florida Statutes, is amended to read:

109 206.87 Levy of tax.—

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

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

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

116 Section 5. Subsection (1) of section 206.91, Florida

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117 Statutes, is amended to read:

118 206.91 Tax reports; computation and payment of tax.—

119 (1) For the purpose of determining the amount of taxes
120 imposed by s. 206.87, each diesel fuel registrant shall, not
121 later than the 20th day of each calendar month, mail to the
122 department, on forms prescribed by the department, monthly
123 reports that provide ~~which shall show such~~ information on
124 inventories, purchases, nontaxable disposals, and taxable sales
125 in gallons of diesel fuel ~~and alternative fuel~~, for the
126 preceding calendar month ~~as may be~~ required by the department.
127 However, if the 20th day falls on a Saturday, a Sunday, or a
128 federal or state legal holiday, returns shall be accepted if
129 postmarked on the next succeeding workday. The reports must
130 include, shall contain or be verified by, a written declaration
131 stating that they are ~~such report is~~ made under the penalties of
132 perjury. The diesel fuel registrant shall deduct from the amount
133 of taxes shown by the report to be payable an amount equivalent
134 to .67 percent of the taxes on diesel fuel imposed by s.
135 206.87(1) (a) and (e), which deduction is ~~hereby~~ allowed to the
136 diesel fuel registrant on account of services and expenses in
137 complying with the provisions of this part. The allowance on
138 taxable gallons of diesel fuel sold to persons licensed under
139 this chapter is not ~~shall not be~~ deductible unless the diesel
140 fuel registrant has allowed 50 percent of the allowance provided
141 by this section to a purchaser with a valid wholesaler or
142 terminal supplier license. This allowance is not ~~shall not be~~
143 deductible unless payment of the taxes is made on or before the
144 20th day of the month as ~~herein~~ required in this subsection.
145 ~~Nothing in~~ This subsection does not ~~shall be construed to~~

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146 authorize a deduction from the constitutional fuel tax or fuel
147 sales tax.

148 Section 6. The Division of Law Revision and Information is
149 requested to create part V of chapter 206, Florida Statutes,
150 consisting of ss. 206.9951-206.998, entitled "NATURAL GAS FUEL."

151 Section 7. Section 206.9951, Florida Statutes, is created
152 to read:

153 206.9951 Definitions.—As used in this part, the term:

154 (1) "Motor fuel equivalent gallon" means the volume of
155 natural gas fuel it takes to equal the energy content of 1
156 gallon of motor fuel.

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

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

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

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

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175 Section 8. Section 206.9952, Florida Statutes, is created
176 to read:

177 206.9952 Application for license as a natural gas fuel
178 retailer.-

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

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

188 (3) Any person who acts as a natural gas fuel retailer and
189 does not hold a valid natural gas fuel retailer license shall
190 pay a penalty of 25 percent of the tax assessed on the total
191 purchases made during the unlicensed period.

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

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

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204 application.

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

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

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

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

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

226 206.9955 Levy of natural gas fuel tax.-

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

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

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

232 (c) Liquefied petroleum gas gallon: 1.35 gallons.

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233 (2) (a) An excise tax of 4 cents shall be imposed upon each
 234 motor fuel equivalent gallon of natural gas fuel.
 235 (b) An additional tax of 1 cent shall be imposed upon each
 236 motor fuel equivalent gallon of natural gas fuel, which is
 237 designated as the "ninth-cent fuel tax."
 238 (c) An additional tax of 6 cents shall be imposed on each
 239 motor fuel equivalent gallon of natural gas fuel by each county,
 240 which is designated as the "local option fuel tax."
 241 (d) An additional tax is imposed on each motor fuel
 242 equivalent gallon of natural gas fuel, which is designated as
 243 the "State Comprehensive Enhanced Transportation System Tax," at
 244 a rate determined pursuant to this paragraph. Each calendar
 245 year, the department shall determine the tax rate applicable to
 246 the sale of natural gas fuel for the following 12-month period
 247 beginning January 1, rounded to the nearest tenth of a cent, by
 248 adjusting the initially established tax rate of 6.9 cents per
 249 gallon by the percentage change in the average of the Consumer
 250 Price Index issued by the United States Department of Labor for
 251 the most recent 12-month period ending September 30.
 252 (e)1. An additional tax is imposed on each motor fuel
 253 equivalent gallon of natural gas fuel for the privilege of
 254 selling natural gas fuel and is designated as the "fuel sales
 255 tax." Each calendar year, the department shall determine the tax
 256 rate applicable to the sale of natural gas fuel, rounded to the
 257 nearest tenth of a cent, for the following 12-month period
 258 beginning January 1. The tax rate is calculated by adjusting the
 259 initially established tax rate of 12.9 cents per gallon by the
 260 percentage change in the average of the Consumer Price Index
 261 issued by the United States Department of Labor for the most

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262 recent 12-month period ending September 30.
 263 2. The department is authorized to adopt rules and publish
 264 forms to administer this paragraph.
 265 (3) Unless otherwise provided by this chapter, the taxes
 266 specified in subsection (2) are imposed on natural gas fuel when
 267 it is placed into the fuel supply tank of a motor vehicle or
 268 used to propel any form of vehicle, machine, or mechanical
 269 contrivance. The person liable for payment of the taxes imposed
 270 by this section is the person selling the fuel to the end user,
 271 where the fuel is placed into the fuel supply tank of a motor
 272 vehicle or used to propel any form of vehicle, machine, or
 273 mechanical contrivance.
 274 Section 10. Section 206.996, Florida Statutes, is created
 275 to read:
 276 206.996 Monthly reports by natural gas fuel retailers;
 277 deductions.—
 278 (1) For the purpose of determining the amount of taxes
 279 imposed by s. 206.9955, each natural gas fuel retailer shall
 280 file, no later than the 20th day of each month, monthly reports
 281 electronically with the department showing information on
 282 inventory, purchases, nontaxable disposals, and taxable sales in
 283 gallons of natural gas fuel for the preceding month. However, if
 284 the 20th day of the month falls on a Saturday, Sunday, or
 285 federal or state legal holiday, a return must be accepted if it
 286 is electronically filed on the next succeeding business day. The
 287 reports must include, or be verified by, a written declaration
 288 stating that such report is made under the penalties of perjury.
 289 The natural gas fuel retailer shall deduct from the amount of
 290 taxes shown by the report to be payable as an amount equivalent

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

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291 to .67 percent of the taxes on natural gas fuel imposed by s.
 292 206.9955(2) (a) and (e), which deduction is allowed to the
 293 natural gas fuel retailer to compensate it for services rendered
 294 and expenses incurred in complying with the requirements of this
 295 part. The allowance on taxable gallons of natural gas fuel sold
 296 to persons licensed under this part is not deductible unless the
 297 natural gas fuel retailer has allowed 50 percent of the
 298 allowance provided by this section to a purchaser that has a
 299 valid wholesaler or terminal supplier license. This allowance is
 300 not deductible unless payment of applicable taxes is made on or
 301 before the 20th day of the month. This subsection may not be
 302 construed as authorizing a deduction from the constitutional
 303 fuel tax or the fuel sales tax.

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

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

316 (4) In addition to the allowance authorized by subsection
 317 (1), every natural gas fuel retailer is entitled to a deduction
 318 of 1.1 percent of the taxes imposed under s. 206.9955(2) (b) and
 319 (c), on account of services and expenses incurred due to

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320 compliance with the requirements of this part. This allowance
 321 may not be deductible unless payment of the tax is made on or
 322 before the 20th day of the month.

323 Section 11. Section 206.9965, Florida Statutes, is created
 324 to read:

325 206.9965 Exemptions and refunds; natural gas fuel
 326 retailers.-

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

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

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

339 (c) Uses as provided in s. 206.874(3), and use by vehicles
 340 operated by state and local government agencies.

341 (d) Individual use resulting from residential refueling
 342 devices located at a person's primary residence.

343 (e) Purchases of natural gas fuel between licensed natural
 344 gas fuel retailers. A natural gas fuel retailer that sells tax-
 345 paid natural gas fuel to another natural gas fuel retailer may
 346 take a credit on its monthly return or may file a claim for
 347 refund with the Chief Financial Officer pursuant to s. 215.26.
 348 All sales of natural gas fuel between natural gas fuel retailers

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 349 must be documented on invoices or other evidence of the sale of
 350 such fuel and the seller shall retain a copy of the purchaser's
 351 natural gas fuel retailer license.

352 Section 12. Section 206.879, Florida Statutes, is
 353 transferred and renumbered as section 206.997, Florida Statutes,
 354 and amended to read:

355 206.997 ~~206.879~~ State and local alternative fuel user fee
 356 clearing trust funds; distribution.—

357 (1) Notwithstanding the provisions of s. 206.875, the
 358 revenues from the from the natural gas fuel tax imposed by s.
 359 206.9955 state alternative fuel fees imposed by s. 206.877 shall
 360 be deposited into the State Alternative Fuel User Fee Clearing
 361 Trust Fund, which is hereby created. After deducting the service
 362 charges provided in s. 215.20, the proceeds in this trust fund
 363 shall be distributed as follows: one-half of the proceeds in
 364 calendar year 2014 and one-fifth of the proceeds in calendar
 365 year 1991, one-third of the proceeds in calendar year 1992,
 366 three-sevenths of the proceeds in calendar year 1993, and one-
 367 half of the proceeds in each calendar year thereafter shall be
 368 transferred to the State Transportation Trust Fund; the
 369 remainder shall be distributed as follows: 50 percent shall be
 370 transferred to the State Board of Administration for
 371 distribution according to the provisions of s. 16, Art. IX of
 372 the State Constitution of 1885, as amended; 25 percent shall be
 373 transferred to the Revenue Sharing Trust Fund for
 374 Municipalities; and the remaining 25 percent shall be
 375 distributed using the formula contained in s. 206.60(1).

376 ~~(2) Notwithstanding the provisions of s. 206.875, the~~
 377 ~~revenues from the local alternative fuel fees imposed in lieu of~~

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 378 ~~s. 206.87(1)(b) or (c) shall be deposited into The Local~~
 379 ~~Alternative Fuel User Fee Clearing Trust Fund, which is hereby~~
 380 ~~created. After deducting the service charges provided in s.~~
 381 ~~215.20, the proceeds in this trust fund shall be returned~~
 382 ~~monthly to the appropriate county.~~

383 Section 13. (1) The Local Alternative Fuel User Fee
 384 Clearing Trust Fund within the Department of Revenue is
 385 terminated.

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

392 Section 14. Section 206.9975, Florida Statutes, is created
 393 to read:

394 206.9975 Natural gas fuel vehicle investment program.—In
 395 order to reduce transportation costs for businesses and
 396 residents of this state and make freight mobility investments
 397 that contribute to the economic growth of this state, 2 percent
 398 of the proceeds of the tax levied pursuant to ss. 206.41(1)(f),
 399 206.87(1)(d), and 206.9955(2)(d) shall be deposited into the
 400 General Inspection Trust Fund under s. 570.20. The funds
 401 collected shall be used to provide rebates for the incremental
 402 cost or purchase of natural gas fuel vehicles. The Department of
 403 Agriculture and Consumer Services shall initiate rulemaking by
 404 January 1, 2014, to establish guidelines for the rebate program.
 405 This section is effective July 1, 2013 and expires July 1, 2018.

406 Section 15. Section 206.998, Florida Statutes, is created

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 407 to read:
 408 206.998 Applicability of specified sections of parts I and
 409 II.—The provisions of ss. 206.01, 206.02, 206.025, 206.026,
 410 206.027, 206.028, 206.03, 206.05, 206.055, 206.06, 206.07,
 411 206.075, 206.09, 206.10, 206.11, 206.12, 206.13, 206.14, 206.15,
 412 206.16, 206.17, 206.175, 206.18, 206.199, 206.20, 206.204,
 413 206.205, 206.21, 206.215, 206.22, 206.23, 206.24, 206.25,
 414 206.27, 206.28, 206.405, 206.406, 206.41, 206.413, 206.43,
 415 206.44, 206.48, 206.485, 206.49, 206.56, 206.59, 206.606,
 416 206.608, and 206.61, Florida Statutes, of part I of this chapter
 417 and ss. 206.86, 206.872, 206.874, 206.8745, 206.88, 206.90, and
 418 206.93, Florida Statutes, of part II of this chapter shall, as
 419 far as lawful or practicable, be applicable to the tax levied
 420 and imposed and to the collection thereof as if fully set out in
 421 this part. However, any provision of any such section does not
 422 apply if it conflicts with any provision of this part.

423 Section 16. Paragraph (d) of subsection (2) of section
 424 212.055, Florida Statutes, is amended to read:

425 212.055 Discretionary sales surtaxes; legislative intent;
 426 authorization and use of proceeds.—It is the legislative intent
 427 that any authorization for imposition of a discretionary sales
 428 surtax shall be published in the Florida Statutes as a
 429 subsection of this section, irrespective of the duration of the
 430 levy. Each enactment shall specify the types of counties
 431 authorized to levy; the rate or rates which may be imposed; the
 432 maximum length of time the surtax may be imposed, if any; the
 433 procedure which must be followed to secure voter approval, if
 434 required; the purpose for which the proceeds may be expended;
 435 and such other requirements as the Legislature may provide.

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 436 Taxable transactions and administrative procedures shall be as
 437 provided in s. 212.054.
 438 (2) LOCAL GOVERNMENT INFRASTRUCTURE SURTAX.—
 439 (d) The proceeds of the surtax authorized by this
 440 subsection and any accrued interest shall be expended by the
 441 school district, within the county and municipalities within the
 442 county, or, in the case of a negotiated joint county agreement,
 443 within another county, to finance, plan, and construct
 444 infrastructure; to acquire land for public recreation,
 445 conservation, or protection of natural resources; to provide
 446 loans, grants, or rebates to residential or commercial property
 447 owners who make energy efficiency improvements to their
 448 residential or commercial property, if a local government
 449 ordinance authorizing such use is approved by referendum; or to
 450 finance the closure of county-owned or municipally owned solid
 451 waste landfills that have been closed or are required to be
 452 closed by order of the Department of Environmental Protection.
 453 Any use of the proceeds or interest for purposes of landfill
 454 closure before July 1, 1993, is ratified. The proceeds and any
 455 interest may not be used for the operational expenses of
 456 infrastructure, except that a county that has a population of
 457 fewer than 75,000 and that is required to close a landfill may
 458 use the proceeds or interest for long-term maintenance costs
 459 associated with landfill closure. Counties, as defined in s.
 460 125.011, and charter counties may, in addition, use the proceeds
 461 or interest to retire or service indebtedness incurred for bonds
 462 issued before July 1, 1987, for infrastructure purposes, and for
 463 bonds subsequently issued to refund such bonds. Any use of the
 464 proceeds or interest for purposes of retiring or servicing

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465 indebtedness incurred for refunding bonds before July 1, 1999,
466 is ratified.

467 1. For the purposes of this paragraph, the term
468 "infrastructure" means:

469 a. Any fixed capital expenditure or fixed capital outlay
470 associated with the construction, reconstruction, or improvement
471 of public facilities that have a life expectancy of 5 or more
472 years and any related land acquisition, land improvement,
473 design, and engineering costs.

474 b. A fire department vehicle, an emergency medical service
475 vehicle, a sheriff's office vehicle, a police department
476 vehicle, or any other vehicle, and the equipment necessary to
477 outfit the vehicle for its official use or equipment that has a
478 life expectancy of at least 5 years.

479 c. Any expenditure for the construction, lease, or
480 maintenance of, or provision of utilities or security for,
481 facilities, as defined in s. 29.008.

482 d. Any fixed capital expenditure or fixed capital outlay
483 associated with the improvement of private facilities that have
484 a life expectancy of 5 or more years and that the owner agrees
485 to make available for use on a temporary basis as needed by a
486 local government as a public emergency shelter or a staging area
487 for emergency response equipment during an emergency officially
488 declared by the state or by the local government under s.
489 252.38. Such improvements are limited to those necessary to
490 comply with current standards for public emergency evacuation
491 shelters. The owner must enter into a written contract with the
492 local government providing the improvement funding to make the
493 private facility available to the public for purposes of

18-00234B-13 2013560

494 emergency shelter at no cost to the local government for a
495 minimum of 10 years after completion of the improvement, with
496 the provision that the obligation will transfer to any
497 subsequent owner until the end of the minimum period.

498 e. Any land acquisition expenditure for a residential
499 housing project in which at least 30 percent of the units are
500 affordable to individuals or families whose total annual
501 household income does not exceed 120 percent of the area median
502 income adjusted for household size, if the land is owned by a
503 local government or by a special district that enters into a
504 written agreement with the local government to provide such
505 housing. The local government or special district may enter into
506 a ground lease with a public or private person or entity for
507 nominal or other consideration for the construction of the
508 residential housing project on land acquired pursuant to this
509 sub-subparagraph.

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

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2013560__

523 lighting equipment.

524 3. Notwithstanding any other provision of this subsection,
525 a local government infrastructure surtax imposed or extended
526 after July 1, 1998, may allocate up to 15 percent of the surtax
527 proceeds for deposit into ~~in~~ a trust fund within the county's
528 accounts created for the purpose of funding economic development
529 projects having a general public purpose of improving local
530 economies, including the funding of operational costs and
531 incentives related to economic development. The ballot statement
532 must indicate the intention to make an allocation under the
533 authority of this subparagraph.

534 Section 17. Except as otherwise expressly provided, this
535 act shall take effect January 1, 2014.

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/21/13
Meeting Date

Topic Compressed Natural Gas

Bill Number SB 560
(if applicable)

Name Mitchell Rubin

Amendment Barcode 117894
(if applicable)

Job Title Executive Director

Address 215 S. Monroe St. #340

Phone (850) 224-2337

Tallahassee, FL 32301
Street City State Zip

E-mail MRubin2505@aol.com

Speaking: For Against Information

Representing Florida Beer Wholesalers Assn

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

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

This form is part of the public record for this meeting. S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/21/13
Meeting Date

Watts

Topic Natural Gas

Bill Number 560
(if applicable)

Name Bob Burleson

Amendment Barcode 117894
(if applicable)

Job Title President

Address 1007 DeSoto Park

Phone 942-1404

Tallahassee, FL 32301
Street City State Zip

E-mail bburleson@ftba.com

Speaking: For Against Information

Representing FLA. TRANSPORTATION BUILDERS ASSN

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

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

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THE FLORIDA SENATE
APPEARANCE RECORD

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

2/21/13

Meeting Date

Topic SB560 / Natural Gas Fuel

Bill Number 560
(if applicable)

Name Eric Criss

Amendment Barcode _____
(if applicable)

Job Title President, Beer Industry of Florida

Address 110 S. Monroe Street

Phone 850.491-3903

Street
Tallahassee, FL 32301
City State Zip

E-mail eric@floridabeer.org

Speaking: For Against Information

Representing Beer Industry of Florida

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/21/13

Meeting Date

Warr

Topic Natural Gas Conversion

Bill Number 560
(if applicable)

Name Steve UHLFELDER

Amendment Barcode _____
(if applicable)

Job Title LABBYIST

Address 519 E. PARK

Phone 980-6435

Street
Tallahassee FL
City State Zip

E-mail Steve@SULAW.net

Speaking: For Against Information

Representing UPS

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)

waives

2-21-13

Meeting Date

Topic _____

Bill Number 560
(if applicable)

Name Dale Calhoun

Amendment Barcode _____
(if applicable)

Job Title _____

Address 214 S Monroe St

Phone 850 681 0496

Tallahassee FL 32301
City State Zip

E-mail dale.calhoun@floridagas.org

Speaking: For Against Information

Representing Florida Natural Gas Association

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

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

waives

2/21/13

Meeting Date

Topic NATURAL GAS FUEL

Bill Number SB 560
(if applicable)

Name KEYNA CORY

Amendment Barcode _____
(if applicable)

Job Title LOBBYIST

Address 110 E. COLLEGE AVE

Phone 850 681-1065

TALLAHASSEE FL 32301
City State Zip

E-mail keynacory@pacconsultants.com

Speaking: For Against Information

Representing NATIONAL SOLID WASTES MANAGEMENT ASSN. - FL CHAPTER

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

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

2-21-2013

Meeting Date

Waive

Topic Natural Gas Motor Fuel

Bill Number SB 560 (if applicable)

Name Donna Simmons

Amendment Barcode (if applicable)

Job Title Dir, State Gov't Relations

Address 106 E College Ave

Phone 850 681 6785

Street City State Zip TLH FL 32301

E-mail

Speaking: [X] For [] Against [] Information (Waive in support)

Representing

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.

This form is part of the public record for this meeting. S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

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

2/21/13

Meeting Date

Waive

Topic Natural Gas Fuel

Bill Number 560 (if applicable)

Name BRIAN SULMONETTI

Amendment Barcode (if applicable)

Job Title DIRECTOR

Address 10 Peachtree Place

Phone 406 693 4850

Street City State Zip Atlanta GA 30309

E-mail bsulmonetti@agrresources.com

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

Representing

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.

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)

Waive

2/21/13

Meeting Date

Topic Natural Gas Bill

Bill Number SB 560
(if applicable)

Name Mary Lou Rajchel

Amendment Barcode _____
(if applicable)

Job Title President & CEO, Florida Trucking Assn.

Address 350 E. College Avenue

Phone 850.222.9900

Street
Tallahassee, FL 32301
City State Zip

E-mail mrajchel@fltrucking.org

Speaking: For Against Information *Waive in Support*

Representing Florida Trucking Association

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

S-001 (10/20/11)



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

February 15, 2013

The Honorable Jeff Brandes, Chair
Transportation Committee
410 Knott Building
404 South Monroe Street
Tallahassee, FL 32399

Dear Mr. Chair:

I respectfully ask to be excused from the Transportation Committee meeting scheduled for February 21, 2013.

Thank you for your consideration.

Sincerely,

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

Garrett S. Richter

cc: Kurt Eichin, Staff Director

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

CourtSmart Tag Report

Room: LL 37

Case:

Type:

Caption: Senate Transportation Committee

Judge:

Started: 2/21/2013 11:30:12 AM

Ends: 2/21/2013 11:49:02 AM Length: 00:18:51

11:30:15 AM Recording Paused
11:30:15 AM Recording Resumed
11:30:16 AM Meeting called to Order by Chairman Brandes
11:31:09 AM Roll Call - Quorum present
11:31:22 AM Senator Richter is excused
11:31:27 AM Comments by Chairman Brandes
11:31:34 AM SB 432 by Senator Altman
11:32:49 AM Senator Margolis - question
11:32:59 AM Comments by Senator Altman
11:33:13 AM Question by Senator Evers
11:33:32 AM Answer by Senator Altman
11:33:37 AM Question by Senator Clemons
11:34:03 AM Comment by Senator Joyner
11:34:19 AM Sponsor to close on SB 0432
11:34:37 AM Roll call for SB 0432 - Bill Passes
11:34:58 AM SB 0460 by Senator Simpson
11:35:05 AM Sponsor on the bill
11:35:23 AM Discussion on strike-all amendment Barcode #117894 and amendments to the strike-all
11:35:43 AM Discussion of amendment to amendment 391410 - Adopted
11:36:08 AM Discussion of amendment to the amendment Barcode 944554 - Adopted
11:36:26 AM Back on strike all amendment Barcode# 117894 as amended
11:36:39 AM To the strike all amendment -
11:37:18 AM To the strike all amendment - Mitchell Rubin - in support of strike all amendment
11:38:35 AM Senator Joyner - question of Mitchell Rubin
11:38:48 AM Reply by Mr. Rubin
11:38:54 AM Senator Joyner with question
11:39:13 AM Mr. Rubin in response to Senator Joyner's question
11:39:38 AM Senator Joyner comments
11:39:48 AM Chairman - any debate?
11:39:59 AM Chairman - on bill as amended
11:40:16 AM Eric Criss - Beer Industry of Florida - Waives in Support
11:42:08 AM Steve Uhlfelder waives in support
11:42:21 AM Dale Calhoun, FNGA and Keyna Cory, NSWMA both waive in support
11:42:31 AM Donna Simmons waives in support
11:42:42 AM Brian Sulmonetti and Mary Lou Rajchel waive in support
11:43:04 AM Chairman asks if any additional questions
11:43:12 AM Senator Evers asks question of Senator Simpson
11:43:49 AM Senator Simpson in response
11:43:54 AM Senator Evers in response
11:44:56 AM Questions by Senator Evers followed up by sponsor Senator Simmons
11:45:16 AM Chairman asks for any additional debate
11:45:17 AM Senator Garcia makes comments

11:46:06 AM Sen. Diaz de la Portilla asks question of sponsor

11:46:39 AM Response to Senator Diaz de la Portilla by sponsor Senator Simpson

11:47:09 AM Senator Simpson to close on the bill

11:48:18 AM Chairman asks if sponsor wants to make the SB 560 a CS

11:48:29 AM Roll call for CS/SB 0560 - bill passes

11:48:47 AM Chairman - Senator Joyner moves to rise