

CS/SB 1150 by **CM, Richter (CO-INTRODUCERS) Bennett, Lynn, Detert;** (Similar to CS/H 1119) New Markets Development Program

521394 A S RCS BFT, Altman Delete L.29 - 34: 02/09 09:57 AM

CS/SB 1392 by **TR, Benacquisto;** (Compare to H 1201) Transportation Accessibility

207918 D S WD BFT, Norman Delete everything after 02/09 09:35 AM

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

BUDGET SUBCOMMITTEE ON FINANCE AND TAX

Senator Norman, Chair
Senator Altman, Vice Chair

MEETING DATE: Thursday, February 9, 2012

TIME: 9:00 —10:00 a.m.

PLACE: 301 Senate Office Building

MEMBERS: Senator Norman, Chair; Senator Altman, Vice Chair; Senators Alexander, Gardiner, Margolis, and Sachs

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	CS/SB 1150 Commerce and Tourism / Richter (Similar CS/H 1119, Compare H 7087)	New Markets Development Program; Revising limits on tax credits that may be claimed by qualified community development entities under the program; revising restrictions on a qualified community development entity's making of cash interest payments on certain long-term debt securities, etc. CM 01/19/2012 Fav/CS BFT 02/09/2012 Fav/CS BC	Fav/CS Yeas 5 Nays 0
2	CS/SB 1392 Transportation / Benacquisto (Compare H 1201)	Transportation Accessibility; Providing a tax exemption for the sale or lease of accessible vehicles; requiring the Office of Program Policy Analysis and Government Accountability to conduct a study to determine the availability of accessible taxicabs operating in metropolitan and tourist destination areas of the state; describing the information to be collected in the study; requiring the Office of Program Policy Analysis and Government Accountability to include in its final report recommendations for consideration by the Legislature, etc. TR 01/19/2012 Temporarily Postponed TR 01/26/2012 Fav/CS BFT 02/09/2012 Favorable BC	Favorable Yeas 5 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 Budget Subcommittee on Finance and Tax

BILL: CS/CS/SB 1150

INTRODUCER: Budget Subcommittee on Finance and Tax; Commerce and Tourism Committee and
Senator Richter

SUBJECT: New Markets Development Program

DATE: February 9, 2012

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Juliachs	Hrdlicka	CM	Fav/CS
2.	Babin	Diez-Arguelles	BFT	Fav/CS
3.			BC	
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|--|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="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/CS/SB 1150 ("the bill") increases the total amount of tax credits available to be allocated for the New Markets Development Program from \$97.5 million to \$195 million, as well as increases the amount of permissible tax credits to be distributed in a single state fiscal year from \$20 million to \$40 million. According to the Revenue Estimating Conference, the bill will have an \$18 million negative fiscal impact on General Revenue in FY 2014-15, and a recurring \$20 million negative fiscal impact on General Revenue thereafter.

The bill also increases the number of years that a qualified community development entity is prohibited from making cash interest payments in excess of their operating income on long term debt securities issued as qualified investments from 6 years to 7 years. Lastly, the bill is amended to specify that a qualified community development entity's cumulative operating income should be calculated without giving effect to the interest expense on such long-term debt security.

This bill amends sections 288.9914 and 288.9915, F.S.

II. Present Situation:

Background

Florida's New Markets Tax Credits Program was enacted in 2009.¹ The program was "established to encourage capital investment in rural and urban low-income communities by allowing taxpayers to earn credits against specified taxes by investing in qualified community development entities that make qualified low-income community investments in qualified active low-income community businesses to create and retain jobs."²

Under this program, federally-certified Community Development Entities (CDE), which have entered into allocation agreements with the U.S. Treasury, have the ability to apply to the Department of Economic Opportunity (DEO) for a certification of Florida tax credits.³ The CDE must show that it is prepared to invest capital into qualified businesses in Florida's low-income communities. The certification process includes proof of the CDE's eligibility, identification of its investors, description of the investments to be raised by the CDE, information regarding how the investments will be used, and a description of the CDE's efforts to partner with local community-based groups. DEO is also able to request additional information needed to verify continued certification. DEO certifies qualified applications on a first-come, first-served basis. Once DEO certifies a CDE's qualified equity investment, the CDE has 30 days to raise its investment capital (the qualified equity investment) and then 12 months to invest a minimum of 85 percent of the purchase price in qualified low-income investments. Thereafter, the CDE must annually report to DEO information including:

- Audited financial statements;
- The industries for the investments;
- The counties investments were made in;
- The number of jobs created; and
- Verification that the average wages paid are at least equal to 115 percent of the federal poverty income guidelines for a family of four.⁴

Any failure by a CDE to follow either Florida or federal law may result in the state recapturing tax credits claimed, together with interest and penalties.⁵

Tax Credits

The New Markets Tax Credit Program allows a tax credit to be taken against the corporate income tax found in s. 220.11, F.S., or the insurance premium tax found in s. 624.509, F.S.⁶ This credit may be claimed after the investment has been made and held for a minimum of 2 years. Therefore, no credit can be claimed in the first 2 years. In year 3, the annual credit is equal to 7 percent of the investment, and from the fourth year through the seventh year the annual credit is

¹ Florida's New Markets Development Program Act is codified at ch. 288, part XII, F.S.

² Section 288.9912, F.S.

³ Section 288.9914, F.S.

⁴ Section 288.9918, F.S.

⁵ Section 288.9920, F.S.

⁶ Section 288.9916, F.S.

equal to 8 percent. Over 7 years this credit totals 39 percent of the total investment. Any unused portion of the tax credit may be carried forward for future tax years; however, all tax credits expire on December 31, 2022.

Additionally, the program has a cap of \$97.5 million on the total of tax credits allowed to be allocated to all investments with the caveat that no more than \$20 million in tax credits may be claimed in a single state fiscal year. The program does not allow the transfer or sale of tax credits, but does allow a tax credit to travel with the purchase of an investment to a new owner.

Federal New Markets Tax Credit⁷

Florida's New Markets Tax Credit Program was mirrored after the federal program. The Federal New Markets Tax Credit (NMTC) Program permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs).⁸ The CDE must, in turn, invest the qualified equity investments in low-income communities. The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a 7-year period. In each of the first 3 years, the investor receives a credit equal to 5 percent of the total amount paid for the stock or capital interest at the time of purchase. For the final 4 years, the credit is equal to 6 percent annually. Investors may not redeem their investments in CDEs prior to the conclusion of the 7-year period. An organization wishing to receive allocations under the federal NMTC Program must be certified as a CDE by the US Department of Treasury. To qualify as a CDE, an organization must:

- Be a domestic corporation or partnership at the time of the certification application;
- Demonstrate a primary mission of serving, or providing investment capital for low-income communities or low-income persons; and
- Maintain accountability to residents of low-income communities through representation on a governing board of or advisory board to the entity.

As stated above, the federal program and the state program each provide credits totaling 39 percent of the investment over a 7 year period. Therefore, a qualified taxpayer with a qualified investment approved for both the federal and state program could receive 78 percent of the purchase price of the investment in tax credits over 7 years. In addition to the tax credits that are received, the investor also has the potential to receive benefits from the results of the investment and eventual return of their principal.

⁷ Information on the federal New Markets Tax Credit Program can be found at http://www.cdfifund.gov/what_we_do/programs_id.asp?programID=5 (last visited February 6, 2012).

⁸ 15 U.S.C. sec. 689, *et. seq.*

III. Effect of Proposed Changes:

Section 1 amends s. 288.9914, F.S., to increase the total amount of tax credits available to be allocated for the New Markets Development Program from \$97.5 million to \$195 million during the existence of the program, and it increases the amount of permissible tax credits to be distributed in a single state fiscal year from \$20 million to \$40 million.

Section 2 amends s. 288.9915, F.S., to increase the number of years that a qualified community development entity is prohibited from making cash interest payments in excess of their cumulative operating income on long term debt securities issued as qualified investments from 6 to 7 years. Moreover, the bill provides that a qualified community development entity's cumulative operating income should be calculated without giving effect to the interest expense on such long-term debt security.

Section 3 provides an effective date of July 1, 2012.

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:**

On January 6, 2011, the Revenue Estimating Conference determined that the effects of this bill will result in an \$18 million negative fiscal impact on General Revenue in the 2014-15 fiscal year, and a recurring \$20 million negative fiscal impact on General Revenue thereafter. There is no impact to General Revenue in the 2012-13 or the 2013-14 fiscal years.

B. Private Sector Impact:

The New Markets Development program draws private sector investment into low-income rural and urban communities that may not otherwise have occurred.

C. Government Sector Impact:**VI. Technical Deficiencies:**

None.

VII. Related Issues:

None.

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

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

CS/CS by Finance and Tax on February 9, 2012 - The CS:

This Committee Substitute includes one amendment adopted by the committee. The amendment:

- Clarifies language that limits the amount of interest that a qualified community development entity can pay during the first 7 years of a long-term debt security that is a qualified investment.

CS by Commerce on January 19, 2012 - The CS:

- Increases the amount of permissible tax credits to be distributed in a single state fiscal year from \$20 million to \$40 million.

B. Amendments:

None.



521394

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/09/2012	.	
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	.	

The Committee on Budget Subcommittee on Finance and Tax (Altman) recommended the following:

Senate Amendment

Delete lines 29 - 34
and insert:

(1) For the period from the issuance of the qualified investment to the 7th anniversary of such issuance, a qualified community development entity may ~~not~~ make cash interest payments on a long-term debt security that is a qualified investment, but not in excess of the entity's cumulative operating income as of the date of the cash interest payment. For purposes of calculating operating income under this section, the interest expense on the security is disregarded ~~for 6 years following the~~



521394

13 ~~issuance of the security.~~

By the Committee on Commerce and Tourism; and Senators Richter
and Bennett

577-02064-12

20121150c1

1 A bill to be entitled
2 An act relating to the New Markets Development
3 Program; amending s. 288.9914, F.S.; revising limits
4 on tax credits that may be claimed by qualified
5 community development entities under the program;
6 amending s. 288.9915, F.S.; revising restrictions on a
7 qualified community development entity's making of
8 cash interest payments on certain long-term debt
9 securities; providing an effective date.
10
11 Be It Enacted by the Legislature of the State of Florida:
12
13 Section 1. Paragraph (c) of subsection (3) of section
14 288.9914, Florida Statutes, is amended to read:
15 288.9914 Certification of qualified investments; investment
16 issuance reporting.—
17 (3) REVIEW.—
18 (c) The department may not approve a cumulative amount of
19 qualified investments that may result in the claim of more than
20 \$195 ~~\$97.5~~ million in tax credits during the existence of the
21 program or more than \$40 ~~\$20~~ million in tax credits in a single
22 state fiscal year. However, the potential for a taxpayer to
23 carry forward an unused tax credit may not be considered in
24 calculating the annual limit.
25 Section 2. Subsection (1) of section 288.9915, Florida
26 Statutes, is amended to read:
27 288.9915 Use of proceeds from qualified investments;
28 recordkeeping.—
29 (1) A qualified community development entity, before giving

Page 1 of 2

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

577-02064-12

20121150c1

30 effect to the interest expense of ~~may not make cash interest~~
31 ~~payments on~~ a long-term debt security that is a qualified
32 investment in excess of the entity's cumulative operating
33 income, may not make cash interest payments on such security for
34 7 ~~6~~ years after ~~following the~~ issuance of such ~~the~~ security.
35 Section 3. This act shall take effect July 1, 2012.

Page 2 of 2

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

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/9/2012

Meeting Date

Topic NEW MARLEIS DEVELOPMENT PROGRAM Bill Number 1150
Name SLATER BAYLISS Amendment Barcode _____
Job Title _____
(if applicable)
(if applicable)

Address 215 S MONROE ST #602 Phone 850-222-8900
Street
City TALLAHASSEE State FL Zip 32301
E-mail sub@cardenaspartners.com

Speaking: ☒ For ☐ Against ☐ Information

Representing ENHANCED CAPITAL

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)

2-9-12

Meeting Date

Topic NEW MARKETS

Bill Number SB/CS 1150
(if applicable)

Name ANTHONY TOUPS

Amendment Barcode _____
(if applicable)

Job Title SR. V.P.

Address 909 POYDRAS ST.
Street

Phone 5045224850

N.O., LA 70112
City State Zip

E-mail ttoups@ADVANTAGECAP.COM

Speaking: ☐ For ☐ Against ☒ Information

Representing ADVANTAGE CAPITAL

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)

2/9/12

Meeting Date

Topic New Markets Development

Bill Number 1150
(if applicable)

Name Justin Day

Amendment Barcode _____
(if applicable)

Job Title Director

Address 215 S. Monroe St., Suite 602

Phone 850-222-8900

Street

Tallahassee

FL

32301

City

State

Zip

E-mail jd@cardenaspartners.com

Speaking: ☒ For ☐ Against ☐ Information

Representing Associated Industries of Florida

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

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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)

Feb. 9, 2012

Meeting Date

Topic New Markets Tax Credits

Bill Number SB 1150
(if applicable)

Name Ryan West

Amendment Barcode _____
(if applicable)

Job Title Policy Director

Address 130 South Bronough Street
Street

Phone (850) 521-1200

Tallahassee FL 32301
City State Zip

E-mail rwest@flchamber.com

Speaking: ☒ For ☐ Against ☐ Information

Representing Florida Chamber of Commerce

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

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

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

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)

2/10/12

Meeting Date

Topic New Markets

Bill Number SB 1150
(if applicable)

Name Pablo Diaz

Amendment Barcode _____
(if applicable)

Job Title Legislative Director

Address 110 E. Jefferson St.

Phone 880 681-0416

Street

Tallahassee

Fl.

32301

City

State

Zip

E-mail pablo.diaz@nfib.org

Speaking: ☒ For ☐ Against ☐ Information

Representing National Federation of Independent Business

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

2/9/12

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

Meeting Date

Topic _____

Bill Number 1150
(if applicable)

Name Michael Preston

Amendment Barcode _____
(if applicable)

Job Title Enterprise Florida - Dir. of Govt Relations

Address 325 John Knox Rd

Phone 298-6630

Street

Palm Bay

FL

32303

City

State

Zip

E-mail _____

Speaking: ☒ For ☐ Against ☐ Information

Representing Enterprise 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.

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

S-001 (10/20/11)

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 Budget Subcommittee on Finance and Tax

BILL: CS/SB 1392

INTRODUCER: Transportation Committee and Senator Benacquisto

SUBJECT: Transportation Accessibility

DATE: January 26, 2012

REVISED: 2/9/12

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Looke	Buford	TR	Fav/CS
2.	Cote	Diez-Arguelles	BFT	Favorable
3.			BC	
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|--|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="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 1392 ("the bill") creates a new, unnumbered section of the Florida Statutes which directs the Office of Program Policy Analysis and Government Accountability (OPPAGA) to conduct a study in order to determine the availability of accessible taxicabs operating in metropolitan and tourist destination areas. OPPAGA is directed to look at several enumerated factors and must issue a final report by February 1, 2013 and present recommendations to the Legislature.

The bill amends s. 212.08, F.S., to add an exemption for the sale or lease of accessible taxicabs, as defined, provided that, should the accessible vehicle be an aftermarket conversion, only the price of the conversion is exempt from the tax.

II. Present Situation:

Currently, there is no state or federal requirement that taxicab companies purchase or maintain accessible taxicabs, as defined in the bill, unless they purchase vehicles larger than automobiles. Under s. 49 CFR 37.29(b), "[p]roviders of taxi service are not required to purchase or lease accessible automobiles." However, "[i]f a taxi company purchases a larger vehicle, like a van, it is subject to the same rules as any other private entity primarily engaged in the business of

transporting people which operates a demand responsive service. That is, unless it is already providing equivalent service, any van it acquires must be accessible.”¹

However, local jurisdictions sometimes require or incentivize taxicab companies to provide accessible vehicles. For example, Miami-Dade County requires that “at least three (3) percent of the total number of for-hire taxicab licenses are operated using accessible vehicles.”² And, the City of Orlando allows taxicab companies to increase their fleet size by adding dual-purpose taxicabs which are defined as cabs “specifically equipped for transporting handicapped or wheelchair bound passengers.”³

In addition to these potential requirements, the state also provides accessible transportation, by request, through the Florida Commission for the Transportation Disadvantaged (FCTD). FCTD provides accessible and affordable rides, for both Medicaid and non-Medicaid purposes, to people with disabilities by contracting with 48 local Community Transportation Coordinators and, in the case of Medicaid based transportation, 10 Sub-contracted Transportation Providers. According to the FCTD’s 2011 Annual Performance Report, the FCTD’s “Coordinated Transportation System...provided 51.1 million trips to over 700,000 older adults, persons with disabilities, people with low income, or at-risk children.”⁴ For non-emergency Medicaid patients alone FCTD provided 586,419 wheelchair trips.⁵ Also, even though the FCTD was not able to meet requests for 228,640 trips, only 4,821 trip requests were denied due to a lack of a vehicle.⁶

Currently, there is no sales tax exemption for accessible taxicabs such as the one provided for in the bill. Though it is possible to retrofit vehicles in order to comply with ADA specifications for accessible vehicles, only one company currently manufactures such vehicles from the ground up and, as such, can take full advantage of the sales tax exemption.

III. Effect of Proposed Changes:

Section 1 of the bill amends s. 212.08, F.S., to add an exemption for the sale or lease of an accessible taxicab, provided that, should the accessible taxicab be an aftermarket conversion, only the price of the conversion is exempt from the tax. “Accessible taxicab” means a chauffeur driven taxi, limousine, sedan, van, or other passenger vehicle where the operator and the motor vehicle are hired and used for the transportation of persons for compensation, and which transports eight passengers or fewer and is equipped with a lift or ramp designed specifically to transport physically disabled persons, including persons who use wheelchairs, motorized wheelchairs, or similar mobility aids. The accessible taxicabs must comply with ADA accessibility requirements.

¹ Appendix D to Part 37 – Construction and Interpretation of Provisions of 49 CFR Part 37 – Section 37.29 Private Providers of Taxi Service, found at http://www.fta.dot.gov/12876_3906.html, last viewed on January 17, 2012.

² Miami-Dade County code, s. 31-82(k)(1)

³ City of Orlando Code of Ordinances, s. 55.25(3)

⁴ 2011 Annual Performance Report, Florida Commission for the Transportation Disadvantaged, Jan. 1, 2012, pg. 6

⁵ Id. at 15

⁶ Id. at 55-57

Section 2 of the bill creates a new, unnumbered section of the Florida Statutes which directs OPPAGA to conduct a study in order to determine the availability of accessible taxicabs operating in metropolitan and tourist destination areas. OPPAGA is directed to look at:

- the number of accessible taxicabs available in the counties being studied;
- the availability of taxicabs at airports and seaports;
- statements from persons who work with disabled and senior communities regarding the availability of accessible taxicabs for use in everyday life;
- a synopsis of any recent court decisions related to the availability of accessible taxicabs and the potential effect of such decisions;
- a comparison of major cities in Florida with other major cities around the country in terms of operation and regulation of accessible and available taxicabs;
- information on cooperative agreements between smaller taxicab companies and larger vendors who act as partners to satisfy demand for accessible taxicabs.

OPPAGA must issue a final report to the President of the Senate and the Speaker of the House by February 1, 2013 and must also present recommendations to the Legislature.

Section 3 of the bill creates an effective date of July 1, 2012.

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 Estimate Conference (REC) estimates that adding an exemption for the sale or lease of an accessible taxicab will decrease general revenue by \$0.2 million in FY 2012-13 with a \$0.2 million recurring impact. The impact on local governments is negative but insignificant.

B. Private Sector Impact:

The bill could have a potential but indeterminate positive impact on companies who sell vehicles that comply with the criteria of the tax exemption or retrofit vehicles to comply with the criteria of the tax exemption.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

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

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

CS by Transportation on January 26, 2012:

- Section 1 of the bill, which defined terms and required various actions with regards to accessible taxicabs, is removed.
- Section 3 of the bill, which required that all vehicles used to provide transportation for Medicaid be accessible, is removed.
- Section 2 of the bill, which grants a tax exemption for the purchase or retrofitting of accessible vehicles, is renumbered as section 1 and the term “accessible vehicles” is changed to “accessible taxicabs” and redefined so as to exempt a smaller class of vehicles.
- A new section 2 is created which mandates the OPPAGA study outlined above.

B. Amendments:

None.



207918

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
02/09/2012	.	
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The Committee on Budget Subcommittee on Finance and Tax (Norman) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Paragraph (hhh) is added to subsection (7) of
section 212.08, Florida Statutes, 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.



207918

(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 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.

(hhh) Accessible vehicles.—The sale or lease of accessible taxicabs is exempt from the tax imposed by this chapter. As used in this paragraph, the term “accessible taxicab” means a chauffeur-driven taxi, limousine, sedan, van, or other passenger vehicle where the operator and the motor vehicle are hired and used for the transportation of persons for compensation, and which transports eight passengers or fewer and is equipped with a lift or ramp designed specifically to transport physically disabled persons or contains any other device designed to permit access to and enable the transportation of physically disabled persons, including persons who use wheelchairs, motorized



207918

42 wheelchairs, or similar mobility aids; complies with the
43 accessibility requirements of the Americans with Disabilities
44 Act of 1990, 49 C.F.R., ss. 38.23, 38.25, and 38.31, as amended,
45 whether or not such regulations would apply under federal law;
46 and meets all applicable federal motor vehicle safety standards
47 and regulations adopted thereunder. If such equipment is
48 installed through an aftermarket conversion of a stock vehicle,
49 only the value of the conversion is exempt from the tax imposed
50 by this chapter.

51 Section 2. (1) The Office of Program Policy Analysis and
52 Government Accountability shall conduct a study, in conjunction
53 with local governmental agencies responsible for regulating
54 taxicabs, if applicable, and local transportation service
55 providers, to determine the availability of accessible taxicabs
56 operating in metropolitan and tourist-destination areas.

57 (2) Specifically, the Office of Program Policy Analysis and
58 Government Accountability shall collect the following
59 information:

60 (a) The number of accessible taxicabs and other accessible
61 vehicles that are available in the counties being studied,
62 including the total percentage of accessible taxicabs and other
63 accessible vehicles relative to the entire fleet of taxicabs.

64 (b) The availability of accessible taxicabs and other
65 accessible vehicles at airports and seaports, including the
66 average wait times for passengers needing such vehicles.

67 (c) A synopsis of any recent appellate court decisions
68 related to availability of accessible taxicabs and the potential
69 effect of such decisions on persons desiring accessible vehicles
70 in this state.



207918

(d) How major cities in Florida compare to other cities around the country of comparable population and demographics in terms of the number of complaints filed with local regulators regarding the unavailability of accessible taxicab service.

(e) Information concerning cooperative agreements in this state between smaller taxi vendors and larger taxi vendors who act as partners in order to satisfy demand for accessible transportation.

(3) The Office of Program Policy Analysis and Government Accountability shall issue a final report and present recommendations to the Legislature for planning and providing funding for the provision of accessible vehicles. The report shall be submitted to the President of the Senate and the Speaker of the House of Representatives by February 1, 2013.

Section 3. This act shall take effect July 1, 2012.

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

And the title is amended as follows:

Delete everything before the enacting clause
and insert:

A bill to be entitled

An act relating to transportation accessibility;
amending s. 212.08, F.S.; providing a tax exemption
for the sale or lease of accessible vehicles;
providing a definition; requiring the Office of
Program Policy Analysis and Government Accountability
to conduct a study to determine the availability of
accessible taxicabs operating in metropolitan and
tourist-destination areas of the state; describing the



207918

100 information to be collected in the study; requiring
101 the Office of Program Policy Analysis and Government
102 Accountability to include recommendations in its final
103 report for consideration by the Legislature; providing
104 an effective date.

By the Committee on Transportation; and Senator Benacquisto

596-02448-12

20121392c1

A bill to be entitled

An act relating to transportation accessibility; amending s. 212.08, F.S.; providing a tax exemption for the sale or lease of accessible vehicles; providing a definition; requiring the Office of Program Policy Analysis and Government Accountability to conduct a study to determine the availability of accessible taxicabs operating in metropolitan and tourist destination areas of the state; describing the information to be collected in the study; requiring the Office of Program Policy Analysis and Government Accountability to include in its final report recommendations for consideration by the Legislature; providing an effective date.

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

Section 1. Paragraph (hhh) is added to subsection (7) of section 212.08, Florida Statutes, 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,

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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 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.

(hhh) Accessible vehicles.—The sale or lease of accessible taxicabs is exempt from the tax imposed by this chapter. As used in this paragraph, the term "accessible taxicab" means a chauffeur-driven taxi, limousine, sedan, van, or other passenger vehicle where the operator and the motor vehicle are hired and used for the transportation of persons for compensation, and which transports eight passengers or fewer and is equipped with a lift or ramp designed specifically to transport physically disabled persons or contains any other device designed to permit access to and enable the transportation of physically disabled persons, including persons who use wheelchairs, motorized wheelchairs, or similar mobility aids; complies with the accessibility requirements of the Americans with Disabilities Act of 1990, 49 C.F.R., ss. 38.23, 38.25, and 38.31, as amended, whether or not such regulations would apply under federal law;

596-02448-12 20121392c1

and meets all applicable federal motor vehicle safety standards and regulations adopted thereunder. If such equipment is installed through an aftermarket conversion of a stock vehicle, only the value of the conversion is exempt from the tax imposed by this chapter.

Section 2. (1) The Office of Program Policy Analysis and Government Accountability shall conduct a study to determine the availability of accessible taxicabs operating in metropolitan and tourist-destination areas, including, but not limited, to Miami-Dade, Broward, Palm Beach, Orange, Hillsborough, Duval, Lee, Escambia, and Volusia Counties.

(2) Specifically, the Office of Program Policy Analysis and Government Accountability shall collect the following information:

(a) The number of accessible taxicabs available in the counties being studied, including the total percentage of accessible cabs relative to the entire fleet of taxicabs.

(b) The availability of accessible taxicabs at airports and seaports, including average wait times for passengers needing such vehicles.

(c) Statements from persons who work with disabled and senior communities regarding the availability of accessible taxicabs for use in everyday life, such as access to grocery stores, doctor offices, and recreational activities, along with the availability of accessible vehicles when traveling throughout the state.

(d) A synopsis of any recent court decisions related to availability of accessible taxicabs and the potential effect of such decisions on persons desiring accessible vehicles in this

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state.

(e) Information relating to how major cities in Florida compare to other cities around the country in terms of the operation and regulation of accessible and available taxicabs, including Washington, D.C., Chicago, New York City, Atlanta, and Philadelphia.

(f) Information concerning cooperative agreements in this state between smaller taxi vendors and larger taxi vendors who act as partners to satisfy demand for accessible transportation.

(3) The Office of Program Policy Analysis and Government Accountability shall issue a final report and present recommendations to the Legislature for planning and providing funding for the provision of accessible vehicles. The report shall be submitted to the President of the Senate and the Speaker of the House of Representatives by February 1, 2013.

Section 3. This act shall take effect July 1, 2012.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Budget, *Chair*
Rules, *Vice Chair*
Agriculture
Banking and Insurance
Budget - Subcommittee on Finance and Tax
Budget - Subcommittee on Transportation, Tourism,
and Economic Development Appropriations
Education Pre-K - 12
Rules - Subcommittee on Ethics and Elections

JOINT COMMITTEE:

Legislative Budget Commission, *Chair*

SENATOR JD ALEXANDER

17th District

February 8, 2012

Senator Jim Norman, Chair
Committee On Budget Subcommittee on Finance and Tax
214 Senate Office Building
404 S. Monroe Street
Tallahassee, FL 32399

Dear Senator Norman,

I respectfully request permission to be absent from the Committee on Budget Subcommittee on Finance and Tax, tomorrow, February 9, 2012. I will not be able to attend this meeting.

Thank you for your approval in this request.

Sincerely,

JD Alexander
Senator, District 17

Xc: Jose Diez-Arguelles

SENATE APPROPRIATIONS
RECEIVED
12 FEB - 8 AM 10: 02
SENT TO: CHAIRMAN
STAFF DIR. STAFF

REPLY TO:

- ☐ 201 Central Avenue West, Suite 115, City Hall Complex, Lake Wales, Florida 33853 (863) 679-4847
- ☐ 412 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5044

Senate's Website: www.flsenate.gov

MIKE HARIDOPOLOS
President of the Senate

MICHAEL S. "MIKE" BENNETT
President Pro Tempore

CourtSmart Tag Report

Room: SB 301

Case:

Caption: Senate Budget Subcommittee on Finance and Tax

Type:

Judge:

Started: 2/9/2012 9:01:36 AM

Ends: 2/9/2012 9:17:00 AM **Length:** 00:15:25

9:01:39 AM Sen. Norman - Meeting called to order
9:01:45 AM roll call
9:01:56 AM Sen. Norman
9:02:20 AM CS/SB 1150 - Michael Nachev, Legislative Assistant for Sen. Richter presents bill
9:03:18 AM Sen. Norman
9:03:29 AM Michael Nachev presents Amendment 521394
9:03:36 AM Sen. Norman - Amendment 521394 by Sen. Altman adopted
9:03:48 AM Sen. Margolis
9:03:59 AM Michael Nachev
9:04:07 AM Sen. Norman
9:04:11 AM Slater Bayliss, Enhanced Capital, waives in support
9:04:17 AM Anthony Toups, Advantage Capital - for information
9:04:23 AM Justin Day, Director, Associated Industries of Florida, waives in support
9:04:28 AM Ryan West, Policy Director, Florida Chamber of Commerce, waives in support
9:04:34 AM Pablo Diaz, Legislative Director, National Federation of Independent Business, waives in support
9:04:38 AM Michael Preston, Director of Governmental Relations, Enterprise Florida, waives in support
9:04:42 AM Sen. Norman - Cs/SB 1150 as Committee Substitute by Sen. Altman
9:05:07 AM roll call on CS/SB 1150 as a Committee Substitute
9:05:18 AM Sen. Norman CS/SB 1150 reported favorably as a committee substitute
9:05:30 AM Matthew Hunter, Legislative Assistant for Sen. Benacquisto, presents CS/SB 1392
9:06:25 AM Sen. Norman
9:07:15 AM Sen. Margolis
9:07:28 AM Sen. Norman
9:07:36 AM Matthew Hunter
9:07:50 AM Sen. Gardiner
9:07:52 AM Sen. Norman withdraws Amendment 207918
9:08:00 AM Sen. Altman
9:08:06 AM Matthew Hunter
9:08:08 AM Sen. Altman
9:08:13 AM Matthew Hunter
9:08:14 AM Sen. Altman
9:08:32 AM Sen. Sachs
9:08:48 AM Matthew Hunter
9:08:51 AM Sen. Sachs
9:08:59 AM Matthew Hunter
9:09:02 AM Sen. Norman
9:09:04 AM Sen. Gardiner
9:11:07 AM Sen. Norman
9:11:27 AM Sen. Sachs
9:11:32 AM Sen Sachs
9:11:33 AM Matthew Hunter
9:11:36 AM Sen. Norman
9:11:48 AM Sen. Sachs
9:12:23 AM Sen. Norman
9:12:27 AM Sen. Altman
9:13:16 AM Sen. Gardiner
9:13:52 AM Jose Diez-Arguelles, Staff Director, Senate Budget Subcommittee on Finance and Tax
9:14:05 AM Sen. Gardiner
9:14:32 AM Sen. Benacquisto
9:15:26 AM Sen. Norman
9:15:28 AM Sen. Altman
9:15:52 AM Sen. Gardiner

9:16:17 AM	Sen. Benacquisto
9:16:17 AM	Sen. Gardiner
9:16:29 AM	Sen Norman
9:16:41 AM	Roll call
9:16:44 AM	Roll Call CS/SB 1392
9:16:56 AM	Sen. Norman CS/SB 1392 reported favorably - Meeting adjourned