

HB 5703 by FTC, Precourt; (Compare to 1ST ENG/S 2000) Tax on Communications and Utility Services

HB 7087 by FTC, Precourt, Albritton, Grant, Workman, Smith, Roberson, K, Crisafulli (CO-INTRODUCERS) Baxley; (Compare to S 0076) Economic Development

856716	A	S	FAV	BFT, Altman	btw L.62 - 63:	02/28 02:32 PM
260648	A	S	FAV	BFT, Norman	Delete L.119 - 120:	02/28 02:32 PM
237284	A	S	WD	BFT, Margolis	btw L.160 - 161:	02/28 02:32 PM
824448	A	S	FAV	BFT, Norman	btw L.189 - 190:	02/28 02:32 PM
269836	A	S	FAV	BFT, Norman	Delete L.218 - 219:	02/28 02:32 PM
873310	A	S	FAV	BFT, Altman	btw L.271 - 272:	02/28 02:32 PM
783522	A	S	FAV	BFT, Norman	Delete L.410 - 444:	02/28 02:32 PM
593852	A	S	FAV	BFT, Norman	btw L.444 - 445:	02/28 02:32 PM
749210	A	S	FAV	BFT, Altman	Delete L.445 - 588:	02/28 02:32 PM
225318	A	S	FAV	BFT, Altman	btw L.638 - 639:	02/28 02:32 PM
531888	A	S	FAV	BFT, Norman	btw L.646 - 647:	02/28 02:32 PM

HB 7089 by FTC, Precourt; (Compare to CS/S 2068) Corporate Income Tax

SB 770 by Hays; (Identical to H 0361) Exemptions from Local Business Taxes

826528	A	S	WD	BFT, Gardiner	btw L.54 - 55:	02/28 02:29 PM
709714	A	S	RCS	BFT, Gardiner	Delete L.55:	02/28 02:29 PM

CS/SB 980 by ED, Margolis; (Similar to CS/CS/H 1343) Discretionary Sales Surtaxes

CS/SJR 1056 by MS, Norman (CO-INTRODUCERS) Sachs; (Similar to CS/H 0093) Homestead Property Tax Exemption for Surviving Spouse of Military Veteran or First Responder

CS/SB 1058 by MS, Norman (CO-INTRODUCERS) Sachs; (Similar to CS/H 0095) Homestead Property Tax Exemptions

879068	A	S	RCS	BFT, Norman	Delete L.91 - 92:	02/28 02:29 PM
--------	---	---	-----	-------------	-------------------	----------------

CS/SB 1110 by CA, Altman; (Similar to CS/1ST ENG/H 7069) Tax Refund Programs

CS/CS/CS/SB 1184 by CJ, TR, AG, Norman; (Similar to H 0513) Department of Agriculture and Consumer Services

142044	A	S	RCS	BFT, Norman	Delete L.89:	02/28 02:29 PM
788010	A	S	WD	BFT, Norman	Delete L.349 - 366:	02/28 02:29 PM
439188	A	S	RCS	BFT, Norman	Delete L.367 - 369:	02/28 02:29 PM

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

BUDGET SUBCOMMITTEE ON FINANCE AND TAX
Senator Norman, Chair
Senator Altman, Vice Chair

MEETING DATE: Tuesday, February 28, 2012
TIME: 11:30 a.m.—1:30 p.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	HB 5703 Finance and Tax Committee / Precourt (Compare H 5001, S 2000)	Tax on Communications and Utility Services; Changes rate at which sales price of certain communications services are taxed & rate of additional tax on certain communications services. BFT 02/28/2012 Favorable BC	Favorable Yeas 4 Nays 0
2	HB 7087, 2nd Eng. Finance and Tax Committee / Precourt / Albritton / Grant / Workman / Smith / Roberson, K / Crisafulli (Compare H 123, H 201, H 371, H 821, CS/H 939, CS/CS/H 1119, H 1213, H 1345, S 76, S 294, S 342, CS/S 592, S 806, CS/CS/CS/S 1108, CS/CS/S 1150, CS/S 1384)	Economic Development; Authorizes moneys transferred to board of directors of H. Lee Moffitt Cancer Center & Research Institute to be used to secure financing to pay costs for specified purposes at certain facilities & other properties; revises payment & distribution of funds in Cigarette Tax Collection Trust Fund; provides sales tax exemption for electricity used by packinghouses; expands sales tax exemptions on labor, parts, & equipment used in repairs of certain aircraft; exempts certain items used to manufacture, produce, or modify aircraft & gas turbine engines & parts; revises condition for exemption for machinery & equipment; revises eligibility for tax credits under Urban High-Crime Area Job Tax Credit Program; increases amount of income that is exempt from corporate income tax under certain circumstances; requires taxpayers to submit certain sworn statements to DOR as condition of receiving exemption; increases amount of income that is exempt from franchise tax imposed on banks & savings associations under certain circumstances; revises eligibility criteria for certain tax credits authorized under entertainment industry financial incentive program; revises limits on tax credits that may be claimed by qualified community development entities under New Markets Development Program; revises restrictions on qualified community development entity making cash interest payments on certain long-term debt securities; authorizes designation of enterprise zones in Charlotte & Citrus Counties; authorizes DOR to adopt emergency rules. BFT 02/28/2012 Fav/10 Amendments BC	Fav/10 Amendments (260648, 269836, 593852, 225318, 856716, 824448, 531888, 873310, 749210, 783522) Yeas 4 Nays 0

COMMITTEE MEETING EXPANDED AGENDA

Budget Subcommittee on Finance and Tax

Tuesday, February 28, 2012, 11:30 a.m.—1:30 p.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
3	HB 7089 Finance and Tax Committee / Precourt (Compare CS/S 2068)	Corporate Income Tax; Adopts 2012 version of Internal Revenue Code for purposes of corporate income tax; provides for retroactive operation. BFT 02/28/2012 Favorable BC	Favorable Yeas 4 Nays 0
4	SB 770 Hays (Similar H 7125, Identical H 361)	Exemptions from Local Business Taxes; Specifying that an individual licensed and operating as a broker associate or sales associate is not required to apply for an exemption from a local business tax or take certain actions relating to a local business tax; prohibiting a local governing authority from holding such exempt individual liable for the failure of a principal or employer to comply with certain obligations related to a local business tax or from requiring the exempt individual to take certain actions related to a local business tax; prohibiting a local governing authority from requiring a principal or employer to provide personal or contact information for such exempt individuals in order to obtain a local business tax receipt, etc. CA 02/06/2012 Favorable BFT 02/28/2012 Fav/CS BC	Fav/CS Yeas 4 Nays 0
5	CS/SB 980 Education Pre-K - 12 / Margolis (Similar CS/CS/H 1343)	Discretionary Sales Surtaxes; Expanding the purposes for which revenues from the school capital outlay surtax may be used; making the use of surtax revenues for specified additional purposes contingent upon certain school board actions relating to the reduction of certain property taxes during the time the surtax is in effect; requiring approval of the electors in order to use surtax revenues for the additional purposes authorized by the act, etc. ED 02/14/2012 Fav/CS BFT 02/28/2012 Favorable BC	Favorable Yeas 4 Nays 0

COMMITTEE MEETING EXPANDED AGENDA

Budget Subcommittee on Finance and Tax

Tuesday, February 28, 2012, 11:30 a.m.—1:30 p.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
6	CS/SJR 1056 Military Affairs, Space, and Domestic Security / Norman (Similar CS/HJR 93, Compare CS/H 95, Link CS/S 1058)	Homestead Property Tax Exemption for Surviving Spouse of Military Veteran or First Responder; Proposing an amendment to the State Constitution to allow the Legislature by general law to provide ad valorem homestead property tax relief to the surviving spouse of a military veteran who died from service- connected causes while on active duty or a surviving spouse of a first responder who died in the line of duty, provide definitions with respect thereto, and provide an effective date, etc. MS 01/26/2012 Fav/CS CA 02/06/2012 Favorable JU 02/20/2012 Favorable BFT 02/28/2012 Favorable BC	Favorable Yeas 4 Nays 0
7	CS/SB 1058 Military Affairs, Space, and Domestic Security / Norman (Similar CS/H 95, Compare CS/HJR 93, Link CS/SJR 1056)	Homestead Property Tax Exemptions; Citing this act as the "Fallen Heroes Family Tax Relief Act"; exempting from taxation the homestead property of the surviving spouse of a first responder who dies in the line of duty; providing definitions for "first responder" and "line of duty"; providing construction with respect to the applicable tax roll and the date of death, etc. MS 01/26/2012 Fav/CS CA 02/06/2012 Favorable JU 02/20/2012 Favorable BFT 02/28/2012 Fav/CS BC	Fav/CS Yeas 4 Nays 0
8	CS/SB 1110 Community Affairs / Altman (Similar CS/H 7069)	Tax Refund Programs; Deleting the limitation on the maximum amount of tax refunds a business may receive under the qualified defense contractor and space flight business tax refund program; deleting the limitation on the maximum amount of tax refunds a business may receive under the tax refund program for qualified target industry businesses; authorizing the reduction of local financial support requirements for qualified target industry businesses in specified counties; revising the list of specified counties, etc. MS 01/26/2012 Favorable CA 02/21/2012 Fav/CS BFT 02/28/2012 Favorable BC	Favorable Yeas 4 Nays 0

COMMITTEE MEETING EXPANDED AGENDA

Budget Subcommittee on Finance and Tax

Tuesday, February 28, 2012, 11:30 a.m.—1:30 p.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
9	CS/CS/CS/SB 1184 Criminal Justice / Transportation / Agriculture / Norman (Similar H 513, CS/S 154, Compare CS/CS/H 1021, CS/H 1197, CS/CS/CS/H 1399, CS/S 1866)	Department of Agriculture and Consumer Services; Prohibiting certain governmental entities from charging stormwater management assessments or fees on certain bona fide farm operations except under certain circumstances; requiring that the portion of fuel sales tax collected from a county sheriff's office be returned to the sheriff's office to offset the ongoing fuel costs; authorizing a sheriff's office that is licensed as a local government user to take a credit on the monthly diesel fuel tax return under prescribed conditions; revising the Florida Uniform Traffic Control Law to authorize the use of citrus harvesting equipment and citrus fruit loaders to transport certain agricultural products and to authorize the use of certain motor vehicles to transport citrus, etc.	Fav/CS Yeas 4 Nays 0
		AG 01/23/2012 Fav/CS TR 02/07/2012 Fav/CS CJ 02/16/2012 Fav/CS BFT 02/28/2012 Fav/CS BC	

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: HB 5703
INTRODUCER: Finance and Tax Committee; Precourt
SUBJECT: Tax on Communications and Utility Services
DATE: February 28, 2012 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Cote	Diez-Arguelles	BFT	Favorable
2.			BC	
3.				
4.				
5.				
6.				

I. Summary:

HB 5703 shifts state revenue collections from the General Revenue fund and local governments to the Public Education Capital Outlay and Debt Service Trust Fund (PECO).

This bill is effective July 1, 2012.

This bill substantially amends sections 202.12 and 203.01 of the Florida Statutes.

II. Present Situation:

The sale of communications services which originate and terminate in Florida, or originate or terminate in Florida and are billed to a Florida address, are subject to the state communications services tax at a rate of 6.65 percent, except for direct-to-home satellite service, which is taxed at a rate of 10.8 percent. Residential telephone service, which does not include mobile telephone service, is exempt from this tax.

The revenue collected pursuant to this tax is distributed by the same formula as the state sales tax, as provided by s. 212.20(6), F.S., except that the direct-to-home satellite revenue is distributed pursuant to s. 202.18(2), F.S.¹ Approximately 10.8 percent is distributed to local governments through county and municipal revenue sharing, the Local Government Half-cent Sales Tax Clearing Trust Fund and the distribution to counties of \$29,915,500 that was previously funded from pari-mutuel tax revenues. Smaller amounts are distributed to qualified

¹ Section 202.18(2), F.S., provides that 63 percent of the direct-to-home satellite revenue is distributed by the same formula as the state sales tax with the remaining 37 percent distributed to the Local Government Half-Cent Clearing Trust Fund.

counties for emergency distributions, selected sports facilities, and to the Public Employee Relations Trust Fund. The remainder of taxes remitted goes into the General Revenue Fund.

The tax on gross receipts for communications services is levied under ch. 203, F.S., at a base rate of 2.37 percent plus an additional 0.15 percent, for a total of 2.52 percent, on the sale of communications services. The tax is administered and collected pursuant to the provisions of ch. 202, F.S., but the exemption for communications services sold to residential households does not apply to the gross receipts tax levied at the base rate. All revenue received pursuant to this tax goes to the Public Education Capital Outlay and Debt Service (“PECO”) Trust Fund. The use of such funds is limited to paying the principal or interest on bonds to finance capital projects for institutions of higher learning, community colleges, vocational technical schools, or public schools, deposit into any reserve funds related to the issuance of such bonds, or direct payment of the cost of any public educational facility capital project.

Section 215.61, F.S., limits the amount of PECO bonds that may be issued to 90 percent of the amount which the State Board of Education determines can be serviced by gross receipts tax revenues, based on the average annual amount of revenue collected in the most recent 24 months before the date of issuance of the bonds.

In 2010 the legislature reduced the communications services tax rate to 6.65 percent from 6.8 percent and created the 0.15 additional gross receipts tax on communications services to divert money from the communications services tax distribution to the PECO Trust Fund².

The PECO Estimating Conference met on January 13, 2012 and forecasted that by the end of FY 2011-12, undispersed, previously approved appropriations would exceed available cash in the PECO Trust Fund by \$275.5 million. For FY 2012-13, the conference reduced the forecast of the maximum amount available for appropriation to zero. This estimate assumed \$250 million in previously authorized bonds would not be issued, and receipts into the PECO Trust Fund that were not needed to pay debt would be used to pay for previously appropriated projects, including those for which bonds had been scheduled but not issued. As a result, the amount of undispersed, pre-existing appropriations that exceeded cash dropped to \$178.8 million by the end of FY 2012-13.

III. Effect of Proposed Changes:

The bill reduces the state communications services tax rate to 6.2 percent from 6.65 percent and increases the additional gross receipts tax rate on communication services from 0.15 percent to 0.6 percent. The combined tax rate on communication services will not change, since the existing residential exemption for the state sales tax applies to the increased percentage of the gross receipts tax.

² 2010-149, L.O.F.

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 estimates that the bill will decrease general revenue by \$39.3 million and local government revenue by \$5.0 million in FY 2012-13 with a \$47.1 million recurring impact to general revenue and a \$6.0 million recurring impact to local governments. Revenues to the Public Education Capital Outlay and Debt Service Trust Fund (PECO) will be increased by \$44.3 million in FY 2012-13, with a \$53.1 million recurring impact.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The increased tax revenues to the PECO fund will increase bonding capacity, resulting in an increase in the maximum available appropriations from the fund to approximately \$383.8 million in FY 2012-13, compared to zero available appropriations available under the current official PECO forecast.

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.

HB 5703

2012

1 A bill to be entitled
 2 An act relating to the tax on communications and
 3 utility services; amending s. 202.12, F.S.; changing
 4 the rate at which the sales price of certain
 5 communications services are taxed; amending ss.
 6 202.12001 and 203.001, F.S.; conforming cross-
 7 references; amending s. 203.01, F.S.; changing the
 8 rate of the additional tax on certain communications
 9 services; providing an effective date.

10
 11 Be It Enacted by the Legislature of the State of Florida:

12
 13 Section 1. Paragraph (a) of subsection (1) of section
 14 202.12, Florida Statutes, is amended to read:

15 202.12 Sales of communications services.—The Legislature
 16 finds that every person who engages in the business of selling
 17 communications services at retail in this state is exercising a
 18 taxable privilege. It is the intent of the Legislature that the
 19 tax imposed by chapter 203 be administered as provided in this
 20 chapter.

21 (1) For the exercise of such privilege, a tax is levied on
 22 each taxable transaction, and the tax is due and payable as
 23 follows:

24 (a) Except as otherwise provided in this subsection, at a
 25 rate of 6.2 ~~6.65~~ percent applied to the sales price of the
 26 communications service which:

- 27 1. Originates and terminates in this state, or
- 28 2. Originates or terminates in this state and is charged

HB 5703

2012

29 to a service address in this state,
 30
 31 when sold at retail, computed on each taxable sale for the
 32 purpose of remitting the tax due. The gross receipts tax imposed
 33 by chapter 203 shall be collected on the same taxable
 34 transactions and remitted with the tax imposed by this
 35 paragraph. If no tax is imposed by this paragraph by reason of
 36 s. 202.125(1), the tax imposed by chapter 203 shall nevertheless
 37 be collected and remitted in the manner and at the time
 38 prescribed for tax collections and remittances under this
 39 chapter.

40 Section 2. Section 202.12001, Florida Statutes, is amended
 41 to read:

42 202.12001 Combined rate for tax collected pursuant to ss.
 43 202.12(1) (a) and 203.01(1) (b).—~~A In complying with ss. 1-3, ch.~~
 44 ~~2010-149, Laws of Florida,~~ the dealer of communication services
 45 may collect a combined rate of 6.8 percent comprised of 6.2 ~~6.65~~
 46 percent and 0.6 ~~0.15~~ percent required by ss. 202.12(1) (a) and
 47 203.01(1) (b)3., respectively, as long as the provider properly
 48 reflects the tax collected with respect to the two provisions as
 49 required in the return to the Department of Revenue.

50 Section 3. Section 203.001, Florida Statutes, is amended
 51 to read:

52 203.001 Combined rate for tax collected pursuant to ss.
 53 202.12(1) (a) and 203.01(1) (b).—~~A In complying with ss. 1-3, ch.~~
 54 ~~2010-149, Laws of Florida,~~ the dealer of communication services
 55 may collect a combined rate of 6.8 percent comprised of 6.2 ~~6.65~~
 56 percent and 0.6 ~~0.15~~ percent required by ss. 202.12(1) (a) and

HB 5703

2012

57 | 203.01(1)(b)3., respectively, as long as the provider properly
 58 | reflects the tax collected with respect to the two provisions as
 59 | required in the return to the Department of Revenue.

60 | Section 4. Paragraph (b) of subsection (1) of section
 61 | 203.01, Florida Statutes, is amended to read:

62 | 203.01 Tax on gross receipts for utility and
 63 | communications services.—

64 | (1)

65 | (b)1. The rate applied to utility services shall be 2.5
 66 | percent.

67 | 2. The rate applied to communications services shall be
 68 | 2.37 percent.

69 | 3. There shall be an additional rate of 0.6 ~~0.15~~ percent
 70 | applied to communication services subject to the tax levied
 71 | pursuant to s. 202.12(1)(a), (c), and (d). The exemption
 72 | provided in s. 202.125(1) applies to the tax levied pursuant to
 73 | this subparagraph.

74 | Section 5. This act shall take effect July 1, 2012.

CourtSmart Tag Report

Room: SB 301
Caption: Senate Budget Subcommittee on Finance and Tax

Case:

Type:
Judge:

Started: 2/28/2012 11:59:40 AM

Ends: 2/28/2012 1:11:59 PM **Length:** 01:12:20

11:59:41 AM Senator Norman - Meeting called to order
11:59:49 AM Roll Call
12:00:00 PM Sen. Norman - CS/CS/CS/SB 1184, amendment 788010 on Fertilizer will not be offered today
12:00:50 PM SB 770 - Nanci Cornwell, Legislative Assistant for Sen. Hays, explains bill
12:01:25 PM Sen. Norman
12:01:41 PM Nanci Cornwell - Amendment 709714
12:01:45 PM Sen. Norman - amendment adopted
12:01:56 PM Nanci Cornwell - Amendment 826528 late filed withdrawn by Sen. Hays
12:02:00 PM Sen. Norman
12:02:29 PM Trey Price, Public Policy Representative, Florida Realtors supports the bill
12:02:47 PM Sen. Norman
12:02:53 PM Frank Meiners, Associate Industries of Florida waives in support
12:02:53 PM Sen. Norman
12:02:58 PM Amber Hughes, Legislative Advocate, Florida League of Cities
12:03:36 PM Sen. Norman
12:03:49 PM Sen. Norman - motion for Committee Substitute
12:03:54 PM Roll Call - SB 770
12:04:03 PM Sen. Norman - SB 770 reported favorably as a committee substitute
12:04:13 PM Sen. Norman - HB 5703
12:04:23 PM Jose Diez-Arguelles, Staff Director, Senate Budget Subcommittee on Finance and Tax
12:05:22 PM Sen. Norman
12:05:24 PM Sen. Margolis
12:05:33 PM Jose Diez-Arguelles
12:05:52 PM Sen. Margolis
12:06:08 PM Sen. Norman
12:06:27 PM Roll Call - HB5703
12:06:36 PM Sen. Norman - HB 5703 is reported favorably
12:06:54 PM Jose Diez-Arguelles - HB 7087
12:11:33 PM Sen. Norman
12:11:42 PM Sen. Margolis
12:12:01 PM Jose Diez-Arguelles
12:12:10 PM Sen. Margolis
12:12:11 PM Jose Diez-Arguelles
12:12:18 PM Sen. Margolis
12:12:25 PM Sen. Norman
12:12:28 PM Sen. Margolis
12:12:37 PM Sen. Norman
12:12:44 PM Sen. Sachs
12:12:54 PM Sen. Norman
12:13:00 PM Sen. Sachs
12:13:03 PM Sen. Norman
12:13:11 PM Sen. Altman
12:13:19 PM Sen. Norman - Amendment 260648
12:13:47 PM Sen. Altman
12:13:51 PM Sen. Sachs
12:14:04 PM Sen. Norman
12:14:20 PM Sen. Altman
12:14:29 PM Sen. Margolis
12:15:06 PM Sen. Norman
12:15:47 PM Sen. Margolis
12:16:21 PM Sen. Sachs
12:16:40 PM Sen. Norman

12:16:44 PM Sen. Sachs
12:16:56 PM Sen. Norman
12:17:35 PM Sen. Altman
12:17:45 PM Sen. Altman - amendment adopted
12:17:53 PM Sen. Norman - Amendment 269836
12:18:10 PM Sen. Sachs
12:18:32 PM Sen. Norman
12:18:34 PM Sen. Sachs
12:18:44 PM Sen. Altman - amendment adopted
12:19:01 PM Sen. Norman
12:19:01 PM Sen. Norman - Amendment 593852
12:19:16 PM Sen. Altman
12:19:20 PM Sen. Sachs
12:19:27 PM Sen. Norman
12:19:34 PM Sen. Sachs
12:19:53 PM Sen. Norman
12:19:56 PM Sen. Sachs
12:20:00 PM Sen. Norman
12:20:20 PM Sen. Sachs
12:20:34 PM Sen. Norman
12:21:04 PM Sen. Altman
12:21:19 PM Sen. Altman - Harry Duncanson, Chair Government Affairs, Printing Association of Florida waives in support
12:21:36 PM Stephen Hogge, Lobbyist, Florida League of Cities
12:23:44 PM Sen. Norman
12:23:50 PM Stephen Hogge
12:24:10 PM Sen. Norman
12:24:19 PM Stephen Hogge
12:24:38 PM Sen. Norman
12:24:42 PM Stephen Hogge
12:24:49 PM Sen. Sachs
12:25:08 PM Stephen Hogge
12:25:12 PM Sen. Sachs
12:25:41 PM Stephen Hogge
12:25:54 PM Sen. Sachs
12:26:14 PM Stephen Hogge
12:26:42 PM Sen. Sachs
12:26:53 PM Sen. Altman
12:27:07 PM Sen. Sachs
12:27:10 PM Sen. Margolis
12:28:24 PM Stephen Hogge
12:29:32 PM Sen. Altman
12:29:49 PM Harry Duncanson, Chair Government Affairs, Printing Association of Florida
12:31:05 PM Sen. Norman
12:31:24 PM Harry Duncanson
12:31:32 PM Sen. Norman
12:31:34 PM Harry Duncanson
12:32:00 PM Sen. Altman
12:32:16 PM Kathy Till, Commissioner, City of Apopka, and Florida League of Cities
12:34:24 PM Sen. Norman
12:34:47 PM Kathy Till
12:35:20 PM Sen. Altman
12:36:21 PM Kathy Till
12:37:23 PM Sen. Altman
12:37:40 PM Sen. Sachs
12:38:23 PM Sen. Norman
12:39:24 PM Sen. Altman - amendment adopted
12:39:45 PM Sen. Norman - Amendment 824428
12:40:57 PM Sen. Altman - amendment adopted
12:41:11 PM Sen. Altman
12:41:19 PM Sen. Norman - Amendment 531888
12:41:55 PM Sen. Altman - amendment adopted

12:42:10 PM Sen. Altman
12:42:16 PM Sen. Norman - Amendment 783522
12:42:34 PM Sen. Altman
12:42:35 PM Sen. Altman
12:42:44 PM Sen. Norman
12:42:54 PM Sen. Altman 225318
12:43:23 PM Sen. Norman
12:43:29 PM Joseph Spratt Info Only
12:43:33 PM Sen. Margolis
12:43:49 PM Sen. Altman
12:43:58 PM Sen. Norman
12:44:00 PM Joseph Spratt
12:44:38 PM Sen. Margolis
12:44:50 PM Joseph Spratt
12:45:14 PM Sen. Margolis
12:45:51 PM Sen. Norman
12:46:00 PM Sen. Altman
12:46:34 PM Sen. Norman
12:46:41 PM Sen. Margolis
12:46:44 PM Sen. Norman
12:47:14 PM Sen. Margolis
12:47:30 PM Sen. Norman
12:47:37 PM Sen. Margolis
12:47:42 PM Sen. Altman
12:48:30 PM Sen. Norman
12:48:42 PM Sen. Margolis
12:48:49 PM Sen. Norman
12:49:24 PM 85676 Late filed Sen. Altman
12:50:05 PM Sen. Norman
12:50:33 PM 873310 Late Filed Sen. Altman
12:50:41 PM Sen. Norman
12:50:46 PM Sen Altman
12:51:22 PM Sen. Norman
12:51:45 PM 749210 Late filed Sen. Altman
12:51:49 PM Sen. Norman
12:51:54 PM Sen. Altman
12:52:54 PM Sen. Norman
12:52:59 PM Sen. Sachs
12:53:13 PM Sen. Norman
12:53:14 PM Sen. Altman
12:53:36 PM Sen. Norman
12:53:47 PM Chris Ranung, President, IATSE local 477 waives in support of the amendment
12:53:52 PM Sen. Norman
12:53:57 PM Leah Sokolowsky, Location Manager/Scout, Film Florida, waives in support of amendment
12:54:05 PM Sen. Norman
12:54:12 PM Candace Barnes, Director, Government Relations, Universal Studios waives in support of amendment
12:54:15 PM Sen. Norman
12:54:20 PM Eddy Labrador, Legislative Counsel, Broward County, waives in support
12:54:24 PM Sen. Norman
12:54:50 PM Sen. Margolis 237284
12:55:51 PM Sen. Norman
12:55:56 PM Sen. Margolis withdraws amendment
12:56:03 PM Sen. Norman
12:56:35 PM Elizabeth Gianni, Vice President of Government Relations, Sanford-Burnham Medical Research Institute,
waives in support of bill
12:56:37 PM Sen. Norman
12:56:38 PM Jamie Wilson, Vice President, Moffitt Cancer Center, waives in support of bill
12:56:40 PM Sen. Norman
12:56:42 PM Nancy Stephens, Executive Director, Manufacturers Association of Florida waives in support of bill
12:56:45 PM Sen. Norman
12:56:47 PM Stephen Shiver, Associated Industries, waives in support of bill
12:56:50 PM Sen. Norman

12:57:08 PM Roll Call - HB 7087
12:57:17 PM Sen. Norman - HB 7087 reported favorably
12:57:29 PM Jose Diez-Arguelles - HB 7089
12:57:54 PM Sen. Norman
12:58:01 PM Sen. Sachs
12:58:08 PM Jose Diez-Arguelles
12:58:14 PM Sen. Norman
12:58:29 PM Roll Call - HB 7089
12:58:39 PM Sen. Norman - HB 7089 reported favorably
12:59:00 PM Sen. Margolis - CS/SB 980
1:00:25 PM Sen. Norman
1:00:42 PM Iraida Mendez Cartaya, Assistant Superintendent, Miami-Dade County Public Schools waives in support
1:00:47 PM Sen. Norman
1:01:00 PM Roll Call - CS/SB 980
1:01:09 PM Sen. Norman - CS/SB 980 reported favorably
1:01:24 PM Sen. Altman
1:01:37 PM Sen. Norman - CS/SJR 1056
1:02:19 PM Sen. Altman
1:02:32 PM Matt Puckett, Lobbyist, Florida Police Benevolent Association, waives in support
1:02:41 PM Sen. Altman
1:02:46 PM Sen Altman
1:03:03 PM Roll Call - CS/SJR 1056
1:03:12 PM Sen. Altman - CS/SJR 1056 reported favorably
1:03:27 PM Sen. Norman - CS/SB 1058
1:03:42 PM Sen. Altman
1:03:51 PM Matt Puckett, Florida Police Benevolent Association, waives in support
1:03:54 PM Sen. Norman - Amendment 879068
1:04:03 PM Sen. Altman
1:04:18 PM Amendment adopted
1:04:25 PM Sen. Altman
1:05:09 PM Roll Call - CS/SB 1058 as amended
1:05:19 PM Sen. Altman - CS/SB 1058 favorable reported as a committee substitute
1:05:28 PM Sen. Norman
1:05:36 PM CS/SB 1110
1:05:39 PM Sen. Altman
1:06:41 PM Sen. Norman
1:06:49 PM Jeff Sharkey, Capitol Alliance Group, Space X, waives in support
1:06:55 PM Jennifer Martin, Governmental Affairs Coordinator, Florida Chamber of Commerce, waives in support
1:06:58 PM Sen. Norman
1:07:14 PM Roll Call - CS/SB 1110
1:07:23 PM Sen. Norman - CS/SB 1110 reported favorably
1:07:36 PM Sen. Altman
1:07:47 PM Sen. Norman - CS/CS/CS/SB 1184
1:08:34 PM Sen. Altman
1:08:40 PM Sen. Norman - Amendment 439188
1:09:02 PM Sen. Altman
1:09:22 PM Sen. Norman
1:09:32 PM Sen. Altman - Amendment 439188 adopted
1:09:43 PM Late filed Amendment 142044
1:09:56 PM Sen. Norman
1:10:09 PM Sen. Altman
1:10:16 PM Chris Lyon, Attorney, Florida Association of Special Districts, waives in support of amendment
1:10:19 PM Sen. Altman - Amendment adopted
1:10:39 PM Sen. Altman
1:10:41 PM Alan Shelby, Government Relations Director, Florida Forestry Association, waives in support
1:10:49 PM Cindy Littlejohn, Legislative Consultant, Plum Creek Timber waives in support
1:10:50 PM Sen. Altman
1:11:02 PM Sen. Altman - motion for committee substitute
1:11:12 PM Roll Call - CS/CS/CS/SB 1184 as amended
1:11:22 PM Sen. Altman - CS/CS/CS/SB 1184 reported favorably as a committee substitute
1:11:35 PM Sen. Norman
1:11:59 PM Meeting adjourned

- The increase in productive output required in order to qualify for the current sales tax exemption for industrial machinery and equipment used by an expanding business is lowered from 10 % to 5%.
- The current minimum aircraft weight requirement for the sales tax exemptions on repair and maintenance parts and labor for aircraft is lowered from 15,000 pounds maximum certified takeoff weight to 2,000 pounds maximum certified takeoff weight.
- A new exemption is created for the purchase of certain chemicals, machinery, parts, and equipment used and consumed in the manufacture or fabrication of aircraft engines and gas turbine engines.

These provisions are also found in CS/CS/SB 1108, which was approved by the Budget Subcommittee on Finance and Tax on February 23, 2012.

- Entertainment Industry Financial Incentive Program

The bill removes the prohibition on allowing television pilots into the general production queue if more than 25 percent of credits over the history of the program have been granted to television. The bill also creates a requirement that a production wishing to claim credits for expenditures related to principal photography must have at least 50 percent of principal photography shooting days spent within Florida or must have spent at least \$10 million on qualified production expenditures within this state.

- Cigarette Tax Distributions

The bill provides that beginning July 1, 2012, through June 30, 2020: One percent of net cigarette tax collections will be directed to be used by the Department of Health in conjunction with the Sanford-Burnham Medical Research Institute for biomedical research. The current H. Lee Moffitt Cancer Center and Research Institute funding distribution will increase from 1.47 percent to 2.75 percent of net cigarette tax collections.

- Enterprise Zones

The bill permits Charlotte and Citrus Counties to apply for designation of enterprise zones. These enterprise zones were also approved in SB 294 and SB 806 the Budget Subcommittee on Finance and Tax on February 23, 2012.

- Urban High-Crime Area Job Tax Credit

The bill modifies the number of qualified employees businesses must have in certain circumstances to be eligible for the credit.

- Corporate Income Tax Exemption

The bill increases the current corporate income tax exemption from net income from \$25,000 to \$50,000. This provision is also found in CS/CS/SB 1108, which was approved the Budget Subcommittee on Finance and Tax on February 23, 2012.

This bill substantially amends, creates, or repeals the following sections of the Florida Statutes: 210.20, 210.201, 212.08, 212.097, 220.14, 220.63, 288.1254, 288.9914, 288.9915, 290.00729, 290.00731.

II. Present Situation:

Florida Statutes currently provide incentives for economic development in the form of tax credits and other favorable tax treatments. Several of these provisions are amended by this bill and others are created. The present situation and effect of proposed changes for each section of the bill is described in detail below.

III. Effect of Proposed Changes:

Section 1. Cigarette Tax

Current Situation

Chapter 210, F.S., provides for the taxation of tobacco products. Taxes are imposed on the sale of cigarettes and other non-cigar tobacco products in Florida. For cigarettes of a common size, the tax rate is \$0.339 per pack. Additionally, a \$1.00 surcharge per pack of common size cigarettes is imposed. For other tobacco products, the tax is at 25% of wholesale price, with an additional surcharge of 60% of wholesale price. The cigarette tax is collected by the Department of Business and Professional Regulation and deposited into Cigarette Tax Collection Trust Fund. Section 210.20(2), F.S., provides for monthly distribution from the cigarette tax (not the surcharge or the tax and surcharge on other tobacco products) as follows:

Distribution from total collections:

8 percent to General Revenue Service Charge and 0.9 percent to the Alcoholic Beverage and Tobacco Trust Fund.

Distribution from remaining collections:

2.9 percent to Revenue Sharing Trust Fund for Counties; 29.3 percent to Public Medical Assistance Trust Fund; 1.47 percent to Board of Directors of the H. Lee Moffitt Cancer Center and Research Institute; and the remainder of funds to General Revenue.

Proposed Changes

The bill creates s. 210.20(2)(c), F.S., to provide that beginning July 1, 2012, through June 30, 2020, one percent of net cigarette tax collections will be directed to the Biomedical Research Trust Fund. These funds will be utilized by the Department of Health and the Sanford-Burnham Medical Research Institute to establish activities and grant funding for biomedical research.

The bill also amends s. 210.20(2)(b), F.S., to provide that beginning July 1, 2012, through June 30, 2020, the Moffitt Center funding distribution will increase from 1.47 percent to 2.75 percent of net cigarette tax collections. Also, the bill adds to the list of allowable uses of the funds to include:

Financing, operating, and maintaining clinical and related facilities; Furnishing, equipping, operating, and maintaining other properties owned or leased by the Moffitt Center; and Paying costs incurred in connection with purchasing, financing, operating, and maintain such equipment, facilities, and properties.

The bill removes from statute a reference to a cancer research facility at the University of South Florida being adjacent to Moffitt.

Section 2. amends s. 210.201, F.S., to conform to changes in s. 210.20, F.S., related to Moffitt facilities funding proceeds and usage described above..

Section 3. Electricity used in Packinghouses Sales Tax Exemption

Current Situation

Generally, the sale of electrical power or energy in Florida for non-residential purposes is subject to sales tax at the rate of seven percent. Section 212.08(5)(e), F.S., provides an exemption from this tax for electricity used directly or indirectly for production or processing of agricultural products on the farm, including electricity used for packing fresh fruit and vegetables in a packinghouse located on a farm.

Proposed Changes

The bill amends s. 212.08(5)(e), F.S., to provide that electricity used directly or indirectly in a packinghouse is also exempt from the taxes imposed by ch. 212, F.S. The bill defines a packinghouse to mean any building or structure where fruits and vegetables are packed or otherwise prepared for market or shipment in fresh form for wholesale distribution.

The bill specifies that the tax exemption does not apply to electricity used in buildings or structures where agricultural products are sold at retail.

Aircraft Engine and Gas Turbine Engine Sales Tax Exemption**Current Situation**

Generally, the sale at retail of tangible personal property in Florida is subject to sales tax. This includes the sale or use of items consumed in manufacturing and fabricating aircraft engines and gas turbine engines. Items that become component parts of engines can be purchased tax exempt, as purchases for resale. Gas turbine engines are used in a variety of applications, including power generation, marine activities, and aviation.

Proposed Changes

The bill creates an exemption from the tax imposed under ch. 212, F.S., for chemicals, machinery, parts, and equipment used and consumed in the manufacture or fabrication of aircraft engines and gas turbine engines, including cores, electrical discharge machining supplies, brass electrodes, ceramic guides, reamers, grinding and deburring wheels, Norton vortex wheels, argon, nitrogen, helium, fluid abrasive cutters, solvents and soaps, boroscopes, penetrants, patterns, dies, and molds consumed in the production of castings.

Aircraft Repair and Maintenance Parts, Labor, and Equipment Sales Tax Exemptions**Current 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 exemptions for aircraft repair and maintenance labor charges for “qualified aircraft”, for aircraft of more than 15,000 pounds maximum certified takeoff weight, and for rotary wing aircraft of more than 10,000 pounds maximum certified takeoff weight.

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”, for aircraft of more than 15,000 pounds maximum certified takeoff weight, and for rotary wing aircraft of more than 10,300 pounds maximum certified takeoff weight.

Proposed Changes

The bill changes one of the criteria for these exemptions by lowering the weight requirement for aircraft from being required to be more than 15,000 pounds maximum certified takeoff weight to

being more than 2,000 pounds maximum certified takeoff weight. The bill does not affect the current exemptions for qualified aircrafts or rotary wing aircraft.

Section 4. Industrial Machinery and Equipment used by an Expanding Business Sales Tax Exemption

Current Situation

Generally, the sale at retail of tangible personal property in Florida, including industrial machinery and equipment, is subject to sales tax. Section 212.08(5)(b)2., provides an exemption for the purchase of industrial machinery and equipment by an expanding business under specified conditions:

The industrial machinery and equipment must be purchased for exclusive use by an expanding facility engaged in spaceport activities or for use in expanding manufacturing facilities or plant units that manufacture, process, compound, or produce for sale items of tangible personal property at fixed locations in this state, and must be used to increase the productive output of the expanded facility or business by not less than 10 percent, following the complete installation of the industrial machinery and equipment. "Productive output" is defined as the number of units produced by a single plant, product line, or operation in a single continuous 12-month period. "Industrial machinery and equipment" is defined as tangible personal property or other property that has a depreciable life of three years or more and that is used as an integral part in the manufacturing, processing, compounding, or production of tangible personal property for sale or is exclusively used in spaceport activities.

Proposed Changes

The bill reduces from 10 percent to 5 percent the required increase in productive output in order to qualify for the exemption. This provision takes effect January 1, 2013.

Section 5. Urban High-Crime Area Job Tax Credit

Current Situation

The Urban High-Crime Area Job Tax Credit Program was created in 1997 to encourage the creation of jobs in urban areas of Florida. The program provides tax credits to eligible businesses that are located within urban areas designated by DEO and that hire a specific number of employees. The credit ranges from \$500 to \$2,000 per qualified employee and can be taken against either corporate income or sales and use taxes, but not both. For existing businesses, the number of qualified employees required for the credit is measured against the number of qualified employees the business had one year prior to application for the credit.

Existing businesses that are otherwise eligible can apply for this credit more than once, but not more than once in any twelve month period. When a business is applying for the second time or subsequent time, the number of qualified employees the business has at the time of application is measured against the number of qualified employees the business had one year prior to application for the credit, but must be no lower than the number of qualified employees that the employer had on the date of its previous application for this credit.

A total of \$5 million of tax credits may be approved under the Urban Job Tax Credit Program each calendar year.

Proposed Changes

The bill changes one of the dates for the reference period number of employees for existing businesses applying for the second time or more. When a business is applying for the second time or more, the number of qualified employees the business has at the time of but must be no lower than the number of qualified employees that the employer had on the date of its previous application for this credit, as under current law, or on January 1, 2009, whichever occurs later.

Sections 6 and 7. Corporate Income Tax Exemption**Current Situation**

Florida imposes a 5.5% tax on the net income of corporations doing business in Florida. The net income of banks and savings associations is subject to a franchise tax at the same rate. Sections 220.14 and 220.63, F.S., exempt \$25,000 of net income from the corporate income and franchise taxes.

Proposed Changes

For taxable years beginning January 1, 2013, the bill increases from \$25,000 to \$50,000 the amount of income that is exempt from the corporate income tax and franchise tax, if none of the taxpayer's employees are members of a labor organization as defined in s. 447.02, F.S. Corporations must also submit a sworn statement that they do not transact business with certain foreign countries to qualify for the exemption under s. 220.14, F.S.

Section 8. Entertainment Industry Financial Incentive Program**Current Situation**

The Office of Film and Entertainment ("OFE") currently administers the Entertainment Industry Financial Incentive Program, which awards transferrable tax credits for certain expenditures associated with film, television, and digital media productions. Generally, the credits are 20 percent of qualified expenditures, with additional amounts available in certain circumstances. Sections 288.1254 and 288.1258, F.S., govern the administration of this incentive program.

The aggregate amount of tax credits authorized is \$53.5 million for fiscal year 2010-11, \$74.5 million for fiscal year 2011-12, and \$42 million for each of fiscal years 2012-13, 2013-14 and 2014-15. Any portion of the maximum annual amount of tax credits that is not certified as of the end of a fiscal year shall be carried forward and made available for certification during the following two fiscal years. If the total amount of certified credits applied for in any particular fiscal year exceeds the aggregate amount of credits authorized, such excess must be treated as having been applied for on the first day of the next fiscal year in which credits remain available for allocation. Any tax credits awarded to a certified production company may be carried forward for a maximum of five years from the date of the award.

Queues

There are currently three separate categories, or "queues" of productions eligible for the tax credit.

General Production Queue

Ninety-four percent of tax credits authorized in any state fiscal year must go to this queue. A qualified production that demonstrates a minimum of \$625,000 in qualified expenditures is

eligible for tax credits equal to 20 percent of its actual qualified expenditures, up to a maximum of \$8 million in credits. A qualified production spanning multiple state fiscal years may combine qualified expenditures from such fiscal years to satisfy the \$625,000 threshold. Certain off-season productions are eligible for an additional five percent tax credit. Any production that spends at least 85 percent of its expenditures within an “underutilized region” may receive an additional five percent tax credit. The program also provides an additional 15 percent credit on qualified expenditures that are compensation paid to specified students. There is a five percent bonus credit for filming at least 50 percent of principal photography at a “qualified production facility.” A qualified high-impact television series is allowed first position in this queue under certain circumstances. High impact television series are allowed to apply for no more two successive seasons of credits even if the second season has not yet been picked up by a network. Any new television series or television pilot is prohibited from being allowed into the general production queue if more than 25 percent of credits over the history of the program have been granted to television. This provision is currently binding in effect.

Commercial and Music Video Queue

Three percent of tax credits authorized in any state fiscal year must go to this queue. The credit is 20 percent of qualified expenditures, up to a maximum of \$500,000, if there is:

- A minimum of \$100,000 in qualified expenditures per commercial or music video; and
- A total of \$500,000 in qualified expenditures.

Surplus tax credits remaining in this queue at the end of the fiscal year rollover into the new fiscal year under the general production queue.

Independent and Emerging Media Production Queue

Three percent of tax credits authorized in any state fiscal year must go to this queue, which excludes commercials, infomercials and music videos. Any qualified production, excluding commercials, infomercials, or music videos, that demonstrates at least \$100,000, but not more than \$625,000, in total qualified expenditures is eligible for tax credits equal to 20 percent of its actual qualified expenditures.

Proposed Changes

General Production Queue

The bill removes the prohibition on allowing television pilots into the general production queue if more than 25 percent of credits over the history of the program have been granted to television. The bill creates a requirement that a production wishing to claim credits for expenditures related to principal photography must have at least 50 percent of principal photography shooting days spent within Florida or must have spent at least \$10 million on qualified production expenditures within this state.

Sections 9 and 10. New Markets Development Program

Current Situation

Under the New Markets Development 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. 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.

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.

Current law prohibits a CDE from making cash payments on long-term debt securities that are qualified investments in excess of the CDE's operating income for six years following the issuance of the security. Current administration of the program requires interest payments to be deducted from operating income for purposes of the above determination, which creates an artificial limitation on the ability of CDEs to make interest payments.

Tax Credits

The New Markets Tax Credit Program (NMTC) allows a tax credit to be taken against corporate income tax or insurance premium tax. This credit may be claimed after the investment has been made and held for a minimum of two years. Therefore, no credit can be claimed in the first two years after the investment has been made. In year three the credit is worth seven percent of the investment, and from the fourth year through the seventh year the credit is worth eight percent. Over seven 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. The program has a cap of \$97.5 million on the total of tax credits allowed to be allocated to all investments. No more than \$17.5 million in tax credits may be claimed in the third fiscal year and no more than \$20 million in tax credits may be claimed in any of the subsequent four fiscal years. The NMTC 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 Credit

The State New Markets Development Program was patterned 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 CDEs. 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 seven-year period. In each of the first three years, the investor receives a credit equal to five percent of the total amount paid for the stock or capital interest at the time of purchase. For the final four years, the value of the credit is six percent annually. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-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, both the federal program and the state program provide credits totaling 39 percent of the investment over a seven 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 seven years. In addition to the tax credits that are received, the investor also has the potential to receive benefit from the results of the investment and eventual return of their principal.

Proposed Changes

The bill amends s. 288.9914(3), F.S., increasing the total amount of tax credits available to be allocated for the existence of the program from \$97.5 million to \$195 million, also increasing the amount of tax credits available in a single year from \$20 million to \$40 million. The bill also amends s. 288.9915(1), F.S., increasing from six to seven 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. The bill further provides that interest expense on debt securities will not be included in the calculation of operating income for purposes of the above limitation.

Sections 11 and 12. Enterprise Zones

Current Situation

The Florida Enterprise Zone Program was created in 1982 to encourage economic development in economically distressed areas of the state by providing incentives and inducing private investment. Currently, Florida has 59 enterprise zones.

Designation Process

Sections 290.001-290.016, F.S., authorize the creation of an enterprise zone and establish criteria and goals for the program. Prior to submitting an application for an enterprise zone, a local government body must determine that an area:

- Has chronic extreme and unacceptable levels of poverty, unemployment, physical deterioration, and economic disinvestment;
- Needs rehabilitation or redevelopment for the public health, safety, and welfare of the residents in the county or municipality; and
- Can be revitalized through the inducement of the private sector.

The Department of Economic Opportunity (DEO) is responsible for approving applications for enterprise zones, and also approves changes in enterprise zone boundaries when authorized by the Florida Legislature. As part of the application process for an enterprise zone, the county or municipality in which the designation will be located also is responsible for creating an Enterprise Zone Development Agency and an enterprise zone development plan.

As outlined in s. 290.0056, F.S., an Enterprise Zone Development Agency is required to have a board of commissioners of at least eight, and no more than 13, members. The agency has the following powers and responsibilities:

Assisting in the development, implementation and annual review of the zone and updating the strategic plan or measurable goals;
 Identifying ways to remove regulatory burdens;
 Promoting the incentives to residents and businesses;
 Recommending boundary changes;
 Working with nonprofit development organizations; and
 Ensuring the enterprise zone coordinator receives annual training and works with Enterprise Florida, Inc.

Pursuant to s. 290.0057, F.S., an enterprise zone development plan (or strategic plan) must accompany an application. At a minimum this plan must:

Describe the community's goal in revitalizing the area;
 Describe how the community's social and human resources—transportation, housing, community development, public safety, and education and environmental concerns—will be addressed in a coordinated fashion;
 Identify key community goals and barriers;
 Outline how the community is a full partner in the process of developing and implementing this plan;
 Describe the commitment from the local governing body in enacting and maintaining local fiscal and regulatory incentives;
 Identify the amount of local and private resources available and the private/public partnerships;
 Indicate how local, state, and federal resources will all be utilized;
 Identify funding requested under any state or federal program to support the proposed development; and
 Identify baselines, methods, and benchmarks for measuring success of the plan.

Available Incentives

Florida's enterprise zones qualify for various incentives from local governments. Examples include: utility tax abatement, reduction of local business taxes, reduced building permit fees or land development fees, and local funds for capital projects.

Available state sales tax incentives for enterprise zones include:

A refund for sales taxes paid on the purchase of certain building materials, up to \$5,000 or 97 percent of the tax paid, whichever is less;
 A refund for sales taxes paid on the purchase of certain business equipment, up to \$5,000, or 97 percent of the tax paid, whichever is less
 A sales and use tax credit for 20 or 30 percent of wages paid to new employees who live within the EZ.
 A sales and use tax credit for 30 or 45 percent of wages paid to new employees if the business is within a rural EZ;
 A sales tax refund for 50 percent of donations made to local community development projects; and
 A 50 or 100 sales tax exemption to qualified businesses located within an EZ on the purchase of electrical energy.

Available state corporate income tax incentives for enterprise zones include:

- A corporate income tax credit for 20 or 30 percent of wages paid to new employees who live within the EZ;
- A corporate income tax credit for 30 or 45 percent of wages paid to new employees if the business is within a rural EZ;
- A credit against Florida corporate income tax equal to 96 percent of ad valorem taxes paid on the new or improved property;
- A 50 percent credit against Florida corporate income tax for donations made to local community development projects.

OPPAGA Report on Enterprise Zones

The Office of Program Policy Analysis and Government Accountability released a report in January 2011 finding that most enterprise zone activity occurs in a few number of counties. The report also found that program participation remains relatively low in most enterprise zones, which limits the progress toward achieving the legislative goals of revitalizing distressed areas and increasing employment of area residents. The report made several recommendations related to the viability of the program, suggesting that the Legislature could:

- Encourage more participation by lowering incentive eligibility thresholds;
- Focus on job creation by eliminating all incentives except jobs tax credits;
- Suspend the program for a year;
- Repeal the program entirely; or
- Allow it to sunset under current law in 2015.

Proposed Changes

The bill provides authority to Charlotte County to apply to DEO for designation of an enterprise zone of up to 20 square miles. The enterprise zone application must be submitted to DEO by December 31, 2012. DEO will determine the initial effective date of the enterprise zone. The bill also provides authority to Citrus County to apply to DEO for designation of an enterprise zone. The enterprise zone application must be submitted to DEO by December 31, 2012. DEO will determine the initial effective date of the enterprise zone.

Section 13 provides emergency rulemaking authority to the Department of Revenue.

Section 14 provides an effective date.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The county/municipality mandates provision of Art. VII, section 18 of the State Constitution may apply because the bill may reduce the authority of counties and municipalities to raise revenue.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

Revenue Impacts: Fiscal Year 2012-13
 (All impacts from Revenue Estimating Conference unless otherwise noted)

	General Rev.		State Trust		Local		Total	
	Cash	Recur.	Cash	Recur.	Cash	Recur.	Cash	Recur.
New Markets (1)	-	(20.0)	-	-	-	-	-	(20.0)
Sales Tax Exemptions:								
Electricity/Packinghouses	(0.8)	(0.9)	(*)	(*)	(0.2)	(0.2)	(1.0)	(1.1)
Expanding Production M&E	(19.1)	(46.0)	(*)	(*)	(4.3)	(10.4)	(23.4)	(56.4)
Aircraft Maintenance & Repair	(9.2)	(10.0)	(*)	(*)	(2.1)	(2.3)	(11.3)	(12.3)
Aircraft and gas turbine engines	(1.2)	(1.3)	(*)	(*)	(0.3)	(0.3)	(1.5)	(1.6)
Entertainment Industry Incentive	-	-	-	-	-	-	-	-
Cigarette Tax Distributions	(7.6)	(7.6)	7.6	7.6	-	-	-	-
Urban High Crime Area Credits	(4.3)	(3.5)					(4.3)	(3.5)
Enterprise Zones:								
Charlotte County	(0.2)	(0.2)	(*)	(*)	(*)	(*)	(0.2)	(0.2)
Citrus County	(0.1)	(0.1)	(*)	(*)	(*)	(*)	(0.1)	(0.1)
Corporate Income Tax Exemption	(9.9)	(29.4)	-	-	-	-	(9.9)	(29.4)
BILL TOTAL	(52.4)	(119.0)	7.6	7.6	(6.9)	(13.2)	(51.7)	(124.6)

(*) Insignificant = impact less than \$50,000.
 (1) Cash impacts do not begin until FY 2015-16.

B. Private Sector Impact:

This bill is meant to encourage economic development in Florida by reducing the tax burden on selected industries and activities.

C. Government Sector Impact:

The bill reduces General Revenue and local tax revenue and increases a distribution of revenue to the H. Lee Moffitt Cancer Center and Research Institute.

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:**

Barcode 260648 by Budget Subcommittee on Finance and Tax on February 28, 2012:

Delays by 1 year the funding provided in the bill for the H. Lee Moffitt Cancer Center and the Sanford-Burnham Medical Research Institute.

Barcode 269836 by Budget Subcommittee on Finance and Tax on February 28, 2012:

Adds an exemption for electricity used in packinghouses that prepare meat from cattle or hogs.

Barcode 269836 by Budget Subcommittee on Finance and Tax on February 28, 2012:

Requires state agencies, local governments and school districts to grant a 5 percent preference to the lowest Florida bidder in a contract for printing if the lowest bid is submitted by a vendor whose principal place of business is located outside the state and if the work can be performed by a printer in the state at a comparable level of quality. It also requires state agencies, local governments and school districts to grant a 5 percent preference to the lowest Florida bidder in a competitive solicitation for purchases of personal property if the lowest bid is submitted by a vendor whose principal place of business is located outside the state and that state does not grant a preference to vendors having a principal place of business in the state.

Barcode 225318 by Budget Subcommittee on Finance and Tax on February 28, 2012:

Authorizes a municipality participating in the Federal Aviation Administration's Airport Privatization Pilot Program to lease or sell an airport or other air navigation facility, with improvements and equipment, to a private party. If state funds were provided to the municipality to pay for the airport the transfer must be approved by DOT. The only Florida airport eligible for participation in the FAA program is located in Hendry County.

Barcode 856716 by Budget Subcommittee on Finance and Tax on February 28, 2012:

Exempts public purpose leaseholds from intangibles tax on governmental leaseholds, retroactive to January 1, 2011. There is no right to a refund of taxes paid before the effective date of the provision, which is upon becoming a law.

Barcode 824448 by Budget Subcommittee on Finance and Tax on February 28, 2012:

Under current law, the severance tax rate on phosphate rock will increase from \$1.61 per ton to \$2.54 per ton starting in FY2015-16. This amendment lowers the tax rate to \$1.80

per ton for the time period from January 1, 2015 until December 31, 2022. After that period, the rate will go back to \$1.61 per ton.

Barcode 531888 by Budget Subcommittee on Finance and Tax on February 28, 2012:

Allows a distilled spirit greater than 153 proof to be distilled, bottled, packaged, or processed in Florida for export or sale outside the state.

Barcode 873310 by Budget Subcommittee on Finance and Tax on February 28, 2012:

Provides a sales tax exemption for specially-equipped vehicles for which an operator is hired to transport eight or fewer physically-disabled persons or for the value of a conversion to create such a vehicle.

Barcode 749210 by Budget Subcommittee on Finance and Tax on February 28, 2012:

Adds a definition of “high-impact digital media” and modifies other definitions, creates additional eligibility for television series or pilots, and amends eligibility criteria for certain productions to obtain credits under the entertainment industry financial incentive program. The total amount of credits available under the program is not increased.

Barcode 783522 by Budget Subcommittee on Finance and Tax on February 28, 2012:

Removes conditions related to doing business with certain foreign countries or employing persons who are members of a labor organization for qualifying for the additional \$25,000 corporate income tax exemption.



856716

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
02/28/2012	.	
	.	
	.	
	.	

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

Senate Amendment (with title amendment)

Between lines 62 and 63
insert:

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

196.199 Government property exemption.—

(2) Property owned by the following governmental units but
used by nongovernmental lessees shall only be exempt from
taxation under the following conditions:

(a) Leasehold interests in property of the United States,
of the state or any of its several political subdivisions, or of



856716

13 municipalities, agencies, authorities, and other public bodies
14 corporate of the state shall be exempt from ad valorem taxation
15 and the intangible tax pursuant to paragraph (b) only when the
16 lessee serves or performs a governmental, municipal, or public
17 purpose or function, as defined in s. 196.012(6). In all such
18 cases, all other interests in the leased property shall also be
19 exempt from ad valorem taxation. However, a leasehold interest
20 in property of the state may not be exempted from ad valorem
21 taxation when a nongovernmental lessee uses such property for
22 the operation of a multipurpose hazardous waste treatment
23 facility.

24 Section 2. The amendment to s. 196.199, Florida Statutes,
25 made by this act shall take effect upon this act becoming a law
26 and shall apply retroactively to all governmental leaseholds in
27 existence as of January 1, 2011. This section is intended to be
28 remedial in nature and does not create a right to a refund or
29 require any governmental entity to refund any tax, penalty, or
30 interest remitted to the Department of Revenue before the
31 effective date of this act.

32
33 Delete line 648
34 and insert:
35 act and except for this section, which shall take effect upon
36 this act becoming a law, this act shall take effect July 1,
37 2012.

38
39 ===== T I T L E A M E N D M E N T =====

40 And the title is amended as follows:

41 Between lines 2 and 3



856716

42 insert:
43 196.199, F.S.; providing an exemption from intangible
44 tax for lessees performing a governmental, municipal,
45 or public purpose or function; providing that the
46 exemption from intangible tax applies retroactively to
47 all governmental leaseholds in existence as of a
48 certain date; providing that the provision is remedial
49 in nature and does not create a right to certain
50 refunds; amending s.



260648

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
02/28/2012	.	
	.	
	.	
	.	

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

Senate Amendment

Delete lines 119 - 120
and insert:
Chief Financial Officer. Beginning July 1, 2013, and continuing through June 30, 2021, the division shall from month to month

Delete lines 146 - 147
and insert:
(c) Beginning July 1, 2013, and continuing through June 30, 2021, the division shall from month to month certify to the



260648

13 Delete lines 161 - 189

14 and insert:

15 Section 2. Section 210.201, Florida Statutes, is amended to
16 read:

17 210.201 H. Lee Moffitt Cancer Center and Research Institute
18 facilities ~~Cancer research facility at the University of South~~
19 ~~Florida~~; establishment; funding.—The Board of Directors of the
20 H. Lee Moffitt Cancer Center and Research Institute shall
21 construct, furnish, and equip, and shall covenant to complete,
22 the cancer research and clinical and related facilities of
23 ~~facility at the University of South Florida adjacent to the H.~~
24 Lee Moffitt Cancer Center and Research Institute funded with
25 proceeds from the Cigarette Tax Collection Trust Fund pursuant
26 to s. 210.20. Moneys transferred to the Board of Directors of
27 the H. Lee Moffitt Cancer Center and Research Institute pursuant
28 to s. 210.20 may ~~shall~~ be used to secure financing to pay costs
29 related to constructing, furnishing, ~~and~~ equipping, operating,
30 and maintaining ~~the~~ cancer research and clinical and related
31 facilities; furnishing, equipping, operating, and maintaining
32 other leased or owned properties; and paying costs incurred in
33 connection with purchasing, financing, operating, and
34 maintaining such equipment, facilities, and properties as
35 provided in s. 210.20 ~~facility~~. Such financing may include the
36 issuance of tax-exempt bonds or other forms of indebtedness by a
37 local authority, municipality, or county pursuant to parts II
38 and III of chapter 159. Such bonds shall not constitute state
39 bonds for purposes of s. 11, Art. VII of the State Constitution,
40 but shall constitute bonds of a "local agency," as defined in s.
41 159.27(4). The cigarette tax dollars pledged to facilities ~~this~~



260648

42 ~~facility~~ pursuant to s. 210.20 may be replaced annually by the
43 Legislature from tobacco litigation settlement proceeds.



237284

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
02/28/2012	.	
	.	
	.	
	.	

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

Senate Amendment (with directory amendment)

Between lines 160 and 161
insert:

(d) Beginning July 1, 2012, and continuing through June 30, 2020, the division shall, from month to month certify to the Chief Financial Officer the amount derived from the cigarette tax imposed by s. 210.02, less the service charges provided for in s. 215.20 and less 0.9 percent of the amount derived from the cigarette tax imposed by s. 210.02, which shall be deposited into the Alcoholic Beverage and Tobacco Trust Fund, specifying an amount equal to 2.75 percent of the net collections, and that



237284

13 amount shall be paid to the Sylvester Comprehensive Cancer
14 Center at the University of Miami. The revenues derived from
15 this allocation are separate and distinct from any funds
16 allocated to the Sylvester Comprehensive Cancer Center at the
17 University of Miami through the James and Esther King Biomedical
18 Research Program or the William G. "Bill" Bankhead, Jr., and
19 David Coley Cancer Research Program. Funds derived pursuant to
20 this paragraph shall be used for the purposes of constructing,
21 furnishing, and equipping cancer research, treatment, and
22 related facilities, and may include the recruitment and
23 retention of faculty or other personnel related to research
24 programs.

25
26 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====

27 And the directory clause is amended as follows:

28 Delete line 64

29 and insert:

30 210.20, Florida Statutes, is amended, and paragraphs (c) and (d)
31 are added



824448

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
02/28/2012	.	
	.	
	.	
	.	

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

Senate Amendment (with title amendment)

Between lines 189 and 190
insert:

Section 3. Section 211.3103, Florida Statutes, is amended
to read:

211.3103 Levy of tax on severance of phosphate rock; rate,
basis, and distribution of tax.-

(1) There is hereby levied an excise tax upon each ~~every~~
person engaging in the business of severing phosphate rock from
the soils or waters of this state for commercial use. The tax
shall be collected, administered, and enforced by the



824448

13 department.

14 (2) The tax rate shall be \$1.61 per ton severed, except for
15 the time period beginning January 1, 2015, until December 31,
16 2022, when the tax rate shall be \$1.80 per ton severed.

17 ~~(2) Beginning July 1, 2004, the proceeds of all taxes,~~
18 ~~interest, and penalties imposed under this section shall be paid~~
19 ~~into the State Treasury as follows:~~

20 ~~(a) The first \$10 million in revenue collected from the tax~~
21 ~~during each fiscal year shall be paid to the credit of the~~
22 ~~Conservation and Recreation Lands Trust Fund.~~

23 ~~(b) The remaining revenues collected from the tax during~~
24 ~~that fiscal year, after the required payment under paragraph~~
25 ~~(a), shall be paid into the State Treasury as follows:~~

26 ~~1. To the credit of the General Revenue Fund of the state,~~
27 ~~40.1 percent.~~

28 ~~2. For payment to counties in proportion to the number of~~
29 ~~tons of phosphate rock produced from a phosphate rock matrix~~
30 ~~located within such political boundary, 16.5 percent. The~~
31 ~~department shall distribute this portion of the proceeds~~
32 ~~annually based on production information reported by the~~
33 ~~producers on the annual returns for the taxable year. Any such~~
34 ~~proceeds received by a county shall be used only for phosphate-~~
35 ~~related expenses.~~

36 ~~3. For payment to counties that have been designated a~~
37 ~~rural area of critical economic concern pursuant to s. 288.0656~~
38 ~~in proportion to the number of tons of phosphate rock produced~~
39 ~~from a phosphate rock matrix located within such political~~
40 ~~boundary, 13 percent. The department shall distribute this~~
41 ~~portion of the proceeds annually based on production information~~



824448

42 ~~reported by the producers on the annual returns for the taxable~~
43 ~~year. Payments under this subparagraph shall be made to the~~
44 ~~counties unless the Legislature by special act creates a local~~
45 ~~authority to promote and direct the economic development of the~~
46 ~~county. If such authority exists, payments shall be made to that~~
47 ~~authority.~~

48 ~~4. To the credit of the Phosphate Research Trust Fund in~~
49 ~~the Division of Universities of the Department of Education, 9.3~~
50 ~~percent.~~

51 ~~5. To the credit of the Minerals Trust Fund, 10.7 percent.~~

52 ~~6. To the credit of the Nonmandatory Land Reclamation Trust~~
53 ~~Fund, 10.4 percent.~~

54 ~~(3) Beginning July 1, 2003, and annually thereafter, the~~
55 ~~Department of Environmental Protection may use up to \$2 million~~
56 ~~of the funds in the Nonmandatory Land Reclamation Trust Fund to~~
57 ~~purchase a surety bond or a policy of insurance, the proceeds of~~
58 ~~which would pay the cost of restoration, reclamation, and~~
59 ~~cleanup of any phosphogypsum stack system and phosphate mining~~
60 ~~activities in the event that an operator or permittee thereof~~
61 ~~has been subject to a final order of bankruptcy and all funds~~
62 ~~available therefrom are determined to be inadequate to~~
63 ~~accomplish such restoration, reclamation, and cleanup. This~~
64 ~~section does not imply that such operator or permittee is~~
65 ~~thereby relieved of its obligations or relieved of any~~
66 ~~liabilities pursuant to any other remedies at law,~~
67 ~~administrative remedies, statutory remedies, or remedies~~
68 ~~pursuant to bankruptcy law. The department shall adopt rules to~~
69 ~~implement this subsection, including the purchase and oversight~~
70 ~~of the bond or policy.~~



824448

71 ~~(4) Funds distributed pursuant to subparagraphs (2) (b) 3.~~
72 ~~and (11) (c) 4. shall be used for:~~

73 ~~(a) Planning, preparing, and financing of infrastructure~~
74 ~~projects for job creation and capital investment, especially~~
75 ~~those related to industrial and commercial sites. Infrastructure~~
76 ~~investments may include the following public or public-private~~
77 ~~partnership facilities: stormwater systems, telecommunications~~
78 ~~facilities, roads or other remedies to transportation~~
79 ~~impediments, nature-based tourism facilities, or other physical~~
80 ~~requirements necessary to facilitate trade and economic~~
81 ~~development activities.~~

82 ~~(b) Maximizing the use of federal, local, and private~~
83 ~~resources, including, but not limited to, those available under~~
84 ~~the Small Cities Community Development Block Grant Program.~~

85 ~~(c) Projects that improve inadequate infrastructure that~~
86 ~~has resulted in regulatory action that prohibits economic or~~
87 ~~community growth, if such projects are related to specific job~~
88 ~~creation or job retention opportunities.~~

89 ~~(5) Beginning January 1, 2004, the tax rate shall be the~~
90 ~~base rate of \$1.62 per ton severed.~~

91 ~~(6) Beginning January 1, 2005, and annually thereafter, the~~
92 ~~tax rate shall be the base rate times the base rate adjustment~~
93 ~~for the tax year as calculated by the department in accordance~~
94 ~~with subsection (8).~~

95 ~~(3) (7)~~ The excise tax levied by this section applies shall
96 apply to the total production of the producer during the taxable
97 year, measured on the basis of bone-dry tons produced at the
98 point of severance.

99 ~~(8) (a) On or before March 30, 2004, and annually~~



824448

100 ~~thereafter, the department shall calculate the base rate~~
101 ~~adjustment, if any, for phosphate rock based on the change in~~
102 ~~the unadjusted annual producer price index for the prior~~
103 ~~calendar year in relation to the unadjusted annual producer~~
104 ~~price index for calendar year 1999.~~

105 ~~(b) For the purposes of determining the base rate~~
106 ~~adjustment for any year, the base rate adjustment shall be a~~
107 ~~fraction, the numerator of which is the unadjusted annual~~
108 ~~producer price index for the prior calendar year and the~~
109 ~~denominator of which is the unadjusted annual producer price~~
110 ~~index for calendar year 1999.~~

111 ~~(c) The department shall provide the base rate, the base~~
112 ~~rate adjustment, and the resulting tax rate to affected~~
113 ~~producers by written notice on or before April 15 of the current~~
114 ~~year.~~

115 ~~(d) If the producer price index for phosphate rock is~~
116 ~~substantially revised, the department shall make appropriate~~
117 ~~adjustment in the method used to compute the base rate~~
118 ~~adjustment under this subsection which will produce results~~
119 ~~reasonably consistent with the result that would have been~~
120 ~~obtained if the producer price index for phosphate rock had not~~
121 ~~been revised. However, the tax rate shall not be less than \$1.51~~
122 ~~per ton severed.~~

123 ~~(e) If the producer price index for phosphate rock is~~
124 ~~discontinued, a comparable index shall be selected by the~~
125 ~~department and adopted by rule.~~

126 ~~(4)(9)~~ The excise tax levied on the severance of phosphate
127 rock is shall be in addition to any ad valorem taxes levied upon
128 the separately assessed mineral interest in the real property



824448

129 upon which the site of severance is located, or any other tax,
130 permit, or license fee imposed by the state or its political
131 subdivisions.

132 ~~(5)(10)~~ The tax levied by this section shall be collected
133 in the manner prescribed in s. 211.33.

134 ~~(11)(a)~~ Beginning July 1, 2008, there is hereby levied a
135 surcharge of \$1.38 per ton severed in addition to the excise tax
136 levied by this section. The surcharge shall be levied until the
137 last day of the calendar quarter in which the total revenue
138 generated by the surcharge equals \$60 million. Revenues derived
139 from the surcharge shall be deposited into the Nonmandatory Land
140 Reclamation Trust Fund and shall be exempt from the general
141 revenue service charge provided in s. 215.20. Revenues derived
142 from the surcharge shall be used to augment funds appropriated
143 for the rehabilitation, management, and closure of the Piney
144 Point and Mulberry sites and for approved reclamation of
145 nonmandatory lands in accordance with chapter 378. A minimum of
146 75 percent of the revenues from the surcharge shall be dedicated
147 to the Piney Point and Mulberry sites.

148 ~~(b)~~ Beginning July 1, 2008, the excise tax rate shall be
149 \$1.945 per ton severed and the base rate adjustment provided in
150 subsection ~~(6)~~ shall not apply.

151 ~~(c)1.~~ Beginning July 1 of the 2010-2011 fiscal year, the
152 tax rate shall be the base rate of \$1.71 per ton severed.

153 ~~2.~~ Beginning July 1 of the 2011-2012 fiscal year, the tax
154 rate shall be the base rate of \$1.61 per ton severed.

155 ~~3.~~ The base rate adjustment provided in subsection ~~(6)~~
156 shall not apply until the conditions of paragraph ~~(d)~~ are met.

157 ~~(d)~~ Beginning July 1 of the fiscal year following the date



824448

158 ~~on which a taxpayer's surcharge offset equals or exceeds the~~
159 ~~total amount of surcharge remitted by such taxpayer under~~
160 ~~paragraph (a), and each year thereafter, the excise tax rate~~
161 ~~levied on such taxpayer shall be adjusted as provided in~~
162 ~~subsection (6). The surcharge offset for each taxpayer is an~~
163 ~~amount calculated by the department equal to the cumulative~~
164 ~~difference between the amount of excise tax that would have been~~
165 ~~collected under subsections (5) and (6) and the excise tax~~
166 ~~collected under subparagraphs (c)1. and 2. from such taxpayer.~~

167 ~~(e) Beginning July 1 of the 2010-2011 fiscal year, the~~
168 ~~proceeds of all taxes, interest, and penalties imposed under~~
169 ~~this section shall be exempt from the general revenue service~~
170 ~~charge provided in s. 215.20, and shall be paid into the State~~
171 ~~Treasury as follows:~~

172 ~~1. To the credit of the Conservation and Recreation Lands~~
173 ~~Trust Fund, 21.9 percent.~~

174 ~~2. To the credit of the General Revenue Fund of the state,~~
175 ~~37.1 percent.~~

176 ~~3. For payment to counties in proportion to the number of~~
177 ~~tons of phosphate rock produced from a phosphate rock matrix~~
178 ~~located within such political boundary, 12 percent. The~~
179 ~~department shall distribute this portion of the proceeds~~
180 ~~annually based on production information reported by the~~
181 ~~producers on the annual returns for the taxable year. Any such~~
182 ~~proceeds received by a county shall be used only for phosphate-~~
183 ~~related expenses.~~

184 ~~4. For payment to counties that have been designated a~~
185 ~~rural area of critical economic concern pursuant to s. 288.0656~~
186 ~~in proportion to the number of tons of phosphate rock produced~~



824448

187 ~~from a phosphate rock matrix located within such political~~
188 ~~boundary, 9.4 percent. The department shall distribute this~~
189 ~~portion of the proceeds annually based on production information~~
190 ~~reported by the producers on the annual returns for the taxable~~
191 ~~year. Payments under this subparagraph shall be made to the~~
192 ~~counties unless the Legislature by special act creates a local~~
193 ~~authority to promote and direct the economic development of the~~
194 ~~county. If such authority exists, payments shall be made to that~~
195 ~~authority.~~

196 ~~5. To the credit of the Nonmandatory Land Reclamation Trust~~
197 ~~Fund, 5.8 percent.~~

198 ~~6. To the credit of the Phosphate Research Trust Fund in~~
199 ~~the Division of Universities of the Department of Education, 5.8~~
200 ~~percent.~~

201 ~~7. To the credit of the Minerals Trust Fund, 8.0 percent.~~

202 (6) (a) ~~(f)~~ Beginning July 1 of the 2011-2012 fiscal year,
203 the proceeds of all taxes, interest, and penalties imposed under
204 this section are exempt from the general revenue service charge
205 provided in s. 215.20, and such proceeds shall be paid into the
206 State Treasury as follows:

207 1. To the credit of the Conservation and Recreation Lands
208 Trust Fund, 25.5 percent.

209 2. To the credit of the General Revenue Fund of the state,
210 35.7 percent.

211 3. For payment to counties in proportion to the number of
212 tons of phosphate rock produced from a phosphate rock matrix
213 located within such political boundary, 12.8 percent. The
214 department shall distribute this portion of the proceeds
215 annually based on production information reported by the



824448

216 producers on the annual returns for the taxable year. Any such
217 proceeds received by a county shall be used only for phosphate-
218 related expenses.

219 4. For payment to counties that have been designated as a
220 rural area of critical economic concern pursuant to s. 288.0656
221 in proportion to the number of tons of phosphate rock produced
222 from a phosphate rock matrix located within such political
223 boundary, 10.0 percent. The department shall distribute this
224 portion of the proceeds annually based on production information
225 reported by the producers on the annual returns for the taxable
226 year. Payments under this subparagraph shall be made to the
227 counties unless the Legislature by special act creates a local
228 authority to promote and direct the economic development of the
229 county. If such authority exists, payments shall be made to that
230 authority.

231 5. To the credit of the Nonmandatory Land Reclamation Trust
232 Fund, 6.2 percent.

233 6. To the credit of the Phosphate Research Trust Fund in
234 the Division of Universities of the Department of Education, 6.2
235 percent.

236 7. To the credit of the Minerals Trust Fund, 3.6 percent.

237 (b) Notwithstanding paragraph (a), from January 1, 2015,
238 until December 31, 2022, the proceeds of all taxes, interest,
239 and penalties imposed under this section are exempt from the
240 general revenue service charge provided in s. 215.20, and such
241 proceeds shall be paid to the State Treasury as follows:

242 1. To the credit of the Conservation and Recreation Lands
243 Trust Fund, 22.8 percent.

244 2. To the credit of the General Revenue Fund of the state,



824448

- 245 31.9 percent.
246 3. For payment to counties pursuant to subparagraph (a)3.,
247 11.5 percent.
248 4. For payment to counties pursuant to subparagraph (a)4.,
249 8.9 percent.
250 5. To the credit of the Nonmandatory Land Reclamation Trust
251 Fund, 16.1 percent.
252 6. To the credit of the Phosphate Research Trust Fund in
253 the Division of Universities of the Department of Education, 5.6
254 percent.
255 7. To the credit of the Minerals Trust Fund, 3.2 percent.
256 (c)-(g) For purposes of this section, "phosphate-related
257 expenses" means those expenses that provide for infrastructure
258 or services in support of the phosphate industry, reclamation or
259 restoration of phosphate lands, community infrastructure on such
260 reclaimed lands, and similar expenses directly related to
261 support of the industry.

262
263 ===== T I T L E A M E N D M E N T =====

264 And the title is amended as follows:

265 Delete line 11

266 and insert:

267 facilities and other properties; amending s. 211.3103,
268 F.S.; revising the excise tax rates levied upon each
269 ton of phosphate rock severed; specifying the period
270 during which the rates apply; revising the
271 distribution of the revenues received; deleting
272 obsolete provisions; amending s. 212.08,



269836

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
02/28/2012	.	
	.	
	.	
	.	

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

Senate Amendment

Delete lines 218 - 219
and insert:
term "packinghouse" means any building or structure where
fruits, vegetables, or meats from cattle or hogs are packed or
otherwise prepared for market or



873310

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
02/28/2012	.	
	.	
	.	
	.	

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

Senate Amendment (with directory and title amendments)

Between lines 271 and 272
insert:

(iii) Accessible taxicabs.—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 chauffer-driven taxi, limousine, sedan, van, or other passenger vehicle for which an operator is hired to use for the transportation of persons for compensation; which transports eight passengers or fewer; is equipped with a lift or ramp designed specifically to transport physically disabled persons



873310

13 or contains any other device designed to permit access to, and
14 enable the transportation of, physically disabled persons,
15 including persons who use wheelchairs, motorized wheelchairs, or
16 similar mobility aids; which complies with the accessibility
17 requirements of the Americans with Disabilities Act of 1990, 49
18 C.F.R. ss. 38.23, 38.25, and 38.31, as amended, regardless of
19 whether such requirements would apply under federal law; and
20 meets all applicable federal motor vehicle safety standards and
21 regulations adopted thereunder. If the lift or ramp or any other
22 device is installed through an aftermarket conversion of a stock
23 vehicle, only the value of the conversion is exempt from the tax
24 imposed by this chapter.

25
26 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====

27 And the directory clause is amended as follows:

28 Delete line 192

29 and insert:

30 Statutes, are amended, and paragraphs (hhh) and (iii) are added
31 to

32
33 ===== T I T L E A M E N D M E N T =====

34 And the title is amended as follows:

35 Delete line 20

36 and insert:

37 transactions; providing an exemption from the tax on
38 sales, use, and other transactions for the sale or
39 lease of accessible taxicabs; providing a definition
40 of the term "accessible taxicab"; revising a condition
41 for an exemption for



783522

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
02/28/2012	.	
	.	
	.	
	.	

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

Senate Amendment (with title amendment)

Delete lines 410 - 444
and insert:
code, there shall be exempt from the tax \$50,000 ~~\$25,000~~ of net income as defined in s. 220.12 or such lesser amount as will, without increasing the taxpayer's federal income tax liability, provide the state with an amount under this code which is equal to the maximum federal income tax credit which may be available from time to time under federal law.

Section 7. Effective January 1, 2013, and applying to tax years beginning or after January 1, 2013, subsection (3) of



783522

13 section 220.63, Florida Statutes, is amended to read:

14 220.63 Franchise tax imposed on banks and savings
15 associations.—

16 (3) For purposes of this part, the franchise tax base shall
17 be adjusted federal income, as defined in s. 220.13, apportioned
18 to this state, plus nonbusiness income allocated to this state
19 pursuant to s. 220.16, less the deduction allowed in subsection
20 (5) and less \$50,000 ~~\$25,000~~.

21
22 ===== T I T L E A M E N D M E N T =====

23 And the title is amended as follows:

24 Delete lines 26 - 32

25 and insert:

26 income tax; amending s. 220.63, F.S.; increasing the
27 amount of income that is exempt from the franchise tax
28 imposed on banks and savings associations; amending s.
29 288.1254, F.S.;



593852

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
02/28/2012	.	
	.	
	.	
	.	

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

Senate Amendment (with title amendment)

Between lines 444 and 445
insert:

Section 8. Section 283.35, Florida Statutes, is amended to read:

283.35 Preference given printing within the state. ~~Every agency shall give preference to vendors located within the state~~
When awarding a contract ~~contracts~~ to have materials printed, the agency, county, municipality, school district, or other political subdivision of this state awarding the contract shall grant a preference to the lowest responsible and responsive



593852

13 vendor having a principal place of business within this state.
14 The preference shall be 5 percent if the lowest bid is submitted
15 by a vendor whose principal place of business is located outside
16 the state and if the ~~whenever such printing can be performed in~~
17 this state ~~done at no greater expense than the expense of~~
18 ~~awarding a contract to a vendor located outside the state and~~
19 ~~can be done~~ at a level of quality comparable to that obtainable
20 from the a vendor submitting the lowest bid located outside the
21 state.

22 Section 9. Paragraph (f) of subsection (3) of section
23 287.057, Florida Statutes, is amended to read:

24 287.057 Procurement of commodities or contractual
25 services.-

26 (3) When the purchase price of commodities or contractual
27 services exceeds the threshold amount provided in s. 287.017 for
28 CATEGORY TWO, no purchase of commodities or contractual services
29 may be made without receiving competitive sealed bids,
30 competitive sealed proposals, or competitive sealed replies
31 unless:

32 (f) The following contractual services and commodities are
33 not subject to the competitive-solicitation requirements of this
34 section:

35 1. Artistic services. For the purposes of this subsection,
36 the term "artistic services" does not include advertising or
37 typesetting. As used in this subparagraph, the term
38 "advertising" means the making of a representation in any form
39 in connection with a trade, business, craft, or profession in
40 order to promote the supply of commodities or services by the
41 person promoting the commodities or contractual services.



593852

42 2. Academic program reviews if the fee for such services
43 does not exceed \$50,000.

44 3. Lectures by individuals.

45 4. Legal services, including attorney, paralegal, expert
46 witness, appraisal, or mediator services.

47 5.a. Health services involving examination, diagnosis,
48 treatment, prevention, medical consultation, or administration.

49 b. Beginning January 1, 2011, health services, including,
50 but not limited to, substance abuse and mental health services,
51 involving examination, diagnosis, treatment, prevention, or
52 medical consultation, when such services are offered to eligible
53 individuals participating in a specific program that qualifies
54 multiple providers and uses a standard payment methodology.
55 Reimbursement of administrative costs for providers of services
56 purchased in this manner shall also be exempt. For purposes of
57 this sub-subparagraph, "providers" means health professionals,
58 health facilities, or organizations that deliver or arrange for
59 the delivery of health services.

60 6. Services provided to persons with mental or physical
61 disabilities by not-for-profit corporations which have obtained
62 exemptions under the provisions of s. 501(c)(3) of the United
63 States Internal Revenue Code or when such services are governed
64 by the provisions of Office of Management and Budget Circular A-
65 122. However, in acquiring such services, the agency shall
66 consider the ability of the vendor, past performance,
67 willingness to meet time requirements, and price.

68 7. Medicaid services delivered to an eligible Medicaid
69 recipient unless the agency is directed otherwise in law.

70 8. Family placement services.



593852

71 9. Prevention services related to mental health, including
72 drug abuse prevention programs, child abuse prevention programs,
73 and shelters for runaways, operated by not-for-profit
74 corporations. However, in acquiring such services, the agency
75 shall consider the ability of the vendor, past performance,
76 willingness to meet time requirements, and price.

77 10. Training and education services provided to injured
78 employees pursuant to s. 440.491(6).

79 11. Contracts entered into pursuant to s. 337.11.

80 12. Services or commodities provided by governmental
81 agencies.

82 13. A statewide public service announcement program
83 provided by a Florida statewide nonprofit corporation under s.
84 501(c)(6) of the Internal Revenue Code, with a guaranteed
85 documented match of at least \$3 to \$1.

86 Section 10. Section 287.084, Florida Statutes, is amended
87 to read:

88 287.084 Preference to Florida businesses.-

89 (1) (a) When an agency, county, municipality, school
90 district, or other political subdivision of the state is
91 required to make purchases of personal property through
92 competitive solicitation and the lowest responsible and
93 responsive bid, proposal, or reply is by a vendor whose
94 principal place of business is in a state or political
95 subdivision thereof which grants a preference for the purchase
96 of such personal property to a person whose principal place of
97 business is in such state, then the agency, county,
98 municipality, school district, or other political subdivision of
99 this state shall ~~may~~ award a preference to the lowest



593852

100 responsible and responsive vendor having a principal place of
101 business within this state, which preference is equal to the
102 preference granted by the state or political subdivision thereof
103 in which the lowest responsible and responsive vendor has its
104 principal place of business. In a competitive solicitation in
105 which the lowest bid is submitted by a vendor whose principal
106 place of business is located outside the state and that state
107 does not grant a preference in competitive solicitation to
108 vendors having a principal place of business in that state, the
109 preference to the lowest responsible and responsive vendor
110 having a principal place of business in this state shall be 5
111 percent.

112 (b) Paragraph (a) However, this section does not apply to
113 transportation projects for which federal aid funds are
114 available.

115 ~~(2) If a solicitation provides for the granting of such~~
116 ~~preference as is provided in this section,~~ Any vendor whose
117 principal place of business is outside the State of Florida must
118 accompany any written bid, proposal, or reply documents with a
119 written opinion of an attorney at law licensed to practice law
120 in that foreign state, as to the preferences, if any or none,
121 granted by the law of that state to its own business entities
122 whose principal places of business are in that foreign state in
123 the letting of any or all public contracts.

124
125 ===== T I T L E A M E N D M E N T =====

126 And the title is amended as follows:

127 Delete line 32

128 and insert:



593852

129 certain circumstances; amending s. 283.35, F.S.;

130 requiring an agency, county, municipality, school

131 district, or other political subdivision of the state

132 to grant a specified preference to a vendor located

133 within the state when awarding a contract for

134 printing; specifying the percentage of preference to

135 be granted; amending s. 287.057, F.S.; providing that

136 certain statewide public service announcement programs

137 are not subject to the competitive-solicitation

138 requirements under certain circumstances; amending s.

139 287.084, F.S.; requiring, rather than authorizing, an

140 agency, county, municipality, school district, or

141 other political subdivision of the state in making

142 purchases of personal property through competitive

143 solicitation to award a preference to the lowest

144 responsible and responsive vendor having a principal

145 place of business within this state under specified

146 circumstances; specifying the percentage of preference

147 to be granted; providing nonapplicability; amending s.

148 288.1254, F.S.;



749210

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
02/28/2012	.	
	.	
	.	
	.	

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

Senate Amendment (with title amendment)

Delete lines 445 - 588
and insert:

Section 8. Paragraphs (b), (d), and (f) of subsection (1) and paragraph (b) of subsection (4) of section 288.1254, Florida Statutes, are amended, present paragraphs (c) through (o) of subsection (1) of that section are redesignated as paragraphs (d) through (p), respectively, and a new paragraph (c) is added to that subsection, to read:

288.1254 Entertainment industry financial incentive program.—



749210

13 (1) DEFINITIONS.—As used in this section, the term:
14 (b) “Digital media project” means a production of
15 interactive entertainment that is produced for distribution in
16 commercial or educational markets. The term includes a video
17 game or production intended for Internet or wireless
18 distribution, digital animation, and visual effects, including,
19 but not limited to, three-dimensional movie productions and
20 movie conversions. The term does not include a production that
21 contains ~~obscene~~ content that is obscene as defined in s.
22 847.001(10).
23 (c) “High-impact digital media” means a digital media
24 project that has qualified expenditures greater than \$4.5
25 million.
26 (e) ~~(d)~~ “Off-season certified production” means a feature
27 film, independent film, or television series or pilot that ~~which~~
28 films 75 percent or more of its principal photography days from
29 June 1 through November 30, or a high-impact television series
30 that films principal photography during at least 75 percent of
31 the days from June 1 through November 30.
32 (g) ~~(f)~~ “Production” means a theatrical or direct-to-video
33 motion picture; a made-for-television motion picture; visual
34 effects or digital animation sequences produced in conjunction
35 with a motion picture; a commercial; a music video; an
36 industrial or educational film; an infomercial; a documentary
37 film; a television pilot program; a presentation for a
38 television pilot program; a television series, including, but
39 not limited to, a drama, a reality show, a comedy, a soap opera,
40 a telenovela, a game show, an awards show, or a miniseries
41 production; or a digital media project by the entertainment



749210

42 industry. One season of a television series is considered one
43 production. The term does not include a weather or market
44 program; a sporting event or a sporting event broadcast; a
45 sports show; a gala; a production that solicits funds; a home
46 shopping program; a political program; a political documentary;
47 political advertising; a gambling-related project or production;
48 a concert production; or a local, regional, or Internet-
49 distributed-only news show or ~~current-events show~~; a sports
50 news or sports recap show; ~~a~~ pornographic production; ~~or any~~
51 production deemed obscene under chapter 847 ~~current-affairs~~
52 ~~show~~. A production may be produced on or by film, tape, or
53 otherwise by means of a motion picture camera; electronic camera
54 or device; tape device; computer; any combination of the
55 foregoing; or any other means, method, or device.

56 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;
57 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;
58 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND
59 ACQUISITIONS.—

60 (b) *Tax credit eligibility.*—

61 1. General production queue.—Ninety-four percent of tax
62 credits authorized pursuant to subsection (6) in any state
63 fiscal year must be dedicated to the general production queue.
64 The general production queue consists of all qualified
65 productions other than those eligible for the commercial and
66 music video queue or the independent and emerging media
67 production queue. A qualified production that demonstrates a
68 minimum of \$625,000 in qualified expenditures is eligible for
69 tax credits equal to 20 percent of its actual qualified
70 expenditures, up to a maximum of \$8 million. A qualified



749210

71 production that incurs qualified expenditures during multiple
72 state fiscal years may combine those expenditures to satisfy the
73 \$625,000 minimum threshold.

74 a. An off-season certified production that is a feature
75 film, independent film, or television series or pilot is
76 eligible for an additional 5 percent ~~5-percent~~ tax credit on
77 actual qualified expenditures. An off-season certified
78 production that does not complete 75 percent of principal
79 photography, or a high-impact television series that is an off-
80 season certified production that does not film principal
81 photography during at least 75 percent of the days from June 1
82 through November 30, due to a disruption caused by a hurricane
83 or tropical storm may not be disqualified from eligibility for
84 the additional 5 percent ~~5-percent~~ credit as a result of the
85 disruption.

86 ~~b. If more than 25 percent of the sum of total tax credits~~
87 ~~awarded to productions after July 1, 2010, and total tax credits~~
88 ~~certified, but not yet awarded, to productions currently in this~~
89 ~~state has been awarded for television series, then no television~~
90 ~~series or pilot shall be eligible for tax credits under this~~
91 ~~subparagraph.~~

92 ~~e. The calculations required by this sub-subparagraph shall~~
93 ~~use only credits available to be certified and awarded on or~~
94 ~~after July 1, 2011.~~

95 ~~(I) If the provisions of sub-subparagraph b. are not~~
96 ~~applicable and less than 25 percent of the sum of the total tax~~
97 ~~credits awarded to productions and the total tax credits~~
98 ~~certified, but not yet awarded, to productions currently in this~~
99 ~~state has been to high-impact television series, any qualified~~



749210

100 ~~high-impact television series shall be allowed first position in~~
101 ~~this queue for tax credit awards not yet certified.~~

102 ~~(II) If less than 20 percent of the sum of the total tax~~
103 ~~credits awarded to productions and the total tax credits~~
104 ~~certified, but not yet awarded, to productions currently in this~~
105 ~~state has been to digital media projects, any digital media~~
106 ~~project with qualified expenditures of greater than \$4,500,000~~
107 ~~shall be allowed first position in this queue for tax credit~~
108 ~~awards not yet certified.~~

109 b.(III) First priority in the queue for tax credit awards
110 not yet certified shall be given to high-impact television
111 series and high-impact digital media projects. For the purposes
112 of determining priority position between a high-impact
113 television series allowed first position and a high-impact
114 digital media project allowed first position under this sub-
115 subparagraph, the first position shall go to the first
116 application received. Thereafter, priority shall be determined
117 by alternating between a high-impact television series and a
118 high-impact digital media project tax credits shall be awarded
119 on a first-come, first-served basis. However, if the Office of
120 Film and Entertainment receives an application for a high-impact
121 television series or high-impact digital media project that
122 would be certified but for the alternating priority, the office
123 may certify the project as being in the priority position if an
124 application that would normally be prioritized is not received
125 within 5 business days.

126 ~~c.d.~~ A qualified production for which that incurs at least
127 25 85 percent of its principal photography days occur qualified
128 expenditures within a region designated as an underutilized



749210

129 region at the time that the production is certified is eligible
130 for an additional 5 percent ~~5-percent~~ tax credit.

131 ~~d.e.~~ A Any qualified production that employs students
132 enrolled full-time in a film and entertainment-related or
133 digital media-related course of study at an institution of
134 higher education in this state is eligible for an additional 15
135 percent ~~15-percent~~ tax credit on qualified expenditures that are
136 wages, salaries, or other compensation paid to such students.
137 The additional 15 percent ~~15-percent~~ tax credit is ~~shall~~ also ~~be~~
138 applicable to persons hired within 12 months after ~~of~~ graduating
139 from a film and entertainment-related or digital media-related
140 course of study at an institution of higher education in this
141 state. The additional 15 percent ~~15-percent~~ tax credit applies
142 ~~shall apply~~ to qualified expenditures that are wages, salaries,
143 or other compensation paid to such recent graduates for 1 year
144 after ~~from~~ the date of hiring.

145 ~~e.f.~~ A qualified production for which 25 ~~50~~ percent or more
146 of its principal photography occurs at a qualified production
147 facility, or a qualified digital media project or the digital
148 animation component of a qualified production for which 25 ~~50~~
149 percent or more of the project's or component's qualified
150 expenditures are related to a qualified digital media production
151 facility, is ~~shall be~~ eligible for an additional 5 percent ~~5-~~
152 ~~percent~~ tax credit ~~on actual qualified expenditures for~~
153 ~~production activity at that facility.~~

154 ~~f.g.~~ A No qualified production is not ~~shall be~~ eligible for
155 tax credits provided under this paragraph totaling more than 30
156 percent of its actual qualified expenses.

157 2. Commercial and music video queue.—Three percent of tax



749210

158 credits authorized pursuant to subsection (6) in any state
159 fiscal year must be dedicated to the commercial and music video
160 queue. A qualified production company that produces national or
161 regional commercials or music videos may be eligible for a tax
162 credit award if it demonstrates a minimum of \$100,000 in
163 qualified expenditures per national or regional commercial or
164 music video and exceeds a combined threshold of \$500,000 after
165 combining actual qualified expenditures from qualified
166 commercials and music videos during a single state fiscal year.
167 After a qualified production company that produces commercials,
168 music videos, or both reaches the threshold of \$500,000, it is
169 eligible to apply for certification for a tax credit award. The
170 maximum credit award shall be equal to 20 percent of its actual
171 qualified expenditures up to a maximum of \$500,000. If there is
172 a surplus at the end of a fiscal year after the Office of Film
173 and Entertainment certifies and determines the tax credits for
174 all qualified commercial and video projects, such surplus tax
175 credits shall be carried forward to the following fiscal year
176 and are ~~be~~ available to any eligible qualified productions under
177 the general production queue.

178 3. Independent and emerging media production queue.—Three
179 percent of tax credits authorized pursuant to subsection (6) in
180 any state fiscal year must be dedicated to the independent and
181 emerging media production queue. This queue is intended to
182 encourage ~~Florida~~ independent film and emerging media production
183 in this state. Any qualified production, excluding commercials,
184 infomercials, or music videos, which ~~that~~ demonstrates at least
185 \$100,000, but not more than \$625,000, in total qualified
186 expenditures is eligible for tax credits equal to 20 percent of



749210

187 its actual qualified expenditures. If a surplus exists at the
188 end of a fiscal year after the Office of Film and Entertainment
189 certifies and determines the tax credits for all qualified
190 independent and emerging media production projects, such surplus
191 tax credits shall be carried forward to the following fiscal
192 year and are ~~be~~ available to any eligible qualified productions
193 under the general production queue.

194 4. Family-friendly productions.—A certified theatrical or
195 direct-to-video motion picture production or video game
196 determined by the Commissioner of Film and Entertainment, with
197 the advice of the Florida Film and Entertainment Advisory
198 Council, to be family-friendly, based on ~~the~~ review of the
199 script and ~~the~~ review of the final release version, is eligible
200 for an additional tax credit equal to 5 percent of its actual
201 qualified expenditures. Family-friendly productions are those
202 that have cross-generational appeal; would be considered
203 suitable for viewing by children age 5 or older; are appropriate
204 in theme, content, and language for a broad family audience;
205 embody a responsible resolution of issues; and do not exhibit or
206 imply any act of smoking, sex, nudity, or vulgar or profane
207 language.

208
209 ===== T I T L E A M E N D M E N T =====

210 And the title is amended as follows:

211 Delete lines 33 - 35

212 and insert:

213 revising definitions; providing that a disruption
214 caused by a hurricane does not disqualify certain
215 high-impact television series that are off-season



749210

216 certified productions from eligibility for an
217 additional tax credit; deleting provisions limiting
218 the amount of tax credits for high-impact television
219 series and digital media productions; providing
220 criteria for determining priority for tax credits that
221 have not yet been certified; reducing the required
222 percent of certain production components necessary to
223 qualify for additional credits; amending s. 288.9914,
224 F.S.;



225318

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
02/28/2012	.	
	.	
	.	
	.	

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

Senate Amendment (with title amendment)

Between lines 638 and 639
insert:

Section 13. Section 332.08, Florida Statutes, is amended to read:

332.08 Additional powers.—

(1) In addition to the general powers in ss. 332.01-332.12 conferred and without limitation thereof, a municipality that ~~which~~ has established or may hereafter establish airports, restricted landing areas, or other air navigation facilities, or that ~~which~~ has acquired or set apart or may hereafter acquire or



225318

13 set apart real property for such purposes, is ~~hereby~~ authorized:

14 (a) ~~(1)~~ To vest authority for the construction, enlargement,
15 improvement, maintenance, equipment, operation, and regulation
16 thereof in an officer, a board or body of such municipality by
17 ordinance or resolution which shall prescribe the powers and
18 duties of such officer, board or body. The expense of such
19 construction, enlargement, improvement, maintenance, equipment,
20 operation, and regulation shall be a responsibility of the
21 municipality.

22 (b) ~~(2)~~ ~~(a)~~ To adopt and amend all needed ~~needful~~ rules,
23 regulations, and ordinances for the management, governance
24 ~~government~~, and use of any properties under its control, whether
25 within or without the territorial limits of the municipality; to
26 appoint airport guards or police, with full police powers; and
27 to fix by ordinance or resolution, as may be appropriate,
28 penalties for the violation of such ~~said~~ rules, regulations, and
29 ordinances, and enforce such ~~said~~ penalties in the same manner
30 in which penalties prescribed by other rules, regulations, and
31 ordinances of the municipality are enforced.

32 ~~(b) Provided, where a county operates one or more airports,~~
33 ~~its regulations for the government thereof shall be by~~
34 ~~resolution of the board of county commissioners, shall be~~
35 ~~recorded in the minutes of the board and promulgated by posting~~
36 ~~a copy at the courthouse and at every such airport for 4~~
37 ~~consecutive weeks or by publication once a week in a newspaper~~
38 ~~published in the county for the same period. Such regulations~~
39 ~~shall be enforced as are the criminal laws. Violation thereof~~
40 ~~shall be a misdemeanor of the second degree, punishable as~~
41 ~~provided in s. 775.082 or s. 775.083.~~



225318

42 (c)~~(3)~~ To lease for a term not exceeding 30 years such
43 airports or other air navigation facilities, or real property
44 acquired or set apart for airport purposes, to private parties,
45 any municipal or state government or the national government, or
46 any department of either thereof, for operation; to lease or
47 assign for a term not exceeding 30 years to private parties, any
48 municipal or state government or the national government, or any
49 department of either thereof, for operation or use consistent
50 with the purposes of ss. 332.01-332.12, space, area,
51 improvements, or equipment on such airports; to sell any part of
52 such airports, other air navigation facilities, or real property
53 to any municipal or state government, or the United States or
54 any department or instrumentality thereof, for aeronautical
55 purposes or purposes incidental thereto; 7 and to confer the
56 privileges of concessions of supplying upon its airports goods,
57 commodities, things, services, and facilities; provided, that in
58 each case in so doing the public is not deprived of its rightful
59 equal and uniform use thereof.

60 (d)~~(4)~~ To sell or lease any property, real or personal,
61 acquired for airport purposes and belonging to the municipality,
62 which, in the judgment of its governing body, may not be
63 required for aeronautic purposes, in accordance with the laws of
64 this state, or the provisions of the charter of the
65 municipality, governing the sale or leasing of similar
66 municipally owned property.

67 (e)~~(5)~~ To exercise all powers necessarily incidental to the
68 exercise of the general and special powers herein granted, and
69 is specifically authorized to assess and shall assess against
70 and collect from the owner or operator of each and every



225318

71 airplane using such airports a sufficient fee or service charge
72 to cover the cost of the service furnished airplanes using such
73 airports, including the liquidation of bonds or other
74 indebtedness for construction and improvements.

75 (2) If a county operates one or more airports, its
76 regulations for the governance thereof shall be by resolution of
77 the board of county commissioners, recorded in the minutes of
78 the board, and promulgated by posting a copy at the courthouse
79 and at every such airport for 4 consecutive weeks or by
80 publication once a week in a newspaper published in the county
81 for the same period. Such regulations shall be enforced in the
82 same manner as the criminal laws. Violation thereof is a
83 misdemeanor of the second degree, punishable as provided in s.
84 775.082 or s. 775.083.

85 (3) Notwithstanding any other provision of this section, a
86 municipality participating in the Federal Aviation
87 Administration's Airport Privatization Pilot Program pursuant to
88 49 U.S.C. s. 47134 may lease or sell an airport or other air
89 navigation facility or real property, together with improvements
90 and equipment, acquired or set apart for airport purposes to a
91 private party under such terms and conditions as negotiated by
92 the municipality. If state funds were provided to the
93 municipality pursuant to s. 332.007, the municipality must
94 obtain approval of the agreement from the Department of
95 Transportation, which may approve the agreement if it determines
96 that the state's investment has been adequately considered and
97 protected consistent with the applicable conditions specified in
98 49 U.S.C. s. 47134.

99



225318

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

101 And the title is amended as follows:

102 Delete line 57

103 and insert:

104 effective date of the enterprise zone; amending s.
105 332.08, F.S.; authorizing a municipality participating
106 in a federal airport privatization pilot program to
107 lease or sell to a private party an airport or other
108 air navigation facility or certain real property,
109 improvements, and equipment; requiring approval by the
110 Department of Transportation of the sale or lease
111 agreement under certain circumstances; providing
112 criteria for department approval; authorizing the



531888

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
02/28/2012	.	
	.	
	.	
	.	

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

Senate Amendment (with title amendment)

Between lines 646 and 647
insert:

Section 14. Section 565.07, Florida Statutes, is amended to read:

565.07 Sale or consumption of certain distilled spirits prohibited.—A No distilled spirit greater than 153 proof may not shall be sold, processed, or consumed in the state. However, a distilled spirit greater than 153 proof may be distilled, bottled, packaged, or processed for export or sale outside the state.



531888

13
14
15
16
17
18
19
20
21

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

And the title is amended as follows:

Between lines 58 and 59

insert:

amending s. 565.07, F.S.; providing that a distilled
spirit greater than 153 proof may be distilled,
bottled, packaged, or processed for export or sale
outside the state;

1 A bill to be entitled
 2 An act relating to economic development; amending s.
 3 210.20, F.S.; revising the payment and distribution of
 4 funds in the Cigarette Tax Collection Trust Fund;
 5 providing specified purposes for the use of funds
 6 appropriated out of the trust fund; amending s.
 7 210.201, F.S.; authorizing moneys transferred to the
 8 Board of Directors of the H. Lee Moffitt Cancer Center
 9 and Research Institute to be used to secure financing
 10 to pay costs for specified purposes at certain
 11 facilities and other properties; amending s. 212.08,
 12 F.S.; providing an exemption from the tax on sales,
 13 use, and other transactions for electricity used by
 14 packinghouses; defining the term "packinghouse";
 15 expanding exemptions from the sales and use tax on
 16 labor, parts, and equipment used in repairs of certain
 17 aircraft; exempting certain items used to manufacture,
 18 produce, or modify aircraft and gas turbine engines and
 19 parts from the tax on sales, use, and other
 20 transactions; revising a condition for an exemption for
 21 machinery and equipment; amending s. 212.097, F.S.;
 22 revising the eligibility criteria for tax credits
 23 under the Urban High-Crime Area Job Tax Credit
 24 Program; amending s. 220.14, F.S.; increasing the
 25 amount of income that is exempt from the corporate
 26 income tax under certain circumstances; requiring
 27 taxpayers to submit certain sworn statements to the
 28 Department of Revenue as a condition of receiving the

29 exemption; amending s. 220.63, F.S.; increasing the
 30 amount of income that is exempt from the franchise tax
 31 imposed on banks and savings associations under
 32 certain circumstances; amending s. 288.1254, F.S.;
 33 revising eligibility criteria for certain tax credits
 34 authorized under the entertainment industry financial
 35 incentive program; amending s. 288.9914, F.S.;
 36 revising limits on tax credits that may be claimed by
 37 qualified community development entities under the New
 38 Markets Development Program; amending s. 288.9915,
 39 F.S.; revising restrictions on a qualified community
 40 development entity making cash interest payments on
 41 certain long-term debt securities; creating s.
 42 290.00729, F.S.; authorizing Charlotte County to apply
 43 to the Department of Economic Opportunity for
 44 designation of an enterprise zone; providing
 45 application requirements; authorizing the Department
 46 of Economic Opportunity to designate an enterprise
 47 zone in Charlotte County; requiring that the
 48 Department of Economic Opportunity establish the
 49 initial effective date for the enterprise zone;
 50 creating s. 290.00731, F.S.; authorizing Citrus County
 51 to apply to the Department of Economic Opportunity for
 52 designation of an enterprise zone; providing an
 53 application deadline and requirements; authorizing the
 54 Department of Economic Opportunity to designate an
 55 enterprise zone in Citrus County; requiring the
 56 Department of Economic Opportunity to establish the

57 effective date of the enterprise zone; authorizing the
 58 Department of Revenue to adopt emergency rules;
 59 providing effective dates.
 60

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

62
 63 Section 1. Paragraph (b) of subsection (2) of section
 64 210.20, Florida Statutes, is amended, and paragraph (c) is added
 65 to subsection (2) of that section, to read:

66 210.20 Employees and assistants; distribution of funds.—

67 (2) As collections are received by the division from such
 68 cigarette taxes, it shall pay the same into a trust fund in the
 69 State Treasury designated "Cigarette Tax Collection Trust Fund"
 70 which shall be paid and distributed as follows:

71 (b)1. Beginning January 1, 1999, and continuing for 10
 72 years thereafter, the division shall from month to month certify
 73 to the Chief Financial Officer the amount derived from the
 74 cigarette tax imposed by s. 210.02, less the service charges
 75 provided for in s. 215.20 and less 0.9 percent of the amount
 76 derived from the cigarette tax imposed by s. 210.02, which shall
 77 be deposited into the Alcoholic Beverage and Tobacco Trust Fund,
 78 specifying an amount equal to 2.59 percent of the net
 79 collections, and that amount shall be paid to the Board of
 80 Directors of the H. Lee Moffitt Cancer Center and Research
 81 Institute, established under s. 1004.43, by warrant drawn by the
 82 Chief Financial Officer upon the State Treasury. These funds are
 83 hereby appropriated monthly out of the Cigarette Tax Collection
 84 Trust Fund, to be used for the purpose of constructing,

85 furnishing, and equipping a cancer research facility at the
 86 University of South Florida adjacent to the H. Lee Moffitt
 87 Cancer Center and Research Institute. In fiscal years 1999-2000
 88 and thereafter with the exception of fiscal year 2008-2009, the
 89 appropriation to the H. Lee Moffitt Cancer Center and Research
 90 Institute authorized by this subparagraph shall not be less than
 91 the amount that would have been paid to the H. Lee Moffitt
 92 Cancer Center and Research Institute for fiscal year 1998-1999
 93 had payments been made for the entire fiscal year rather than
 94 for a 6-month period thereof.

95 2. Beginning July 1, 2002, and continuing through June 30,
 96 2004, the division shall, in addition to the distribution
 97 authorized in subparagraph 1., from month to month certify to
 98 the Chief Financial Officer the amount derived from the
 99 cigarette tax imposed by s. 210.02, less the service charges
 100 provided for in s. 215.20 and less 0.9 percent of the amount
 101 derived from the cigarette tax imposed by s. 210.02, which shall
 102 be deposited into the Alcoholic Beverage and Tobacco Trust Fund,
 103 specifying an amount equal to 0.2632 percent of the net
 104 collections, and that amount shall be paid to the Board of
 105 Directors of the H. Lee Moffitt Cancer Center and Research
 106 Institute, established under s. 1004.43, by warrant drawn by the
 107 Chief Financial Officer. Beginning July 1, 2004, and continuing
 108 through June 30, 2012 ~~2020~~, the division shall, in addition to
 109 the distribution authorized in subparagraph 1., from month to
 110 month certify to the Chief Financial Officer the amount derived
 111 from the cigarette tax imposed by s. 210.02, less the service
 112 charges provided for in s. 215.20 and less 0.9 percent of the

113 amount derived from the cigarette tax imposed by s. 210.02,
 114 which shall be deposited into the Alcoholic Beverage and Tobacco
 115 Trust Fund, specifying an amount equal to 1.47 percent of the
 116 net collections, and that amount shall be paid to the Board of
 117 Directors of the H. Lee Moffitt Cancer Center and Research
 118 Institute, established under s. 1004.43, by warrant drawn by the
 119 Chief Financial Officer. Beginning July 1, 2012, and continuing
 120 through June 30, 2020, the division shall from month to month
 121 certify to the Chief Financial Officer the amount derived from
 122 the cigarette tax imposed by s. 210.02, less the service charges
 123 provided for in s. 215.20 and less 0.9 percent of the amount
 124 derived from the cigarette tax imposed by s. 210.02, which shall
 125 be deposited into the Alcoholic Beverage and Tobacco Trust Fund,
 126 specifying an amount equal to 2.75 percent of the net
 127 collections, and that amount shall be paid to the Board of
 128 Directors of the H. Lee Moffitt Cancer Center and Research
 129 Institute, established under s. 1004.43, by warrant drawn by the
 130 Chief Financial Officer. These funds are appropriated monthly
 131 out of the Cigarette Tax Collection Trust Fund, to be used for
 132 lawful purposes, including the purpose of constructing,
 133 furnishing, ~~and~~ equipping, financing, operating, and maintaining
 134 a cancer research and clinical and related facilities;
 135 furnishing, equipping, operating, and maintaining other
 136 properties owned or leased by facility at the University of
 137 South Florida adjacent to the H. Lee Moffitt Cancer Center and
 138 Research Institute; and paying costs incurred in connection with
 139 purchasing, financing, operating, and maintaining such
 140 equipment, facilities, and properties. In fiscal years 2004-2005

141 and thereafter, the appropriation to the H. Lee Moffitt Cancer
 142 Center and Research Institute authorized by this subparagraph
 143 shall not be less than the amount that would have been paid to
 144 the H. Lee Moffitt Cancer Center and Research Institute in
 145 fiscal year 2001-2002, had this subparagraph been in effect.
 146 (c) Beginning July 1, 2012, and continuing through June
 147 30, 2020, the division shall from month to month certify to the
 148 Chief Financial Officer the amount derived from the cigarette
 149 tax imposed by s. 210.02, less the service charges provided for
 150 in s. 215.20 and less 0.9 percent of the amount derived from the
 151 cigarette tax imposed by s. 210.02, which shall be deposited
 152 into the Alcoholic Beverage and Tobacco Trust Fund, specifying
 153 an amount equal to 1 percent of the net collections, and that
 154 amount shall be deposited into the Biomedical Research Trust
 155 Fund in the Department of Health. These funds are appropriated
 156 annually in an amount not to exceed \$3 million from the
 157 Biomedical Research Trust Fund for the Department of Health and
 158 the Sanford-Burnham Medical Research Institute to work in
 159 conjunction for the purpose of establishing activities and grant
 160 opportunities in relation to biomedical research.
 161 Section 2. Section 210.201, Florida Statutes, is amended
 162 to read:
 163 210.201 H. Lee Moffitt Cancer Center and Research
 164 Institute facilities Cancer research facility at the University
 165 of South Florida; establishment; funding.—The Board of Directors
 166 of the H. Lee Moffitt Cancer Center and Research Institute shall
 167 construct, furnish, and equip, and shall covenant to complete,
 168 the cancer research and clinical and related facilities of

169 ~~facility at the University of South Florida adjacent to the H.~~
 170 ~~Lee Moffitt Cancer Center and Research Institute~~ funded with
 171 proceeds from the Cigarette Tax Collection Trust Fund pursuant
 172 to s. 210.20. Moneys transferred to the Board of Directors of
 173 the H. Lee Moffitt Cancer Center and Research Institute pursuant
 174 to s. 210.20 may ~~shall~~ be used to secure financing to pay costs
 175 related to constructing, furnishing, ~~and~~ equipping, operating,
 176 and maintaining the cancer research and clinical and related
 177 facilities; furnishing, equipping, operating, and maintaining
 178 other leased or owned properties; and paying costs incurred in
 179 connection with purchasing, financing, operating, and
 180 maintaining such equipment, facilities, and properties as
 181 provided in s. 210.20 ~~facility~~. Such financing may include the
 182 issuance of tax-exempt bonds or other forms of indebtedness by a
 183 local authority, municipality, or county pursuant to parts II
 184 and III of chapter 159. Such bonds shall not constitute state
 185 bonds for purposes of s. 11, Art. VII of the State Constitution,
 186 but shall constitute bonds of a "local agency," as defined in s.
 187 159.27(4). The cigarette tax dollars pledged to facilities ~~this~~
 188 ~~facility~~ pursuant to s. 210.20 may be replaced annually by the
 189 Legislature from tobacco litigation settlement proceeds.

190 Section 3. Paragraph (e) of subsection (5) and paragraphs
 191 (ee) and (rr) of subsection (7) of section 212.08, Florida
 192 Statutes, are amended, and paragraph (hhh) is added to
 193 subsection (7) of that section, to read:

194 212.08 Sales, rental, use, consumption, distribution, and
 195 storage tax; specified exemptions.—The sale at retail, the
 196 rental, the use, the consumption, the distribution, and the

197 storage to be used or consumed in this state of the following
 198 are hereby specifically exempt from the tax imposed by this
 199 chapter.

200 (5) EXEMPTIONS; ACCOUNT OF USE.—

201 (e) Gas or electricity used for certain agricultural
 202 purposes.—

203 1. Butane gas, propane gas, natural gas, and all other
 204 forms of liquefied petroleum gases are exempt from the tax
 205 imposed by this chapter if used in any tractor, vehicle, or
 206 other farm equipment which is used exclusively on a farm or for
 207 processing farm products on the farm and no part of which gas is
 208 used in any vehicle or equipment driven or operated on the
 209 public highways of this state. This restriction does not apply
 210 to the movement of farm vehicles or farm equipment between
 211 farms. The transporting of bees by water and the operating of
 212 equipment used in the apiary of a beekeeper is also deemed an
 213 exempt use.

214 2. Electricity used directly or indirectly for production,
 215 packing, or processing of agricultural products on the farm, or
 216 used directly or indirectly in a packinghouse, is exempt from
 217 the tax imposed by this chapter. As used in this subsection, the
 218 term "packinghouse" means any building or structure where fruits
 219 and vegetables are packed or otherwise prepared for market or
 220 shipment in fresh form for wholesale distribution. The exemption
 221 does not apply to electricity used in buildings or structures
 222 where agricultural products are sold at retail. This exemption
 223 applies only if the electricity used for the exempt purposes is
 224 separately metered. If the electricity is not separately

225 metered, it is conclusively presumed that some portion of the
 226 electricity is used for a nonexempt purpose, and all of the
 227 electricity used for such purposes is taxable.

228 (7) MISCELLANEOUS EXEMPTIONS.—Exemptions provided to any
 229 entity by this chapter do not inure to any transaction that is
 230 otherwise taxable under this chapter when payment is made by a
 231 representative or employee of the entity by any means,
 232 including, but not limited to, cash, check, or credit card, even
 233 when that representative or employee is subsequently reimbursed
 234 by the entity. In addition, exemptions provided to any entity by
 235 this subsection do not inure to any transaction that is
 236 otherwise taxable under this chapter unless the entity has
 237 obtained a sales tax exemption certificate from the department
 238 or the entity obtains or provides other documentation as
 239 required by the department. Eligible purchases or leases made
 240 with such a certificate must be in strict compliance with this
 241 subsection and departmental rules, and any person who makes an
 242 exempt purchase with a certificate that is not in strict
 243 compliance with this subsection and the rules is liable for and
 244 shall pay the tax. The department may adopt rules to administer
 245 this subsection.

246 (ee) Aircraft repair and maintenance labor charges.—There
 247 shall be exempt from the tax imposed by this chapter all labor
 248 charges for the repair and maintenance of qualified aircraft,
 249 aircraft of more than 2,000 ~~15,000~~ pounds maximum certified
 250 takeoff weight, and rotary wing aircraft of more than 10,000
 251 pounds maximum certified takeoff weight. Except as otherwise
 252 provided in this chapter, charges for parts and equipment

253 furnished in connection with such labor charges are taxable.

254 (rr) Equipment used in aircraft repair and maintenance.—
 255 There shall be exempt from the tax imposed by this chapter
 256 replacement engines, parts, and equipment used in the repair or
 257 maintenance of qualified aircraft, aircraft of more than 2,000
 258 ~~15,000~~ pounds maximum certified takeoff weight, and rotary wing
 259 aircraft of more than 10,300 pounds maximum certified takeoff
 260 weight, when such parts or equipment are installed on such
 261 aircraft that is being repaired or maintained in this state.

262 (hhh) Items used in manufacturing and fabricating aircraft
 263 and gas turbine engines.—Chemicals, machinery, parts, and
 264 equipment used and consumed in the manufacture or fabrication of
 265 aircraft engines and gas turbine engines, including cores,
 266 electrical discharge machining supplies, brass electrodes,
 267 ceramic guides, reamers, grinding and deburring wheels, Norton
 268 vortex wheels, argon, nitrogen, helium, fluid abrasive cutters,
 269 solvents and soaps, boroscopes, penetrants, patterns, dies, and
 270 molds consumed in the production of castings are exempt from the
 271 tax imposed by this chapter.

272 Section 4. Effective January 1, 2013, paragraph (b) of
 273 subsection (5) of section 212.08, Florida Statutes, is amended
 274 to read:

275 212.08 Sales, rental, use, consumption, distribution, and
 276 storage tax; specified exemptions.—The sale at retail, the
 277 rental, the use, the consumption, the distribution, and the
 278 storage to be used or consumed in this state of the following
 279 are hereby specifically exempt from the tax imposed by this
 280 chapter.

281 (5) EXEMPTIONS; ACCOUNT OF USE.—
 282 (b) Machinery and equipment used to increase productive
 283 output.—
 284 1. Industrial machinery and equipment purchased for
 285 exclusive use by a new business in spaceport activities as
 286 defined by s. 212.02 or for use in new businesses that
 287 manufacture, process, compound, or produce for sale items of
 288 tangible personal property at fixed locations are exempt from
 289 the tax imposed by this chapter upon an affirmative showing by
 290 the taxpayer to the satisfaction of the department that such
 291 items are used in a new business in this state. Such purchases
 292 must be made before ~~prior to~~ the date the business first begins
 293 its productive operations, and delivery of the purchased item
 294 must be made within 12 months after that date.
 295 2. Industrial machinery and equipment purchased for
 296 exclusive use by an expanding facility which is engaged in
 297 spaceport activities as defined by s. 212.02 or for use in
 298 expanding manufacturing facilities or plant units which
 299 manufacture, process, compound, or produce for sale items of
 300 tangible personal property at fixed locations in this state are
 301 exempt from any amount of tax imposed by this chapter upon an
 302 affirmative showing by the taxpayer to the satisfaction of the
 303 department that such items are used to increase the productive
 304 output of such expanded facility or business by not less than 5
 305 ~~10~~ percent.
 306 3.a. To receive an exemption provided by subparagraph 1.
 307 or subparagraph 2., a qualifying business entity shall apply to
 308 the department for a temporary tax exemption permit. The

309 application shall state that a new business exemption or
 310 expanded business exemption is being sought. Upon a tentative
 311 affirmative determination by the department pursuant to
 312 subparagraph 1. or subparagraph 2., the department shall issue
 313 such permit.
 314 b. The applicant shall maintain all necessary books and
 315 records to support the exemption. Upon completion of purchases
 316 of qualified machinery and equipment pursuant to subparagraph 1.
 317 or subparagraph 2., the temporary tax permit shall be delivered
 318 to the department or returned to the department by certified or
 319 registered mail.
 320 c. If, in a subsequent audit conducted by the department,
 321 it is determined that the machinery and equipment purchased as
 322 exempt under subparagraph 1. or subparagraph 2. did not meet the
 323 criteria mandated by this paragraph or if commencement of
 324 production did not occur, the amount of taxes exempted at the
 325 time of purchase shall immediately be due and payable to the
 326 department by the business entity, together with the appropriate
 327 interest and penalty, computed from the date of purchase, in the
 328 manner prescribed by this chapter.
 329 d. If a qualifying business entity fails to apply for a
 330 temporary exemption permit or if the tentative determination by
 331 the department required to obtain a temporary exemption permit
 332 is negative, a qualifying business entity shall receive the
 333 exemption provided in subparagraph 1. or subparagraph 2. through
 334 a refund of previously paid taxes. No refund may be made for
 335 such taxes unless the criteria mandated by subparagraph 1. or
 336 subparagraph 2. have been met and commencement of production has

HB 7087, Engrossed 2

2012

337 occurred.

338 4. The department shall adopt rules governing applications
339 for, issuance of, and the form of temporary tax exemption
340 permits; provisions for recapture of taxes; and the manner and
341 form of refund applications, and may establish guidelines as to
342 the requisites for an affirmative showing of increased
343 productive output, commencement of production, and qualification
344 for exemption.

345 5. The exemptions provided in subparagraphs 1. and 2. do
346 not apply to machinery or equipment purchased or used by
347 electric utility companies, communications companies, oil or gas
348 exploration or production operations, publishing firms that do
349 not export at least 50 percent of their finished product out of
350 the state, any firm subject to regulation by the Division of
351 Hotels and Restaurants of the Department of Business and
352 Professional Regulation, or any firm that does not manufacture,
353 process, compound, or produce for sale items of tangible
354 personal property or that does not use such machinery and
355 equipment in spaceport activities as required by this paragraph.
356 The exemptions provided in subparagraphs 1. and 2. shall apply
357 to machinery and equipment purchased for use in phosphate or
358 other solid minerals severance, mining, or processing
359 operations.

360 6. For the purposes of the exemptions provided in
361 subparagraphs 1. and 2., these terms have the following
362 meanings:

363 a. "Industrial machinery and equipment" means tangible
364 personal property or other property that has a depreciable life

Page 13 of 24

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

hb7087-02-e2

HB 7087, Engrossed 2

2012

365 of 3 years or more and that is used as an integral part in the
366 manufacturing, processing, compounding, or production of
367 tangible personal property for sale or is exclusively used in
368 spaceport activities. A building and its structural components
369 are not industrial machinery and equipment unless the building
370 or structural component is so closely related to the industrial
371 machinery and equipment that it houses or supports that the
372 building or structural component can be expected to be replaced
373 when the machinery and equipment are replaced. Heating and air-
374 conditioning systems are not industrial machinery and equipment
375 unless the sole justification for their installation is to meet
376 the requirements of the production process, even though the
377 system may provide incidental comfort to employees or serve, to
378 an insubstantial degree, nonproduction activities. The term
379 includes parts and accessories only to the extent that the
380 exemption thereof is consistent with the provisions of this
381 paragraph.

382 b. "Productive output" means the number of units actually
383 produced by a single plant, operation, or product line in a
384 single continuous 12-month period, irrespective of sales.
385 Increases in productive output shall be measured by the output
386 for 12 continuous months selected by the expanding business
387 after ~~following the~~ completion of the installation of such
388 machinery or equipment over the output for the 12 continuous
389 months immediately preceding such installation. However, in no
390 case may such time period begin later than 2 years after
391 ~~following the~~ completion of the installation of the new
392 machinery and equipment. The units used to measure productive

Page 14 of 24

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

hb7087-02-e2

393 output shall be physically comparable between the two periods,
394 irrespective of sales.

395 Section 5. Subsection (5) of section 212.097, Florida
396 Statutes, is amended to read:

397 212.097 Urban High-Crime Area Job Tax Credit Program.—

398 (5) To be eligible for a tax credit under subsection (3),
399 the number of qualified employees employed 1 year before prior
400 ~~to~~ the application date must be no lower than the number of
401 qualified employees on January 1, 2009, or on the application
402 date on which a credit under this section was based for any
403 previous application, including an application under subsection
404 (2), whichever occurs later.

405 Section 6. Effective January 1, 2013, and applying to tax
406 years beginning on or after January 1, 2013, subsection (1) of
407 section 220.14, Florida Statutes, is amended to read:

408 220.14 Exemption.—

409 (1) In computing a taxpayer's liability for tax under this
410 code, if the taxpayer submits to the department a statement
411 sworn to or affirmed under penalty of perjury that the taxpayer
412 does not transact business, directly or indirectly, with any
413 foreign country that has been designated by the United States
414 Secretary of State under 50 U.S.C. App. s. 2405(j), 22 U.S.C. s.
415 2371(a), or 22 U.S.C. s. 2780(d) as a country that has
416 repeatedly provided support for acts of international terrorism,
417 and:

418 (a) If the taxpayer submits to the department a written
419 certification that none of the taxpayer's employees are members
420 of a labor organization as defined in s. 447.02, there shall be

421 exempt from the tax \$50,000 of net income as defined in s.
422 220.12; or

423 (b) If the taxpayer does not submit the certification
424 described in paragraph (a), there shall be exempt from the tax
425 \$25,000 of net income as defined in s. 220.12 or such lesser
426 amount as will, without increasing the taxpayer's federal income
427 tax liability, provide the state with an amount under this code
428 which is equal to the maximum federal income tax credit which
429 may be available from time to time under federal law.

430 Section 7. Effective January 1, 2013, and applying to tax
431 years beginning on or after January 1, 2013, subsection (3) of
432 section 220.63, Florida Statutes, is amended to read:

433 220.63 Franchise tax imposed on banks and savings
434 associations.—

435 (3) For purposes of this part, the franchise tax base
436 shall be adjusted federal income, as defined in s. 220.13,
437 apportioned to this state, plus nonbusiness income allocated to
438 this state pursuant to s. 220.16, less the deduction allowed in
439 subsection (5) and:

440 (a) If the taxpayer certifies to the department that none
441 of the taxpayer's employees are members of a labor organization
442 as defined in s. 447.02, less \$50,000; or

443 (b) If the taxpayer does not make the certification
444 described in paragraph (a), less \$25,000.

445 Section 8. Paragraph (b) of subsection (4) of section
446 288.1254, Florida Statutes, is amended to read:

447 288.1254 Entertainment industry financial incentive
448 program.—

449 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;
 450 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;
 451 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND
 452 ACQUISITIONS.—

453 (b) Tax credit eligibility.—

454 1. General production queue.—Ninety-four percent of tax
 455 credits authorized pursuant to subsection (6) in any state
 456 fiscal year must be dedicated to the general production queue.
 457 The general production queue consists of all qualified
 458 productions other than those eligible for the commercial and
 459 music video queue or the independent and emerging media
 460 production queue. A qualified production that demonstrates a
 461 minimum of \$625,000 in qualified expenditures is eligible for
 462 tax credits equal to 20 percent of its actual qualified
 463 expenditures, up to a maximum of \$8 million. A qualified
 464 production that incurs qualified expenditures during multiple
 465 state fiscal years may combine those expenditures to satisfy the
 466 \$625,000 minimum threshold. If a qualified production claims a
 467 credit from this queue for principal-photography-related
 468 qualified production expenditures, at least 50 percent of the
 469 total principal photography shooting days spent in the
 470 production of that qualified production must be within this
 471 state or at least \$10 million must be spent on qualified
 472 production expenditures within this state.

473 a. An off-season certified production that is a feature
 474 film, independent film, or television series or pilot is
 475 eligible for an additional 5-percent tax credit on actual
 476 qualified expenditures. An off-season certified production that

477 does not complete 75 percent of principal photography due to a
 478 disruption caused by a hurricane or tropical storm may not be
 479 disqualified from eligibility for the additional 5-percent
 480 credit as a result of the disruption.

481 b. If more than 25 percent of the sum of total tax credits
 482 awarded to productions after July 1, 2010, and total tax credits
 483 certified, but not yet awarded, to productions currently in this
 484 state has been awarded for television series, then no television
 485 series ~~or pilot~~ shall be eligible for tax credits under this
 486 subparagraph.

487 c. The calculations required by this sub-subparagraph
 488 shall use only credits available to be certified and awarded on
 489 or after July 1, 2011.

490 (I) If the provisions of sub-subparagraph b. are not
 491 applicable and less than 25 percent of the sum of the total tax
 492 credits awarded to productions and the total tax credits
 493 certified, but not yet awarded, to productions currently in this
 494 state has been to high-impact television series, any qualified
 495 high-impact television series shall be allowed first position in
 496 this queue for tax credit awards not yet certified.

497 (II) If less than 20 percent of the sum of the total tax
 498 credits awarded to productions and the total tax credits
 499 certified, but not yet awarded, to productions currently in this
 500 state has been to digital media projects, any digital media
 501 project with qualified expenditures of greater than \$4,500,000
 502 shall be allowed first position in this queue for tax credit
 503 awards not yet certified.

504 (III) For the purposes of determining position between a

505 high-impact television series allowed first position and a
 506 digital media project allowed first position under this sub-
 507 subparagraph, tax credits shall be awarded on a first-come,
 508 first-served basis.

509 d. A qualified production that incurs at least 85 percent
 510 of its qualified expenditures within a region designated as an
 511 underutilized region at the time that the production is
 512 certified is eligible for an additional 5-percent tax credit.

513 e. Any qualified production that employs students enrolled
 514 full-time in a film and entertainment-related or digital media-
 515 related course of study at an institution of higher education in
 516 this state is eligible for an additional 15-percent tax credit
 517 on qualified expenditures that are wages, salaries, or other
 518 compensation paid to such students. The additional 15-percent
 519 tax credit shall also be applicable to persons hired within 12
 520 months of graduating from a film and entertainment-related or
 521 digital media-related course of study at an institution of
 522 higher education in this state. The additional 15-percent tax
 523 credit shall apply to qualified expenditures that are wages,
 524 salaries, or other compensation paid to such recent graduates
 525 for 1 year from the date of hiring.

526 f. A qualified production for which 50 percent or more of
 527 its principal photography occurs at a qualified production
 528 facility, or a qualified digital media project or the digital
 529 animation component of a qualified production for which 50
 530 percent or more of the project's or component's qualified
 531 expenditures are related to a qualified digital media production
 532 facility, shall be eligible for an additional 5-percent tax

533 credit on actual qualified expenditures for production activity
 534 at that facility.

535 g. No qualified production shall be eligible for tax
 536 credits provided under this paragraph totaling more than 30
 537 percent of its actual qualified expenses.

538 2. Commercial and music video queue.—Three percent of tax
 539 credits authorized pursuant to subsection (6) in any state
 540 fiscal year must be dedicated to the commercial and music video
 541 queue. A qualified production company that produces national or
 542 regional commercials or music videos may be eligible for a tax
 543 credit award if it demonstrates a minimum of \$100,000 in
 544 qualified expenditures per national or regional commercial or
 545 music video and exceeds a combined threshold of \$500,000 after
 546 combining actual qualified expenditures from qualified
 547 commercials and music videos during a single state fiscal year.
 548 After a qualified production company that produces commercials,
 549 music videos, or both reaches the threshold of \$500,000, it is
 550 eligible to apply for certification for a tax credit award. The
 551 maximum credit award shall be equal to 20 percent of its actual
 552 qualified expenditures up to a maximum of \$500,000. If there is
 553 a surplus at the end of a fiscal year after the Office of Film
 554 and Entertainment certifies and determines the tax credits for
 555 all qualified commercial and video projects, such surplus tax
 556 credits shall be carried forward to the following fiscal year
 557 and be available to any eligible qualified productions under the
 558 general production queue.

559 3. Independent and emerging media production queue.—Three
 560 percent of tax credits authorized pursuant to subsection (6) in

561 any state fiscal year must be dedicated to the independent and
 562 emerging media production queue. This queue is intended to
 563 encourage Florida independent film and emerging media
 564 production. Any qualified production, excluding commercials,
 565 infomercials, or music videos, that demonstrates at least
 566 \$100,000, but not more than \$625,000, in total qualified
 567 expenditures is eligible for tax credits equal to 20 percent of
 568 its actual qualified expenditures. If a surplus exists at the
 569 end of a fiscal year after the Office of Film and Entertainment
 570 certifies and determines the tax credits for all qualified
 571 independent and emerging media production projects, such surplus
 572 tax credits shall be carried forward to the following fiscal
 573 year and be available to any eligible qualified productions
 574 under the general production queue.

575 4. Family-friendly productions.—A certified theatrical or
 576 direct-to-video motion picture production or video game
 577 determined by the Commissioner of Film and Entertainment, with
 578 the advice of the Florida Film and Entertainment Advisory
 579 Council, to be family-friendly, based on the review of the
 580 script and the review of the final release version, is eligible
 581 for an additional tax credit equal to 5 percent of its actual
 582 qualified expenditures. Family-friendly productions are those
 583 that have cross-generational appeal; would be considered
 584 suitable for viewing by children age 5 or older; are appropriate
 585 in theme, content, and language for a broad family audience;
 586 embody a responsible resolution of issues; and do not exhibit or
 587 imply any act of smoking, sex, nudity, or vulgar or profane
 588 language.

589 Section 9. Paragraph (c) of subsection (3) of section
 590 288.9914, Florida Statutes, is amended to read:

591 288.9914 Certification of qualified investments;
 592 investment issuance reporting.—

593 (3) REVIEW.—

594 (c) The department may not approve a cumulative amount of
 595 qualified investments that may result in the claim of more than
 596 \$195 ~~\$97.5~~ million in tax credits during the existence of the
 597 program or more than \$40 ~~\$20~~ million in tax credits in a single
 598 state fiscal year. However, the potential for a taxpayer to
 599 carry forward an unused tax credit may not be considered in
 600 calculating the annual limit.

601 Section 10. Subsection (1) of section 288.9915, Florida
 602 Statutes, is amended to read:

603 288.9915 Use of proceeds from qualified investments;
 604 recordkeeping.—

605 (1) A qualified community development entity may not make
 606 cash interest payments on a long-term debt security that is a
 607 qualified investment in excess of the entity's cumulative
 608 operating income earned during the 7 ~~for 6~~ years after following
 609 ~~the~~ issuance of the security. For purposes of calculating
 610 operating income, the interest expense on the security is
 611 disregarded.

612 Section 11. Section 290.00729, Florida Statutes, is
 613 created to read:

614 290.00729 Enterprise zone designation for Charlotte
 615 County.—Charlotte County may apply to the Department of Economic
 616 Opportunity for designation of one enterprise zone encompassing

617 an area not to exceed 20 square miles within Charlotte County.
 618 The application must be submitted by December 31, 2012, and must
 619 comply with the requirements in s. 290.0055. Notwithstanding s.
 620 290.0065 limiting the total number of enterprise zones
 621 designated and the number of enterprise zones within a
 622 population category, the department may designate one enterprise
 623 zone under this section. The department shall establish the
 624 initial effective date of the enterprise zone designated under
 625 this section.

626 Section 12. Section 290.00731, Florida Statutes, is
 627 created to read:

628 290.00731 Enterprise zone designation for Citrus County.-
 629 Citrus County may apply to the department for designation of one
 630 enterprise zone for an area within Citrus County. The
 631 application must be submitted by December 31, 2012, and must
 632 comply with the requirements of s. 290.0055. Notwithstanding s.
 633 290.0065 limiting the total number of enterprise zones
 634 designated and the number of enterprise zones within a
 635 population category, the department may designate one enterprise
 636 zone under this section. The department shall establish the
 637 initial effective date of the enterprise zone designated under
 638 this section.

639 Section 13. (1) The executive director of the Department
 640 of Revenue is authorized, and all conditions are deemed met, to
 641 adopt emergency rules under ss. 120.536(1) and 120.54(4),
 642 Florida Statutes, for the purpose of implementing this act.

643 (2) Notwithstanding any provision of law, such emergency
 644 rules shall remain in effect for 6 months after the date adopted

645 and may be renewed during the pendency of procedures to adopt
 646 permanent rules addressing the subject of the emergency rules.

647 Section 14. Except as otherwise expressly provided in this
 648 act, this act shall take effect July 1, 2012.

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/28/12
Meeting Date

Topic Econ Development

Bill Number HB 7087
(if applicable)

Name Elizabeth Gianni

Amendment Barcode _____
(if applicable)

Job Title Sanford Burnham VP/GR

Address 6040 Sanger Road

Phone 407 595 1919

Orlando FL
City State Zip

E-mail Egianni@BURNHAM.ORG

Speaking: For Against Information *if needed. Want in support for current language*

Representing SANFORD-BURNHAM Medical Research Institute

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

THE FLORIDA SENATE
APPEARANCE RECORD

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

Meeting Date _____

Topic HB 7087

Bill Number 7087
(if applicable)

Name Stephen Shiver

Amendment Barcode _____
(if applicable)

Job Title _____

Address 215 S Monroe St

Phone 850 222-9000

Street
Tallahassee FL 32301
City *State* *Zip*

E-mail _____

Speaking: For Against Information

Representing Associated Industries

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/28/12

Meeting Date

Topic ECONOMIC DEVELOPMENT

Bill Number HB 7087
(if applicable)

Name NANCY STEPHENS

Amendment Barcode _____
(if applicable)

Job Title EXEC DIR

Address _____

Phone _____

Street

TALAHASSEE FL 32317

City

State

Zip

E-mail _____

Speaking: For Against Information

Representing MANUFACTURERS ASSOCIATION OF FL

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/28/12

Meeting Date

Topic ECO, DEV.

Bill Number 7087
(if applicable)

Name JAMIE WILSON

Amendment Barcode _____
(if applicable)

Job Title VICE PRESIDENT

Address 12902 MAGNOLIA DR UTC-GR
Street

Phone 813-745-1521

TAMPA FL 33612
City State Zip

E-mail jamie.wilson@moffitt.org

Speaking: For Against Information

Representing MOFFITT CANCER CENTER

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)

2-28-12

Meeting Date

Topic _____

Bill Number 7087
(if applicable)

Name JOSEPH R. SPRATT

Amendment Barcode 225318
(if applicable)

Job Title _____

Address 250 HALL ST.

Phone 863-517-0235

Street

LaBelle

Fl.

33935

City

State

Zip

E-mail _____

Speaking: For Against Information

Representing HENRY COUNTY

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)

2/28/12

Meeting Date

Topic Preference For Printing

Bill Number HB7087
(if applicable)

Name HARRY DUNCANSON

Amendment Barcode 593852
(if applicable)

Job Title CHAIR Government Affairs

Address 9704 Waters Meet

Phone 954 401 5933

Street

Tallahassee FL 32312

City

State

Zip

E-mail HarryDunc@Comcast.net

Speaking: For Against Information

Representing PRINTING ASSOCIATION 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.

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)

2/28/12

Meeting Date

Topic HB 7087

Bill Number 7087
(if applicable)

Name STEPHEN HOLGE

Amendment Barcode 593852
(if applicable)

Job Title LOBBYIST

Address _____
Street

Phone 850-459-3029

City

State

Zip

E-mail Stephen.holge@comcast.net

Speaking: For Against Information

Representing FLORIDA LEAGUE OF CITIES

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)

2/28/12

Meeting Date

Topic VENDOR PREFERENCE Bill Number HB 7087

Name KATHY TILL Amendment Barcode 593852 (if applicable)

Job Title ~~LOBBYIST~~ COMMISSIONER, CITY OF APOPKA (if applicable)

Address 1208 ERROL PARKWAY Phone 407-484-3597

Street
APOPKA FL 32712 E-mail advocacy4cities@aol.com

City State Zip

Speaking: For Against Information

Representing FLORIDA LEAGUE OF CITIES

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

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

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

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/28/12
Meeting Date

Topic Film/TV incentive Bill Number 7087

Name Candace Barnes Amendment Barcode 749210
(if applicable)

Job Title Director of Government Relations
(if applicable)

Address 1000 Universal Studios Plaza Phone _____
Street

Orlando FL 32819 E-mail _____
City State Zip

Speaking: For Against Information

Representing Universal Studios

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)

2-28-2012

Meeting Date

Topic Film of Easternman +

Bill Number HB 7087, 2nd Eng
(if applicable)

Name Eddy Labrador

Amendment Barcode #749210
(if applicable)

Job Title Legislative Counsel

Address 115 S. Andrews Ave., Rm. 427

Phone 954-826-1135

Street

Fort Lauderdale FL 33301

City

State

Zip

E-mail elabrador@broward.org

Speaking: For Against Information

Representing Broward County

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)

2/28

Meeting Date

Topic FS 298.1294 Film Incentive Legislation

Bill Number HB 7087
(if applicable)

Name CHRIS RANONG

Amendment Barcode 749210
(if applicable)

Job Title President

Address 403 Shamrock Road
Street

Phone _____

St. Augustine, Florida 32086
City State Zip

E-mail chrisranong@aol.com

Speaking: For Against Information

Representing IAISE local 477

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)

02/28/2012
Meeting Date

Topic FS. 288.1284 - FL Film TV & Ent. Tax Incentive Bill Number HB 7087
(if applicable)

Name Leah Sokolowsky Amendment Barcode 749210
(if applicable)

Job Title Location Manager / Scout

Address 650 SE 18 Avenue

Phone (904) 461-9345

Street
Pompano Beach, FL 33060
City State Zip

E-mail reelestates@bellsouth.net

Speaking: For Against Information

Representing Film 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.

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: HB 7089

INTRODUCER: Finance & Tax Committee; Precourt

SUBJECT: Corporate Income Tax

DATE: February 28, 2012

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Fournier	Diez-Arguelles	BFT	Favorable
2.	_____	_____	BC	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill updates the Florida Income Tax Code to reflect changes Congress has made to the U.S. Internal Revenue Code of 1986 by adopting the Internal Revenue Code as in effect on January 1, 2012. The change will apply retroactively to January 1, 2012.

This bill substantially amends s. 220.03, F.S.

II. Present Situation:

Section 220.11, F.S., imposes a 5.5 percent tax on the taxable income of corporations doing business in Florida. For simplicity's sake, the determination of taxable income for Florida tax purposes begins with the taxable income used for Federal income tax purposes. This means that a corporation paying taxes in Florida receives the same benefits from deductions allowed in determining its federal taxable income. With federal taxable income as a starting point, Florida law then requires a variety of additions and subtractions to reflect Florida-specific policies. Florida maintains this relationship by each year adopting the Federal Internal Revenue Code as it exists on January 1 of the year. By doing this, Florida adopts any changes that were made in the previous year to the determination of federal taxable income. The bill adopting the federal code is referred to as the "piggyback bill."

III. Effect of Proposed Changes:

The bill updates the Florida Income Tax Code to reflect changes Congress has made to the U.S. Internal Revenue Code of 1986 by adopting the Internal Revenue Code as in effect on January 1, 2012. The change will apply retroactively to January 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:**

This bill maintains the link between Florida's corporate income tax code and the current federal income tax code.

B. Private Sector Impact:

This bill allows taxpayers to use their federal tax returns as the starting point for their Florida returns and simplifies filing and recordkeeping requirements for Florida corporations.

C. Government Sector Impact:

This bill maintains the link between Florida's corporate income tax code and the current federal income tax code, which provides for greater efficiency in the administration and enforcement of Florida's corporate income tax.

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.

HB 7089

2012

1 A bill to be entitled
 2 An act relating to the corporate income tax; amending
 3 s. 220.03, F.S.; adopting the 2012 version of the
 4 Internal Revenue Code for purposes of ch. 220, F.S.;
 5 providing for retroactive operation; providing an
 6 effective date.

7
 8 Be It Enacted by the Legislature of the State of Florida:
 9

10 Section 1. Paragraph (n) of subsection (1) and paragraph
 11 (c) of subsection (2) of section 220.03, Florida Statutes, are
 12 amended to read:

13 220.03 Definitions.—

14 (1) SPECIFIC TERMS.—When used in this code, and when not
 15 otherwise distinctly expressed or manifestly incompatible with
 16 the intent thereof, the following terms shall have the following
 17 meanings:

18 (n) "Internal Revenue Code" means the United States
 19 Internal Revenue Code of 1986, as amended and in effect on
 20 January 1, 2012 ~~2011~~, except as provided in subsection (3).

21 (2) DEFINITIONAL RULES.—When used in this code and neither
 22 otherwise distinctly expressed nor manifestly incompatible with
 23 the intent thereof:

24 (c) Any term used in this code shall have the same meaning
 25 as when used in a comparable context in the Internal Revenue
 26 Code and other statutes of the United States relating to federal
 27 income taxes, as such code and statutes are in effect on January
 28 1, 2012 ~~2011~~. However, if subsection (3) is implemented, the

Page 1 of 2

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

hb7089-00

HB 7089

2012

29 meaning of any term shall be taken at the time the term is
 30 applied under this code.

31 Section 2. This act shall take effect upon becoming a law
 32 and shall operate retroactively to January 1, 2012.

Page 2 of 2

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

hb7089-00

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: SB 770

INTRODUCER: Senator Hays

SUBJECT: Exemptions from Local Business Tax

DATE: February 23, 2012 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Anderson	Yeatman	CA	Favorable
2.	Fournier	Diez-Arguelles	BFT	Pre-meeting
3.			BC	
4.				
5.				
6.				

I. Summary:

This bill specifies that an individual licensed and operating as a broker associate or sales associate is not required to apply for an exemption from a local business tax or take certain actions relating to a local business tax. The bill prohibits a local governing authority from holding such exempt individual liable for the failure of a principal or employer to comply with certain obligations related to a local business tax. The bill also prohibits a local governing authority from requiring a principal or employer to provide personal or contact information for such exempt individuals in order to obtain a local business tax receipt.

This bill creates s. 205.067, F.S., and substantially amends s. 205.066, F.S.

II. Present Situation:

Local Business Tax

The local business tax, authorized in ch. 205, F.S., is the method by which a local government authority grants the privilege of engaging in or managing any business, profession, or occupation within its jurisdiction. Counties and municipalities may levy a business tax, and the tax proceeds are considered general revenue for the local government.¹ This tax does not refer to any regulatory fees or licenses paid to any board, commission, or officer for permits, registration, examination, or inspection.²

¹ Sections 205.033 and 205.042, F.S.

² Section 205.022(5), F.S.

Prior to 1972, the state imposed an occupational license tax and shared the revenues with the counties. Municipalities levied their own occupational license taxes pursuant to local ordinance or resolution. Counties had no authority to levy an occupational license tax until October 1, 1972, when Ch. 72-306, Laws of Florida, repealed the state tax and authorized both counties and cities to impose an occupational tax at the state or city rate then in effect. In 1980, the Legislature authorized counties and municipalities to increase rates by a specified percentage based upon the rates then in effect.³ In 1986, the legislature authorized Miami-Dade, Broward, Monroe and Collier counties to increase their rates by an additional 50 percent, with the proceeds being dedicated to specified economic development activities.⁴

Effective January 1, 2007, the legislature changed the name of the Local Occupational License Tax to the Local Business Tax.⁵ This was done in response to some individuals representing that the fact that they had obtained an “occupational license” under ch. 205, F.S., conferred upon them some type of official proof of their competency to perform various repairs and services. The name change was intended to clarify that the payments made under Ch. 205, F.S., were taxes and not some type of regulatory fee.

Administrative Procedures

In order to levy a business tax, the governing body must first give at least 14 days of public notice between the first and last reading of the resolution or ordinance by publishing a notice in a newspaper of general circulation within its jurisdiction as defined by law.⁶ The public notice must contain the proposed classifications and rates applicable to the business tax.⁷ A number of other conditions for levy are imposed on counties and municipalities.⁸

For purposes of Ch. 205, F.S., the terms “business,” “profession,” and “occupation” do not include the customary religious, charitable, or educational activities of nonprofit religious, nonprofit charitable, and nonprofit educational institutions in the state.⁹ These institutions are more particularly defined and limited in statute.¹⁰ The term “receipt” means the document that is issued by the local governing authority which bears the words “Local Business Tax Receipt” and evidences that the person in whose name the document is issued has complied with the provisions of Ch. 205, F.S., relating to the business tax.¹¹

The governing body of a municipality that levies the tax may request that the county in which the municipality is located issue the municipal receipt and collect the tax.¹² The governing body of a county that levies the tax may request that municipalities within the county issue the county receipt and collect the tax.¹³ However, before any local government issues any business receipts on behalf of another local government, appropriate agreements must be entered into by the

³ Chapter 80-274, L.O.F.

⁴ Chapter 86-298, L.O.F.

⁵ Chapter 2006-152, L.O.F.

⁶ Sections 205.033 and 205.042, F.S.

⁷ Id.

⁸ Sections 205.033 and 205.043, F.S.

⁹ Section 205.022(1), F.S.

¹⁰ Id.

¹¹ Section 205.022(2), F.S.

¹² Section 205.045, F.S.

¹³ Id.

affected local governments.¹⁴ All business tax receipts are sold by the appropriate tax collector beginning July 1 of each year.¹⁵ The taxes are due and payable on or before September 30 of each year, and the receipts expire on September 30 of the succeeding year.¹⁶ In several situations, administrative penalties are also imposed.¹⁷

New Tax Levies

A county or municipality that has not yet adopted a business tax ordinance or resolution may adopt a business tax ordinance pursuant to s. 205.0315, F.S. The tax rate structure and classifications in the adopted ordinance must be reasonable and based upon the rate structure and classifications prescribed in ordinances adopted by adjacent local governments that have implemented a local business tax.¹⁸ If no adjacent local government has implemented a local business tax, or if the governing body of the county or municipality finds that the rate structures or classifications of adjacent local governments are unreasonable, then an alternative method is authorized. In such a case, the rate structure or classifications prescribed in the ordinance of the local government seeking to impose the tax may be based upon those prescribed in ordinances adopted by local governments that have implemented a local business tax, in counties or municipalities that have a comparable population.¹⁹

Tax Base/Rate Restructuring

Currently, counties and municipalities with an existing local business tax may not reclassify businesses, professions, and occupations.²⁰ However, those counties and municipalities that underwent a reclassification and rate structure revision pursuant to s. 205.0535, F.S., prior to October 1, 1995, or during a window of time available from July 1, 2007, through October 1, 2008, for certain municipalities may, every other year, increase or decrease by ordinance the rates of business taxes by up to 5 percent.²¹ However, an increase may not be enacted by less than a majority plus one vote of the governing body.²² A county or municipality is not prohibited from decreasing or repealing any authorized local business tax.²³

Exemptions

Ch. 205, F.S., provides several exemptions and exclusions from local business taxes. Customary religious, charitable, or educational activities of nonprofit religious, nonprofit charitable, and nonprofit educational institutions are excluded from the definition of “business,” “profession,” and “occupation” and are thereby excluded from paying local business taxes.²⁴ There is an optional partial exemption for businesses located in enterprise zones.²⁵ The delivery and transportation of tangible personal property by a business that is otherwise required to pay a local business tax may not be charged a separate local business tax for such delivery or transportation

¹⁴ Id.

¹⁵ Section 205.053, F.S.

¹⁶ Id.

¹⁷ Id.

¹⁸ Section 205.0315, F.S.

¹⁹ Id.

²⁰ Section 205.0535, F.S.

²¹ Section 205.0535(4), F.S.

²² Id.

²³ Id.

²⁴ Section 205.022(1), F.S.

²⁵ Section 205.054, F.S.

service.²⁶ There are also exemptions for persons engaged in specified farming activities,²⁷ certain nonresident persons regulated by the Department of Professional Regulation,²⁸ certain employees of businesses that are required to pay a local business tax,²⁹ certain disabled persons, the aged, and widows with minor dependents,³⁰ disabled veterans of any war or their unremarried spouses,³¹ and certain mobile home setup operations.³² Charitable, religious, fraternal, youth, civic, service, or other similar organization that make occasional sales or engage in fundraising projects that are performed exclusively by the members where the proceeds derived from the activities are used exclusively in the charitable, religious, fraternal, youth, civic and service activities of the organization are also exempt.³³

Exemptions for employees

In 2011 the Florida Legislature passed HB 311, chapter 2011-78, Laws of Florida. This bill created an exemption from local business taxes for an individual who engages in or manages a business, profession, or occupation as an employee of another person. The bill provided that the exempt employee is not required to pay a local business tax, obtain a local business tax receipt, or apply for an exemption from a local business tax.

Under current law, an individual licensed and operating as a broker associate or sales associate under ch. 475 is an employee. An individual acting in the capacity of an independent contractor is not an employee.³⁴

Regulatory Provisions

Section 205.194, F.S., provides that any person applying for or renewing a local business tax receipt to practice any profession or engage in or manage any business or occupation regulated by the Department of Business and Professional Regulation, the Florida Supreme Court, or any other state regulatory agency, including any board or commission thereof, must exhibit an active state certificate, registration, or license, or proof of copy of the same, before such local receipt may be issued.

Sections 205.196, 205.1965, 205.1967, 205.1969, 205.1971, 205.1973 and 205.1975, F.S., provide similar requirements for production of evidence of appropriate licensure prior to issuance of a business tax receipt for pharmacies and pharmacists, assisted living facilities, pest control, health studios, sellers of travel and telemarketing businesses, respectively.

Distribution of Revenues

The revenues derived from the business tax imposed by county governments, exclusive of the costs of collection and any credit given for municipal business taxes, are apportioned between the county's unincorporated area and the incorporated municipalities located within the county

²⁶ Section 205.063, F.S.

²⁷ Section 205.064, F.S.

²⁸ Section 205.065, F.S.

²⁹ Section 205.066, F.S.

³⁰ Section 205.162, F.S.

³¹ Section 205.171, F.S.

³² Section 205.193, F.S.

³³ Section 205.192, F.S.

³⁴ Section 205.066, F.S.

by a ratio derived by dividing their respective populations by the county's total population.³⁵ Within 15 days following the month of receipt, the apportioned revenues are sent to each governing authority; however, this provision does not apply to counties that have established a new rate structure pursuant to s. 205.0535, F.S.³⁶

Authorized Uses of Revenues

The tax proceeds are considered general revenue for the county or municipality. Additionally, the county business tax proceeds may be used for overseeing and implementing a comprehensive economic development strategy through advertising, promotional activities and other sales and marketing techniques.³⁷ The proceeds of the additional county business tax imposed pursuant to s. 205.033(6), F.S., shall be distributed by the county's governing body to a designated organization or agency for the purpose of implementing a comprehensive economic development strategy through advertising, promotional activities, and other sales and marketing techniques.³⁸

Total Revenues Collected

According to a report published by the Office of Economic and Demographic Research (EDR), in fiscal year 2008-09 counties collected a total of \$32 million of local business tax revenue. In that same fiscal year, municipalities collected a total of \$120 million of local business tax revenue.³⁹

Real Estate Sales and Broker Associates

Chapter 475, F.S., provides for the licensure of real estate brokers and sales associates. Section 475.01, F.S., defines "broker associate" as a person who is qualified to be issued a license as a broker but who operates as a sales associate in the employ of another. "Sales associate" means a person who performs any act specified in the definition of "broker," but who performs such act under the direction, control, or management of another person.

III. Effect of Proposed Changes:

Section 1 creates s. 205.067, F.S., which exempts any individual who is licensed and operating as a real estate broker associate or sales associate under ch. 475, F.S., from having to pay a local business tax or obtain a local business tax receipt. He or she is not required to apply for this exemption.

No local governing authority may hold the individual sales associate or broker associate liable for the failure of his employer to pay local business tax, obtain a local business tax receipt, or apply for an exemption from the local business tax. An employer who is required to obtain a local business tax receipt may not be required by a local governing authority to provide contact information to that authority for his or her sales associates and broker associates.

³⁵ Section 205.033(4), F.S.

³⁶ Section 205.033(5), F.S.

³⁷ Section 205.033(7), F.S.

³⁸ Section 205.033(6)(b), F.S.

³⁹ Office of Economic and Demographic Research, 2012 Economic Development Financial Reference Manual (January 11, 2012) available at:

<http://edr.state.fl.us/Content/presentations/local-government/2012economicdevelopmentfinancialreferencemanual.pdf>.

Section 2 amends s. 205.066, F.S., striking a portion of the employee exemption that the bill makes redundant.

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

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The county/municipality mandates provision of Art. VII, section 18 of the Florida Constitution, may apply because this bill eliminates the local businesses taxes authorized under Ch. 205, F.S. This bill does not appear to qualify under any exemption or exception. If the bill is determined to be a mandate, final passage must be approved by two-thirds of the membership of each house of the Legislature.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

This bill narrows the tax base for the local business tax.

B. Private Sector Impact:

Real estate sales and broker associates who are in a local governing authority that adopted a local business tax imposed upon employees prior to October 13, 2010, will no longer have to pay that tax.

C. Government Sector Impact:

The Revenue Estimating Conference estimates that this bill will have a negative recurring impact to local governments of \$3.8 million beginning in FY 2012-13. There is no state 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.)

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.



826528

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
02/28/2012	.	
	.	
	.	
	.	

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

Senate Amendment (with title amendment)

Between lines 54 and 55
insert:

Section 3. Notwithstanding the revisions made to chapter 205, Florida Statutes, by this act, a county or municipality that imposes a local business tax as of March 9, 2012, pursuant to chapter 205, Florida Statutes, may continue to levy such tax in the same manner and with the same rates and classifications as are in effect on March 9, 2012, to the extent necessary to meet all obligations to, or for the benefit of, holders of bonds or certificates that were issued before March 9, 2012, and for



826528

13 which taxes levied pursuant to chapter 205, Florida Statutes,
14 are expressly identified and pledged as security, separate from
15 any other pledge of non-ad valorem revenues. Expenditures of
16 revenues from tax levies continued pursuant to this section are
17 limited to meeting obligations required by bonds or certificates
18 that were issued before March 9, 2012. Revenues collected in
19 excess of amounts necessary to meet obligations of bonds or
20 certificates must be refunded to taxpayers in proportion to the
21 amount of taxes paid by each taxpayer. A county or municipality
22 may not pledge revenues derived from local business taxes
23 imposed under chapter 205, Florida Statutes, as security for
24 bonds or certificates issued on or after March 9, 2012.

25
26 ===== T I T L E A M E N D M E N T =====

27 And the title is amended as follows:

28 Delete line 18

29 and insert:

30 conforming provisions; authorizing a county or
31 municipality to continue, under certain circumstances,
32 to levy taxes repealed under the act in order to meet
33 all obligations to holders of bonds or certificates;
34 providing an effective date.



709714

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/28/2012	.	
	.	
	.	
	.	

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

Senate Amendment

Delete line 55
and insert:
Section 3. This act shall take effect October 1, 2012.

By Senator Hays

20-00665-12

2012770__

1 A bill to be entitled
 2 An act relating to exemptions from local business
 3 taxes; creating s. 205.067, F.S.; specifying that an
 4 individual licensed and operating as a broker
 5 associate or sales associate is not required to apply
 6 for an exemption from a local business tax or take
 7 certain actions relating to a local business tax;
 8 prohibiting a local governing authority from holding
 9 such exempt individual liable for the failure of a
 10 principal or employer to comply with certain
 11 obligations related to a local business tax or from
 12 requiring the exempt individual to take certain
 13 actions related to a local business tax; prohibiting a
 14 local governing authority from requiring a principal
 15 or employer to provide personal or contact information
 16 for such exempt individuals in order to obtain a local
 17 business tax receipt; amending s. 205.066, F.S.;
 18 conforming provisions; providing an effective date.

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

21
 22 Section 1. Section 205.067, Florida Statutes, is created to
 23 read:

24 205.067 Exemptions; broker associates and sales
 25 associates.—

26 (1) An individual licensed and operating as a broker
 27 associate or sales associate under chapter 475 is not required
 28 to apply for an exemption from a local business tax, pay a local
 29 business tax, or obtain a local business tax receipt.

Page 1 of 2

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

20-00665-12

2012770__

30 (2) An individual exempt under this section may not be held
 31 liable by any local governing authority for the failure of a
 32 principal or employer to apply for an exemption from a local
 33 business tax, pay a local business tax, or obtain a local
 34 business tax receipt. An individual exempt under this section
 35 may not be required by any local governing authority to apply
 36 for an exemption from a local business tax, otherwise prove his
 37 or her exempt status, or pay any tax or fee related to a local
 38 business tax.

39 (3) A principal or employer who is required to obtain a
 40 local business tax receipt may not be required by a local
 41 governing authority to provide personal or contact information
 42 for individuals exempt under this section in order to obtain a
 43 local business tax receipt.

44 Section 2. Subsection (1) of section 205.066, Florida
 45 Statutes, is amended to read:

46 205.066 Exemptions; employees.—

47 (1) An individual who engages in or manages a business,
 48 profession, or occupation as an employee of another person is
 49 not required to apply for an exemption from a local business
 50 tax, pay a local business tax, or obtain a local business tax
 51 receipt. ~~For purposes of this section, an individual licensed~~
 52 ~~and operating as a broker associate or sales associate under~~
 53 ~~chapter 475 is an employee.~~ An individual acting in the capacity
 54 of an independent contractor is not an employee.

55 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)

2/28/12
Meeting Date

Topic Local Business Taxes

Bill Number 770
(if applicable)

Name Trey Rice

Amendment Barcode _____
(if applicable)

Job Title Public Policy Representative

Address 200 S. Monroe St.

Phone (258) 224-1400

Tallahassee FL 32301
City State Zip

E-mail TreyR@floridarealtors.org

Speaking: For Against Information

Representing Florida Realtors

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/28/12
Meeting Date

Topic _____

Bill Number 770
(if applicable)

Name Frank Meiners

Amendment Barcode _____
(if applicable)

Job Title _____

Address PO Box 1633

Phone _____

Tall FL 32309
City State Zip

E-mail _____

Speaking: For Against Information

Representing Associated Industries of FL (AIF)

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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)

2-28-2012
Meeting Date

Topic LBT

Bill Number 770
(if applicable)

Name Amber Hughes

Amendment Barcode _____
(if applicable)

Job Title Legislative Advocate

Address Po Box 1757

Phone 701-3621

Street

Tall
City

FL
State

32301
Zip

E-mail ahughes@flcities.com

Speaking: For Against Information

Representing Florida League of Cities

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

The Florida Senate
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 980

INTRODUCER: Education Pre-K – 12 Committee and Senator Margolis

SUBJECT: Discretionary Sales Surtaxes

DATE: February 28, 2012 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Abrams	deMarsh-Mathues	ED	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="" 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:

The bill amends s. 212.055(6), F.S., expanding the allowable use of the School Capital Outlay Surtax (SCOS) revenues. The bill also specifies that the expanded list of expenditures is not applicable to school districts currently levying the surtax, unless the district obtains approval of the voters by referendum to expand the uses of the SCOS proceeds. Additionally, if the SCOS is implemented for the expanded allowable uses, the bill requires a decrease in the current discretionary capital outlay property tax levy.

This bill substantially amends s. 212.055 of the Florida Statutes and creates an undesignated section of law.

II. Present Situation:

The School Capital Outlay Surtax (SCOS), more commonly known as the school half-cent sales tax, is a sales tax that may be levied by a school board via a resolution that is adopted by a

favorable vote of the electorate through a local referendum.¹ The SCOS may not exceed 0.5 percent.²

The resolution setting forth the SCOS must include a general description of the projects the tax proceeds will benefit.³ The proceeds may only be used for fixed capital expenditures or fixed capital costs associated with the construction, reconstruction, or improvement of school facilities and campuses that have a useful life expectancy of five or more years, and any land acquisition, land improvement, design, and engineering costs associated with such facilities and campuses.⁴ Additionally, the plan for the projects must include the costs of retrofitting and providing for technology implementation, including hardware and software, for the various sites within the school district.⁵ SCOS revenues may be used for the purpose of servicing bond indebtedness to finance authorized projects, and any accrued interest may be held in trust to finance such projects. However, the SCOS proceeds, including any accrued interest, cannot be used for operational expenses.⁶

Currently, the voters in 14 school districts have adopted school half-cent sales taxes that will generate an estimated \$346.5 million during the county fiscal year ending September 30, 2012.⁷ The following chart provides the estimated revenue from the school districts that have imposed the SCOS.⁸

School District	Effective Date	Tax Rate (percent)	Estimated Revenue
Bay	Jan. 1, 2011 to Dec. 31, 2020	.5	\$14,443,479
Calhoun	Jan. 1, 2009 to Dec. 31, 2018	.5	\$373,918
Escambia	Jan. 1, 2003 to Dec. 31, 2017	.5	\$19,783,694
Flagler	Jan. 1, 2003 to Dec. 31, 2012	.5	\$4,073,054
Hernando	Jan. 1, 2005 to Dec. 31, 2014	.5	\$7,897,587
Jackson	Jul. 1, 2006 to Dec. 31, 2015	.5	\$2,007,881
Leon	Jan. 1, 2003 to Dec. 31, 2012	.5	\$17,401,087
Manatee	Jan. 1, 2003 to Dec. 31, 2017	.5	\$22,023,612
Monroe	Jan. 1, 2006 to Dec. 31, 2015	.5	\$12,648,470
Orange	Jan. 1, 2003 to Dec. 31, 2015	.5	\$166,828,401
Polk	Jan. 1, 2004 to Dec. 31, 2018	.5	\$30,216,281
St. Lucie	Jan. 1, 2006 to Dec. 31, 2026	.5	\$12,476,274
Santa Rosa	Oct. 1, 1998 to Dec. 31, 2018	.5	\$6,251,530
Volusia	Jan. 1, 2002 to Dec. 16, 2016	.5	\$30,040,095
TOTAL			\$346,465,361

According to the Florida Department of Education (DOE), a school district may also receive a portion of the local government infrastructure surtax, based upon an interlocal agreement

¹ s. 212.055(6)(a), F.S.

² *Id.*

³ s. 212.055(6)(c), F.S.

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

⁷ *Local Government Financial Information Handbook*, see <http://edr.state.fl.us/Content/local-government/reports/lghih11.pdf>. (October, 2011).

⁸ see *Id.* at 149 and 164-65.

between the county and the district school board.⁹ A county governing authority may levy either 0.5 percent or one-percent local government surtax.¹⁰ The DOE determined that 19 out of the 67 district school boards either imposed the voter approved SCOS or shared the local government infrastructure tax, totaling \$433,620,201 for capital improvements during the 2010-2011 fiscal year.¹¹ Further, the DOE estimates collections for capital outlay purposes for fiscal year 2011-2012 to total \$389,957,490.¹²

III. Effect of Proposed Changes:

The bill expands the potential uses of the School Capital Outlay Surtax (SCOS) proceeds by providing that the following additional uses are acceptable expenditures:

- New construction and modeling projects¹³ that are included in the district's educational plant survey;¹⁴
- Maintenance, renovation, and repair of existing school plants or of leased facilities to correct deficiencies;¹⁵
- Maintaining, securing, or upgrading technology equipment for schools;
- The purchase, lease-purchase, or lease of school buses;¹⁶
- The purchase, lease-purchase, or lease of new and replacement equipment;¹⁷
- Payments for educational facilities¹⁸ and sites due under a lease-purchase agreement not exceeding in the aggregate an amount equal to three-fourths of the proceeds from the millage levied by a district pursuant to s. 1011.71(2), F.S.¹⁹
- Payment of loans that are renewed annually with the consent of the lender and are for a period not to exceed four years with the purposes of:
 - Purchasing school buses, land, and equipment for educational purposes;

⁹ Florida Department of Education, 2012 Agency Bill Analysis of SB 980 (January 20, 2012). On file with the Senate Committee on Education Pre-K – 12.

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ This includes projects that survey or surveys deem as needed under the rules of the State Board of Education pursuant to s. 1013.64(3)(b), F.S. and new construction of educational plant space pursuant to s. 1013.64(6)(b), F.S.

¹⁴ s. 1011.71(2)(a), F.S.; The requirements for educational plant surveys are specified in s. 1013.31, F.S.

¹⁵ s. 1011.71(2)(b), F.S.

¹⁶ s. 1011.71(2)(c), F.S.

¹⁷ s. 1011.71(2)(d), F.S. This includes computer hardware, as well as operating systems and software meeting certain criteria.

¹⁸ Section 1013.01(6), F.S. defines education facilities as the buildings and equipment, structures, and special educational use areas that are built, installed, or established to serve primarily the educational purposes and secondarily the social and recreational purposes of the community and which may lawfully be used as authorized by law and approved by boards.

¹⁹ s. 1011.71(2)(e), F.S.

- Addressing an emergency condition in an existing school plant that demands immediate correction in order to prevent further damage to the building or equipment; or
- Eliminating a safety hazard that constitutes an immediate danger to the students and other occupants.²⁰
- Payment of costs directly related to complying with state and federal environmental statutes, rules, and regulations governing school facilities;²¹
- Rental or lease of existing buildings or for conversion of these buildings for use as educational facilities;²²
- Payment of the cost of school buses when a school district contracts with a private entity to provide student transportation services;²³ and
- The costs of opening day collection for the library media center of a new school;²⁴

When using SCOS revenues for the additional purposes described in this bill, school boards must covenant to decrease the capital local school property tax²⁵ and maintain that tax at the reduced millage as long as the SCOS is in effect. However, the bill does not specify the amount of this property tax reduction.

The bill limits these additional uses of SCOS revenues to school districts that levy the surtax after July 1, 2012, unless the additional uses are approved by a majority vote of the electorate through a local referendum.

The bill 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.

²⁰ ss. 1011.71(2)(f), 1011.14, and 1011.15, F.S.

²¹ s. 1011.71(2)(g), F.S.

²² s. 1011.71(2)(h), F.S.

²³ s. 1011.71(2)(i), F.S.

²⁴ s. 1011.71(2)(j), F.S.

²⁵ s. 1011.71(2), F.S.

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

The bill expands the potential uses of the School Capital Outlay Surtax (SCOS) proceeds by adding new categories for expending these revenues. Thus, school districts will have greater flexibility in spending SCOS proceeds.

B. Private Sector Impact:**C. School boards will be required to decrease property taxes if they use SCOS revenues for the additional uses authorized in the bill, potentially reducing the tax burden on homeowners. Government Sector Impact:**

According to the DOE, the bill necessitates updating the *Capital Outlay Manual* prepared by the Office of Educational Facilities to reflect the revisions.²⁶ Also, the bill requires minor revisions to the *5-year District facilities Work Plan User Manual* and 5-year district facilities work plan report form generated by the Educational Facilities Information Systems (EFIS).²⁷ However, the update and EFIS revisions can be handled as workload management issues using existing resources.²⁸

The DOE notes that this bill may help provide flexibility in the use of available revenues to meet capital outlay needs of the school districts.²⁹

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 Education Pre-K - 12 Committee on February 14, 2012:**

The committee substitute limits the additional uses of the SCOS to those specifically listed in the bill and s. 1011.71(2), F.S. The committee substitute also requires school boards using the SCOS revenues for the newly allowable purposes to covenant to reduce property taxes.

²⁶ *Id.*

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.*

B. Amendments:

None.

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

By the Committee on Education Pre-K - 12; and Senator Margolis

581-03377-12 2012980c1

1 A bill to be entitled
 2 An act relating to discretionary sales surtaxes;
 3 amending s. 212.055, F.S.; expanding the purposes for
 4 which revenues from the school capital outlay surtax
 5 may be used; making the use of surtax revenues for
 6 specified additional purposes contingent upon certain
 7 school board actions relating to the reduction of
 8 certain property taxes during the time the surtax is
 9 in effect; requiring approval of the electors in order
 10 to use surtax revenues for the additional purposes
 11 authorized by the act; providing an effective date.
 12
 13 Be It Enacted by the Legislature of the State of Florida:
 14
 15 Section 1. Subsection (6) of section 212.055, Florida
 16 Statutes, is amended to read:
 17 212.055 Discretionary sales surtaxes; legislative intent;
 18 authorization and use of proceeds.—It is the legislative intent
 19 that any authorization for imposition of a discretionary sales
 20 surtax shall be published in the Florida Statutes as a
 21 subsection of this section, irrespective of the duration of the
 22 levy. Each enactment shall specify the types of counties
 23 authorized to levy; the rate or rates which may be imposed; the
 24 maximum length of time the surtax may be imposed, if any; the
 25 procedure which must be followed to secure voter approval, if
 26 required; the purpose for which the proceeds may be expended;
 27 and such other requirements as the Legislature may provide.
 28 Taxable transactions and administrative procedures shall be as
 29 provided in s. 212.054.

581-03377-12 2012980c1

30 (6) SCHOOL CAPITAL OUTLAY SURTAX.—
 31 (a) The school board in each county may levy, pursuant to
 32 resolution conditioned to take effect only upon approval by a
 33 majority vote of the electors of the county voting in a
 34 referendum, a discretionary sales surtax at a rate that may not
 35 exceed 0.5 percent.
 36 (b) The resolution shall include a statement that provides
 37 a brief and general description of the new or existing school
 38 capital outlay projects to be funded by the surtax. The
 39 statement shall conform to the requirements of s. 101.161 and
 40 shall be placed on the ballot by the governing body of the
 41 county. The following question shall be placed on the ballot:
 42
 43 ...FOR THE ...CENTS TAX
 44
 45 ...AGAINST THE ...CENTS TAX
 46
 47 (c) The resolution providing for the imposition of the
 48 surtax shall set forth a plan for use of the surtax proceeds for
 49 fixed capital expenditures or fixed capital costs associated
 50 with the construction, reconstruction, or improvement of school
 51 facilities and campuses which have a useful life expectancy of 5
 52 or more years, and any land acquisition, land improvement,
 53 design, and engineering costs related thereto. Additionally, the
 54 plan shall include the costs of retrofitting and providing for
 55 technology implementation, including hardware and software, for
 56 the various sites within the school district. Surtax revenues
 may be used for the purpose of servicing bond indebtedness to
 finance projects authorized by this subsection, and any interest

581-03377-12

2012980c1

57 accrued thereto may be held in trust to finance such projects.
58 Neither the proceeds of the surtax nor any interest accrued
59 thereto shall be used for operational expenses.

60 (d) The resolution may also set forth a plan for using the
61 proceeds of the surtax to fund the expenses authorized under s.
62 1011.71(2). The plan may provide that the proceeds of the
63 surtax, including interest accrued on the revenues of the
64 surtax, shall be used for the expenses of maintaining,
65 renovating, or repairing existing school facilities or for
66 maintaining, securing, or upgrading capital technology equipment
67 and infrastructure for schools. However, in order to use the
68 surtax revenues for the purposes specified in this paragraph, a
69 school board shall covenant to decrease the capital local school
70 property tax levied pursuant to s. 1011.71(2) and to maintain
71 that tax at the reduced millage for as long as the surtax is in
72 effect.

73 (e) ~~(d)~~ Surtax revenues collected by the Department of
74 Revenue pursuant to this subsection shall be distributed to the
75 school board imposing the surtax in accordance with law.

76 Section 2. A school district that levies the surtax under
77 s. 212.055(6), Florida Statutes, before July 1, 2012, may not
78 use the surtax revenues for the additional purposes authorized
79 in this act unless the plan for such use is approved by a
80 majority vote of the electors of the county voting in a
81 referendum.

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

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/28/12
Meeting Date

Topic _____

Bill Number SB980
(if applicable)

Name Traida Mendez Cartaya

Amendment Barcode _____
(if applicable)

Job Title Assist Superintendent

Address 1450 NE 219 Ave

Phone 305 995-1497

Miami FL 33132
City State Zip

E-mail imendez@dadeschools.org

Speaking: For Against Information

Representing Miami-Dade County Public Schools

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

The Florida Senate
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/SJR 1056

INTRODUCER: Military Affairs, Space, and Domestic Security Committee and Senator Norman

SUBJECT: Homestead Property Tax Exemption for Surviving Spouse of Military Veteran or First Responder

DATE: February 28, 2012 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Fleming</u>	<u>Carter</u>	<u>MS</u>	Fav/CS
2.	<u>Toman</u>	<u>Yeatman</u>	<u>CA</u>	Favorable
3.	<u>White</u>	<u>Cibula</u>	<u>JU</u>	Favorable
4.	<u>Babin</u>	<u>Diez-Arguelles</u>	<u>BFT</u>	Favorable
5.	_____	_____	<u>BC</u>	_____
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:

The joint resolution proposes an amendment to Article VII, section 6 of the Florida Constitution, which would allow the Legislature to provide ad valorem tax relief to surviving spouses of veterans and first responders who died from causes connected to their service, either while on active duty as a member of the United States Armed Forces, or while performing the duties of a first responder. The amount of tax relief contemplated by this joint resolution, to be defined by general law, may equal up to the total amount of the ad valorem tax owed on homestead property. The joint resolution also proposes an amendment to create section 32 of Article XII of the Florida Constitution, providing an effective date of January 1, 2013.

For the proposed amendment to be placed on the ballot at the 2012 General Election, the Legislature must approve the joint resolution by a three-fifths vote of the membership of each house of the Legislature.

The joint resolution proposes an amendment to section 6, Article VII of the Florida Constitution.

The joint resolution proposes the creation of section 32, Article XII of the Florida Constitution.

II. Present Situation:

Property Valuation in Florida

Median home values in Florida climbed from \$23,100 in 1940 to \$105,500 in 2000,¹ but more recently sales prices have been stagnant across the state, with median sales prices for existing homes dropping 3 percent in 2011.² Some economists, however, predict renewed increases in home prices “in the Miami and Naples markets” throughout 2012 and the beginning of 2013, with a “recovery [that] is likely to roll northward to Central Florida and then North Florida.”³

Although Florida homeowners may face the “frustrating paradox[]” of falling real estate markets combined with rising property taxes,⁴ Florida law provides a number of options to reduce property tax liability. Article VII, section 2 of the Florida Constitution, provides for uniform ad valorem taxation, stating that “all ad valorem taxation shall be at a uniform rate within each taxing unit.”⁵ The property tax burden for an owner of any particular piece of real estate will depend on the property’s just value, its assessed value, and whether the property benefits from any tax exemptions or assessment limitations.

Just Value

Article VII, section 4, of the Florida Constitution, requires that all property be assessed at just value for ad valorem tax purposes. Just value has been interpreted by the courts to mean fair market value, or what a willing buyer would pay a willing seller for the property in an arms-length transaction.⁶

Assessed Value

The Florida Constitution authorizes certain alternatives to the just valuation standard for specific types of property.⁷ Agricultural land, land producing high water recharge to Florida’s aquifers, and land used exclusively for noncommercial recreational purposes may be assessed solely on the basis of their character or use.⁸ Land used for conservation purposes must be assessed solely

¹ U.S. Census Bureau, *Housing and Household Economic Statistics Division, Historical Census of Housing Tables: Home Values* (Last Revised Oct. 31, 2011), available at <http://www.census.gov/hhes/www/housing/census/historic/values.html> (last visited Feb. 2, 2012).

² In 2011, the median sales price for existing homes was \$131,700, down from \$135,900 in 2010. Florida Realtors, *Florida’s housing sales activity higher as 2011 ends* (Jan. 20, 2012), <http://www.floridarealtors.org/NewsAndEvents/article.cfm?id=270287> (last visited Feb. 2, 2012).

³ Florida Realtors, *Leading U. S. economists: Fla.’s housing market bouncing back* (Dec. 7, 2011), <http://www.floridarealtors.org/NewsAndEvents/article.cfm?id=268417> (last visited Feb. 2, 2012) (quoting Dr. Lawrence Yun, chief economist for the National Association of Realtors®).

⁴ See Tim Padgett, TIME, *Florida’s Property Taxes Go Wacky in Housing Slump* (June 29, 2009), available at <http://www.time.com/time/business/article/0,8599,1907198,00.html> (last visited Feb. 2, 2012) (quoting Kurt Wenner, research director at Florida Tax Watch in Tallahassee).

⁵ FLA. CONST. art. VII, s. 2.

⁶ See *Walter v. Shuler*, 176 So. 2d 81 (Fla. 1965); *Deltona Corp. v. Bailey*, 336 So. 2d 1163 (Fla. 1976); *Southern Bell Tel. & Tel. Co. v. Dade County*, 275 So. 2d 4 (Fla. 1973).

⁷ The constitutional provisions in section 4, Art. VII, of the Florida Constitution, are implemented in Part II of ch. 193, F.S.

⁸ FLA. CONST. art. VII, s. 4(a).

on the basis of character or use.⁹ Counties and municipalities may authorize historic properties to be assessed solely on the basis of character or use.¹⁰ Counties may also provide a reduction in the assessed value of property improvements on existing homesteads made to accommodate parents or grandparents that are 62 years of age or older.¹¹ The Legislature is authorized to prohibit the consideration of improvements to residential real property for purposes of improving the property's wind resistance or the installation of renewable energy source devices in the assessment of the property.¹² Certain working waterfront property is assessed based upon the property's current use.¹³

Taxable Value

The taxable value of real and tangible personal property is the assessed value minus any exemptions provided by the Florida Constitution or by Florida Statutes. Such exemptions include, but are not limited to, homestead exemptions and exemptions for property used for educational, religious, or charitable purposes.¹⁴

Assessment Limitations

Save Our Homes

The *Save Our Homes* assessment limitation was amended into the Florida Constitution in 1992. Article VII, section 4(d) of the Florida Constitution, limits the amount that a homestead's assessed value can increase annually to the lesser of 3 percent or the percentage increase in the Consumer Price Index (CPI).¹⁵ In addition, an assessment may not exceed just value.

In 2008, Florida voters approved an additional amendment to Article VII, section 4(d) of the Florida Constitution, to provide for the portability of the accrued benefit under the *Save Our Homes* assessment limitation. This amendment allows homestead property owners who relocate to a new homestead to transfer up to \$500,000 of the accrued benefit to the new homestead.

Property Tax Exemptions for Homesteads

The Legislature may only grant property tax exemptions that are authorized in the Florida Constitution, and any modifications to existing property tax exemptions must be consistent with the constitutional provision authorizing the exemption.¹⁶

⁹ Art. VII, section 4(b) of the Florida Constitution.

¹⁰ FLA. CONST. art. VII, s. 4(e).

¹¹ FLA. CONST. art. VII, s. 4(f).

¹² FLA. CONST. art. VII, s. 4(i).

¹³ FLA. CONST. art. VII, s. 4(j).

¹⁴ FLA. CONST. art. VII, ss. 3 and 6.

¹⁵ FLA. CONST. art. VII, s. 4(d).

¹⁶ *Sebring Airport Auth. v. McIntyre*, 783 So. 2d 238, 248 (Fla. 2001); *Archer v. Marshall*, 355 So. 2d 781, 784. (Fla. 1978); *Am Fi Inv. Corp. v. Kinney*, 360 So. 2d 415 (Fla. 1978); *See also Sparkman v. State*, 58 So. 2d 431, 432 (Fla. 1952).

Homestead Exemption

Article VII, section 6 of the Florida Constitution provides that every person having legal and equitable title to real estate and who maintains a permanent residence on the real estate is eligible for a \$25,000 homestead tax exemption applicable to all ad valorem tax levies including levies by school districts. An additional \$25,000 homestead exemption applies to homesteads that have an assessed value greater than \$50,000 and up to \$75,000, excluding ad valorem taxes levied by school districts.

Additional Homestead Exemption for Qualified Senior Citizens

Article VII, section 6(d) of the Florida Constitution, allows the Legislature to adopt a general law allowing counties and municipalities to grant an additional homestead exemption of up to \$50,000. This additional exemption applies to any person who has legal and equitable title to real estate who maintains a property as a permanent residence, has attained the age of 65, and has a household income, as defined by general law, which does not exceed \$20,000. In the implementing legislation for the exemption, the Legislature indexed the \$20,000 figure to inflation. Adjusted for inflation, the current senior low income exemption is around \$26,000.¹⁷

Section 196.075, F.S., is the general law enacted to allow counties and municipalities to grant the additional homestead exemption for qualified senior citizens. The county or municipality must grant this additional exemption by ordinance, which must be adopted pursuant to the procedures prescribed in chapters 125 and 166, F.S. The county or municipality must specify that the exemption applies only to taxes levied by the unit of government granting the exemption.¹⁸ For purposes of the exemption, “household income” means “the adjusted gross income, as defined in s. 62 of the United States Internal Revenue Code, of all members of a household.”¹⁹ The term “household” means “a person or group of persons living together in a room or group of rooms as a housing unit, but the term does not include persons boarding in or renting a portion of the dwelling.”²⁰ In 2010, 59 boards of county commissioners and 206 city commissions had enacted local ordinances granting the additional exemption for seniors.²¹

Exemption for Surviving Spouses of Certain Veterans

Section 196.081(4), F.S., currently provides, under specified conditions, a full exemption from ad valorem taxes on property that is owned and used as a homestead by the surviving spouse of a veteran who died from service-connected causes while on active duty as a member of the United States Armed Forces. To be eligible for the exemption the surviving spouse must provide a letter from the United States Government or United States Department of Veterans Affairs or its predecessor certifying that the veteran died from service-connected causes while on active duty.

¹⁷ Florida Department of Revenue, *SJR 838 Analysis* (Nov. 29, 2011) (on file with the Senate Judiciary Committee).

¹⁸ See s. 196.075, F.S. (Because the exemption applies only to tax millage levied by the county or city that enacts the exemption, it does not apply to millage of school districts or other taxing authorities.).

¹⁹ Section 196.075(1)(b), F.S.

²⁰ Section 196.075(1)(a), F.S.

²¹ Florida Department of Revenue, *Florida Property Tax Valuation and Income Limitation Rates*, <http://dor.myflorida.com/dor/property/resources/limitations.html> (last visited Feb. 3, 2012) (Data obtained from tax rolls submitted to the Department of Revenue for 2010).

Additionally, the veteran must have been a permanent resident of this state on January 1, of the year in which he or she died.

Ad Valorem Discount for Veterans

Article VII, section 6(e) of the Florida Constitution, provides that each veteran, who is age 65 or older and is partially or totally permanently disabled, is entitled to a discount from the amount of the ad valorem tax otherwise owed on homestead property. The disability must be combat related, the veteran must have been a resident of Florida at the time of entering the military service, and the veteran must have been honorably discharged. The discount is a percentage equal to the percentage of the veteran's permanent, service-connected disability, as determined by the United States Department of Veterans Affairs.

Ad Valorem Exemption for Deployed Military Personnel

Article VII, section 3 of the Florida Constitution, provides for other specific exemptions from property taxes. One such exemption applies to military personnel deployed on active duty outside of the United States in support of military operations designated by the Legislature.²² The applicable exemption is for a percentage of the taxable value of the homestead property that is equal to the percent of the time during the preceding calendar year the person was deployed on active duty outside of the continental United States, Alaska, or Hawaii, in support of military operations designated by the legislature.

III. Effect of Proposed Changes:

The joint resolution proposes an amendment to the Florida Constitution which would allow the Legislature to provide ad valorem tax relief to the surviving spouse of a veteran who died from service-connected causes while on active duty as a member of the United States Armed Forces and to the surviving spouse of a first responder who died in the line of duty. The amount of tax relief, to be defined by general law, may partially, or totally, exempt the ad valorem tax owed on homestead property.

The proposed amendment defines "first responder" to mean a law enforcement officer, a correctional officer, a firefighter, an emergency medical technician, or a paramedic. The proposed amendment defines "in the line of duty" to mean "arising out of and in the actual performance of duty required by employment as a first responder." The Legislature is authorized to further define these terms by general law.

The proposed amendment is effective January 1, 2013, if approved by the voters at the 2012 General Election.

²² FLA. CONST. art. VII, s. 3(g).

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

The mandate provisions in Article VII, section 18 of the Florida Constitution, do not apply to joint resolutions.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

Article XI, section 1 of the Florida Constitution, authorizes the Legislature to propose amendments to the Florida Constitution by joint resolution approved by a three-fifths vote of the membership of each house. The amendment must be placed before the electorate at the next general election held more than 90 days after the proposal has been filed with the Secretary of State or at a special election held for that purpose.

Article XI, section 5(a) of the Florida Constitution, and s. 101.161(1), F.S., require constitutional amendments submitted to the electors to be printed in clear and unambiguous language on the ballot. In determining whether a ballot title and summary are in compliance with the accuracy requirement, Florida courts utilize a two-prong test, asking “first, whether the ballot title and summary ‘fairly inform the voter of the chief purpose of the amendment,’ and second, ‘whether the language of the title and summary, as written, misleads the public.’”²³

Article XI, section 5(d) of the Florida Constitution, requires proposed amendments or constitutional revisions to be published in a newspaper of general circulation in each county where a newspaper is published. The amendment or revision must be published once in the tenth week and again in the sixth week immediately preceding the week the election is held. The Division of Elections (division) within the Department of State estimates the full publication costs for advertising the proposed amendment to be \$108,793.50.²⁴ The division estimates the cost based on the average cost per word to advertise the proposed constitutional amendment.

Article XI, section 5(e) of the Florida Constitution, requires approval by 60 percent of voters for a constitutional amendment to take effect. The amendment, if approved, becomes effective on the date specified in the amendment, which is January 1, 2013.

²³ *Roberts v. Doyle*, 43 So. 3d 654, 659 (Fla. 2010), citing *Florida Dep’t of State v. Slough*, 992 So. 2d 142, 147 (Fla. 2008).

²⁴ E-mail correspondence with Department of State staff (Jan. 27, 2012) (on file with Senate Judiciary Committee).

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

The proposed amendment, if approved by the voters and implemented by the Legislature, would provide homestead exemptions for surviving spouses of certain veterans and first responders.

B. Private Sector Impact:

If the proposed amendment is approved by the electorate and implemented by the Legislature, surviving spouses of certain veterans and first responders could receive property tax relief.

C. Government Sector Impact:

The Revenue Estimating Conference has estimated an indeterminate annual reduction in tax revenues, if voters approve this constitutional amendment and if it is implemented by the Legislature.

Article XI, section 5(d) of the State Constitution, requires proposed amendments or constitutional revisions to be published in a newspaper of general circulation in each county where a newspaper is published. The amendment or revision must be published once in the tenth week and again in the sixth week immediately preceding the week the election is held. The Division of Elections (division) within the Department of State estimates the full publication costs for advertising the proposed amendment to be \$108,793.50.²⁵ The division estimates the cost based on the average cost per word to advertise a proposed constitutional amendment.

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 Military Affairs, Space, and Domestic Security on January 26, 2012:**

The bill clarifies that the constitutional amendment proposed by the joint resolution takes effect January 1, 2013, if approved by voters.

²⁵ *Id.*

B. Amendments:

None.

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

By the Committee on Military Affairs, Space, and Domestic Security; and Senator Norman

583-02475-12

20121056c1

Senate Joint Resolution

A joint resolution proposing an amendment to Section 6 of Article VII and the creation of Section 32 of Article XII of the State Constitution to allow the Legislature by general law to provide ad valorem homestead property tax relief to the surviving spouse of a military veteran who died from service-connected causes while on active duty or a surviving spouse of a first responder who died in the line of duty, provide definitions with respect thereto, and provide an effective date.

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

That the following amendment to Section 6 of Article VII and the creation of Section 32 of Article XII of the State Constitution are agreed to and shall be submitted to the electors of this state for approval or rejection at the next general election or at an earlier special election specifically authorized by law for that purpose:

ARTICLE VII

FINANCE AND TAXATION

SECTION 6. Homestead exemptions.—

(a) Every person who has the legal or equitable title to real estate and maintains thereon the permanent residence of the owner, or another legally or naturally dependent upon the owner, shall be exempt from taxation thereon, except assessments for special benefits, up to the assessed valuation of twenty-five thousand dollars and, for all levies other than school district

Page 1 of 5

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

583-02475-12

20121056c1

levies, on the assessed valuation greater than fifty thousand dollars and up to seventy-five thousand dollars, upon establishment of right thereto in the manner prescribed by law. The real estate may be held by legal or equitable title, by the entireties, jointly, in common, as a condominium, or indirectly by stock ownership or membership representing the owner's or member's proprietary interest in a corporation owning a fee or a leasehold initially in excess of ninety-eight years. The exemption shall not apply with respect to any assessment roll until such roll is first determined to be in compliance with the provisions of section 4 by a state agency designated by general law. This exemption is repealed on the effective date of any amendment to this Article which provides for the assessment of homestead property at less than just value.

(b) Not more than one exemption shall be allowed any individual or family unit or with respect to any residential unit. No exemption shall exceed the value of the real estate assessable to the owner or, in case of ownership through stock or membership in a corporation, the value of the proportion which the interest in the corporation bears to the assessed value of the property.

(c) By general law and subject to conditions specified therein, the Legislature may provide to renters, who are permanent residents, ad valorem tax relief on all ad valorem tax levies. Such ad valorem tax relief shall be in the form and amount established by general law.

(d) The legislature may, by general law, allow counties or municipalities, for the purpose of their respective tax levies and subject to the provisions of general law, to grant an

Page 2 of 5

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

583-02475-12

20121056c1

59 additional homestead tax exemption not exceeding fifty thousand
60 dollars to any person who has the legal or equitable title to
61 real estate and maintains thereon the permanent residence of the
62 owner and who has attained age sixty-five and whose household
63 income, as defined by general law, does not exceed twenty
64 thousand dollars. The general law must allow counties and
65 municipalities to grant this additional exemption, within the
66 limits prescribed in this subsection, by ordinance adopted in
67 the manner prescribed by general law, and must provide for the
68 periodic adjustment of the income limitation prescribed in this
69 subsection for changes in the cost of living.

70 (e) Each veteran who is age 65 or older who is partially or
71 totally permanently disabled shall receive a discount from the
72 amount of the ad valorem tax otherwise owed on homestead
73 property the veteran owns and resides in if the disability was
74 combat related, the veteran was a resident of this state at the
75 time of entering the military service of the United States, and
76 the veteran was honorably discharged upon separation from
77 military service. The discount shall be in a percentage equal to
78 the percentage of the veteran's permanent, service-connected
79 disability as determined by the United States Department of
80 Veterans Affairs. To qualify for the discount granted by this
81 subsection, an applicant must submit to the county property
82 appraiser, by March 1, proof of residency at the time of
83 entering military service, an official letter from the United
84 States Department of Veterans Affairs stating the percentage of
85 the veteran's service-connected disability and such evidence
86 that reasonably identifies the disability as combat related, and
87 a copy of the veteran's honorable discharge. If the property

583-02475-12

20121056c1

88 appraiser denies the request for a discount, the appraiser must
89 notify the applicant in writing of the reasons for the denial,
90 and the veteran may reapply. The Legislature may, by general
91 law, waive the annual application requirement in subsequent
92 years. This subsection shall take effect December 7, 2006, is
93 self-executing, and does not require implementing legislation.

94 (f) (1) By general law and subject to conditions and
95 limitations specified therein, the Legislature may provide ad
96 valorem tax relief equal to the total amount or a portion of the
97 ad valorem tax otherwise owed on homestead property to the
98 surviving spouse of:

99 a. A veteran who died from service-connected causes while
100 on active duty as a member of the United States Armed Forces.

101 b. A first responder who died in the line of duty.

102 (2) As used in this subsection and as further defined by
103 general law, the term:

104 a. "First responder" means a law enforcement officer, a
105 correctional officer, a firefighter, an emergency medical
106 technician, or a paramedic.

107 b. "In the line of duty" means arising out of and in the
108 actual performance of duty required by employment as a first
109 responder.

ARTICLE XII

SCHEDULE

112 SECTION 32. Ad valorem tax relief for surviving spouses of
113 veterans who died from service-connected causes and first
114 responders who died in the line of duty.-This section and the
115 amendment to Section 6 of Article VII permitting the legislature
116 to provide ad valorem tax relief to surviving spouses of

583-02475-12 20121056c1

117 veterans who died from service-connected causes and first
118 responders who died in the line of duty shall take effect
119 January 1, 2013.

120 BE IT FURTHER RESOLVED that the following statement be
121 placed on the ballot:

122 CONSTITUTIONAL AMENDMENT

123 ARTICLE VII, SECTION 6

124 ARTICLE XII, SECTION 32

125 HOMESTEAD PROPERTY TAX EXEMPTION FOR SURVIVING SPOUSE OF
126 MILITARY VETERAN OR FIRST RESPONDER.—Proposing an amendment to
127 the State Constitution to authorize the Legislature to provide
128 by general law ad valorem homestead property tax relief to the
129 surviving spouse of a military veteran who died from service-
130 connected causes while on active duty or to the surviving spouse
131 of a first responder who died in the line of duty. The amendment
132 authorizes the Legislature to totally exempt or partially exempt
133 such surviving spouse's homestead property from ad valorem
134 taxation. The amendment defines a first responder as a law
135 enforcement officer, a correctional officer, a firefighter, an
136 emergency medical technician, or a paramedic. This amendment
137 takes effect January 1, 2013.

THE FLORIDA SENATE

APPEARANCE RECORD

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

2/28/2012

Meeting Date

Topic Homestead Exemption

Bill Number 1056
(if applicable)

Name Matt Pickett

Amendment Barcode _____
(if applicable)

Job Title Lobbyist

Address 300 East Brevard St.

Phone 850-222-3329

Street

Tallahassee Fl 32301

City

State

Zip

E-mail _____

Speaking: For Against Information

Representing Florida Police Benevolent Association

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

The Florida Senate
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 1058

INTRODUCER: Military Affairs, Space, and Domestic Security Committee and Senator Norman

SUBJECT: Homestead Property Tax Exemptions

DATE: February 22, 2012 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Fleming</u>	<u>Carter</u>	<u>MS</u>	Fav/CS
2.	<u>Toman</u>	<u>Yeatman</u>	<u>CA</u>	Favorable
3.	<u>White</u>	<u>Cibula</u>	<u>JU</u>	Favorable
4.	<u>Babin</u>	<u>Diez-Arguelles</u>	<u>BFT</u>	Pre-meeting
5.	_____	_____	<u>BC</u>	_____
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:

The bill sets forth the requirements for a full exemption from ad valorem taxes as authorized by the proposed constitutional amendment in CS/SJR 1056. The exemption is available under specified conditions to the surviving spouse of a “first responder” who died in the line of duty if the real estate is owned and used by the surviving spouse as a homestead. The bill defines the terms “first responder” and “in the line of duty.”

The bill takes effect upon the approval of the voters of the amendment proposed by CS/SJR 1056. The bill first applies to property taxes in 2013.

This bill substantially amends section 196.081 of the Florida Statutes.

This bill creates three undesignated sections of law.

II. Present Situation:

Property Valuation in Florida

Median home values in Florida climbed from \$23,100 in 1940 to \$105,500 in 2000,¹ but more recently sales prices have been stagnant across the state, with median sales prices for existing homes dropping 3 percent in 2011.² Some economists, however, predict renewed increases in home prices “in the Miami and Naples markets” throughout 2012 and the beginning of 2013, with a “recovery [that] is likely to roll northward to Central Florida and then North Florida.”³

Although Florida homeowners may face the “frustrating paradox[]” of falling real estate markets combined with rising property taxes,⁴ Florida law provides a number of options to reduce property tax liability. Article VII, section 2 of the Florida Constitution, provides for uniform ad valorem taxation, stating that “all ad valorem taxation shall be at a uniform rate within each taxing unit.”⁵ The property tax burden for an owner of any particular piece of real estate will depend on the property’s just value, its assessed value, and whether the property benefits from any tax exemptions or assessment limitations.

Just Value

Article VII, section 4, of the Florida Constitution, requires that all property be assessed at just value for ad valorem tax purposes. Just value has been interpreted by the courts to mean fair market value, or what a willing buyer would pay a willing seller for the property in an arms-length transaction.⁶

Assessed Value

The Florida Constitution authorizes certain alternatives to the just valuation standard for specific types of property.⁷ Agricultural land, land producing high water recharge to Florida’s aquifers, and land used exclusively for noncommercial recreational purposes may be assessed solely on the basis of their character or use.⁸ Land used for conservation purposes must be assessed solely

¹ U.S. Census Bureau, *Housing and Household Economic Statistics Division, Historical Census of Housing Tables: Home Values* (Last Revised Oct. 31, 2011), available at <http://www.census.gov/hhes/www/housing/census/historic/values.html> (last visited Feb. 2, 2012).

² In 2011, the median sales price for existing homes was \$131,700, down from \$135,900 in 2010. Florida Realtors, *Florida’s housing sales activity higher as 2011 ends* (Jan. 20, 2012), <http://www.floridarealtors.org/NewsAndEvents/article.cfm?id=270287> (last visited Feb. 2, 2012).

³ Florida Realtors, *Leading U. S. economists: Fla.’s housing market bouncing back* (Dec. 7, 2011), <http://www.floridarealtors.org/NewsAndEvents/article.cfm?id=268417> (last visited Feb. 2, 2012) (quoting Dr. Lawrence Yun, chief economist for the National Association of Realtors®).

⁴ See Tim Padgett, *TIME, Florida’s Property Taxes Go Wacky in Housing Slump* (June 29, 2009), available at <http://www.time.com/time/business/article/0,8599,1907198,00.html> (last visited Feb. 2, 2012) (quoting Kurt Wenner, research director at Florida Tax Watch in Tallahassee).

⁵ FLA. CONST. art. VII, s. 2.

⁶ See *Walter v. Shuler*, 176 So. 2d 81 (Fla. 1965); *Deltona Corp. v. Bailey*, 336 So. 2d 1163 (Fla. 1976); *Southern Bell Tel. & Tel. Co. v. Dade County*, 275 So. 2d 4 (Fla. 1973).

⁷ The constitutional provisions in section 4, Art. VII, of the Florida Constitution, are implemented in Part II of ch. 193, F.S.

⁸ FLA. CONST. art. VII, s. 4(a).

on the basis of character or use.⁹ Counties and municipalities may authorize historic properties to be assessed solely on the basis of character or use.¹⁰ Counties may also provide a reduction in the assessed value of property improvements on existing homesteads made to accommodate parents or grandparents that are 62 years of age or older.¹¹ The Legislature is authorized to prohibit the consideration of improvements to residential real property for purposes of improving the property's wind resistance or the installation of renewable energy source devices in the assessment of the property.¹² Certain working waterfront property is assessed based upon the property's current use.¹³

Taxable Value

The taxable value of real and tangible personal property is the assessed value minus any exemptions provided by the Florida Constitution or by Florida Statutes. Such exemptions include, but are not limited to, homestead exemptions and exemptions for property used for educational, religious, or charitable purposes.¹⁴

Assessment Limitations

Save Our Homes

The *Save Our Homes* assessment limitation was amended into the Florida Constitution in 1992. Article VII, section 4(d) of the Florida Constitution, limits the amount that a homestead's assessed value can increase annually to the lesser of 3 percent or the percentage increase in the Consumer Price Index (CPI).¹⁵ In addition, an assessment may not exceed just value.

In 2008, Florida voters approved an additional amendment to Article VII, section 4(d) of the Florida Constitution, to provide for the portability of the accrued benefit under the *Save Our Homes* assessment limitation. This amendment allows homestead property owners who relocate to a new homestead to transfer up to \$500,000 of the accrued benefit to the new homestead.

Property Tax Exemptions for Homesteads

The Legislature may only grant property tax exemptions that are authorized in the Florida Constitution, and any modifications to existing property tax exemptions must be consistent with the constitutional provision authorizing the exemption.¹⁶

⁹ FLA. CONST. art. VII, s. 4(b).

¹⁰ FLA. CONST. art. VII, s. 4(e).

¹¹ FLA. CONST. art. VII, s. 4(f).

¹² FLA. CONST. art. VII, s. 4(i).

¹³ FLA. CONST. art. VII, s. 4(j).

¹⁴ FLA. CONST. art. VII, ss. 3 and 6.

¹⁵ FLA. CONST. art. VII, s. 4(d).

¹⁶ *Sebring Airport Auth. v. McIntyre*, 783 So. 2d 238, 248 (Fla. 2001); *Archer v. Marshall*, 355 So. 2d 781, 784. (Fla. 1978); *Am Fi Inv. Corp. v. Kinney*, 360 So. 2d 415 (Fla. 1978); *See also Sparkman v. State*, 58 So. 2d 431, 432 (Fla. 1952).

Homestead Exemption

Article VII, section 6 of the Florida Constitution provides that every person having legal and equitable title to real estate and who maintains a permanent residence on the real estate is eligible for a \$25,000 homestead tax exemption applicable to all ad valorem tax levies including levies by school districts. An additional \$25,000 homestead exemption applies to homesteads that have an assessed value greater than \$50,000 and up to \$75,000, excluding ad valorem taxes levied by school districts.

Additional Homestead Exemption for Qualified Senior Citizens

Article VII, section 6(d) of the Florida Constitution, allows the Legislature to adopt a general law allowing counties and municipalities to grant an additional homestead exemption of up to \$50,000. This additional exemption applies to any person who has legal and equitable title to real estate who maintains a property as a permanent residence, has attained the age of 65, and has a household income, as defined by general law, which does not exceed \$20,000. In the implementing legislation for the exemption, the Legislature indexed the \$20,000 figure to inflation. Adjusted for inflation, the current senior low income exemption is around \$26,000.¹⁷

Section 196.075, F.S., is the general law enacted to allow counties and municipalities to grant the additional homestead exemption for qualified senior citizens. The county or municipality must grant this additional exemption by ordinance, which must be adopted pursuant to the procedures prescribed in chapters 125 and 166, F.S. The county or municipality must specify that the exemption applies only to taxes levied by the unit of government granting the exemption.¹⁸ For purposes of the exemption, “household income” means “the adjusted gross income, as defined in s. 62 of the United States Internal Revenue Code, of all members of a household.”¹⁹ The term “household” means “a person or group of persons living together in a room or group of rooms as a housing unit, but the term does not include persons boarding in or renting a portion of the dwelling.”²⁰ In 2010, 59 boards of county commissioners and 206 city commissions had enacted local ordinances granting the additional exemption for seniors.²¹

Exemption for Surviving Spouses of Certain Veterans

Section 196.081(4), F.S., currently provides, under specified conditions, a full exemption from ad valorem taxes on property that is owned and used as a homestead by the surviving spouse of a veteran who died from service-connected causes while on active duty as a member of the United States Armed Forces. To be eligible for the exemption the surviving spouse must provide a letter from the United States Government or United States Department of Veterans Affairs or its predecessor has been issued certifying that the veteran died from service-connected causes while

¹⁷ Florida Department of Revenue, *SJR 838 Analysis* (Nov. 29, 2011) (on file with the Senate Judiciary Committee).

¹⁸ See s. 196.075, F.S. (Because the exemption applies only to tax millage levied by the county or city that enacts the exemption, it does not apply to millage of school districts or other taxing authorities.).

¹⁹ Section 196.075(1)(b), F.S.

²⁰ Section 196.075(1)(a), F.S.

²¹ Florida Department of Revenue, *Florida Property Tax Valuation and Income Limitation Rates*, <http://dor.myflorida.com/dor/property/resources/limitations.html> (last visited Feb. 3, 2012) (Data obtained from tax rolls submitted to the Department of Revenue for 2010).

on active duty. Additionally, the veteran must have been a permanent resident of this state on January 1, of the year in which he or she died.

Ad Valorem Discount for Veterans

Article VII, section 6(e) of the Florida Constitution, provides that each veteran, who is age 65 or older and is partially or totally permanently disabled, is entitled to a discount from the amount of the ad valorem tax otherwise owed on homestead property. The disability must be combat related, the veteran must have been a resident of Florida at the time of entering the military service, and the veteran must have been honorably discharged. The discount is in a percentage equal to the percentage of the veteran's permanent, service-connected disability as determined by the United States Department of Veterans Affairs.

Ad Valorem Exemption for Deployed Military Personnel

Article VII, section 3 of the Florida Constitution, provides for other specific exemptions from property taxes. One such exemption applies to military personnel deployed on active duty outside of the United States in support of military operations designated by the Legislature.²² The applicable exemption is for a percentage of the taxable value of the homestead property that is equal to the percent of the time during the preceding calendar year the person was deployed on active duty outside the continental United States, Alaska, or Hawaii, in support of military operations designated by the legislature.

III. Effect of Proposed Changes:

Section 1 creates an undesignated section of law to provide that the act may be cited as the "Fallen Heroes Family Tax Relief Act."

Section 2 amends s. 196.081, F.S., to set forth the requirements for a full exemption from ad valorem taxes authorized by the proposed constitutional amendment in CS/SJR 1056. The exemption is available under specified conditions to the surviving spouse of a "first responder" who died "in the line of duty." The exemption applies to real estate that is owned and used by the surviving spouse as a homestead.²³

The bill defines the term "first responder" to mean a law enforcement officer or correctional officer as defined in s. 943.10, F.S., a firefighter as defined in s. 633.30, F.S., or an emergency medical technician or paramedic as defined in s. 401.23, F.S., who is a full-time paid employee, part-time paid employee, or unpaid volunteer.

The bill defines "in the line of duty" to mean:

- While engaging in law enforcement;
- While performing an activity relating to fire suppression and prevention;
- While responding to a hazardous material emergency;

²² FLA. CONST. art. VII, s. 3(g).

²³ The bill specifies that these terms are defined for purposes of this exemption only and do not apply to the payment of benefits under ss. 112.19 or 112.191, F.S., relating to death benefits.

- While performing rescue activity;
- While providing emergency medical services;
- While performing disaster relief activity;
- While otherwise engaging in emergency response activity; or
- While engaging in a training exercise related to any of the events or activities enumerated above if the training has been authorized by the employing entity.

Under the bill, a death also occurs “in the line of duty” if the death:

- Occurs within 24 hours after one of the events or activities listed above;
- Results from a heart attack or stroke that causes the death or causes an injury resulting in death; and
- Is directly and proximately caused by the initial event or activity.

The bill specifies the documentation required to qualify for the exemption. The bill requires a surviving spouse of a first responder who seeks to qualify for the exemption to produce a letter issued by a governmental entity which legally recognizes and certifies that the first responder died in the line of duty while employed as a first responder. The bill provides that production by the surviving spouse of this letter is prima facie evidence that the surviving spouse is entitled to this exemption.

The bill provides that the exemption may apply as long as the spouse holds the legal or beneficial title to the homestead, permanently resides on the property, and does not remarry. If the surviving spouse sells the property, an exemption not to exceed the amount granted from the most recent ad valorem tax roll may be transferred to his or her new residence as long as it is used as his or her primary residence and he or she does not remarry.

Section 3 creates an undesignated section of law to provide that the bill will operate prospectively to tax rolls submitted to the Department of Revenue by each county tax collector beginning January 2013 and each January thereafter. The bill does not provide a basis for relief from an assessment of taxes not paid or create a right to refund of taxes paid before January 1, 2013.

The provisions of the bill apply for surviving spouses of first responders whose deaths occur before, on, or after the effective date of the bill.

Section 4 creates an undesignated section of law to appropriate \$100,302 to the Department of State to publish the proposed constitutional amendment contained in CS/SJR 1056 in newspapers in each county as required by Article XI, section 5(d) of the Florida Constitution.

Section 5 provides that the bill takes effect upon the approval of the amendment proposed by CS/SJR 1056. As a result, the bill will take effect on January 1, 2013, if CS/SJR 1056 is approved by the electors in the 2012 General Election.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

The bill implements the proposed constitutional amendment contained in CS/SJR 1056, which provides ad valorem tax relief to the surviving spouse of a veteran who died from service-connected causes while on active duty as a member of the United States Armed Forces and to the surviving spouse of a first responder who died in the line of duty.

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

If the amendment proposed by CS/SJR 1056 is approved by the voters, the bill would exempt surviving spouses of certain first responders from paying ad valorem taxes on homestead property.

B. Private Sector Impact:

If the amendment proposed by CS/SJR 1056 is approved by the voters, the bill would provide property tax relief to surviving spouses of certain first responders.

C. Government Sector Impact:

The Revenue Estimating Conference has estimated an indeterminate annual reduction in tax revenues due to the need for electorate approval of the constitutional amendment. However, if voters approve the constitutional amendment, this bill is estimated to reduce property taxes in total by \$0.6 million per year, beginning in fiscal year 2013-2014. Of that amount, school taxes are reduced \$0.3 million per year, while non-school taxes are also reduced by \$0.3 million per year.

The bill appropriates \$100,302 to the Department of State (department) to publish the proposed constitutional amendment contained in CS/SJR 1056 in newspapers in each county as required by Article XI, section 5(d) of the Florida Constitution. According to the department, the estimated cost to publish the proposed constitutional amendment is

\$108,793.50.²⁴ The department estimates the cost based on the average cost per word to advertise a constitutional amendment.

VI. Technical Deficiencies:

The word “deaths” in line 134 of the CS should be changed to the singular form “death” for subject-verb agreement.

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 Military Affairs, Space, and Domestic Security on January 26, 2012:

- Removes changes dealing with the current exemption for surviving spouses of military veterans who died from service-connected causes while on active duty.
- Clarifies that the terms “first responder” and “in the line of duty” are defined for purposes of this exemption.
- Clarifies that the exemption begins with the 2013 tax roll.
- Provides an appropriation to publish the proposed constitutional amendment in newspapers in each county as required by the Florida Constitution.

B. Amendments:

None.

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

²⁴ E-mail correspondence with Department of State staff (Jan. 27, 2012) (on file with Senate Judiciary Committee).



879068

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/28/2012	.	
	.	
	.	
	.	

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

Senate Amendment

Delete lines 91 - 92
and insert:

(b) The tax exemption applies as long as the surviving spouse holds

By the Committee on Military Affairs, Space, and Domestic Security; and Senator Norman

583-02476-12

20121058c1

A bill to be entitled

An act relating to homestead property tax exemptions; providing a short title; amending s. 196.081, F.S.; exempting from taxation the homestead property of the surviving spouse of a first responder who dies in the line of duty; providing definitions for "first responder" and "line of duty"; providing construction with respect the applicable tax roll and the date of death; providing an appropriation; providing effective dates, one of which is contingent.

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

Section 1. This act may be cited as the "Fallen Heroes Family Tax Relief Act."

Section 2. Section 196.081, Florida Statutes, is amended to read:

196.081 Exemption for certain permanently and totally disabled veterans and for surviving spouses of veterans; exemption for surviving spouses of first responders who die in the line of duty.-

(1) Any real estate that is owned and used as a homestead by a veteran who was honorably discharged with a service-connected total and permanent disability and for whom a letter from the United States Government or United States Department of Veterans Affairs or its predecessor has been issued certifying that the veteran is totally and permanently disabled is exempt from taxation, if the veteran is a permanent resident of this state on January 1 of the tax year for which exemption is being

Page 1 of 6

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

583-02476-12

20121058c1

claimed or was a permanent resident of this state on January 1 of the year the veteran died.

(2) The production by a veteran or the spouse or surviving spouse of a letter of total and permanent disability from the United States Government or United States Department of Veterans Affairs or its predecessor before the property appraiser of the county in which property of the veteran lies is prima facie evidence of the fact that the veteran or the surviving spouse is entitled to the exemption.

(3) If the totally and permanently disabled veteran predeceases his or her spouse and if, upon the death of the veteran, the spouse holds the legal or beneficial title to the homestead and permanently resides thereon as specified in s. 196.031, the exemption from taxation carries over to the benefit of the veteran's spouse until such time as he or she remarries or sells or otherwise disposes of the property. If the spouse sells the property, an exemption not to exceed the amount granted from the most recent ad valorem tax roll may be transferred to his or her new residence, as long as it is used as his or her primary residence and he or she does not remarry.

(4) ~~(a)~~ Any real estate that is owned and used as a homestead by the surviving spouse of a veteran who died from service-connected causes while on active duty as a member of the United States Armed Forces and for whom a letter from the United States Government or United States Department of Veterans Affairs or its predecessor has been issued certifying that the veteran who died from service-connected causes while on active duty is exempt from taxation if the veteran was a permanent resident of this state on January 1 of the year in which the

Page 2 of 6

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

583-02476-12 20121058c1

59 veteran died.

60 ~~(a)(b)~~ The production of the letter by the surviving spouse
 61 ~~which of a letter that was issued as required under paragraph~~
 62 ~~(a) and that attests to the veteran's death while on active duty~~
 63 is prima facie evidence ~~of the fact~~ that the surviving spouse is
 64 entitled to ~~the an exemption under paragraph (a).~~

65 ~~(b)(c)~~ The tax exemption ~~that applies under paragraph (a)~~
 66 ~~to the surviving spouse~~ carries over to the benefit of the
 67 veteran's surviving spouse as long as the spouse holds the legal
 68 or beneficial title to the homestead, permanently resides
 69 thereon as specified in s. 196.031, and does not remarry. If the
 70 surviving spouse sells the property, an exemption not to exceed
 71 the amount granted under from the most recent ad valorem tax
 72 roll may be transferred to his or her new residence as long as
 73 it is used as his or her primary residence and he or she does
 74 not remarry.

75 (5) Any real estate that is owned and used as a homestead
 76 by the surviving spouse of a first responder who died in the
 77 line of duty while employed by the state or any political
 78 subdivision of the state, including authorities and special
 79 districts, and for whom a letter from the state or appropriate
 80 political subdivision of the state, or other authority or
 81 special district, has been issued which legally recognizes and
 82 certifies that the first responder died in the line of duty
 83 while employed as a first responder is exempt from taxation if
 84 the first responder and his or her surviving spouse were
 85 permanent residents of this state on January 1 of the year in
 86 which the first responder died.

87 (a) The production of the letter by the surviving spouse

583-02476-12 20121058c1

88 which attests to the first responder's death in the line of duty
 89 is prima facie evidence that the surviving spouse is entitled to
 90 the exemption.

91 (b) The tax exemption carries over to the benefit of the
 92 first responder's surviving spouse as long as the spouse holds
 93 the legal or beneficial title to the homestead, permanently
 94 resides thereon as specified in s. 196.031, and does not
 95 remarry. If the surviving spouse sells the property, an
 96 exemption not to exceed the amount granted under the most recent
 97 ad valorem tax roll may be transferred to his or her new
 98 residence if it is used as his or her primary residence and he
 99 or she does not remarry.

100 (c) As used in this subsection only, and not applicable to
 101 the payment of benefits under s. 112.19 or s. 112.191, the term:

102 1. "First responder" means a law enforcement officer or
 103 correctional officer as defined in s. 943.10, a firefighter as
 104 defined in s. 633.30, or an emergency medical technician or
 105 paramedic as defined in s. 401.23 who is a full-time paid
 106 employee, part-time paid employee, or unpaid volunteer.

107 2. "In the line of duty" means:

108 a. While engaging in law enforcement;

109 b. While performing an activity relating to fire
 110 suppression and prevention;

111 c. While responding to a hazardous material emergency;

112 d. While performing rescue activity;

113 e. While providing emergency medical services;

114 f. While performing disaster relief activity;

115 g. While otherwise engaging in emergency response activity;

116 or

583-02476-12

20121058c1

117 h. While engaging in a training exercise related to any of
 118 the events or activities enumerated in this subparagraph if the
 119 training has been authorized by the employing entity.

120
 121 A heart attack or stroke that causes death or causes an injury
 122 resulting in death must occur within 24 hours after an event or
 123 activity enumerated in this subparagraph and must be directly
 124 and proximately caused by the event or activity in order to be
 125 considered as having occurred in the line of duty.

126 Section 3. Construction.-

127 (1) The revisions to s. 196.081, Florida Statutes, made by
 128 this act operate prospectively to the 2013 tax roll and do not
 129 provide a basis for relief from an assessment of taxes not paid
 130 or create a right to a refund of taxes paid before January 1,
 131 2013.

132 (2) The provisions of s. 196.081(5), Florida Statutes, as
 133 created by this act apply to the homestead exemption of the
 134 surviving spouse of a first responder whose deaths occurs
 135 before, on, or after the effective date of this act.

136 Section 4. Effective July 1, 2012, the sum of \$100,302 in
 137 nonrecurring funds is appropriated from the General Revenue Fund
 138 to the Department of State for purposes of publishing, as
 139 required under s. 5(d), Article XI of the State Constitution,
 140 the proposed constitutional amendment contained in Committee
 141 Substitute for Senate Joint Resolution 1056, or a similar joint
 142 resolution having substantially the same specific intent and
 143 purpose.

144 Section 5. Except as otherwise expressly provided in this
 145 act and except for this section, which shall take effect July 1,

583-02476-12

20121058c1

146 2012, this act shall take effect on the same date that CS for
 147 SJR 1056, or a similar joint resolution having substantially the
 148 same specific intent and purpose, takes effect if approved by
 149 the electors at the general election held in November 2012 or at
 150 an earlier special election specifically authorized by law for
 151 that purpose.

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/28/2012
Meeting Date

Topic Homestead Exemption

Bill Number 1058
(if applicable)

Name Matt Rickett

Amendment Barcode _____
(if applicable)

Job Title Lobbyist

Address 300 East Brevard St.

Phone 850-222-3329

Street

Tallahassee FL 32301

City

State

Zip

E-mail _____

Speaking: For Against Information

Representing Florida Police Benevolent 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)

- Brownfield Redevelopment Bonus Tax Refund (s. 288.107, F.S.);
- Qualified Defense and Space Contractor Tax Refund (s. 288.1045, F.S.);
- Quick Action Closing Fund (s. 288.1088, F.S.);
- Manufacturing and Spaceport Investment Incentive (s. 288.1083, F.S.);
- Economic Development Transportation Fund (s. 288.063, F.S.);
- High Impact Performance Incentive (s. 288.108, F.S.);
- Capital Investment Tax Credit (s. 22.191, F.S.);
- Innovation Incentive Program (s. 288.1089, F.S.);
- Semiconductor, Defense and Space Technologies Sales Tax Exemption (s. 212.08, F.S.); and
- Local Government Distressed Area Matching Grant (s. 288.0659, F.S.).

The table below summarizes the cumulative results for the incentive programs listed above for fiscal year 2011.

SUMMARY OF 2011 EXECUTED AGREEMENTS¹					
Number of Projects	Contracted New Jobs	Expected Capital Investment	Contracted Average Annual Wage	Maximum State Incentive Payments	Local Financial Support Commitments
101	13,072	\$1,427,566,867	\$48,629	\$76,262,824	\$50,377,174

Qualified Defense Contractor Tax Refund Program

The Legislature created the Qualified Defense Contractor Tax Refund² program in 1996 in response to the state’s concerns that reductions in federal defense spending could result in losses of high-wage, high-technology jobs in Florida. The program has been amended several times in the intervening years. In 2008, the program was amended to include eligible space flight businesses participating in aerospace activities. It is now called the Qualified Defense Contract and Spaceflight Business (QDSC) Refund Program. The QDSC program is set to expire on June 30, 2014.

The QDSC program’s basic incentive is a tax refund based on \$3,000 per retained or created job, which pays an annual wage of at least 115 percent of the area’s average annual wage and meets other conditions of the business’ agreement with the DEO. The per-job tax refund increases to \$6,000 if the business is located within a rural county or an enterprise zone, with a \$1,000 per job bonus if the job pays an annual average wage at least equal to 150 percent of the area’s private-sector wage and a \$2,000 per job bonus if the average annual wage is at least 200 percent of the area’s average private-sector wage.

Local financial support is a condition of the QDSC program. The program requires that an applicant provide a resolution adopted by the governing board of the county or municipality in which the project will be located, which recommends the applicant be approved for the program,

¹ Enterprise Florida Inc. *2011 Annual Incentives Report*. Available at: http://www.eflorida.com/IntelligenceCenter/download/ER/BRR_Incentives_Report.pdf (last visited Feb. 15, 2012).

² Section 288.1045, F.S.

and also commits to fund 20 percent of the annual tax refund for a qualified applicant. There exists a local financial support exemption option under certain circumstances.

A qualified applicant may not receive refunds of more than 25 percent of the total tax refunds provided in the tax refund agreement in any fiscal year and no more than \$2.5 million in tax refunds in any fiscal year. Additionally, a qualified applicant may not receive more than \$7 million in tax refunds under the program. If an applicant reaches the cap, it does not qualify for additional projects, job creation, or refund payments under the program.

This tax incentive targets the following types of projects: consolidation of certain Department of Defense (DoD) contracts; conversion of DoD production jobs to non-defense production jobs; projects involving the reuse of defense-related facilities for specific activities; the manufacturing, processing, and assembly of space flight vehicles; and a number of other activities related to space flight.

A qualified defense contract or spaceflight business may claim refunds from one or more of the following taxes paid:

- Corporate income taxes;
- Sales and use taxes;
- Intangible personal property taxes;
- Excise taxes paid on documents;
- Ad valorem taxes;
- Corporate income taxes; and
- Certain state communications services taxes.³

Since the QDSC program's inception, 32 QDSC applications have been approved and 4 projects have been completed, meaning that the business has met the terms of its contract and received all eligible incentive payments. These 4 completed projects cumulatively created 1,459 new jobs, which far exceeded their initial commitment of 740 new jobs. There are currently six active⁴ QDSC projects, in which the businesses have cumulatively committed to creating 473 new jobs over the life of the contracts.⁵ In fiscal year 2011, \$2,037,000 in QDSC incentives were awarded, of which \$1,629,600 was awarded by the state. Two new QDSC contracts were executed in fiscal year 2011.⁶

Qualified Target Industry Incentive Tax Refund Program

The Qualified Target Industry (QTI) Incentive Tax Refund Program⁷ was created by the Legislature in 1994 as part of a retooling of Florida's economic development efforts. The QTI program was designed to encourage the recruitment or creation of higher-paying, higher-skilled jobs for Floridians, by awarding eligible businesses refunds of certain state or local taxes paid in exchange for creating jobs. The amount of refund is based on the wages paid, number of jobs

³ Section 288.1045(2)(f), F.S.

⁴ An active incentive project means a business is currently performing and in good standing.

⁵ The status of each incentive falls within one of six categories: active, inactive, terminated, vacated, withdrawn, or complete.

⁶ Information in this paragraph obtained from Enterprise Florida Inc.'s 2011 Annual Incentives Report. Available at: http://www.eflorida.com/IntelligenceCenter/download/ER/BRR_Incentives_Report.pdf (last visited Feb. 15, 2012).

⁷ Section 288.106, F.S.

created, and where in the state the eligible business chooses to locate or expand. The QTI program is set to expire on June 30, 2020.

A qualified target industry business may claim refunds from one or more of the following taxes paid:

- Sales and use taxes;
- Documentary stamp taxes;
- Ad valorem taxes;
- Corporate income taxes;
- Insurance premium taxes;
- Intangible personal property taxes; and
- Certain state communications taxes under ch. 202, F.S.⁸

The target industry list includes a wide range of businesses that meet specific criteria and fall within the following industry categories: manufacturing facilities; finance and insurance services; wholesale trade; information industries; professional, scientific and technical services; management services; and administrative and support services.

In addition to meeting the definition of “target industry business,” a business also must:

- Agree to create 10 new jobs or, if a Florida business planning to expand its operations, agree to create a net increase in employment of at least 10 percent. DEO may grant a waiver to the minimum 10 percent increase in new jobs by an existing business within an enterprise zone or rural county.
- Agree to pay each new employee an annual salary that is at least 115 percent of the average private sector wage in the area. DEO may waive the wage requirement for businesses that locate in a rural county or city, in an enterprise zone, or in a brownfield area.
- Receive a commitment of a 20 percent match from the local government where the business proposes to locate or expand. The form of the commitment must be a resolution passed by the county commission. If a local government provides less than its 20 percent match, DEO reduces the state award by the same amount.⁹

The QTI program offers a tax refund of \$3,000 per created job, which pays an annual wage of at least 115 percent of the area’s average annual wage and meets other conditions of the business’ agreement with DEO. The per-job tax refund increases to \$6,000 if the business is located within a rural county or an enterprise zone. Under this program, businesses are eligible for a number of bonus incentives if they meet certain criteria. For example, a business can receive a \$1,000 per job bonus if the job pays an annual average wage at least equal to 150 percent of the area’s private-sector wage and a \$2,000 per job bonus if the average annual wage is at least 200 percent of the area’s average private-sector wage.

A qualified target industry business may not receive more than \$1.5 million in refunds in a single fiscal year, or more than \$2.5 million if the project is located in an enterprise zone. Additionally,

⁸ Section 288.106(3)(d), F.S.

⁹ Effective July 1, 2011, DEO may reduce the local financial support requirements by one-half for a qualified target industry business located in Bay County, Escambia County, Franklin County, Gadsden County, Gulf County, Jefferson County, Leon County, Okaloosa County, Santa Rosa County, Wakulla County, or Walton County.

a qualified target industry business may not receive more than \$7 million in refund payments in all fiscal years, or more than \$7.5 million if the project is located in an enterprise zone.¹⁰ Section 288.095(3)(a), F.S., institutes an annual funding cap of \$35 million for both the QTI and the QDSC tax refund programs.

Since the inception of the QTI program, 1,013 QTI applications have been approved, 888 contracts have been executed, and 93 agreements have been completed.¹¹ Of those 888 projects, 268 remain active, meaning they are eligible to receive tax refunds through the QTI program. These 268 projects have committed to create 38,599 jobs cumulatively. The 93 completed agreements cumulatively created 28,628 new jobs, which far exceeded the initial commitment to create 18,369 new jobs. In fiscal year 2011, \$37,940,810 in QTI incentive awards was appropriated, in which \$30,352,648 was appropriated by the state. Seventy-two new QTI contracts were executed in fiscal year 2011.¹²

III. Effect of Proposed Changes:

Section 1 amends s. 288.1045, F.S., to delete a provision which restricts a qualified applicant from receiving more than \$7 million in tax refunds in all fiscal years it participates in the Qualified Defense Contractor and Spaceflight Business Tax Refund program.

Section 2 amends s. 288.106, F.S., to delete a provision which restricts a qualified target industry business from receiving more than \$7 million in refund payments in all fiscal years it participates in the Qualified Target Industry Tax Refund program, or more than \$7.5 million if the project is located in an enterprise zone.

In addition, this section authorizes the DEO to reduce the local financial support requirements of the Qualified Target Industry Tax Refund program for three additional counties: Holmes, Jackson and Washington. The local financial support reduction amount is clarified.

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.

¹⁰ Section 288.106(3)(c), F.S.

¹¹ A completed incentive project is when a business has met the terms of its contract and received all eligible incentive payments.

¹² Information in this paragraph obtained from Enterprise Florida Inc.'s 2011 Annual Incentives Report. Available at: http://www.eflorida.com/IntelligenceCenter/download/ER/BRR_Incentives_Report.pdf (last visited Feb. 15, 2012).

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The bill removes the lifetime cap for the amount of tax refund payments a single qualified business may receive in the QDSC and QTI tax refund programs. However, a qualified business would still be limited to the maximum annual tax refund amount of \$1.5 million or \$2.5 million depending on the program and the circumstances. In addition, the annual statutory funding cap of \$35 million pursuant to s. 288.095(3)(a), F.S., would still apply.

B. Private Sector Impact:

The bill removes the lifetime cap for the amount of tax refunds payments a single qualified business may receive in the QDSC and QTI tax refund programs. This would allow a single qualified applicant to have multiple projects, over multiple years, which in aggregate, qualify for refund payments in excess of current caps.

C. Government Sector Impact:

The removal of the lifetime tax refund cap may result in an increase in applications submitted to both programs, which may increase the workload of DEO.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

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

CS by Community Affairs on February 21, 2012:

- Authorizes the DEO to reduce the local financial support requirements of the Qualified Target Industry Tax Refund program for three additional counties: Holmes, Jackson and Washington.
- The local financial support reduction amount is clarified.

B. Amendments:

None.

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

By the Committee on Community Affairs; and Senator Altman

578-03699-12

20121110c1

1 A bill to be entitled
 2 An act relating to tax refund programs; amending s.
 3 288.1045, F.S.; deleting the limitation on the maximum
 4 amount of tax refunds a business may receive under the
 5 qualified defense contractor and space flight business
 6 tax refund program; amending s. 288.106, F.S.;
 7 deleting the limitation on the maximum amount of tax
 8 refunds a business may receive under the tax refund
 9 program for qualified target industry businesses;
 10 authorizing the reduction of local financial support
 11 requirements for qualified target industry businesses
 12 in specified counties; revising the list of specified
 13 counties; requiring that any reduction be provided
 14 from funds in the Economic Development Incentives
 15 Account within the Economic Development Trust Fund;
 16 providing a cap on the amount of funds provided;
 17 deleting an obsolete provision; conforming a cross-
 18 reference; providing an effective date.
 19
 20 Be It Enacted by the Legislature of the State of Florida:
 21
 22 Section 1. Paragraph (c) of subsection (2) of section
 23 288.1045, Florida Statutes, is amended, and present paragraphs
 24 (d) through (h) of that subsection are redesignated as
 25 paragraphs (c) through (g), respectively, to read:
 26 288.1045 Qualified defense contractor and space flight
 27 business tax refund program.—
 28 (2) GRANTING OF A TAX REFUND; ELIGIBLE AMOUNTS.—
 29 ~~(c) A qualified applicant may not receive more than \$7~~

Page 1 of 3

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

578-03699-12

20121110c1

30 ~~million in tax refunds pursuant to this section in all fiscal~~
 31 ~~years.~~
 32 Section 2. Paragraph (c) of subsection (3) and paragraph
 33 (f) of subsection (4) of section 288.106, Florida Statutes, are
 34 amended to read:
 35 288.106 Tax refund program for qualified target industry
 36 businesses.—
 37 (3) TAX REFUND; ELIGIBLE AMOUNTS.—
 38 (c) A qualified target industry business may not receive
 39 refund payments of more than 25 percent of the total tax refunds
 40 specified in the tax refund agreement under subparagraph
 41 (5)(a)1. in any fiscal year. Further, a qualified target
 42 industry business may not receive more than \$1.5 million in
 43 refunds under this section in any single fiscal year, or more
 44 than \$2.5 million in any single fiscal year if the project is
 45 located in an enterprise zone. ~~A qualified target industry~~
 46 ~~business may not receive more than \$7 million in refund payments~~
 47 ~~under this section in all fiscal years, or more than \$7.5~~
 48 ~~million if the project is located in an enterprise zone.~~
 49 (4) APPLICATION AND APPROVAL PROCESS.—
 50 (f) ~~Effective July 1, 2011,~~ Notwithstanding paragraph
 51 (2)(j) ~~(2)(k)~~, the department office may reduce the local
 52 financial support requirements of this section by one-half for a
 53 qualified target industry business located in Bay County,
 54 Escambia County, Franklin County, Gadsden County, Gulf County,
 55 Holmes County, Jackson County, Jefferson County, Leon County,
 56 Okaloosa County, Santa Rosa County, Wakulla County, ~~or~~ Walton
 57 County, or Washington County if the department office determines
 58 that such reduction ~~of the local financial support requirements~~

Page 2 of 3

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

578-03699-12

20121110c1

59 is in the best interest of the state and facilitates economic
60 development, growth, or new employment opportunities in such
61 county. The amount of any reduction of the local financial
62 support requirements shall be provided by the department using
63 funds from the account; however, funds provided from the account
64 may not exceed 90 percent of the annual tax refund for a
65 qualified target industry business. This paragraph expires June
66 30, 2014.

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

2/28/12
~~1/10~~

THE FLORIDA SENATE

APPEARANCE RECORD

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

Meeting Date

Topic TAX REFUND

Bill Number 1110
(if applicable)

Name JEFF SHARKEY

Amendment Barcode _____
(if applicable)

Job Title CAPITOL ALLIANCE GROUP

Address 1500 E COLLEGE BLVD

Phone 224 1660

Street 2H State FL Zip 33301

E-mail JEFF@capitolalliancegroup.com

Speaking: For Against Information

Representing SPACE X

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/28/12

Meeting Date

Topic Tax Refund Programs

Bill Number SB 1110
(if applicable)

Name Jennifer Martin

Amendment Barcode _____
(if applicable)

Job Title Governmental Affairs Coordinator

Address 136 S. Bronough Street

Phone 850-521-1292

Street

Tallahassee

FL

32301

E-mail jmartin@flchamber.com

City

State

Zip

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
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/CS/SB 1184

INTRODUCER: Criminal Justice Committee; Transportation Committee; Agriculture Committee and Senator Norman

SUBJECT: Department of Agriculture and Consumer Services

DATE: February 22, 2012 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Akhavein</u>	<u>Buford</u>	<u>AG</u>	<u>Fav/CS</u>
2.	<u>Weidenbenner</u>	<u>Buford</u>	<u>TR</u>	<u>Fav/CS</u>
3.	<u>Erickson</u>	<u>Cannon</u>	<u>CJ</u>	<u>Fav/CS</u>
4.	<u>Cote</u>	<u>Diez-Arguelles</u>	<u>BFT</u>	<u>Pre-meeting</u>
5.	_____	_____	<u>BC</u>	_____
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:

The bill includes the following provisions related to agriculture:

- Prohibits governmental entities from charging an assessment or fee for stormwater management on a *bona fide* farm operation on land classified as agricultural under certain circumstances. The bill replaces the word “county” with “governmental entity” in the provisions described above which has the effect of expanding, from only counties to counties, municipalities, and regional governmental entities.
- Authorizes the use of citrus harvesting equipment and citrus fruit loaders to transport citrus between farms on public state highways without violating the public highway use restriction for the purpose of qualifying for the motor fuel tax refund.
- Requires that the portion of fuel sales tax collected from a county sheriff’s office be returned to the sheriff’s office to offset ongoing fuel costs.
- Requires that the portion of the county fuel tax paid by a sheriff’s office be returned to the sheriff’s office to offset ongoing fuel costs.
- Authorizes the Department of Agriculture and Consumer Services (department) to enforce the state laws and rules relating to the use of commercial feed stocks. It requires the

department to adopt rules establishing standards for the sale, use, and distribution of commercial feed or feedstuff. If adopted, such standards must be developed in consultation with the Commercial Feed Technical Council.

This bill also includes the following provisions related to licensed security officers:

- Makes it a first degree misdemeanor for a person to engage in any activity for which ch. 493, F.S., requires a license if the person does not hold the required license. However, a second or subsequent violation is a third degree felony and the department may seek the imposition of a civil penalty not to exceed \$10,000. This offense does not apply if the person engages in unlicensed activity within 90 days after the expiration date of the person's license.
- Makes it a third degree felony for a person, while impersonating a security officer, private investigator, recovery agent, or other person required to have a license under ch. 493, F.S., to knowingly and intentionally force another person to assist the impersonator in an activity within the scope of duty of a professional licensed under ch. 493, F.S. However, it is a second degree felony if a person commits this violation during the course of committing a felony, and a first degree felony if a person commits this violation during the course of committing a felony that results in death or serious bodily injury to another human being.
- Authorizes an armed licensed security officer and armed licensed security agency manager, in uniform, to temporarily detain a person on the premises of a critical infrastructure facility ascertaining the person's identity and the circumstances of the activity that is the basis for the temporary detention if the security officer or security agency manager has probable cause to believe the person has committed or is committing a crime against the client of the security officer or security agency manager or the client's patron. The bill provides procedures for notifying law enforcement and transferring the detained person.
- Authorizes the security officer or security agency manager to search the person temporarily detained if they observe that the person is armed with a firearm, concealed weapon, or any destructive device that poses a threat to the safety of the security officer or security agency manager, or the detainee admits to the security officer or security agency manager that he or she is armed with a weapon.

This bill substantially amends sections 163.3162, 206.41, 206.625, 316.515, 493.6120, 570.07 and 580.036 of the Florida Statutes and creates an undesignated section of the Florida Statutes.

II. Present Situation:

Stormwater Management Assessments

In 2003, the Legislature passed the Agricultural Lands and Practices Act, codified in s. 163.3162, F.S., to prohibit counties from adopting any duplicative ordinance, resolution, regulation, rule, or policy that limits activity of a *bona fide* farm or farm operation on agricultural land if such activity is regulated through best management practices (BMPs), interim measures, or by an existing state, regional, or federal regulatory program. Prior to the enactment of this legislation, some counties had enacted measures to regulate various agricultural operations in the state which were duplicative and more restrictive than those already dictated through BMPs or an existing governmental regulatory program. While the Agricultural Land and Practices Act banned the

adoption of future local government restrictive measures, it did not explicitly prohibit the enforcement of existing local government measures.

In 2011, the Legislature overrode the veto of HB 7103, which passed the House and Senate during the 2010 Legislative Session. HB 7103, in part, amended s. 163.3162(3)(b), F.S., to provide that a county cannot charge an assessment or fee for stormwater management on a *bona fide* farm operation on land classified as agricultural if the farm operation has a National Pollutant Discharge Elimination System (NPDES) permit, environmental resources permit (ERP), or works-of-the-district permit or implements best management practices (BMPs). In addition, HB 7103 amended s. 163.3162(3)(c), F.S., to provide that each county that, before March 1, 2009, adopted a stormwater utility ordinance or resolution, adopted an ordinance or resolution establishing a municipal services benefit unit, or adopted a resolution stating the county's intent to use the uniform method of collection for such stormwater ordinances, can continue to charge an assessment or fee for stormwater management on a *bona fide* farm operation on agricultural land, if the ordinance or resolution provides credits against the assessment or fee on a *bona fide* farm operation for the water quality or flood control benefit of:

- The implementation of BMPs;
- The stormwater quality and quantity measures required as part of the NPDES permit, ERP, or works-of-the-district permit; or
- The implementation of BMPs or alternative measures, which the landowner demonstrates to the county to be of equivalent or greater stormwater benefit than the BMPs adopted by the Department of Environmental Protection, Department of Agriculture and Consumer Services, or a water management district as part of a statewide or regional program, or stormwater quality and quantity measures required as part of an NPDES permit, ERP, or works-of-the-district permit.

Since the veto override of HB 7103, the City of Palm Coast has adopted and implemented a stormwater fee that affects thousands of acres of timber and agricultural lands. However, since the stormwater management assessment provisions described above currently only apply to counties, they do not currently apply to the City of Palm Coast.

Motor Fuel Taxes

Agricultural, aquacultural, commercial fishing, or commercial aviation permit holders who have paid the local option fuel tax, an additional tax designated as the "State Comprehensive Enhanced Transportation System Tax," or fuel sales tax are entitled to a refund of a portion of the fuel tax levied under ss. 206.41(1)(g) and 206.41(c), F.S. For the purpose of establishing what activities qualify for the tax refund, "agricultural and aquacultural purposes" means "motor fuel used in any tractor, vehicle, or other farm equipment that is used exclusively on a farm or for processing farm products on the farm, and no part of which fuel is used in any vehicle or equipment driven or operated upon the public highways of this state...."¹ This restriction from being driven or operated upon Florida public highways does not apply to the movement of a farm vehicle or farm equipment between farms. It also does not include citrus harvesting equipment and citrus fruit loaders to the types of equipment that can move between farms on public

¹ Section 206.41(4)(c)2., F.S.

highways and not violate the public highway use restriction for the purpose of qualifying for the motor fuel tax refund.

Section 206.625, F.S., requires that the county fuel tax imposed by s. 206.41(1)(b), F.S., collected from a municipality or county on motor fuel for use in a motor vehicle operated by it be returned to the governing body of each such municipality or county for construction, reconstruction, and maintenance of roads and streets within the respective municipality or county. It also requires that the county fuel tax collected from a school district, or by a private contractor operating school buses for a school district, on motor fuel for use in a motor vehicle operated by such district or private contractor be returned to the governing body of each such school district for construction, reconstruction, and maintenance of roads and streets within the school district required as a result of new school construction or renovation of existing schools.

Uniform Traffic Control Law

Chapter 316, F.S., establishes the Florida Uniform Traffic Control Law. Section 316.515(5)(a), F.S., provides that, certain agricultural equipment such as straight trucks, agricultural tractors, and cotton module movers, not exceeding 50 feet in length, or any combination of up to and including three implements of husbandry, including the towing power unit, and any single agricultural trailer with a load thereon or any agricultural implements attached to a towing power unit, or a self-propelled agricultural implement or an agricultural tractor, is authorized to transport peanuts, grains, soybeans, cotton, hay, straw, or other perishable farm products from their point of production to the first point of change of custody or of long-term storage, and for the purpose of returning to such point of production, or for the purpose of moving such tractors, movers, and implements from one point of agricultural production to another, by a person engaged in the production of any such product or custom hauler, if such vehicle or combination of vehicles otherwise complies with this section of law. The Florida Uniform Traffic Control Law does not currently authorize the use of citrus harvesting equipment and citrus fruit loaders to the list of machinery authorized to transport certain perishable agricultural products or to authorize the use of certain motor vehicles to transport citrus.

Private Security, Private Investigative, and Recovery Services

The Division of Licensing within the department is responsible for the regulation of licensing of private security, private investigative, and recovery services.² Section 493.6101(19), F.S., defines a “security officer” as:

any individual who, for consideration, advertises as providing or performs bodyguard services or otherwise guards persons or property; attempts to prevent theft or unlawful taking of goods, wares, and merchandise; or attempts to prevent the misappropriation or concealment of goods, wares or merchandise, money, bonds, stocks, choses in action, notes, or other documents, papers, and articles of value or procurement of the return

² The responsibility for regulating private investigative, private security, and recovery industries was assigned to the Department of State in 1965. In 2002, the Division of Licensing of the Department of State was transferred to the Department of Agriculture and Consumer Services, including the Concealed Weapons Permit Program. See ss. 1, 3-10, ch. 2002-295, L.O.F.

thereof. The term also includes armored car personnel and those personnel engaged in the transportation of prisoners.

Section 493.6101(16), F.S., defines a “private investigator” as “any individual who, for consideration, advertises as providing or performs private investigation.” Private investigation is defined as an investigation to obtain information on any of the following matters:

- Crime or wrongs done or threatened against the United States or any state or territory of the United States, when operating under express written authority of the governmental official responsible for authorizing such investigation.
- The identity, habits, conduct, movements, whereabouts, affiliations, associations, transactions, reputation, or character of any society, person, or group of persons.
- The credibility of witnesses or other persons.
- The whereabouts of missing persons, owners of unclaimed property or escheated property, or heirs to estates.
- The location or recovery of lost or stolen property.
- The causes and origin of, or responsibility for, fires, libels, slanders, losses, accidents, damage, or injuries to real or personal property.
- The business of securing evidence to be used before investigating committees or boards of award or arbitration or in the trial of civil or criminal cases and the preparation therefore.³

Section 493.6101(21), F.S., defines a “recovery agent” as “any individual who, for consideration, advertises as providing or performs repossessions.” Section 493.6101(20), F.S., defines “recovery agency” as “any person who, for consideration, advertises as providing or is engaged in the business of performing repossessions.” Section 493.6101(22), F.S., defines “repossession” as recovery of motor vehicles, motor boats, airplanes, personal watercraft, all-terrain vehicles, farm equipment, industrial equipment, and motor homes “by an individual who is authorized by the legal owner, lienholder, or lessor to recover, or to collect money payment in lieu of recovery of, that which has been sold or leased under a security agreement that contains a repossession clause.”

Certain individuals are exempt from the licensing requirements for private security and private investigative services. These individuals include local, state, and federal law enforcement officers, licensed insurance investigators, and individuals solely, exclusively, and regularly employed as unarmed investigators and security officers “in connection with the business of his or her employer, when there exists an employer-employee relationship.”⁴

Section 493.6106(1), F.S, establishes criteria for granting licenses for security, private investigative, and repossession services. Individuals seeking a license must clear a criminal background check as well as meet specific training and experience requirements, which vary by the type of license. In addition, the applicant must meet the following criteria:

- Be at least 18 years of age.
- Be of good moral character.

³ Section 493.6101(17), F.S.

⁴ Section 493.6102(1)-(4), F.S.

- Not have been adjudicated incapacitated, unless capacity has been judicially restored.
- Not have been involuntarily placed in a treatment facility for the mentally ill, unless competency has been judicially restored.
- Not have been diagnosed as having an incapacitating mental illness, unless a psychologist or psychiatrist licensed in this state certifies that she or he does not currently suffer from the mental illness.
- Not be a chronic and habitual user of alcoholic beverages to the extent that her or his normal faculties are impaired.
- Not have been committed under ch. 397, F.S., former ch. 396, F.S., or a similar law in any other state.
- Not have been found to be a habitual offender under s. 856.011(3), F.S., or a similar law in any other state.
- Not have had two or more convictions under s. 316.193, F.S., or a similar law in any other state within the 3-year period immediately preceding the date the application was filed, unless the individual establishes that she or he is not currently impaired and has successfully completed a rehabilitation course.
- Not have been committed for controlled substance abuse or have been found guilty of a crime under ch. 893, F.S., or a similar law relating to controlled substances in any other state within a 3-year period immediately preceding the date the application was filed, unless the individual establishes that she or he is not currently abusing any controlled substance and has successfully completed a rehabilitation course.
- Be a citizen or permanent legal resident alien of the United States or have appropriate authorization issued by the United States Citizenship and Immigration Services of the United States Department of Homeland Security.

License Classifications

Chapter 493, F.S., provides for numerous classifications of licenses within the three general categories of licenses, as follows:⁵

PRIVATE INVESTIGATION	
Agency	Class "A"
Private Investigator	Class "C"
Armed Private Investigator	Class "C" & Class "G"
Branch Office	Class "AA"
Manager	Class "C" or Class "MA" or Class "M"
Intern	Class "CC"
PRIVATE SECURITY	
Agency	Class "B"
Security Officer	Class "D"
Armed Security Officer	Class "D" & Class "G"
Branch Office	Class "BB"
Manager	Class "MB" or Class "M"
REPOSSESSION ACTIVITY	
Agency	Class "R"
Recovery Agent	Class "E"
Branch Office	Class "RR"
Manager	Class "MR" or Class "E"

⁵ See 5N-1.116(1), F.A.C.

Intern	Class “EE”
COMBINED PRIVATE INVESTIGATION AND SECURITY	
Agency	Class “A” & Class “B”
Branch Office	Class “AB”
Manager	Class “M”
SCHOOLS	
Security Officer School or Training Facility	Class “DS”
Security Officer Instructor	Class “DI”
Recovery Agent School or Training Facility	Class “RS”
Recovery Agent Instructor	Class “RI”
FIREARMS	
Instructor	Class “K”
Statewide Firearm License	Class “G”
MANAGERS	
Private Investigative Agency or Branch	Class “C”, “MA”, or “M”
Private Security Agency or Branch	Class “MB” or “M”
Recovery Agency or Branch	Class “E” or “MR”
Armed Manager	Appropriate Manager’s License and Class “G”

D, MB, and G Licenses

Generally, an applicant for a Class “D” security officer license must complete a minimum of 40 hours of professional training at a school or training facility licensed by the department, which establishes by rule the general content and number of hours of each subject area to be taught. Class MB security officers may manage a security agency. Class G officers have special firearms training requirements and are authorized to carry their firearms on duty.

Detention by Certified Seaport Security Officers

Class D and Class G security officers who are employed at seaports and who are given the power to detain persons are further required to be certified under the Maritime Transportation Security Act or s. 311.121, F.S.

The statutorily-specified certification curriculum for the seaport security officer training program includes no less than 218 hours of initial certification training that conforms to or exceeds model courses approved by the Federal Maritime Act under Section 109 of the Federal Maritime Transportation Security Act of 2002 for facility personnel with specific security duties.

Pursuant to s. 311.124, F.S., these particular Class D or G security officers are given the power to detain persons for a reasonable period of time if they have “probable cause to believe that a person is trespassing ... in a designated restricted area” pending the arrival of a law enforcement officer.⁶ In addition, this action does not “render the security officer criminally or civilly liable for false arrest, false imprisonment, or unlawful detention.” Furthermore, the seaport security officer must, upon detaining a person for trespass, immediately call a certified law enforcement officer to the scene.

⁶ “Restricted area” is defined by 33 C.F.R. part 105. See also s. 311.12, F.S.

To date, the department has not issued any revised licenses to a Class “D” security officer stating that the person is certified as a seaport security officer.

Impersonating a Licensee

Section 493.6118(1), F.S., authorizes the department to “take disciplinary action” against “any unlicensed person engaged in activities regulated” in ch. 493, F.S., related to private security, private investigative, and recovery services. Grounds for such disciplinary action include:

- Conducting activities regulated under ch. 493, F.S., without a license or with a revoked or suspended license.
- Impersonating, or permitting or aiding and abetting an employee to impersonate, a law enforcement officer.
- Knowingly violating, advising, encouraging, or assisting the violation of any statute, court order, capias, warrant, injunction, or cease and desist order, in the course of business regulated under ch. 493, F.S.
- Violating any provision of ch. 493, F.S.

When the department finds any of the above violations it may impose an administrative fine not to exceed \$1,000 for every count or separate offense.⁷ Section 493.6120, F.S., provides that any person who violates any provision of ch. 493, F.S., with one exception,⁸ commits a first degree misdemeanor.⁹ The department is authorized to institute judicial proceedings in the appropriate circuit court seeking enforcement of ch. 493, F.S., or any rule or order of the department.¹⁰

The Power to Detain

Section 901.151(2)-(4), F.S., provides:

- Whenever any law enforcement officer of this state encounters any person under circumstances which reasonably indicate that such person has committed, is committing, or is about to commit a violation of the criminal laws of this state or the criminal ordinances of any municipality or county, the officer may temporarily detain such person for the purpose of ascertaining the identity of the person temporarily detained and the circumstances surrounding the person’s presence abroad which led the officer to believe that the person had committed, was committing, or was about to commit a criminal offense.¹¹

⁷ Section 493.6118(2)(c), F.S.

⁸ The exception is in s. 493.6405, F.S. This section deals with the sale of motor vehicles, mobile homes, motorboats, aircraft, personal watercraft, all-terrain vehicles, farm equipment, or industrial equipment by a recovery agent or intern, and provides that a violation is a third degree felony.

⁹ A first degree misdemeanor is punishable by up to 1 year in a county jail and a fine of up to \$1,000 may also be imposed. See ss. 775.082 and 775.083, F.S.

¹⁰ Section 493.6121(6), F.S.

¹¹ “This standard is consonant with the holding in *Terry v. Ohio*, 392 U.S. 1, 21, 88 S.Ct. 1868, 20 L.Ed.2d 889 (1968), which requires ‘specific and articulable facts which, taken together with rational inferences from those facts, reasonably warrant that intrusion.’ For reasonable suspicion justifying a detention to exist, ‘the detaining officers must have a particularized and objective basis for suspecting the particular person stopped of criminal activity.’ *United States v. Cortez*, 449 U.S. 411, 417–18, 101 S.Ct. 690, 66 L.Ed.2d 621 (1981).” *Tillman v. State*, 934 So.2d 1263, 1273 (Fla.2006).

- No person shall be temporarily detained [under the provisions of s. 901.151(2), F.S.] longer than is reasonably necessary to effect the purposes of that subsection. Such temporary detention shall not extend beyond the place where it was first effected or the immediate vicinity thereof.
- If at any time after the onset of the temporary detention authorized by s. 901.151(2), F.S., probable cause for arrest of the person shall appear, the person shall be arrested. If, after an inquiry into the circumstances which prompted the temporary detention, no probable cause for the arrest of the person shall appear, the person shall be released.

Section 812.015(3)(a), F.S., authorizes a law enforcement officer, a merchant, a farmer, or a transit agency's employee or agent, who has probable cause to believe that a retail theft, farm theft, or trespass, has been committed by a person and, in the case of retail or farm theft, that the property can be recovered by taking the offender into custody may, for the purpose of attempting to effect such recovery or for prosecution, take the offender into custody and detain the offender in a reasonable manner for a reasonable length of time. In the event the merchant, merchant's employee, farmer, or a transit agency's employee or agent takes the person into custody, a law enforcement officer shall be called to the scene immediately after the person has been taken into custody. Detention provisions are also applicable to transit fare evasion.

Section 509.143, F.S., authorizes innkeepers and food service establishment operators to "take a person into custody and detain that person" if there is probable cause to believe the person is engaging in disorderly conduct that threatens the safety of the person or others. In these situations, a law enforcement agency must be immediately contacted.

"Citizen's Arrest"

A citizen has a common law right to make a "citizen's arrest" for a felony or a breach of the peace committed in his presence. The citizen may make such an arrest and justify his failure to obtain a warrant by proving the person's guilt.¹²

Commercial Feed and Feedstuff

The department is authorized by s. 570.07, F.S., to enforce the laws and rules of the state relating to the registration, labeling, inspection, sale, composition, formulation, wholesale and retail distribution, and analysis of commercial stock feeds. It does not currently have the authority to enforce laws and rules relating to the use of commercial feed and feedstuff. The department's Feed Section is responsible for the enforcement and administration of the Florida Commercial Feed Law, chapter 580, F.S., and chapter 5E-3, Florida Administrative Code. Section 580.036, F.S., authorizes the department to adopt rules pursuant to chapter 120, F.S., to enforce the provisions of chapter 580, F.S., and provides that such rules must be consistent with the rules and standards of the United States Food and Drug Administration and United States Department of Agriculture, when applicable. This bill would authorize the department to adopt rules establishing standards for the sale, use, and distribution of commercial feed or feedstuff to ensure usage that is consistent with animal health, safety, and welfare and, to the extent that meat,

¹² *Phoenix v. State*, 455 So.2d 1024 (Fla.1984).

poultry, and other animal products may be affected by commercial feed or feedstuff, with the safety of these products for human consumption.

III. Effect of Proposed Changes:

Section 1 amends s. 163.3162, F.S., to replace most references to the word “county” in the Agricultural Lands and Practices Act with the term “governmental entity.” It adds a definition to this section for the term and specifies that it has the same meaning as provided in s. 164.1031, F.S., where “governmental entity” is defined to include local and regional government entities. These changes have the effect of expanding from just counties to counties, municipalities, and regional governments, the types of governmental entities that are not authorized to charge an assessment or fee for stormwater management on a *bona fide* farm operation on land classified as agricultural, under certain circumstances.

Section 2 amends s. 206.41, F.S., to:

- Require that the portion of fuel sales tax collected from a county sheriff’s office be returned to the sheriff’s office to offset ongoing fuel costs. A sheriff’s office, if licensed as a local government user, may take a credit on the monthly diesel fuel tax return not to exceed the county fuel tax and fuel sales tax on those gallons which would otherwise be eligible for refund.
- Add citrus harvesting equipment and citrus fruit loaders to the types of equipment that can move between farms on public highways in the state without violating the public highway use restriction, thereby qualifying for the motor fuel tax refund provided in this section.

Section 3 amends s. 206.625, F.S., to require that the portion of the county fuel tax paid by a sheriff’s office be returned to the sheriff’s office to offset ongoing fuel costs.

Section 4 amends s. 316.515, F.S., to revise the Florida Uniform Traffic Control Law to allow the use of citrus harvesting equipment and citrus fruit loaders, not exceeding 50 feet in length, to the list of machinery that are authorized to transport certain perishable farm products between farms. It also includes citrus in the list of perishable farm products specified in statute that are authorized to be transported by equipment specified in this section.

Section 5 amends s. 493.6120, F.S., to make it a first degree misdemeanor for a person to engage in any activity for which ch. 493, F.S., requires a license if the person does not hold the required license. However, a second or subsequent violation is a third degree felony¹³ and the department may seek the imposition of a civil penalty not to exceed \$10,000. This offense does not apply if the person engages in unlicensed activity within 90 days after the expiration date of the person’s license.

This statute is also amended to make it a third degree felony for a person, while impersonating a security officer, private investigator, recovery agent, or other person required to have a license under ch. 493, F.S., to knowingly and intentionally force another person to assist the

¹³ A third degree felony is punishable by up to 5 years in state prison and a fine of up to \$5,000 may also be imposed. See ss. 775.082 and 775.083, F.S.

impersonator in an activity within the scope of duty of a professional licensed under ch. 493, F.S. However, it is a second degree felony¹⁴ if a person commits this violation during the course of committing a felony, and a first degree felony if a person commits this violation during the course of committing a felony that results in death or serious bodily injury to another human being.¹⁵

Section 6 creates an undesignated section of the Florida Statutes to provide that an on duty, uniformed armed licensed security officer or armed licensed security agency manager, may temporarily detain a person on the premises of a critical infrastructure facility if the security officer or security agency manager has probable cause to believe that the person has committed or is committing a crime against the client of the security officer or security agency manager or the client's patron. The person may be temporarily detained for the purpose of ascertaining the person's identity and the circumstances of the activity that is the basis for the temporary detention. The security officer or security agency manager must notify the law enforcement agency as soon as reasonably possible. The temporary detention must be done solely for the purpose of detaining the person before the arrival of a law enforcement officer. Custody of this person must be immediately transferred to the responding law enforcement officer unless the law enforcement officer requests the security officer to assist in detaining the person.

The security officer or security agency manager may search the person temporarily detained if the security officer or security agency manager observes that the person is armed with a firearm, concealed weapon, or any destructive device that poses a threat to the safety of the security officer or security agency manager, or the detainee admits to the security officer or security agency manager that he or she is armed with a weapon. The security officer or security agency manager is required to seize any weapon discovered and transfer the weapon to the responding law enforcement officer.

This section defines the term "critical infrastructure facility" to mean any one of the following, *if* it employs measures such as fences, barriers, or guard posts that are designed to exclude unauthorized personnel *and* is determined by a state or federal authority to be so vital to the state that the incapacity or destruction of the facility would have a debilitating impact on security, state economic stability, state public health or safety, or any combination of those matters:

- A chemical manufacturing facility.
- A refinery.
- An electrical power plant as defined in s. 403.031, F.S., including a substation, switching station, electrical control center, or electric transmission or distribution facility.
- A water intake structure, water treatment facility, wastewater treatment plant, or pump station.
- A natural gas transmission compressor station.
- A liquid natural gas terminal or storage facility.
- A telecommunications central switching office.

¹⁴ A second degree felony is punishable by up to 15 years in state prison and a fine of up to \$10,000 may also be imposed. See ss. 775.082 and 775.083, F.S.

¹⁵ A first degree felony is generally punishable by up to 30 years in state prison and a fine of up to \$10,000 may also be imposed. See ss. 775.082 and 775.083, F.S.

- A deep water port or railroad switching yard.
- A gas processing plant, including a plant used in the processing, treatment, or fractionation of natural gas.
- A public transportation facility as defined in s. 343.62, F.S.

In addition, a security officer or security agency manager must perform duties required under this new section in a uniform that bears at least one patch or emblem visible at all times clearly identifying the employing agency.

Section 7 amends s. 570.07, F.S., to authorize the department to enforce the laws and rules of the state relating to the use of commercial stock feed.

Section 8 amends s. 580.036, F.S., to authorize the department to adopt rules establishing standards for the sale, use, and distribution of commercial feed or feedstuff to ensure usage that is consistent with animal health, safety, and welfare and, to the extent that meat, poultry, and other animal products may be affected by commercial feed or feedstuff, with the safety of these products for human consumption. These standards, if adopted, must be developed in consultation with the Commercial Feed Technical Council.

Section 9 provides that this act shall take effect July 1, 2012.

Other Potential Implications:

While a person may know that physical barriers and signage indicate that trespassing may be unlawful, they may be unaware that they are in a “critical infrastructure facility” where security personnel would have the lawful authority to detain and search them, if otherwise warranted. The designation of “critical infrastructure facility” is not necessarily public information.

Sections 4 and 5 of the bill are identical to Sections 1 and 2 of CS/SB 154. On February 1, 2012, CS/SB 154 was approved by the Budget Subcommittee on General Government Appropriations.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The county/municipality mandates provision of Art. VII, section 18, of the Florida Constitution may apply because the bill prohibits a governmental entity from imposing an assessment or fee for stormwater management on certain lands. The Revenue Estimating Conference determined that the changes in section 1 of this bill which replace the word “county” with the term “governmental entity” will result in a negative \$0.9 recurring impact to cities and a negative \$53.4 million recurring impact to special districts.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

It is unclear at this point whether the limited searches and seizures which security officers and security agency managers are authorized to make under the bill would raise any Fourth Amendment issues. Since the bill is not law and current law does not specifically provide such search and seizure authorization (e.g., s. 311.124, F.S., which is relevant to seaport security officers, only authorizes temporary *detention* of a person in certain circumstances), there is no relevant and controlling Fourth Amendment case regarding searches and seizures by security officers or security agency managers. However, security officers and security agency managers should be aware that any evidence they seize may be later used as evidence in a criminal case and should be handled accordingly.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference (REC) determined that the changes in section 1 of this bill which replace the word “county” with the term “governmental entity” will result in a negative \$0.9 recurring impact to cities and a negative \$53.4 million recurring impact to special districts.

The REC determined that there is no impact from adding citrus harvesting equipment and citrus fruit loaders to the types of equipment that can move between farms on highways, thereby qualifying for motor fuel tax refunds, since citrus harvesting equipment and fruit loaders currently meet the criteria for “farm equipment”.

The REC has not reviewed the impact of requiring that the portion of the county fuel tax or fuel sales tax collected from a county sheriff’s office be returned to the sheriff’s office.

B. Private Sector Impact:

The bill provides relief to agricultural producers who are being assessed with stormwater management fees by certain governmental entities.

C. Government Sector Impact:

The bill creates misdemeanor and felony offenses for specific unlicensed activity violations of ch. 493, F.S., as it relates to private investigations, private security, and repossession services. The bill authorizes the department to impose a civil penalty when a person commits a second or subsequent offense not to exceed \$10,000. All fines collected are to be deposited into the Fine and Forfeiture Fund by the clerk of the court in the

county where the offense occurred, pursuant to s. 775.083, F.S. All revenues received by the clerk in the Fine and Forfeiture fund from court-related fees, fines, costs, and service charges are considered state funds and shall be remitted monthly to the Department of Revenue for deposit into the Clerks of the Court Trust Fund within the Justice Administrative Commission. The amount of fines to be potentially generated by the provisions of this bill are unknown at this time.

Section 4 of the bill contains penalty provisions. Sections 4 is identical to Section 1 of SB 154 (and CS/SB 154). The Criminal Justice Impact Conference, which provides the final, official estimate of the prison bed impact, if any, of legislation, has not reviewed this bill, but it has reviewed SB 154 and estimated that SB 154 would have an insignificant prison bed 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/CS by Criminal Justice on February 16, 2012:

- Requires that the portion of fuel sales tax collected from a county sheriff's office be returned to the sheriff's office to offset ongoing fuel costs.
- Authorizes a sheriff's office, if licensed as a local government user, to take a credit on the monthly diesel fuel tax return not to exceed the county fuel tax and fuel sales tax on those gallons which would otherwise be eligible for refund.
- Requires that the portion of the county fuel tax paid by a sheriff's office be returned to the sheriff's office to offset ongoing fuel costs.

CS/CS by Transportation on February 7, 2012:

CS/CS/SB 1184 is different from CS/SB 1184 in that it:

- Provides criminal and civil penalties for unlicensed persons engaging in activities for which a license is required under ch. 493, F.S.; and
- Provides a criminal penalty for a person who knowingly and intentionally forces another person to assist in activities for which a license is required under ch. 493, F.S., while impersonating a professional licensed under that chapter; and
- Authorizes certain armed, licensed security officers to detain a person on the premises of a critical infrastructure facility under circumstances described; and
- Provides procedures for notifying law enforcement and transferring the detained person; and

- Authorizes search of the detained person under certain conditions; and
- Defines the term “critical infrastructure facility”; and
- Requires certain persons licensed under ch. 493, F.S., to wear uniforms.

CS by Agriculture on January 23, 2012:

Committee Substitute for Senate Bill 1184 is different from Senate Bill 1184 in that it:

- Deletes Section 6 of SB 1184 which prohibits a person to knowingly enter any nonpublic area of a farm and, without prior written consent to record sounds or images of the farm or farm operations, with certain exceptions. It also provided that violations would be punishable by a term of imprisonment not exceeding one year or a fine of \$1,000. This deleted section of the bill had an effective date of October 1, 2012.

B. Amendments:

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



142044

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/28/2012	.	
	.	
	.	
	.	

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

Senate Amendment

Delete line 89
and insert:
in s. 164.1031. The term does not include a water control district designated under chapter 298 or a special district created by special act for water management purposes.



788010

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
02/28/2012	.	
	.	
	.	
	.	

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

Senate Amendment (with title amendment)

Delete lines 349 - 366
and insert:

Section 7. Paragraph (c) of subsection (16) and paragraph (a) of subsection (41) of section 570.07, Florida Statutes, are amended to read:

570.07 Department of Agriculture and Consumer Services; functions, powers, and duties.—The department shall have and exercise the following functions, powers, and duties:

(16) To enforce the state laws and rules relating to:

(c) Registration, labeling, inspection, sale, use,



788010

13 composition, formulation, wholesale and retail distribution, and
14 analysis of commercial stock feeds and registration, labeling,
15 inspection, and analysis of commercial fertilizers;

16
17 In order to ensure uniform health and safety standards, the
18 adoption of standards and fines in the subject areas of
19 paragraphs (a)-(n) is expressly preempted to the state and the
20 department. Any local government enforcing the subject areas of
21 paragraphs (a)-(n) must use the standards and fines set forth in
22 the pertinent statutes or any rules adopted by the department
23 pursuant to those statutes.

24 (41) (a) Except as otherwise provided in paragraph (b), to
25 exercise the exclusive authority to regulate the sale,
26 composition, packaging, labeling, wholesale and retail
27 distribution, nutrient application rates, and formulation,
28 including nutrient content level and release rates, of
29 fertilizer under chapter 576. This subsection expressly preempts
30 such regulation of fertilizer to the state and precludes the
31 adoption or enforcement of any local ordinance that regulates
32 the application of fertilizer based upon the fertilizer's
33 composition or formulation, including nutrient content level and
34 release rates.

35 Section 8. Paragraph (a) of subsection (5) of section
36 576.181, Florida Statutes, is amended to read:

37 576.181 Administration; rules; procedure.-

38 (5) (a) Except as otherwise provided in paragraph (b), the
39 department has exclusive authority to regulate the sale,
40 composition, packaging, labeling, wholesale and retail
41 distribution, nutrient application rates, and formulation,



42 including nutrient content level and release rates, of
43 fertilizer. This subsection expressly preempts such regulation
44 of fertilizer to the state and precludes the adoption or
45 enforcement of any local ordinance that regulates the
46 application of fertilizer based upon the fertilizer's
47 composition or formulation, including nutrient content level and
48 release rates.

49
50 ===== T I T L E A M E N D M E N T =====

51 And the title is amended as follows:

52 Delete line 73

53 and insert:

54 of commercial stock feeds; preempting the regulation
55 of fertilizer nutrient application rates to the state;
56 providing for applicability of certain provisions
57 preempting fertilizer regulations to the state;
58 amending s. 576.181, F.S.; preempting the regulation
59 of fertilizer nutrient application rates to the state;
60 providing for applicability of certain provisions
61 preempting fertilizer regulations to the state;
62 amending s. 580.036, F.S.;



LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/28/2012	.	
	.	
	.	
	.	

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

Senate Amendment (with title amendment)

Delete lines 367 - 369
and insert:

Section 8. Subsection (1) of section 580.036, Florida Statutes, is amended, and paragraph (g) is added to subsection (2) of that section, to read:

580.036 Powers and duties.—

(1) The department shall administer and enforce the provisions of this chapter. It shall have full authority to inspect, sample, and analyze any commercial feed or feedstuff distributed in this state and to assess any penalties provided



439188

13 for violation of this chapter. The department has exclusive
14 authority over the sale and use of any commercial feed or
15 feedstuff.

16

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

18 And the title is amended as follows:

19 Between lines 73 and 74

20 insert:

21 providing that the department has exclusive authority
22 over the sale and use of any commercial feed or
23 feedstuff;

By the Committees on Criminal Justice; Transportation; and
Agriculture; and Senator Norman

591-03544-12

20121184c3

1 A bill to be entitled
2 An act relating to the Department of Agriculture and
3 Consumer Services; amending s. 163.3162, F.S.;
4 defining the term "governmental entity"; prohibiting
5 certain governmental entities from charging stormwater
6 management assessments or fees on certain bona fide
7 farm operations except under certain circumstances;
8 providing for applicability; amending s. 206.41, F.S.;
9 revising the definition of the term "agricultural and
10 aquacultural purposes" for purposes of the required
11 refund of state taxes imposed on motor fuel used for
12 such purposes; requiring that the portion of fuel
13 sales tax collected from a county sheriff's office be
14 returned to the sheriff's office to offset the ongoing
15 fuel costs; authorizing a sheriff's office that is
16 licensed as a local government user to take a credit
17 on the monthly diesel fuel tax return under prescribed
18 conditions; amending s. 206.625, F.S.; requiring that
19 the portion of the county fuel tax paid by a county
20 sheriff's office be returned to offset ongoing fuel
21 costs; amending s. 316.515, F.S.; revising the Florida
22 Uniform Traffic Control Law to authorize the use of
23 citrus harvesting equipment and citrus fruit loaders
24 to transport certain agricultural products and to
25 authorize the use of certain motor vehicles to
26 transport citrus; amending s. 493.6120, F.S.;
27 providing that a person who engages in any activity
28 for which ch. 493, F.S., requires a license, but who
29 acts without having a license, commits a misdemeanor

Page 1 of 14

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

591-03544-12

20121184c3

30 of the first degree; providing that such person
31 commits a felony of the third degree for a second or
32 subsequent offense of engaging in activities without a
33 license; authorizing the Department of Agriculture and
34 Consumer Services to impose a civil penalty not to
35 exceed a specified amount; providing that penalties do
36 not apply if the person engaged in unlicensed activity
37 within 90 days after the expiration date of the
38 person's license; providing that a person who, while
39 impersonating a security officer, private
40 investigator, recovery agent, or other person required
41 to have a license under ch. 493, F.S., knowingly and
42 intentionally forces another person to assist the
43 impersonator in an activity within the scope of duty
44 of a professional licensed under ch. 493, F.S.,
45 commits a felony of the third degree; providing that a
46 person who impersonates a security officer or other
47 designated officer during the commission of a felony
48 commits a felony of the second degree; providing that
49 a person who impersonates a security officer or other
50 designated officer during the commission of a felony
51 that results in death or serious bodily injury to
52 another human being commits a felony of the first
53 degree; authorizing a licensed security officer or a
54 licensed security agency manager to detain a person on
55 the premises of a critical infrastructure facility in
56 certain circumstances; requiring the security officer
57 to notify the law enforcement agency as soon as
58 possible; requiring that custody of any person

Page 2 of 14

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

591-03544-12

20121184c3

59 temporarily detained be immediately transferred to the
 60 responding law enforcement officer; providing for an
 61 exception to the immediate transfer; providing that
 62 the responsibilities of the security officer are
 63 limited to specified locations; prohibiting a security
 64 officer from detaining a person longer than is
 65 reasonably necessary; authorizing the security officer
 66 to search the person detained under certain
 67 circumstances; defining the term "critical
 68 infrastructure facility"; providing identification
 69 requirements for certain licensed security officers;
 70 amending s. 570.07, F.S.; revising the powers and
 71 duties of the Department of Agriculture and Consumer
 72 Services to enforce laws and rules relating to the use
 73 of commercial stock feeds; amending s. 580.036, F.S.;
 74 authorizing the department to adopt rules establishing
 75 certain standards for regulating commercial feed or
 76 feedstuff; requiring the department to consult with
 77 the Commercial Feed Technical Council in the
 78 development of such rules; providing an effective
 79 date.

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

82
 83 Section 1. Paragraph (d) is added to subsection (2) of
 84 section 163.3162, Florida Statutes, and paragraphs (b), (c), and
 85 (i) of subsection (3) of that section are amended to read:
 86 163.3162 Agricultural Lands and Practices.—
 87 (2) DEFINITIONS.—As used in this section, the term:

Page 3 of 14

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

591-03544-12

20121184c3

88 (d) "Governmental entity" has the same meaning as provided
 89 in s. 164.1031.

90 (3) DUPLICATION OF REGULATION.—Except as otherwise provided
 91 in this section and s. 487.051(2), and notwithstanding any other
 92 law, including any provision of chapter 125 or this chapter:

93 (b) A governmental entity ~~county~~ may not charge an
 94 assessment or fee for stormwater management on a bona fide farm
 95 operation on land classified as agricultural land pursuant to s.
 96 193.461, if the farm operation has a National Pollutant
 97 Discharge Elimination System permit, environmental resource
 98 permit, or works-of-the-district permit or implements best
 99 management practices adopted as rules under chapter 120 by the
 100 Department of Environmental Protection, the Department of
 101 Agriculture and Consumer Services, or a water management
 102 district as part of a statewide or regional program.

103 (c) For each governmental entity ~~county~~ that, before March
 104 1, 2009, adopted a stormwater utility ordinance or resolution,
 105 adopted an ordinance or resolution establishing a municipal
 106 services benefit unit, or adopted a resolution stating the
 107 governmental entity's ~~county's~~ intent to use the uniform method
 108 of collection pursuant to s. 197.3632 for such stormwater
 109 ordinances, the governmental entity ~~county~~ may continue to
 110 charge an assessment or fee for stormwater management on a bona
 111 fide farm operation on land classified as agricultural pursuant
 112 to s. 193.461, if the ordinance or resolution provides credits
 113 against the assessment or fee on a bona fide farm operation for
 114 the water quality or flood control benefit of:

115 1. The implementation of best management practices adopted
 116 as rules under chapter 120 by the Department of Environmental

Page 4 of 14

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

591-03544-12 20121184c3

117 Protection, the Department of Agriculture and Consumer Services,
118 or a water management district as part of a statewide or
119 regional program;

120 2. The stormwater quality and quantity measures required as
121 part of a National Pollutant Discharge Elimination System
122 permit, environmental resource permit, or works-of-the-district
123 permit; or

124 3. The implementation of best management practices or
125 alternative measures which the landowner demonstrates to the
126 governmental entity ~~county~~ to be of equivalent or greater
127 stormwater benefit than those provided by implementation of best
128 management practices adopted as rules under chapter 120 by the
129 Department of Environmental Protection, the Department of
130 Agriculture and Consumer Services, or a water management
131 district as part of a statewide or regional program, or
132 stormwater quality and quantity measures required as part of a
133 National Pollutant Discharge Elimination System permit,
134 environmental resource permit, or works-of-the-district permit.

135 (i) The provisions of this subsection that limit a
136 governmental entity's ~~county's~~ authority to adopt or enforce any
137 ordinance, regulation, rule, or policy, or to charge any
138 assessment or fee for stormwater management, apply only to a
139 bona fide farm operation as described in this subsection.

140 Section 2. Paragraph (c) of subsection (4) of section
141 206.41, Florida Statutes, is amended, and paragraph (f) is added
142 to that subsection, to read:

143 206.41 State taxes imposed on motor fuel.—

144 (4)

145 (c)1. Any person who uses any motor fuel for agricultural,

591-03544-12 20121184c3

146 aquacultural, commercial fishing, or commercial aviation
147 purposes on which fuel the tax imposed by paragraph (1) (e),
148 paragraph (1) (f), or paragraph (1) (g) has been paid is entitled
149 to a refund of such tax.

150 2. For the purposes of this paragraph, "agricultural and
151 aquacultural purposes" means motor fuel used in any tractor,
152 vehicle, or other farm equipment which is used exclusively on a
153 farm or for processing farm products on the farm, and no part of
154 which fuel is used in any vehicle or equipment driven or
155 operated upon the public highways of this state. This
156 restriction does not apply to the movement of a farm vehicle, ~~or~~
157 farm equipment, citrus harvesting equipment, or citrus fruit
158 loaders between farms. The transporting of bees by water and the
159 operating of equipment used in the apiary of a beekeeper shall
160 be also deemed an agricultural purpose.

161 3. For the purposes of this paragraph, "commercial fishing
162 and aquacultural purposes" means motor fuel used in the
163 operation of boats, vessels, or equipment used exclusively for
164 the taking of fish, crayfish, oysters, shrimp, or sponges from
165 salt or fresh waters under the jurisdiction of the state for
166 resale to the public, and no part of which fuel is used in any
167 vehicle or equipment driven or operated upon the highways of
168 this state; however, the term may in no way be construed to
169 include fuel used for sport or pleasure fishing.

170 4. For the purposes of this paragraph, "commercial aviation
171 purposes" means motor fuel used in the operation of aviation
172 ground support vehicles or equipment, no part of which fuel is
173 used in any vehicle or equipment driven or operated upon the
174 public highways of this state.

591-03544-12 20121184c3

175 (f) The portion of the tax imposed by paragraph (1) (g)
 176 which results from the collection of fuel sales tax paid by a
 177 county sheriff's office for fuel used in motor vehicles operated
 178 by the sheriff's office shall be returned to the sheriff's
 179 office. The sheriff's office shall use the proceeds to offset
 180 ongoing fuel costs. A sheriff's office, if licensed as a local
 181 government user, may take a credit on the monthly diesel fuel
 182 tax return not to exceed the tax imposed under paragraphs (1) (b)
 183 and (g) on those gallons which would otherwise be eligible for
 184 refund.

185 Section 3. Subsection (3) is added to section 206.625,
 186 Florida Statutes, to read:

187 206.625 Return of tax to municipalities, counties, and
 188 school districts.—

189 (3) Those portions of the county fuel tax imposed by s.
 190 206.41(1) (b) which result from the collection of the taxes paid
 191 by a county sheriff's office for fuel used in motor vehicles
 192 operated by the sheriff's office shall be returned to the
 193 sheriff's office. The sheriff's office shall use the proceeds to
 194 offset ongoing fuel costs.

195 Section 4. Paragraph (a) of subsection (5) of section
 196 316.515, Florida Statutes, is amended to read:

197 316.515 Maximum width, height, length.—

198 (5) IMPLEMENTS OF HUSBANDRY AND FARM EQUIPMENT;
 199 AGRICULTURAL TRAILERS; FORESTRY EQUIPMENT; SAFETY REQUIREMENTS.—

200 (a) Notwithstanding any other provisions of law, straight
 201 trucks, agricultural tractors, citrus harvesting equipment,
 202 citrus fruit loaders, and cotton module movers, not exceeding 50
 203 feet in length, or any combination of up to and including three

591-03544-12 20121184c3

204 implements of husbandry, including the towing power unit, and
 205 any single agricultural trailer with a load thereon or any
 206 agricultural implements attached to a towing power unit, or a
 207 self-propelled agricultural implement or an agricultural
 208 tractor, is authorized for the purpose of transporting peanuts,
 209 grains, soybeans, citrus, cotton, hay, straw, or other
 210 perishable farm products from their point of production to the
 211 first point of change of custody or of long-term storage, and
 212 for the purpose of returning to such point of production, or for
 213 the purpose of moving such tractors, movers, and implements from
 214 one point of agricultural production to another, by a person
 215 engaged in the production of any such product or custom hauler,
 216 if such vehicle or combination of vehicles otherwise complies
 217 with this section. The Department of Transportation may issue
 218 overlength permits for cotton module movers greater than 50 feet
 219 but not more than 55 feet in overall length. Such vehicles shall
 220 be operated in accordance with all safety requirements
 221 prescribed by law and rules of the Department of Transportation.

222 Section 5. Section 493.6120, Florida Statutes, is amended
 223 to read:

224 493.6120 Violations; penalty.—

225 (1) (a) Except as provided in paragraph (c), a person who
 226 engages in any activity for which this chapter requires a
 227 license and who does not hold the required license commits a
 228 misdemeanor of the first degree, punishable as provided in s.
 229 775.082 or s. 775.083.

230 (b) A second or subsequent violation of paragraph (a) is a
 231 felony of the third degree, punishable as provided in s.
 232 775.082, s. 775.083, or s. 775.084, and the department may seek

591-03544-12 20121184c3

233 the imposition of a civil penalty not to exceed \$10,000.

234 (c) Paragraph (a) does not apply if the person engages in
 235 unlicensed activity within 90 days after the date of the
 236 expiration of his or her license.

237 (2)(a) A person who, while impersonating a security
 238 officer, private investigator, recovery agent, or other person
 239 required to have a license under this chapter, knowingly and
 240 intentionally forces another person to assist the impersonator
 241 in an activity within the scope of duty of a professional
 242 licensed under this chapter commits a felony of the third
 243 degree, punishable as provided in s. 775.082, s. 775.083, or s.
 244 775.084.

245 (b) A person who violates paragraph (a) during the course
 246 of committing a felony commits a felony of the second degree,
 247 punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

248 (c) A person who violates paragraph (a) during the course
 249 of committing a felony that results in death or serious bodily
 250 injury to another human being commits a felony of the first
 251 degree, punishable as provided in s. 775.082, s. 775.083, or s.
 252 775.084.

253 (3)(1) A Any person who violates any provision of this
 254 chapter, except s. 493.6405, subsection (1), or subsection (2),
 255 commits a misdemeanor of the first degree, punishable as
 256 provided in s. 775.082 or s. 775.083.

257 (4)(2) A Any person who is convicted of any violation of
 258 this chapter is shall not be eligible for licensure for a period
 259 of 5 years.

260 (5)(3) A Any person who violates or disregards any cease
 261 and desist order issued by the department commits a misdemeanor

591-03544-12 20121184c3

262 of the first degree, punishable as provided in s. 775.082 or s.
 263 775.083. In addition, the department may seek the imposition of
 264 a civil penalty not to exceed \$5,000.

265 (6)(4) A Any person who was an owner, officer, partner, or
 266 manager of a licensed agency at the time of any activity that is
 267 the basis for revocation of the agency or branch office license
 268 and who knew or should have known of the activity, shall have
 269 his or her personal licenses or approval suspended for 3 years
 270 and may not have any financial interest in or be employed in any
 271 capacity by a licensed agency during the period of suspension.

272 Section 6. Protecting critical infrastructure facilities.-

273 (1) A licensed security officer who possesses a valid Class
 274 "G" license, or a licensed security agency manager who possesses
 275 a valid Class "G" license, who is on duty, in uniform, providing
 276 security services on the premises of a critical infrastructure
 277 facility, and who has probable cause to believe that a person
 278 has committed or is committing a crime against the client, or
 279 the client's patron, of the licensed security officer or the
 280 licensed security agency manager, may temporarily detain the
 281 person for the purpose of ascertaining his or her identity and
 282 the circumstances of the activity that is the basis for the
 283 temporary detention. The security officer or security agency
 284 manager may detain the person in a reasonable manner until the
 285 responding law enforcement officer arrives at the premises of
 286 the client and is in the presence of the detainee.

287 (2) When temporarily detaining a person, the licensed
 288 security officer or security agency manager shall notify the
 289 appropriate law enforcement agency as soon as reasonably
 290 possible. Temporary detention of a person by a licensed security

591-03544-12 20121184c3

291 officer or security agency manager must be done solely for the
 292 purpose of detaining the person before the arrival of a law
 293 enforcement officer. Custody of any person being temporarily
 294 detained shall be immediately transferred to the responding law
 295 enforcement officer.

296 (3) A licensed security officer or security agency manager
 297 may not detain a person under this section after the arrival of
 298 a law enforcement officer unless the law enforcement officer
 299 requests the security officer or security agency manager to
 300 continue detaining the person. The responsibilities of the
 301 licensed security officer or security agency manager do not
 302 extend beyond the place where the person was first detained or
 303 in the immediate vicinity.

304 (4) A person may not be temporarily detained under this
 305 section longer than is reasonably necessary to effect the
 306 purposes of this section.

307 (5) If a licensed security officer or security agency
 308 manager, while detaining a person under this section, observes
 309 that the person temporarily detained is armed with a firearm, a
 310 concealed weapon, or a destructive device that poses a threat to
 311 the safety of the security officer or security agency manager,
 312 or any person for whom the security officer or security agency
 313 manager is responsible for providing protection, or if the
 314 detainee admits to having a weapon in his or her possession, the
 315 security officer or security agency manager may conduct a search
 316 of the person and his or her belongings only to the extent
 317 necessary for the purpose of disclosing the presence of a
 318 weapon. If the search reveals such a weapon, the weapon shall be
 319 seized and transferred to the responding law enforcement

591-03544-12 20121184c3

320 officer.

321 (6) As used in this section, the term "critical
 322 infrastructure facility" means any one of the following, if it
 323 employs measures such as fences, barriers, or guard posts that
 324 are designed to exclude unauthorized persons and is determined
 325 by a state or federal authority to be so vital to the state that
 326 the incapacity or destruction of the facility would have a
 327 debilitating impact on security, state economic stability, state
 328 public health or safety, or any combination of those matters:

329 (a) A chemical manufacturing facility;

330 (b) A refinery;

331 (c) An electrical power plant as defined in s. 403.031,
 332 Florida Statutes, including a substation, switching station,
 333 electrical control center, or electric transmission or
 334 distribution facility;

335 (d) A water intake structure, water treatment facility,
 336 wastewater treatment plant, or pump station;

337 (e) A natural gas transmission compressor station;

338 (f) A liquid natural gas terminal or storage facility;

339 (g) A telecommunications central switching office;

340 (h) A deepwater port or railroad switching yard;

341 (i) A gas processing plant, including a plant used in the
 342 processing, treatment, or fractionation of natural gas; or

343 (j) A public transportation facility as defined in s.

344 343.62, Florida Statutes.

345 (7) A Class "D" or Class "MB" licensee shall perform duties
 346 regulated under this section in a uniform that bears at least
 347 one patch or emblem visible at all times clearly identifying the
 348 employing agency.

591-03544-12 20121184c3

349 Section 7. Paragraph (c) of subsection (16) of section
350 570.07, Florida Statutes, is amended to read:

351 570.07 Department of Agriculture and Consumer Services;
352 functions, powers, and duties.—The department shall have and
353 exercise the following functions, powers, and duties:

354 (16) To enforce the state laws and rules relating to:

355 (c) Registration, labeling, inspection, sale, use,
356 composition, formulation, wholesale and retail distribution, and
357 analysis of commercial stock feeds and registration, labeling,
358 inspection, and analysis of commercial fertilizers;

359

360 In order to ensure uniform health and safety standards, the
361 adoption of standards and fines in the subject areas of
362 paragraphs (a)-(n) is expressly preempted to the state and the
363 department. Any local government enforcing the subject areas of
364 paragraphs (a)-(n) must use the standards and fines set forth in
365 the pertinent statutes or any rules adopted by the department
366 pursuant to those statutes.

367 Section 8. Paragraph (g) is added to subsection (2) of
368 section 580.036, Florida Statutes, to read:

369 580.036 Powers and duties.—

370 (2) The department is authorized to adopt rules pursuant to
371 ss. 120.536(1) and 120.54 to enforce the provisions of this
372 chapter. These rules shall be consistent with the rules and
373 standards of the United States Food and Drug Administration and
374 the United States Department of Agriculture, when applicable,
375 and shall include:

376 (g) Establishing standards for the sale, use, and
377 distribution of commercial feed or feedstuff to ensure usage

591-03544-12 20121184c3

378 that is consistent with animal health, safety, and welfare and,
379 to the extent that meat, poultry, and other animal products may
380 be affected by commercial feed or feedstuff, with the safety of
381 these products for human consumption. Such standards, if
382 adopted, must be developed in consultation with the Commercial
383 Feed Technical Council created under s. 580.151.

384 Section 9. This act shall take effect July 1, 2012.

THE FLORIDA SENATE
APPEARANCE RECORD

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

2-28-12
Meeting Date

Topic Fertilizer Amendment

Bill Number 1184
(if applicable)

Name FRED DICKINSON

Amendment Barcode _____
(if applicable)

Job Title Pooler McKinley

Address 106 E. College

Phone 850-681-1980

TLH FL 32301
City State Zip

E-mail _____

Speaking: For Against Information

Representing Wellington, Sanibel

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

THE FLORIDA SENATE
APPEARANCE RECORD

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

2-28-12

Meeting Date

Topic Agriculture

Bill Number 1184
(if applicable)

Name Cindy Littlejohn

Amendment Barcode _____
(if applicable)

Job Title LAQ Consultant

Address 310 W. College Ave

Phone 850-222-7535

Street

Tallahassee FL 32312

City

State

Zip

E-mail cindy@littlejohn
mann.com

Speaking: For Against Information

Representing Plum Creek Timber

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/28/12

Meeting Date

Topic Agriculture

Bill Number 1184
(if applicable)

Name Alan Shelby

Amendment Barcode _____
(if applicable)

Job Title Govt. Relations Dir.

Address 402 E. Jefferson St.
Street

Phone 222-5646

Tall FL 32301
City State Zip

E-mail alan@forestfla.org

Speaking: For Against Information

Representing Florida Forestry Association

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/28/12

Meeting Date

Topic Agriculture

Bill Number ~~1184~~ 1184

Name Chris Lyon

Amendment Barcode 142044
(if applicable)

Job Title Attorney

Address 315 S. Calhoun St., Suite 830

Phone 850/222-5702

Tallahassee FL 32301
City State Zip

E-mail clyon@llw-law.com

Speaking: For Against Information

Representing Florida Association of Special Districts

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

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 28, 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, today, February 28, 2012. I will not be able to attend this meeting.

Thank you for your approval in this request.

Sincerely,

A handwritten signature in black ink, appearing to read "JD Alexander".

JD Alexander
Senator, District 17

Xc: Jose Diez-Arguelles

A large, stylized handwritten signature in black ink, appearing to read "Jim Norman".

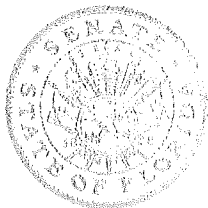
REPLY TO:

- 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



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Communications, Energy, and Public Utilities,
Chair
Budget - Subcommittee on Finance and Tax
Judiciary
Reapportionment
Rules

SENATOR ANDY GARDINER

Majority Leader
9th District

February 28, 2012

The Honorable Jim Norman, Chair
Budget Subcommittee on Finance and Tax
207 The Capitol
404 South Monroe Street
Tallahassee, FL 32399

Dear Chair Norman:

I am writing to respectfully request that I be excused from the Budget Subcommittee on Finance and Tax meeting scheduled for Tuesday, February 28, I have a prior commitment and will not be able to attend.

If you have any questions regarding this request, please do not hesitate to call my office. Thank you for your time and consideration of this matter.

Sincerely,

Senator Andy Gardiner

AG:gh

Cc: Jose Diez-Arguelles, Staff Director
Cheryl Dewees, Administrative Assistant

SENT TO CHAIRMAN
STAFF DIR. STAFF
12 FEB 28 PM 3:18
SENATE APPROPRIATIONS
RECEIVED

REPLY TO:

- 1013 East Michigan Street, Orlando, Florida 32806 (407) 428-5800
- 330 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5047

Senate's Website: www.flsenate.gov

MIKE HARIDOPOLOS
President of the Senate

MICHAEL S. "MIKE" BENNETT
President Pro Tempore