

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 Appropriations

BILL: CS/SB 90

INTRODUCER: Appropriations Committee (Recommended by Appropriations Subcommittee on General Government) and Senator Simpson

SUBJECT: Natural Gas Rebate Program

DATE: February 4, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Wiehle</u>	<u>Caldwell</u>	<u>CU</u>	<u>Favorable</u>
2.	<u>Blizzard</u>	<u>DeLoach</u>	<u>AGG</u>	<u>Recommend: Fav/CS</u>
3.	<u>Blizzard</u>	<u>Kynoch</u>	<u>AP</u>	<u>Fav/CS</u>

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Technical Changes

I. Summary:

CS/SB 90 amends section 377.810, Florida Statutes, to authorize the Department of Agriculture and Consumer Services (DACS) to receive applications for additional rebates from the natural gas fuel fleet vehicle rebate program, giving preference to governmental applicants. Any remaining funds may be expended for commercial applicant rebates.

The DACS will not require additional resources to implement the provisions in this bill.

The bill provides an effective date of July 1, 2016.

II. Present Situation:

Section 377.810, F.S., creates the natural gas fuel fleet vehicle rebate program within the DACS for the purpose of helping to reduce transportation costs in this state and encourage freight mobility investments that contribute to the economic growth of the state.

Chapter 2013-198, Laws of Florida, appropriates \$6 million from the General Revenue Fund beginning in Fiscal Year 2013-2014, and each year thereafter through Fiscal Year 2017-2018, to the DACS to award rebates for eligible costs defined under the natural gas fuel fleet vehicle rebate program.

Forty percent of the annual refund allocation is reserved for governmental applicants, with the remaining funds allocated for commercial applicants. A rebate may not exceed 50 percent of the eligible costs of a natural gas fuel fleet vehicle with a dedicated or bi-fuel natural gas fuel operating system placed into service on or after July 1, 2013. An applicant is eligible to receive a maximum rebate of \$25,000 per vehicle up to a total of \$250,000 per fiscal year. All natural gas fuel fleet vehicles eligible for the rebate must comply with applicable United States Environmental Protection Agency emission standards.

An applicant seeking to obtain a rebate must submit an application to the DACS by a specified date each year as established by department rule. The application must include:

- A complete description of all eligible costs,
- Proof of purchase or lease of the vehicle for which the applicant is seeking a rebate,
- A copy of the vehicle registration certificate,
- A description of the total rebate sought by the applicant,
- An affidavit from the applicant certifying that all information contained in the application is true and correct; and
- Any other information deemed necessary by the DACS.

The total amount of rebates allocated to certified applicants in each fiscal year may not exceed the amount appropriated for the program in the fiscal year. Rebates are allocated to eligible applicants on a first-come, first-served basis, determined by the date the application is received, until all appropriated funds for the fiscal year are expended or the program ends, whichever comes first. Incomplete applications submitted to the DACS are not accepted and do not secure a place in the first-come, first-served application process.

The DACS is required to determine and publish on its website, on an ongoing basis, the amount of available funding for rebates remaining in each fiscal year.

By October 1 of each year that the program is funded, the DACS must provide an annual assessment of the use of the rebate program during the previous fiscal year to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Office of Program Policy Analysis and Government Accountability. The assessment must include, at a minimum, the following information:

- The name of each applicant awarded a rebate;
- The amount of the rebates awarded to each applicant;
- The type and description of each eligible vehicle for which each applicant applied for a rebate; and
- The aggregate amount of funding awarded for all applicants claiming rebates.

Chapter 2013-198, Laws of Florida, required the Office of Program Policy Analysis and Government Accountability (OPPAGA) to prepare a report reviewing the rebate program to the Governor, the President of the Senate, and the Speaker of the House of Representatives, including an analysis of the economic benefits resulting to the state from the program.

OPPAGA released Report No. 15-09 in November 2015, which found that the natural gas rebate program recipients are generally satisfied with the program. OPPAGA also recommended that

the rebate program would benefit from a more comprehensive application review process, improved information gathering, and an enhanced monitoring process. In its response, the DACS did not concur with OPPAGA's recommendation regarding the program's application review and monitoring processes.

III. Effect of Proposed Changes:

The bill amends s. 377.810, F.S., to authorize the DACS to receive additional applications between June 1 and June 30 from applicants that have reached the program maximum of \$250,000 of rebates per fiscal year. The DACS is authorized to expend funds remaining available on June 1 of each year to award additional or new rebates, with preference given to governmental applicants. Any such remaining funds may be expended for commercial applicant rebates. Applicants are eligible to receive rebates on a first come, first-served basis, until all funds for the fiscal year are expended. The maximum additional amount an applicant after June 1 of each year may receive is \$25,000 per vehicle, up to a total of \$250,000. Any unencumbered funds remaining in the natural gas fuel fleet vehicle rebate program after June 30 of each fiscal year will revert to the General Revenue Fund.

The bill 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:

None.

B. Private Sector Impact:

CS/SB 90 may have a positive fiscal impact on commercial applicants, should funds be available to award additional rebates.

C. Government Sector Impact:

The bill authorizes the DACS to receive additional applications between June 1 and June 30 of each fiscal year from applicants that have reached the program maximum of

\$250,000 of rebates. Any remaining funds may be expended for commercial applicant rebates. The maximum additional amount an applicant after June 1 of each year may receive is \$25,000 per vehicle, up to a total of \$250,000.

Any unencumbered funds remaining in the natural gas fuel fleet vehicle rebate program after June 30 of each fiscal year will revert to the General Revenue Fund. In Fiscal Year 2014-2015, \$769,348 from the General Revenue Fund was unencumbered and reverted from the natural gas fuel fleet vehicle rebate program.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 377.810 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.)

CS by Appropriations on February 3, 2016:

The committee substitute clarifies that any unencumbered funds remaining in the natural gas fuel fleet vehicle rebate program after June 30 of each fiscal year will revert to the General Revenue Fund as required in ss. 216.301 and 216.351, F.S.

B. Amendments:

None.