

By the Committees on Appropriations; and Transportation; and Senators Simpson, Bean, Bradley, Stargel, Latvala, Grimsley, Evers, Soto, Ring, Gibson, Hays, Lee, Altman, Thompson, Garcia, and Diaz de la Portilla

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

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30 fee clearing trust funds; creating s. 206.998, F.S.;

31 providing for the applicability of specified sections

32 of parts I and II of ch. 206, F.S.; amending s.

33 212.055, F.S.; expanding the use of the local

34 government infrastructure surtax to include the

35 installation of systems for natural gas fuel; amending

36 s. 212.08, F.S.; providing an exemption from taxes for

37 natural gas fuel under certain circumstances;

38 directing the Office of Program Policy Analysis and

39 Government Accountability to complete a report

40 reviewing the taxation of natural gas fuel; requiring

41 the report to be submitted to the Legislature by a

42 specified date; creating the natural gas fuel fleet

43 vehicle rebate program within the Department of

44 Agriculture and Consumer Services; providing

45 definitions; prescribing powers and duties of the

46 department with respect to the program; prescribing

47 limits on rebate awards; providing policies and

48 procedures for application approval; requiring the

49 department to adopt rules by a specified date;

50 requiring the department to publish on its website the

51 availability of rebate funds; requiring the department

52 to submit an annual assessment to the Governor, the

53 Legislature, and the Office of Program Policy Analysis

54 and Government Accountability by a specified date;

55 requiring the Office of Program Policy Analysis and

56 Government Accountability to submit a report to the

57 Governor and the Legislature by a specified date;

58 providing report requirements; providing that funding

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59 for the program is subject to an annual appropriation;
60 providing effective dates.

61
62 Be It Enacted by the Legislature of the State of Florida:

63
64 Section 1. Section 206.86, Florida Statutes, is amended to
65 read:

66 206.86 Definitions.—As used in this part:

67 (1) "Diesel fuel" means all petroleum distillates commonly
68 known as diesel #2, biodiesel, or any other product blended with
69 diesel or any product placed into the storage supply tank of a
70 diesel-powered motor vehicle.

71 (2) "Taxable diesel fuel" or "fuel" means any diesel fuel
72 not held in bulk storage at a terminal ~~and~~ which has not been
73 dyed for exempt use in accordance with Internal Revenue Code
74 requirements.

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

79 ~~(4) "Alternative fuel" means any liquefied petroleum gas~~
80 ~~product or compressed natural gas product or combination thereof~~
81 ~~used in an internal combustion engine or motor to propel any~~
82 ~~form of vehicle, machine, or mechanical contrivance. This term~~
83 ~~includes, but is not limited to, all forms of fuel commonly or~~
84 ~~commercially known or sold as natural gasoline, butane gas,~~
85 ~~propane gas, or any other form of liquefied petroleum gas or~~
86 ~~compressed natural gas.~~

87 ~~(5) "Natural gasoline" is a liquid hydrocarbon that is~~

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88 ~~produced by natural gas and must be blended with other liquid~~
89 ~~petroleum products to produce motor fuel.~~

90 (4)~~(6)~~ "Removal" means any physical transfer of diesel fuel
91 and any use of diesel fuel other than as a material in the
92 production of diesel fuel.

93 (5)~~(7)~~ "Blender" means any person who ~~that~~ produces blended
94 diesel fuel outside the bulk transfer/terminal system.

95 (6)~~(8)~~ "Colorless marker" means material that is not
96 perceptible to the senses until the diesel fuel into which it is
97 introduced is subjected to a scientific test.

98 (7)~~(9)~~ "Dyed diesel fuel" means diesel fuel that is dyed in
99 accordance with United States Environmental Protection Agency or
100 Internal Revenue Service requirements for high sulfur diesel
101 fuel or low sulfur diesel fuel.

102 (8)~~(10)~~ "Ultimate vendor" means a licensee that sells
103 undyed diesel fuel to the United States or its departments or
104 agencies in bulk lots of not less than 500 gallons in each
105 delivery or to the user of the diesel fuel for use on a farm for
106 farming purposes.

107 (9)~~(11)~~ "Local government user of diesel fuel" means any
108 county, municipality, or school district licensed by the
109 department to use untaxed diesel fuel in motor vehicles.

110 (10)~~(12)~~ "Mass transit system" means any licensed local
111 transportation company providing local bus service that is open
112 to the public and that travels regular routes.

113 (11)~~(13)~~ "Diesel fuel registrant" means anyone required by
114 this chapter to be licensed to remit diesel fuel taxes,
115 including, but not limited to, terminal suppliers, importers,
116 local government users of diesel fuel, and mass transit systems.

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117 (12)~~(14)~~ "Biodiesel" means any product made from
118 nonpetroleum-based oils or fats which is suitable for use in
119 diesel-powered engines. Biodiesel is also referred to as alkyl
120 esters.

121 (13)~~(15)~~ "Biodiesel manufacturer" means those industrial
122 plants, regardless of capacity, where organic products are used
123 in the production of biodiesel. This includes businesses that
124 process or blend organic products that are marketed as
125 biodiesel.

126 Section 2. Paragraph (a) of subsection (1) of section
127 206.87, Florida Statutes, is amended to read:

128 206.87 Levy of tax.—

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

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

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

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

137 206.91 Tax reports; computation and payment of tax.—

138 (1) For the purpose of determining the amount of taxes
139 imposed by s. 206.87, each diesel fuel registrant shall, not
140 later than the 20th day of each calendar month, mail to the
141 department, on forms prescribed by the department, monthly
142 reports that provide ~~which shall show such~~ information on
143 inventories, purchases, nontaxable disposals, and taxable sales
144 in gallons of diesel fuel ~~and alternative fuel~~, for the
145 preceding calendar month ~~as may be~~ required by the department.

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146 However, if the 20th day falls on a Saturday, a Sunday, or a
147 federal or state legal holiday, returns shall be accepted if
148 postmarked on the next succeeding workday. The reports must
149 include, shall contain or be verified by, a written declaration
150 stating that they are ~~such report is~~ made under the penalties of
151 perjury. The diesel fuel registrant shall deduct from the amount
152 of taxes shown by the report to be payable an amount equivalent
153 to .67 percent of the taxes on diesel fuel imposed by s.
154 206.87(1)(a) and (e), which deduction is ~~hereby~~ allowed to the
155 diesel fuel registrant on account of services and expenses in
156 complying with the provisions of this part. The allowance on
157 taxable gallons of diesel fuel sold to persons licensed under
158 this chapter is not ~~shall not be~~ deductible unless the diesel
159 fuel registrant has allowed 50 percent of the allowance provided
160 by this section to a purchaser with a valid wholesaler or
161 terminal supplier license. This allowance is not ~~shall not be~~
162 deductible unless payment of the taxes is made on or before the
163 20th day of the month as ~~herein~~ required in this subsection.
164 ~~Nothing in~~ This subsection does not ~~shall be construed to~~
165 authorize a deduction from the constitutional fuel tax or fuel
166 sales tax.

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

170 Section 7. Section 206.9951, Florida Statutes, is created
171 to read:

172 206.9951 Definitions.—As used in this part, the term:
173 (1) "Motor fuel equivalent gallon" means the volume of
174 natural gas fuel it takes to equal the energy content of 1

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175 gallon of motor fuel.

176 (2) "Natural gas fuel" means any liquefied petroleum gas
177 product, compressed natural gas product, or combination thereof
178 used in a motor vehicle as defined in s. 206.01(23). This term
179 includes, but is not limited to, all forms of fuel commonly or
180 commercially known or sold as natural gasoline, butane gas,
181 propane gas, or any other form of liquefied petroleum gas,
182 compressed natural gas, or liquefied natural gas. This term does
183 not include natural gas or liquefied petroleum placed in a
184 separate tank of a motor vehicle for cooking, heating, water
185 heating, or electric generation.

186 (3) "Natural gas fuel retailer" means any person who sells,
187 produces or refines natural gas fuel for use in a motor vehicle
188 as defined in s. 206.01(23). This term does not include
189 individuals specified in s. 206.9965(5).

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

193 (5) "Person" means a natural person, corporation,
194 copartnership, firm, company, agency, or association; a state
195 agency; a federal agency; or a political subdivision of the
196 state.

197 Section 8. Section 206.9952, Florida Statutes, is created
198 to read:

199 206.9952 Application for license as a natural gas fuel
200 retailer.—

201 (1) It is unlawful for any person to engage in business as
202 a natural gas fuel retailer within this state unless the person
203 is the holder of a valid license issued by the department to

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204 engage in such business.

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

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

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

219 (4) To procure a natural gas fuel retailer license, a
220 person shall file an application and a bond with the department
221 on a form prescribed by the department. The department may not
222 issue a license upon the receipt of any application unless it is
223 accompanied by a bond.

224 (5) When a natural gas fuel retailer license application is
225 filed by a person whose previous license was canceled for cause
226 by the department or the department believes that such
227 application was not filed in good faith or is filed by another
228 person as a subterfuge for the actual person in interest whose
229 previous license has been canceled, the department may, if
230 evidence warrants, refuse to issue a license for such an
231 application.

232 (6) Upon the department's issuance of a natural gas fuel

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233 retailer license, such license remains in effect so long as the
234 natural gas fuel retailer is in compliance with the requirements
235 of this part.

236 (7) Such license may not be assigned and is valid only for
237 the natural gas fuel retailer in whose name the license is
238 issued. The license shall be displayed conspicuously by the
239 natural gas fuel retailer in the principal place of business for
240 which the license was issued.

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

246 (9) The license application requires a license fee of \$5.
247 Each license shall be renewed annually by submitting a
248 reapplication and the license fee to the department. The license
249 fee shall be paid to the department for deposit into the General
250 Revenue Fund.

251 Section 9. Section 206.9955, Florida Statutes, is created
252 to read:

253 206.9955 Levy of natural gas fuel tax.—

254 (1) The motor fuel equivalent gallon means the following
255 for:

256 (a) Compressed natural gas gallon: 5.66 pounds, or per each
257 126.67 cubic feet.

258 (b) Liquefied natural gas gallon: 6.06 pounds.

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

260 (2) Effective January 1, 2019, the following taxes shall be
261 imposed:

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

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

267 (c) An additional tax of 1 cent on each motor fuel
268 equivalent gallon of natural gas fuel by each county, which is
269 designated as the "local option fuel tax."

270 (d) An additional tax on each motor fuel equivalent gallon
271 of natural gas fuel, which is designated as the "State
272 Comprehensive Enhanced Transportation System Tax," at a rate
273 determined pursuant to this paragraph. Each calendar year, the
274 department shall determine the tax rate applicable to the sale
275 of natural gas fuel for the following 12-month period beginning
276 January 1, rounded to the nearest tenth of a cent, by adjusting
277 the initially established tax rate of 5.8 cents per gallon by
278 the percentage change in the average of the Consumer Price Index
279 issued by the United States Department of Labor for the most
280 recent 12-month period ending September 30.

281 (e)1. An additional tax is imposed on each motor fuel
282 equivalent gallon of natural gas fuel for the privilege of
283 selling natural gas fuel. Each calendar year, the department
284 shall determine the tax rate applicable to the sale of natural
285 gas fuel, rounded to the nearest tenth of a cent, for the
286 following 12-month period beginning January 1. The tax rate is
287 calculated by adjusting the initially established tax rate of
288 9.2 cents per gallon by the percentage change in the average of
289 the Consumer Price Index issued by the United States Department
290 of Labor for the most recent 12-month period ending September

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291 30.

292 2. The department is authorized to adopt rules and publish
293 forms to administer this paragraph.

294 (3) Unless otherwise provided by this chapter, the taxes
295 specified in subsection (2) are imposed on natural gas fuel when
296 it is placed into the fuel supply tank of a motor vehicle as
297 defined in s. 206.01(23). The person liable for payment of the
298 taxes imposed by this section is the person selling or supplying
299 the natural gas fuel to the end user, for use in the fuel supply
300 tank of a motor vehicle as defined in s. 206.01(23).

301 Section 10. Section 206.996, Florida Statutes, is created
302 to read:

303 206.996 Monthly reports by natural gas fuel retailers;
304 deductions.-

305 (1) For the purpose of determining the amount of taxes
306 imposed by s. 206.9955, each natural gas fuel retailer shall
307 file beginning with February 2019, and each month thereafter, no
308 later than the 20th day of each month, monthly reports
309 electronically with the department showing information on
310 inventory, purchases, nontaxable disposals, taxable uses, and
311 taxable sales in gallons of natural gas fuel for the preceding
312 month. However, if the 20th day of the month falls on a
313 Saturday, Sunday, or federal or state legal holiday, a return
314 must be accepted if it is electronically filed on the next
315 succeeding business day. The reports must include, or be
316 verified by, a written declaration stating that such report is
317 made under the penalties of perjury. The natural gas fuel
318 retailer shall deduct from the amount of taxes shown by the
319 report to be payable an amount equivalent to 0.67 percent of the

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320 taxes on natural gas fuel imposed by s. 206.9955(2)(a) and (e),
321 which deduction is allowed to the natural gas fuel retailer to
322 compensate it for services rendered and expenses incurred in
323 complying with the requirements of this part. This allowance is
324 not deductible unless payment of applicable taxes is made on or
325 before the 20th day of the month. This subsection may not be
326 construed as authorizing a deduction from the constitutional
327 fuel tax or the fuel sales tax.

328 (2) Upon the electronic filing of the monthly report, each
329 natural gas fuel retailer shall pay the department the full
330 amount of natural gas fuel taxes for the preceding month at the
331 rate provided in s. 206.9955, less the amount allowed the
332 natural gas fuel retailer for services and expenses as provided
333 in subsection (1).

334 (3) The department may authorize a quarterly return and
335 payment of taxes when the taxes remitted by the natural gas fuel
336 retailer for the preceding quarter did not exceed \$100, and the
337 department may authorize a semiannual return and payment of
338 taxes when the taxes remitted by the natural gas fuel retailer
339 for the preceding 6 months did not exceed \$200.

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

347 Section 11. Section 206.9965, Florida Statutes, is created
348 to read:

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349 206.9965 Exemptions and refunds; natural gas fuel
350 retailers.—Natural gas fuel may be purchased from natural gas
351 fuel retailers exempt from the tax imposed by this part when
352 used or purchased for the following:

353 (1) Exclusive use by the United States or its departments
354 or agencies. Exclusive use by the United States or its
355 departments and agencies means the consumption by the United
356 States or its departments or agencies of the natural gas fuel in
357 a motor vehicle as defined in s. 206.01(23).

358 (2) Use for agricultural purposes as defined in s.
359 206.41(4)(c).

360 (3) Uses as provided in s. 206.874(3).

361 (4) Use by vehicles operated by state and local government
362 agencies.

363 (5) Individual use resulting from residential refueling
364 devices located at a person's primary residence.

365 (6) Purchases of natural gas fuel between licensed natural
366 gas fuel retailers. A natural gas fuel retailer that sells tax-
367 paid natural gas fuel to another natural gas fuel retailer may
368 take a credit on its monthly return or may file a claim for
369 refund with the Chief Financial Officer pursuant to s. 215.26.
370 All sales of natural gas fuel between natural gas fuel retailers
371 must be documented on invoices or other evidence of the sale of
372 such fuel and the seller shall retain a copy of the purchaser's
373 natural gas fuel retailer license.

374 (7) Natural gas fuel consumed by a power take off or engine
375 exhaust for the purpose of unloading bulk cargo by pumping or
376 turning a concrete mixer drum used in the manufacturing process,
377 or for the purpose of compacting solid waste, which is mounted

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378 on a motor vehicle and which has no separate fuel tank or power
379 unit, is allowed a refund of 35 percent of the tax paid on the
380 fuel purchased.

381 Section 12. Section 206.879, Florida Statutes, is
382 transferred and renumbered as section 206.997, Florida Statutes,
383 and amended to read:

384 206.997 ~~206.879~~ State and local alternative fuel user fee
385 clearing trust funds; distribution.—

386 (1) Notwithstanding the provisions of s. 206.875, the
387 revenues from the state natural gas fuel tax imposed by s.
388 206.9955(2) (a), s. 206.9955(2) (d), and s. 206.9955(2) (e) state
389 ~~alternative fuel fees imposed by s. 206.877~~ shall be deposited
390 into the State Alternative Fuel User Fee Clearing Trust Fund,
391 ~~which is hereby created.~~ After deducting the service charges
392 provided in s. 215.20, the proceeds in this trust fund shall be
393 distributed as follows: the taxes imposed under s.
394 206.9955(2) (d) and s. 206.9955(2) (e) one-fifth of the proceeds
395 ~~in calendar year 1991, one-third of the proceeds in calendar~~
396 ~~year 1992, three-sevenths of the proceeds in calendar year 1993,~~
397 ~~and one-half of the proceeds in each calendar year thereafter~~
398 shall be transferred to the State Transportation Trust Fund and
399 the tax imposed under s. 206.9955(2) (a); ~~the remainder~~ shall be
400 distributed as follows: 50 percent shall be transferred to the
401 State Board of Administration for distribution according to the
402 provisions of s. 16, Art. IX of the State Constitution of 1885,
403 as amended; 25 percent shall be transferred to the Revenue
404 Sharing Trust Fund for Municipalities; and the remaining 25
405 percent shall be distributed using the formula contained in s.
406 206.60(1).

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407 (2) Notwithstanding the provisions of s. 206.875, the
408 revenues from the local natural gas fuel tax imposed by s.
409 206.9955(2)(b) and s. 206.9955(2)(c) ~~local alternative fuel fees~~
410 ~~imposed in lieu of s. 206.87(1)(b) or (c)~~ shall be deposited
411 into The Local Alternative Fuel User Fee Clearing Trust Fund,
412 ~~which is hereby created~~. After deducting the service charges
413 provided in s. 215.20, the proceeds in this trust fund shall be
414 returned monthly to the appropriate county.

415 Section 13. Section 206.998, Florida Statutes, is created
416 to read:

417 206.998 Applicability of specified sections of parts I and
418 II.—The provisions of ss. 206.01, 206.02, 206.025, 206.026,
419 206.027, 206.028, 206.03, 206.05, 206.055, 206.06, 206.07,
420 206.075, 206.09, 206.10, 206.11, 206.12, 206.13, 206.14, 206.15,
421 206.16, 206.17, 206.175, 206.18, 206.199, 206.20, 206.204,
422 206.205, 206.21, 206.215, 206.22, 206.23, 206.24, 206.25,
423 206.27, 206.28, 206.405, 206.406, 206.41, 206.413, 206.43,
424 206.44, 206.48, 206.485, 206.49, 206.56, 206.59, 206.606,
425 206.608, and 206.61, Florida Statutes, of part I of this chapter
426 and ss. 206.86, 206.872, 206.874, 206.8745, 206.88, 206.90, and
427 206.93, Florida Statutes, of part II of this chapter shall, as
428 far as lawful or practicable, be applicable to the tax levied
429 and imposed and to the collection thereof as if fully set out in
430 this part. However, any provision of any such section does not
431 apply if it conflicts with any provision of this part.

432 Section 14. Paragraph (d) of subsection (2) of section
433 212.055, Florida Statutes, is amended to read:

434 212.055 Discretionary sales surtaxes; legislative intent;
435 authorization and use of proceeds.—It is the legislative intent

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436 that any authorization for imposition of a discretionary sales
437 surtax shall be published in the Florida Statutes as a
438 subsection of this section, irrespective of the duration of the
439 levy. Each enactment shall specify the types of counties
440 authorized to levy; the rate or rates which may be imposed; the
441 maximum length of time the surtax may be imposed, if any; the
442 procedure which must be followed to secure voter approval, if
443 required; the purpose for which the proceeds may be expended;
444 and such other requirements as the Legislature may provide.
445 Taxable transactions and administrative procedures shall be as
446 provided in s. 212.054.

447 (2) LOCAL GOVERNMENT INFRASTRUCTURE SURTAX.—

448 (d) The proceeds of the surtax authorized by this
449 subsection and any accrued interest shall be expended by the
450 school district, within the county and municipalities within the
451 county, or, in the case of a negotiated joint county agreement,
452 within another county, to finance, plan, and construct
453 infrastructure; to acquire land for public recreation,
454 conservation, or protection of natural resources; to provide
455 loans, grants, or rebates to residential or commercial property
456 owners who make energy efficiency improvements to their
457 residential or commercial property, if a local government
458 ordinance authorizing such use is approved by referendum; or to
459 finance the closure of county-owned or municipally owned solid
460 waste landfills that have been closed or are required to be
461 closed by order of the Department of Environmental Protection.
462 Any use of the proceeds or interest for purposes of landfill
463 closure before July 1, 1993, is ratified. The proceeds and any
464 interest may not be used for the operational expenses of

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465 infrastructure, except that a county that has a population of
466 fewer than 75,000 and that is required to close a landfill may
467 use the proceeds or interest for long-term maintenance costs
468 associated with landfill closure. Counties, as defined in s.
469 125.011, and charter counties may, in addition, use the proceeds
470 or interest to retire or service indebtedness incurred for bonds
471 issued before July 1, 1987, for infrastructure purposes, and for
472 bonds subsequently issued to refund such bonds. Any use of the
473 proceeds or interest for purposes of retiring or servicing
474 indebtedness incurred for refunding bonds before July 1, 1999,
475 is ratified.

476 1. For the purposes of this paragraph, the term
477 "infrastructure" means:

478 a. Any fixed capital expenditure or fixed capital outlay
479 associated with the construction, reconstruction, or improvement
480 of public facilities that have a life expectancy of 5 or more
481 years and any related land acquisition, land improvement,
482 design, and engineering costs.

483 b. A fire department vehicle, an emergency medical service
484 vehicle, a sheriff's office vehicle, a police department
485 vehicle, or any other vehicle, and the equipment necessary to
486 outfit the vehicle for its official use or equipment that has a
487 life expectancy of at least 5 years.

488 c. Any expenditure for the construction, lease, or
489 maintenance of, or provision of utilities or security for,
490 facilities, as defined in s. 29.008.

491 d. Any fixed capital expenditure or fixed capital outlay
492 associated with the improvement of private facilities that have
493 a life expectancy of 5 or more years and that the owner agrees

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494 to make available for use on a temporary basis as needed by a
495 local government as a public emergency shelter or a staging area
496 for emergency response equipment during an emergency officially
497 declared by the state or by the local government under s.
498 252.38. Such improvements are limited to those necessary to
499 comply with current standards for public emergency evacuation
500 shelters. The owner must enter into a written contract with the
501 local government providing the improvement funding to make the
502 private facility available to the public for purposes of
503 emergency shelter at no cost to the local government for a
504 minimum of 10 years after completion of the improvement, with
505 the provision that the obligation will transfer to any
506 subsequent owner until the end of the minimum period.

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

519 2. For the purposes of this paragraph, the term "energy
520 efficiency improvement" means any energy conservation and
521 efficiency improvement that reduces consumption through
522 conservation or a more efficient use of electricity, natural

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523 gas, propane, or other forms of energy on the property,
524 including, but not limited to, air sealing; installation of
525 insulation; installation of energy-efficient heating, cooling,
526 or ventilation systems; installation of solar panels; building
527 modifications to increase the use of daylight or shade;
528 replacement of windows; installation of energy controls or
529 energy recovery systems; installation of electric vehicle
530 charging equipment; installation of systems for natural gas fuel
531 as defined in s. 206.9951; and installation of efficient
532 lighting equipment.

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

543 Section 15. Paragraph (a) of subsection (4) of section
544 212.08, Florida Statutes, is amended to read:

545 212.08 Sales, rental, use, consumption, distribution, and
546 storage tax; specified exemptions.—The sale at retail, the
547 rental, the use, the consumption, the distribution, and the
548 storage to be used or consumed in this state of the following
549 are hereby specifically exempt from the tax imposed by this
550 chapter.

551 (4) EXEMPTIONS; ITEMS BEARING OTHER EXCISE TAXES, ETC.—

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552 (a) Also exempt are:

553 1. Water delivered to the purchaser through pipes or
554 conduits or delivered for irrigation purposes. The sale of
555 drinking water in bottles, cans, or other containers, including
556 water that contains minerals or carbonation in its natural state
557 or water to which minerals have been added at a water treatment
558 facility regulated by the Department of Environmental Protection
559 or the Department of Health, is exempt. This exemption does not
560 apply to the sale of drinking water in bottles, cans, or other
561 containers if carbonation or flavorings, except those added at a
562 water treatment facility, have been added. Water that has been
563 enhanced by the addition of minerals and that does not contain
564 any added carbonation or flavorings is also exempt.

565 2. All fuels used by a public or private utility, including
566 any municipal corporation or rural electric cooperative
567 association, in the generation of electric power or energy for
568 sale. Fuel other than motor fuel and diesel fuel is taxable as
569 provided in this chapter with the exception of fuel expressly
570 exempt herein. Natural gas and natural gas fuel as defined in s.
571 206.9951(2) are exempt from the tax imposed by this chapter when
572 placed into the fuel supply system of a motor vehicle. Motor
573 fuels and diesel fuels are taxable as provided in chapter 206,
574 with the exception of those motor fuels and diesel fuels used by
575 railroad locomotives or vessels to transport persons or property
576 in interstate or foreign commerce, which are taxable under this
577 chapter only to the extent provided herein. The basis of the tax
578 shall be the ratio of intrastate mileage to interstate or
579 foreign mileage traveled by the carrier's railroad locomotives
580 or vessels that were used in interstate or foreign commerce and

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581 that had at least some Florida mileage during the previous
582 fiscal year of the carrier, such ratio to be determined at the
583 close of the fiscal year of the carrier. However, during the
584 fiscal year in which the carrier begins its initial operations
585 in this state, the carrier's mileage apportionment factor may be
586 determined on the basis of an estimated ratio of anticipated
587 miles in this state to anticipated total miles for that year,
588 and subsequently, additional tax shall be paid on the motor fuel
589 and diesel fuels, or a refund may be applied for, on the basis
590 of the actual ratio of the carrier's railroad locomotives' or
591 vessels' miles in this state to its total miles for that year.
592 This ratio shall be applied each month to the total Florida
593 purchases made in this state of motor and diesel fuels to
594 establish that portion of the total used and consumed in
595 intrastate movement and subject to tax under this chapter. The
596 basis for imposition of any discretionary surtax shall be set
597 forth in s. 212.054. Fuels used exclusively in intrastate
598 commerce do not qualify for the proration of tax.

599 3. The transmission or wheeling of electricity.

600 Section 16. The Office of Program Policy Analysis and
601 Government Accountability shall complete a report reviewing the
602 taxation of natural gas fuel used to power motor vehicles under
603 chapters 206 and 212, Florida Statutes. The report must, at a
604 minimum: evaluate growth trends in the use of natural gas fuel;
605 survey how other states tax natural gas fuel and the energy
606 content related to compressed natural gas, liquefied natural
607 gas, and liquefied petroleum gas, and incentives provided to
608 consumers of such fuels; and survey consumers and suppliers of
609 natural gas fuel. The report shall be submitted to the President

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610 of the Senate and the Speaker of the House of Representatives by
611 December 1, 2017.

612 Section 17. Natural gas fuel fleet vehicle rebate program.-

613 (1) CREATION AND PURPOSE OF PROGRAM.-Subject to specific
614 appropriation, there is created within the Department of
615 Agriculture and Consumer Services a natural gas fuel fleet
616 vehicle rebate program. The purpose of this program is to help
617 reduce transportation costs in this state and encourage freight
618 mobility investments that contribute to the economic growth of
619 the state.

620 (2) DEFINITIONS.-For purposes of this section, the term:

621 (a) "Conversion costs" means the excess cost associated
622 with retrofitting a diesel or gasoline powered motor vehicle to
623 a natural gas fuel powered motor vehicle.

624 (b) "Department" means the Department of Agriculture and
625 Consumer Services.

626 (c) "Eligible costs" means the cost of conversion or the
627 incremental cost incurred by an applicant in connection with an
628 investment in the conversion or the purchase or lease, for at
629 least a 5-year period, of a natural gas fleet vehicle placed
630 into service on or after July 1, 2013. The term does not include
631 costs for project development, fueling stations, or other
632 fueling infrastructure.

633 (d) "Fleet vehicles" means three or more motor vehicles
634 registered in this state and used for commercial business or
635 governmental purposes.

636 (e) "Incremental costs" means the excess costs associated
637 with the purchase or lease a natural gas fuel motor vehicle as
638 compared to an equivalent diesel- or gasoline-powered motor

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639 vehicle.

640 (f) "Natural gas fuel" means any liquefied petroleum gas
641 product, compressed natural gas product, or combination thereof
642 used in a motor vehicle as defined in s. 206.01(23). This term
643 includes, but is not limited to, all forms of fuel commonly or
644 commercially known or sold as natural gasoline, butane gas,
645 propane gas, or any other form of liquefied petroleum gas,
646 compressed natural gas, or liquefied natural gas. This term does
647 not include natural gas or liquefied petroleum placed in a
648 separate tank of a motor vehicle for cooking, heating, water
649 heating, or electric generation.

650 (3) NATURAL GAS FUEL FLEET VEHICLE REBATE.—The department
651 shall award rebates for eligible costs as defined in this
652 section. Forty percent of the annual allocation shall be
653 reserved for governmental applicants, with the remaining funds
654 allocated for commercial applicants. A rebate may not exceed 50
655 percent of the eligible costs of a natural gas fuel fleet
656 vehicle with a dedicated or bi-fuel natural gas fuel operating
657 system placed into service on or after July 1, 2013. An
658 applicant is eligible to receive a maximum rebate of \$25,000 per
659 vehicle up to a total of \$250,000 per fiscal year. All natural
660 gas fuel fleet vehicles eligible for the rebate must comply with
661 applicable United States Environmental Protection Agency
662 emission standards.

663 (4) APPLICATION PROCESS.—

664 (a) An applicant seeking to obtain a rebate shall submit an
665 application to the department by a specified date as established
666 by department rule. The application shall require a complete
667 description of all eligible costs, proof of purchase or lease of

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668 the vehicle for which the applicant is seeking a rebate, a copy
669 of the vehicle registration certificate, a description of the
670 total rebate sought by the applicant, and any other information
671 deemed necessary by the department. The application form adopted
672 by department rule must include an affidavit from the applicant
673 certifying that all information contained in the application is
674 true and correct.

675 (b) The department shall determine the rebate eligibility
676 of each applicant in accordance with the requirements of this
677 section and department rule. The total amount of rebates
678 allocated to certified applicants may not exceed the amount
679 appropriated for the program in the General Appropriations Act.
680 Rebates shall be allocated to eligible applicants on a first-
681 come, first-served basis, determined by the date the application
682 is received, until all appropriated funds are expended or the
683 program ends, whichever comes first. Incomplete applications
684 submitted to the department will not be accepted and do not
685 secure a place in the first-come, first-served application
686 process.

687 (5) RULES.—The department shall adopt rules to implement
688 and administer this section by December 31, 2013, including
689 rules relating to the forms required to claim a rebate under
690 this section, the required documentation and basis for
691 establishing eligibility for a rebate, procedures and guidelines
692 for claiming a rebate, and the collection of economic impact
693 data from applicants.

694 (6) PUBLICATION.—The department shall determine and publish
695 on its website on an ongoing basis the amount of available
696 funding for rebates remaining in each fiscal year.

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697 (7) ANNUAL ASSESSMENT.—By October 1, 2014, and each year
698 thereafter that the program is funded, the department shall
699 provide an annual assessment of the use of the rebate program
700 during the previous fiscal year to the Governor, the President
701 of the Senate, the Speaker of the House of Representatives, and
702 the Office of Program Policy Analysis and Government
703 Accountability. The assessment shall include, at a minimum, the
704 following information:

705 (a) The name of each applicant awarded a rebate under this
706 section;

707 (b) The amount of the rebates awarded to each applicant;

708 (c) The type and description of each eligible vehicle for
709 which each applicant applied for a rebate; and

710 (d) The aggregate amount of funding awarded for all
711 applicants claiming rebates under this section.

712 (8) REPORT.—By January 31, 2016, the Office of Program
713 Policy Analysis and Government Accountability shall release a
714 report reviewing the rebate program to the Governor, the
715 President of the Senate, and the Speaker of the House of
716 Representatives. The review shall include an analysis of the
717 economic benefits resulting to the state from the program.

718 (9) ANNUAL FUNDING.—Annual funding for the natural gas fuel
719 fleet vehicle rebate program is subject to legislative
720 appropriation.

721 (10) EFFECTIVE DATE.—This section shall take effect July 1,
722 2013.

723 Section 18. Except as otherwise expressly provided in this
724 act and except for this section, which shall take effect July 1,
725 2013, this act shall take effect January 1, 2014.