

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

FINANCE AND TAX
Senator Hukill, Chair
Senator Abruzzo, Vice Chair

MEETING DATE: Monday, November 2, 2015

TIME: 1:00—3:00 p.m.

PLACE: James E. "Jim" King, Jr. Committee Room, 401 Senate Office Building

MEMBERS: Senator Hukill, Chair; Senator Abruzzo, Vice Chair; Senators Altman, Diaz de la Portilla, Flores, Margolis, Simpson, and Soto

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	CS/SB 160 Community Affairs / Gaetz	Ad Valorem Tax Exemption for Deployed Servicemembers; Expanding the military operations that qualify a servicemember deployed in support of such an operation in the previous calendar year for an additional ad valorem tax exemption; providing an extended deadline and specifying procedures for filing an application for such tax exemption for a qualifying deployment during the 2014 and 2015 calendar years; providing refund procedures for servicemembers who were on qualifying deployments for more than 365 days during the 2014 and 2015 calendar years, etc. CA 10/20/2015 Fav/CS FT 11/02/2015 Favorable FP	Favorable Yeas 5 Nays 0
2	CS/SB 190 Community Affairs / Hutson (Identical H 501)	Conservation Easements; Deleting a requirement that an exemption for a conservation easement must be renewed annually; providing that a property owner is not required to file a renewal application until the use of the property no longer complies with conservation easement requirements or restrictions, etc. CA 10/20/2015 Fav/CS FT 11/02/2015 Favorable AP	Favorable Yeas 5 Nays 0
3	SB 194 Hukill	Redevelopment Trust Fund; Adding certain hospital districts to the list of public bodies or taxing authorities that are exempt from appropriating certain revenues to the redevelopment trust fund, etc. CA 10/06/2015 Favorable FT 11/02/2015 Favorable FP	Favorable Yeas 5 Nays 0

Other Related Meeting Documents

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Finance and Tax

BILL: CS/SB 160

INTRODUCER: Community Affairs Committee and Senator Gaetz

SUBJECT: Ad Valorem Tax Exemption for Deployed Servicemembers

DATE: October 30, 2015

REVISED: 11/02/15

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Present	Yeatman	CA	Fav/CS
2. Babin	Diez-Arguelles	FT	Favorable
3.		FP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 160 adds 11 new designated operations for which deployed servicemembers may qualify for an ad valorem tax exemption and removes one operation for which the time to qualify for the exemption has expired. A servicemember may receive an exemption on homestead property based on the portion of the preceding calendar year during which the servicemember was deployed on active duty outside the continental United States, Alaska, or Hawaii in support of a statutorily-identified military operation.

The bill extends the normal March 1 application deadline for the exemption application for qualifying deployments during the 2014 and 2015 calendar years to June 1, 2016.

The bill also provides refund procedures for servicemembers who were on qualifying deployments for more than 365 days during the 2014 and 2015 calendar years.

The Revenue Estimating Conference estimates that this bill will reduce local property tax revenues by \$1.6 million in Fiscal Year 2016-2017, with a recurring impact of \$800,000.

II. Present Situation:

General Overview of Property Taxation

The ad valorem tax or “property tax” is an annual tax levied by counties, cities, school districts, and some special districts. The tax is based on the taxable value of property as of January 1 of

each year.¹ The property appraiser annually determines the “just value”² of property within the taxing authority and then applies relevant exclusions, assessment limitations, and exemptions to determine the property’s “taxable value.”³ Tax bills are mailed in November of each year based on the previous January 1 valuation and payment is due by March 31.

The Florida Constitution prohibits the state from levying ad valorem taxes,⁴ and limits the Legislature’s authority to provide for property valuations at less than just value, unless expressly authorized.⁵

Ad Valorem Exemption for Deployed Servicemembers

The Florida Constitution grants an exemption for military servicemembers that have Florida homesteads and are deployed on active duty outside the United States, Alaska or Hawaii in support of military operations designated by the Legislature.⁶ The exemption is equal to the taxable value of the qualifying servicemember’s homestead on January 1 of the year in which the exemption is sought multiplied by the number of days that the servicemember was on a qualifying deployment in the preceding calendar year and divided by the number of days in that year.⁷

Eligible Military Operations

The Legislature has designated the following military operations:

- Operation Noble Eagle, which began on September 15, 2001;
- Operation Enduring Freedom, which began on October 7, 2001;
- Operation Iraqi Freedom, which began on March 19, 2003, and ended on August 31, 2010;
- Operation New Dawn, which began September 1, 2010, and ended on December 15, 2011; or
- Operation Odyssey Dawn, which began on March 19, 2011, and ended on October 31, 2011.⁸

Annual Report of All Known and Unclassified Military Operations

By January 15 of each year, the Department of Military Affairs must submit to the President of the Senate, the Speaker of the House of Representatives, and the tax committees of each house of the Legislature a report of all known and unclassified military operations outside the continental

¹ Both real property and tangible personal property can be subject to the tax. Section 192.001(12), F.S., defines “real property” as land, buildings, fixtures, and all other improvements to land. Section 192.001(11)(d), F.S., defines “tangible personal property” as all goods, chattels, and other articles of value capable of manual possession and whose chief value is intrinsic to the article itself.

² Property must be valued at “just value” for purposes of property taxation unless the Florida Constitution provides otherwise. FLA. CONST. art. VII, s. 4. Just value has been interpreted by the courts to mean the fair market value that a willing buyer would pay a willing seller for the property in an arm’s-length transaction. *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).

³ *See* s. 192.001(2) and (16), F.S.

⁴ FLA. CONST. art. VII, s. 1(a)

⁵ *See* FLA. CONST. art. VII, s. 4.

⁶ Fla. Const. art. VII, s. 3(g).

⁷ Section 196.173(4), F.S.

⁸ Section 196.173(2), F.S.

United States, Alaska, or Hawaii for which servicemembers based in the continental United States have been deployed during the previous calendar year.⁹

To the extent possible, the report must include:

- The official and common names of the military operations;
- The general location and purpose of each military operation;
- The date each military operation commenced; and
- The date each military operation terminated, unless the operation is ongoing.¹⁰

Exemption Application

A servicemember who seeks to claim the tax exemption must file an application for exemption with the property appraiser on or before March 1 of the year following the year of the qualifying deployment.¹¹ The servicemember's application must include:

- Proof of a qualifying deployment;
- The dates of the qualifying deployment; and
- Other information necessary to verify eligibility for and the amount of the exemption.

The property appraiser must consider a servicemember's application for the exemption within 30 days after receipt of the application or within 30 days after receiving notice of the designation of qualifying deployments by the Legislature, whichever is later.¹² If a servicemember's application is denied, the property appraiser must send a notice of disapproval no later than July 1, citing the reason for disapproval and advising the servicemember of the right to appeal the decision to the value adjustment board (VAB) along with the procedures for filing such appeal.¹³

III. Effect of Proposed Changes:

Section 1 amends s. 196.173, F.S., to add 11 unclassified military operations for which deployed servicemembers may qualify for the exemption. These 11 operations are identified in the statutorily-required report submitted to the Legislature by the Department of Military Affairs¹⁴ and include the following operations:

- Operation Joint Guardian, which began on June 12, 1999;
- Operation Octave Shield, which began in 2000;
- Operation Trans-Sahara Counterterrorism Partnership, which began in June 2005;
- Operation Nomad Shadow, which began in 2007;
- Operation U.S. Airstrikes Al Qaeda in Somalia, which began in January 2007;
- Operation Objective Voice, which began in 2009;
- Operation Georgia Deployment Program, which began in August 2009;
- Operation Copper Dune, which began in 2010;
- Operation Observant Compass, which began in October 2011;
- Operation Juniper Shield, which began in 2013; and

⁹ Section 196.173(3), F.S.

¹⁰ *Id.*

¹¹ Section 196.173(5)(a), F.S.

¹² Section 196.173(6), F.S.

¹³ Sections 194.015 and 194.011, F.S.

¹⁴ State of Florida Department of Military Affairs Office of the Adjutant General, *Named Operations Report* (Feb. 17, 2015).

- Operation Inherent Resolve, which began on August 8, 2014.

The bill removes Operation Iraqi Freedom from the list of qualifying operations because the time for claiming an exemption for the applicable tax rolls has expired.

Section 2 changes the application deadline for qualifying deployments during the 2014 and 2015 calendar years to June 1, 2016, for the military operations added by the bill.

The bill specifies that a property appraiser may grant the exemption to an otherwise qualifying applicant who fails to meet the June 1, 2016, deadline, under the following conditions:

- The applicant files on or before the 25th day after the mailing by the property appraiser during the 2016 calendar year;
- The applicant is qualified under the exemption; and
- The applicant produces sufficient evidence to demonstrate that they were unable to apply in a timely manner.

The bill provides an opportunity for review by a VAB, if the applicant files a petition on or before the 25th day following the mailing by the property appraiser of the notices required under s. 194.011(1), F.S., and demonstrates extenuating circumstances that warrant granting the exemption. Payment of the VAB filing fee is waived.

The bill also provides that if the number of days that a servicemember was on qualifying deployments in the 2014 and 2015 calendar years exceeds 365 days, the servicemember may receive a refund of taxes paid for the 2015 tax year. The amount of the 2015 tax year refund is equal to the number of days in excess of 365 that the servicemember was on qualifying deployments in the 2014 and 2015 calendar years divided by 365.

Section 3 provides that the bill is effective upon becoming law and first applies to ad valorem tax rolls for 2016.

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 REC estimates that this bill will reduce local property tax revenues by \$1.6 million in Fiscal Year 2016-2017, with a recurring impact of \$800,000.

B. Private Sector Impact:

If the bill becomes law, servicemembers deployed overseas in support of the added military operations may receive property tax relief.

C. Government Sector Impact:

The bill provides additional duties to county property appraisers and VABs, which must consider servicemembers' applications for exemption that would otherwise not have met the filing deadline. The bill may also require tax collectors to issue refunds to servicemembers if the servicemembers were on qualifying deployment for more than 365 days during the 2014 and 2015 calendar years.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 196.173 of the Florida Statutes.

This bill creates an undesignated section of the Florida law.

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

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

CS by Community Affairs on October 20, 2015:

Provides an extension of the application deadline for qualifying deployments during the 2014 and 2015 calendar years, rather than the 2014 calendar year only. Similarly, the bill extends the normal March 1 application deadline for the exemption application for qualifying deployments during the 2014 and 2015 calendar years to June 1, 2016. Furthermore, the bill provides refund procedures for servicemembers who were on qualifying deployments for more than 365 days during the 2014 and 2015 calendar years. The bill also provides that the bill first applies to ad valorem tax rolls for 2016.

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 Gaetz

578-00905A-16

2016160c1

A bill to be entitled

An act relating to an ad valorem tax exemption for deployed servicemembers; amending s. 196.173, F.S.; expanding the military operations that qualify a servicemember deployed in support of such an operation in the previous calendar year for an additional ad valorem tax exemption; providing an extended deadline and specifying procedures for filing an application for such tax exemption for a qualifying deployment during the 2014 and 2015 calendar years; providing procedures to appeal a denial by a property appraiser of an application for such tax exemption; providing refund procedures for servicemembers who were on qualifying deployments for more than 365 days during the 2014 and 2015 calendar years; providing for retroactive applicability; providing an effective date.

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

Section 1. Subsection (2) of section 196.173, Florida Statutes, is amended to read:

196.173 Exemption for deployed servicemembers.—

(2) The exemption is available to servicemembers who were deployed during the preceding calendar year on active duty outside the continental United States, Alaska, or Hawaii in support of any of the following operations:

(a) Operation Joint Guardian, which began on June 12, 1999.

(b) Operation Octave Shield, which began in 2000.

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(c) ~~(a)~~ Operation Noble Eagle, which began on September 15, 2001. ~~†~~

(d) ~~(b)~~ Operation Enduring Freedom, which began on October 7, 2001. ~~†~~

~~(e) Operation Iraqi Freedom, which began on March 19, 2003, and ended on August 31, 2010.†~~

(e) Operation Trans-Sahara Counterterrorism Partnership, which began in June 2005.

(f) Operation Nomad Shadow, which began in 2007.

(g) Operation U.S. Airstrikes Al Qaeda in Somalia, which began in January 2007.

(h) Operation Objective Voice, which began in 2009.

(i) Operation Georgia Deployment Program, which began in August 2009.

(j) Operation Copper Dune, which began in 2010.

(k) ~~(d)~~ Operation New Dawn, which began on September 1, 2010, and ended on December 15, 2011. ~~†~~ ~~or~~

(l) ~~(e)~~ Operation Odyssey Dawn, which began on March 19, 2011, and ended on October 31, 2011.

(m) Operation Observant Compass, which began in October 2011.

(n) Operation Juniper Shield, which began in 2013.

(o) Operation Inherent Resolve, which began on August 8, 2014.

The Department of Revenue shall notify all property appraisers and tax collectors in this state of the designated military operations.

Section 2. (1) Notwithstanding provisions in s. 196.173,

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Florida Statutes, to the contrary:

(a) The deadline for an applicant to file an application with the property appraiser for an additional ad valorem tax exemption under s. 196.173, Florida Statutes, for the 2016 year is June 1, 2016.

(b) For purposes of calculating the 2016 exemption for operations added by this act, a servicemember may include the number of days he or she was on qualifying deployments during the 2014 and 2015 calendar years as days he or she was on a qualifying deployment in the preceding calendar year.

(2) If an application is not timely filed under subsection (1), a property appraiser may grant the exemption if:

(a) The applicant files an application for the exemption on or before the 25th day after the mailing by the property appraiser during the 2016 calendar year of the notice required under s. 194.011(1), Florida Statutes;

(b) The applicant is qualified for the exemption; and

(c) The applicant produces sufficient evidence, as determined by the property appraiser, which demonstrates that the applicant was unable to apply for the exemption in a timely manner or otherwise demonstrates extenuating circumstances that warrant granting the exemption.

(3) If the property appraiser denies an application under subsection (2), the applicant may file, pursuant to s. 194.011(3), Florida Statutes, a petition with the value adjustment board which requests that the exemption be granted. Such petition must be filed on or before the 25th day after the mailing by the property appraiser during the 2016 calendar year of the notice required under s. 194.011(1), Florida Statutes.

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Notwithstanding s. 194.013, Florida Statutes, the eligible servicemember is not required to pay a filing fee for such petition. Upon review of the petition, the value adjustment board may grant the exemption if the applicant is qualified for the exemption and demonstrates extenuating circumstances, as determined by the board, which warrant granting the exemption.

(4) A servicemember may receive a refund of taxes paid for the 2015 tax year if he or she was on qualifying deployments during the 2014 and 2015 calendar years for more than 365 days. The amount of the refund is equal to the taxes paid on the servicemember's homestead in 2015 multiplied by the number of days in excess of 365 that the servicemember was on qualifying deployments during the 2014 and 2015 calendar years, divided by 365.

Section 3. This act shall take effect upon becoming a law, and first applies to ad valorem tax rolls for 2016.

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Finance and Tax

BILL: CS/SB 190

INTRODUCER: Community Affairs Committee and Senators Hutson and Margolis

SUBJECT: Conservation Easements

DATE: October 30, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Present	Yeatman	CA	Fav/CS
2.	Babin	Diez-Arguelles	FT	Favorable
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 190 provides that once an original application for ad valorem tax exemption for property subject to a perpetual conservation easement has been granted, the property owner is not required to file a renewal application until the use of the property no longer complies with the restrictions and requirements of the conservation easement.

The Revenue Estimating Conference has determined that this bill will not affect state or local tax revenues.

II. Present Situation:

General Overview of Property Taxation

The ad valorem tax or “property tax” is an annual tax levied by counties, cities, school districts, and some special districts. The tax is based on the taxable value of property as of January 1 of each year.¹ The property appraiser annually determines the “just value”² of property within the

¹ Both real property and tangible personal property can be subject to tax. Section 192.001(12), F.S., defines “real property” as land, buildings, fixtures, and all other improvements to land. Section 192.001(11)(d), F.S., defines “tangible personal property” as all goods, chattels, and other articles of value capable of manual possession and whose chief value is intrinsic to the article itself.

² Property must be valued at “just value” for purposes of property taxation unless the Florida Constitution provides otherwise. FLA. CONST. art VII, s. 4. Just value has been interpreted by the courts to mean the fair market value that a willing buyer would pay a willing seller for the property in an arm’s-length transaction. 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).

taxing authority and then applies relevant exclusions, assessment limitations, and exemptions to determine the property's "taxable value."³ Tax bills are mailed in November of each year based on the previous January 1 valuation and payment is due by March 31.

The Florida Constitution prohibits the state from levying ad valorem taxes,⁴ and it limits the Legislature's authority to provide for property valuations at less than just value, unless expressly authorized.⁵

The just valuation standard requires consideration of the highest and best use of property.⁶ The Florida Constitution authorizes certain types of property to be valued based on their current use (classified use assessments). 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.⁷ Land used for conservation purposes must be assessed solely on the basis of its character or use.⁸ Counties and municipalities may authorize historic properties to be assessed solely on the basis of their character or use.⁹ Certain working waterfront property is assessed based upon the property's current use.¹⁰

Conservation Easements

Section 704.06(1), F.S., provides that a conservation easement is "a right or interest in real property which is appropriate to retaining land or water areas predominantly in their natural, scenic, open, or wooded condition; retaining such areas as suitable habitat for fish, plants, or wildlife; retaining the structural integrity or physical appearance of sites or properties of historical, architectural, archaeological, or other significance, or maintaining existing land uses" The section also provides a list of activities which must be prohibited or limited by the conservation easement.

Conservation easements are perpetual, undivided interests in property and may be created or stated in the form of a restriction, easement, covenant, or condition in any deed, will or other instrument executed by or on behalf of the property owner.¹¹ Conservation easements may be acquired by any governmental body or agency or by a charitable corporation or trust that meets the statutory purposes of a conservation easement.¹² Conservation easements run with the land and are binding on all subsequent owners.¹³ Conservation easements must be recorded in the same manner as any other instrument affecting the title to real property.¹⁴

³ See s. 192.001(2) and (16), F.S.

⁴ FLA. CONST. art. VII, s. 1(a)

⁵ See FLA. CONST. art. VII, s. 4.

⁶ Section 193.011(2), F.S.

⁷ FLA. CONST. art. VII, s. 4(a).

⁸ FLA. CONST. art. VII, s. 4(b).

⁹ FLA. CONST. art. VII, s. 4(e).

¹⁰ FLA. CONST. art. VII, s. 4(j).

¹¹ Section 704.06(2), F.S.

¹² Section 704.06(3), F.S.

¹³ Section 704.06(4), F.S.

¹⁴ Section 704.06(5), F.S.

Conservation Easement Tax Preferences

Florida has long provided that land subject to a conservation easement of at least 10 years is assessed based on its current use and not its highest and best use.¹⁵

In November 2008, Florida's voters amended the Florida Constitution to provide an ad valorem tax exemption for real property dedicated in perpetuity for conservation purposes, including real property encumbered by perpetual conservation easements or by other perpetual conservation protections, as defined by general law.¹⁶ Thus, Florida provides two tax preferences related to property dedicated to conservation: (1) an ad valorem tax exemption for property subject to a perpetual conservation easement,¹⁷ and (2) a classified use assessment for property subject to a conservation easement of at least 10 years.¹⁸

Annual Application

Generally, Florida requires that every person entitled to an ad valorem exemption annually apply with the property appraiser before March 1, listing and describing the property for which the exemption is claimed and certifying its ownership and use;¹⁹ however, there are exceptions. For instance, certain types of properties are exempt from the annual application,²⁰ a property appraiser may modify the annual application requirement in some situations,²¹ and a county may waive the annual application requirement for most exemptions.²² Applications filed after the first year the exemption is granted are referred to as "renewal applications."²³ Failure to timely file a required application constitutes a waiver of the exemption for that year.²⁴

Florida currently requires annual applications for both the ad valorem exemption for property subject to a perpetual conservation easement and the classified use assessment for property subject to a conservation easement of at least 10 years.²⁵ Property owners must apply by March 1.²⁶

III. Effect of Proposed Changes:

Section 1 amends s. 196.011, F.S., to provide that once an original application for ad valorem tax exemption for property subject to a perpetual conservation easement has been granted, the property owner is not required to file a renewal application until the use of the property no longer complies with the restrictions and requirements of the perpetual conservation easement.

¹⁵ See Chapter 67-528, Laws of Fla.; s. 193.501, F.S.

¹⁶ FLA. CONST. art. VII, s. 3(f).

¹⁷ Section 196.26, F.S.

¹⁸ Section 194.501, F.S.

¹⁹ Section 196.011(1), F.S.

²⁰ Section 196.011(3), F.S.

²¹ Section 196.011(4), F.S.

²² Section 196.011(9)(a), F.S.

²³ See s. 196.011(6), F.S.

²⁴ Section 196.011(1), F.S.

²⁵ Sections 196.011(6)(b) and 193.501(8), F.S.

²⁶ *Id.*

Section 2 provides an effective date of July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference has determined that the bill will not reduce state or local revenues.

B. Private Sector Impact:

Property owners will no longer have to apply annually to maintain their tax exemption.

C. Government Sector Impact:

Property appraisers will have to process fewer renewal applications.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 196.011 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

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

CS by Community Affairs on October 20, 2015:

Clarifies that a property owner is not required to file a renewal application until the use of

the property no longer complies with the restrictions and requirements of the conservation easement.

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 Hutson

578-00903-16

2016190c1

A bill to be entitled

An act relating to conservation easements; amending s. 196.011, F.S.; deleting a requirement that an exemption for a conservation easement must be renewed annually; providing that a property owner is not required to file a renewal application until the use of the property no longer complies with conservation easement requirements or restrictions; providing an effective date.

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

Section 1. Paragraph (b) of subsection (6) of section 196.011, Florida Statutes, is amended to read:

196.011 Annual application required for exemption.—

(6)

(b) Once an original application for tax exemption has been granted under s. 196.26, the property owner is not required to file a renewal application until in each succeeding year on or before February 1, the property appraiser shall mail a renewal application to the applicant on a form prescribed by the Department of Revenue. The applicant must certify on the form that the use of the property no longer complies with the restrictions and requirements of the conservation easement. The form shall include a statement that the exemption granted under s. 196.26 will not be renewed unless the application is returned to the property appraiser.

Section 2. This act shall take effect July 1, 2016.

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Finance and Tax

BILL: SB 194

INTRODUCER: Senator Hukill

SUBJECT: Redevelopment Trust Fund

DATE: October 30, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Present	Yeatman	CA	Favorable
2.	Babin	Diez-Arguelles	FT	Favorable
3.			FP	

I. Summary:

SB 194 exempts hospital districts from making annual appropriations to the redevelopment trust fund of a community redevelopment agency created on or after July 1, 2016.

II. Present Situation:

Community Redevelopment Act

The Community Redevelopment Act of 1969¹ authorizes a county or municipality to create community redevelopment agencies (CRAs) as a means of redeveloping slums and blighted areas. In accordance with a community redevelopment plan,² CRAs can:

- Enter into contracts;
- Disseminate information;
- Acquire property within a slum or blighted area by voluntary methods;
- Demolish and remove buildings and improvements;
- Construct improvements; and
- Dispose of property at fair value.³

Counties and municipalities are prohibited from exercising the authority provided by the Community Redevelopment Act until they adopt an ordinance that declares an area to be a slum or a blighted area.⁴

A “blighted area” generally includes an area in which there are a substantial number of deteriorated, or deteriorating structures; in which conditions, as indicated by government-

¹ Chapter 163, part III, F.S.

² Section 163.360, F.S.

³ Section 163.370, F.S.

⁴ Sections 163.355 and 163.360(1), F.S.

maintained statistics or other studies, endanger life or property or are leading to economic distress; and in which other statutorily-defined criteria exist.⁵

The TIF Mechanism for Funding CRAs

CRAs are not permitted to levy or collect taxes; however, the local governing body is permitted to establish a community redevelopment trust fund that is funded through tax increment financing (TIF).⁶ The TIF mechanism requires taxing authorities within the CRA to annually appropriate an amount to the redevelopment trust fund by January 1.⁷ This revenue is used to finance redevelopment projects in accordance with a redevelopment plan,⁸ which may include bonding.⁹ The incremental revenue amount is calculated annually as 95 percent of the difference between:

- The amount of ad valorem taxes levied by each taxing authority on taxable real property within the CRA; and
- The amount of ad valorem taxes that would have been produced on the assessed value of the real property within the CRA in the year prior to the creation of the CRA.¹⁰

Thus, as the CRA's property values increase, the tax increment revenue increases, and is available to pay for public infrastructure and redevelopment costs of the CRA.

TIF Limitations and Exemptions

For CRAs created before July 1, 2002, taxing districts typically contribute to the trust fund for a period equal to the length of any indebtedness pledging the increment revenues, but not exceeding 30 years, unless the community redevelopment plan is amended.¹¹ For CRAs created after July 1, 2002, taxing authorities make the annual appropriation for a period not to exceed 40 years after the fiscal year in which the plan is approved or adopted. The following taxing authorities are exempt from contributing to the CRA:¹²

- A special district that levies ad valorem taxes on taxable real property in more than one county.
- A special district for which the sole available source of revenue the district has the authority to levy is ad valorem taxes at the time the ordinance is adopted.
- A library district, except a library district in a jurisdiction where the community redevelopment agency had validated bonds as of April 30, 1984.
- A neighborhood improvement district created under the Safe Neighborhoods Act.
- A metropolitan transportation authority.
- A water management district created under s. 373.069, F.S.

⁵ See s. 163.340(8), F.S.

⁶ Through tax increment financing, a baseline tax amount is chosen, and then in future years, any taxes generated above that baseline amount are transferred into the trust fund. Section 163.387, F.S.

⁷ Section 163.387, F.S.

⁸ Section 163.387(1)(a), F.S.

⁹ Section 163.370(2)(g), F.S.

¹⁰ Section 163.387(1)(a), F.S.

¹¹ Section 163.387(2)(a), F.S.

¹² Section 163.387(2)(c), F.S.

- A special district specifically exempted by the local governing body that created the CRA, if the exemption is made in accordance with the requirements of s. 163.387(2)(d), F.S., which include a public hearing, public notice, and an interlocal agreement.

Hospital Districts

First created in the 1920s to provide indigent care for county residents, hospital districts now differ greatly in roles, powers, and governance.¹³ There are currently six hospital districts created as dependent districts, and 22 created as independent special districts.¹⁴ Independent districts are generally created by special acts of the Legislature, whereas dependent districts are created by local governments with their governing bodies under the control of a county or municipal board. The North Sumter County Hospital District, created in 2004 by special act of the Legislature, is the most recently created hospital district.

III. Effect of Proposed Changes:

Section 1 amends s. 163.387, F.S., to add hospital districts to the list of taxing authorities exempt from contributing to the redevelopment trust fund, but only for CRAs created after July 1, 2016. Hospital districts in CRAs created before July 1, 2016, will continue to contribute to the redevelopment trust fund.

Section 2 reenacts s. 259.042, F.S., to incorporate provisions related to tax increment financing for conservation lands to the changes made by section 1 of the bill.

Section 3 provides an effective date of July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The mandate restrictions do not apply because the bill does not require counties and municipalities to spend funds, reduce their ability to raise revenue, or reduce the percentage of a state tax shared with counties and municipalities.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

¹³ Florida TaxWatch, *Florida's Fragmented Hospital Taxing District System in Need of Reexamination*, Briefings (Feb. 2009).

¹⁴ Florida Dep't of Economic Opportunity, Official List of Special Districts Online, available at <https://dca.deo.myflorida.com/fhcd/sdip/OfficialListdeo/selectfunctions.cfm> (last visited Oct. 14, 2015).

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

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

In 2015, the Department of Revenue and the Department of Economic Opportunity analyzed a functionally-identical bill and determined that it had no impact on their operations.¹⁵

Community redevelopment areas created after July 1, 2016, will not be able to rely on hospital districts for appropriations to the redevelopment trust fund.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 163.387 of the Florida Statutes.

This bill reenacts section 259.042 of the Florida Statutes.

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

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

None.

B. Amendments:

None.

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

¹⁵ Florida Dep't of Revenue, *Senate Bill 752 Fiscal Analysis* (Feb. 10, 2015) (on file with the Senate Committee on Finance and Tax); Florida Dep't of Economic Opportunity, *Senate Bill 752 Fiscal Analysis* (Feb. 12, 2015) (on file with the Senate Committee on Finance and Tax).

By Senator Hukill

8-00123B-16

2016194__

A bill to be entitled

An act relating to the redevelopment trust fund; amending s. 163.387, F.S.; adding certain hospital districts to the list of public bodies or taxing authorities that are exempt from appropriating certain revenues to the redevelopment trust fund; reenacting s. 259.042(9), F.S., relating to tax increment financing for conservation lands, to incorporate the amendment made by this act to s. 163.387, F.S.; providing an effective date.

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

Section 1. Paragraph (c) of subsection (2) of section 163.387, Florida Statutes, is amended to read:

163.387 Redevelopment trust fund.—

(2)

(c) The following public bodies or taxing authorities are exempt from paragraph (a):

1. A special district that levies ad valorem taxes on taxable real property in more than one county.

2. A special district for which the sole available source of revenue the district has the authority to levy is ad valorem taxes at the time an ordinance is adopted under this section. However, revenues or aid that may be dispensed or appropriated to a district as defined in s. 388.011 at the discretion of an entity other than such district shall not be deemed available.

3. A library district, except a library district in a jurisdiction where the community redevelopment agency had

Page 1 of 2

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

8-00123B-16

2016194__

validated bonds as of April 30, 1984.

4. A neighborhood improvement district created under the Safe Neighborhoods Act.

5. A metropolitan transportation authority.

6. A water management district created under s. 373.069.

7. For a community redevelopment agency created on or after July 1, 2016, a hospital district that is a special district as defined in s. 189.012.

Section 2. For the purpose of incorporating the amendment made by this act to section 163.387, Florida Statutes, in a reference thereto, subsection (9) of section 259.042, Florida Statutes, is reenacted to read:

259.042 Tax increment financing for conservation lands.—

(9) The public bodies and taxing authorities listed in s. 163.387(2)(c), school districts, and special districts that levy ad valorem taxes within a tax increment area are exempt from this section.

Section 3. This act shall take effect July 1, 2016.

Page 2 of 2

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

APPEARANCE RECORD

November 2, 2015

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

194

*Meeting Date**Bill Number (if applicable)*Topic Relating to Redevelopment Trust Fund*Amendment Barcode (if applicable)*Name Darrick D. McGheeJob Title Vice President of Government RelationsAddress 537 East Park AvenuePhone (850) 321-6489*Street*TallahasseeFL32301*City**State**Zip*Email darrick@teamjb.comSpeaking: ☒ For ☐ Against ☐ InformationWaive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)Representing Halifax HealthAppearing at request of Chair: ☐ Yes ☒ NoLobbyist 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 (10/14/14)



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Judiciary, *Chair*
Appropriations Subcommittee on Transportation,
Tourism, and Economic Development
Community Affairs
Finance and Tax
Regulated Industries
Rules

SENATOR MIGUEL DIAZ de la PORTILLA
40th District

November 2, 2015

The Honorable Dorothy Hukill
Chair
Senate Finance and Tax

Via Email

Dear Chair Hukill:

I respectfully request that I be excused from the Finance and Tax committee meeting today.
My flight is not arriving until tonight.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Miguel Diaz de la Portilla", written over a horizontal line.

Miguel Diaz de la Portilla
Senator, District 40

Cc: Mr. Jose Diez-Arguelles, Staff Director;
Ms. Lynn Wells, Committee Administrative Assistant

X A handwritten signature in black ink, appearing to read "Jose Diez-Arguelles", written over a horizontal line.

REPLY TO:

- ☐ 2100 Coral Way, Suite 505, Miami, Florida 33145 (305) 643-7200
- ☐ 406 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5040

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Fiscal Policy, *Chair*
Appropriations
Appropriations Subcommittee on Criminal and
Civil Justice
Ethics and Elections
Finance and Tax
Health Policy
Regulated Industries

SENATOR ANITERE FLORES

37th District

November 2, 2015

The Honorable Dorothy Hukill
Chair of Committee on Finance and Tax
305 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399-1100

Dear Chairwoman Hukill:

Due to my flight delay this morning, I was not able to attend the committee meeting this afternoon. I respectfully request to be excused from the Committee on Finance and Tax on November 2nd, 2015.

Please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Anitere Flores".

Anitere Flores

CC: Mr. Jose Diez-Arguelles, Staff Director, Committee on Finance and Tax, 207 The Capitol

A handwritten signature in cursive script that reads "D. Hukill". To the left of the signature is a handwritten "X" mark.

REPLY TO:

- ☐ 10691 North Kendall Drive, Suite 309, Miami, Florida 33176 (305) 270-6550
- ☐ 413 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5037

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100


COMMITTEES:

Regulated Industries, *Vice Chair*
Appropriations
Appropriations Subcommittee on General Government
Banking and Insurance
Finance and Tax
Fiscal Policy

SENATOR GWEN MARGOLIS

35th District

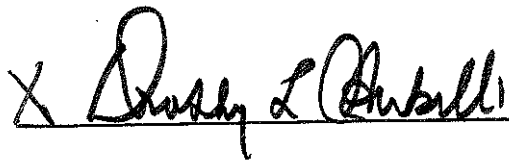
MEMORANDUM

To: Chair Dorothy Hukill, Senate Finance and Tax Committee
From:  Senator Gwen Margolis
Subject: Request to be Excused from the November 2, 2015 Finance and Tax Meeting
Date: November 2, 2015

I hereby request that I be excused from the Finance and Tax Committee Meeting held on Monday, November 2, 2015. Unfortunately the airplane arriving in Tallahassee, on which I was a passenger, was delayed. This caused me to arrive after the meeting was concluded.

Your consideration of my request would be very much appreciated.

GM

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REPLY TO:

- ☐ 3050 Biscayne Boulevard, Suite 600, Miami, Florida 33137 (305) 571-5777
- ☐ 414 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5035

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore

CourtSmart Tag Report

Room: SB 401

Case:

Type:

Caption: Senate Finance and Tax Committee

Judge:

Started: 11/2/2015 1:02:27 PM

Ends: 11/2/2015 1:13:01 PM

Length: 00:10:35

1:02:40 PM	Roll Call
1:03:19 PM	Tab 1 - CS/SB 160, Ad Valorem Tax Exemption for Deployed Servicemembers (Senator Gaetz)
1:04:42 PM	Senator Soto
1:04:54 PM	Senator Gaetz
1:05:39 PM	Senator Altman
1:06:39 PM	Senator Abruzzo
1:07:19 PM	Senator Altman
1:07:58 PM	Chair Hukill
1:08:22 PM	Senator Gaetz
1:08:33 PM	Roll call - CS/SB 160
1:09:01 PM	Tab 2 - CS/SB 190, Conservation Easements (Senator Hutson)
1:09:29 PM	Roll call - CS/SB 190
1:10:02 PM	Chair Abruzzo
1:10:11 PM	Tab 3 - SB 194, Redevelopment Trust Fund (Senator Hukill)
1:12:11 PM	Darrick McGhee, Halifax Health, waives in support
1:12:24 PM	Roll call - SB 194
1:12:47 PM	Meeting adjourned