

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 Communications, Energy, and Public Utilities

BILL: SB 90

INTRODUCER: Senator Simpson

SUBJECT: Natural Gas Rebate Program

DATE: November 2, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wiehle	Caldwell	CU	Pre-meeting
2.			AGG	
3.			AP	

I. Summary:

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

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 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.

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 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 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 DACS are not accepted and do not secure a place in the first-come, first-served application process.

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, 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.

According to DACS:

- The Legislature appropriated \$6 million for each fiscal year.
- In the first year of the program (fiscal year 2013-2014), 272 entities received rebates totaling \$3,871,603.34, with \$2,922,162 paid out to commercial entities and \$949,441.34 paid to governmental entities. (The unencumbered remainder, \$2,128,396.66, reverted to the General Revenue Fund.)
- In the second year of the program (fiscal year 2014-2015), 527 entities received rebates totaling \$5,236,351.92, with \$3,242,465.57 paid out to commercial entities and \$1,993,886.65 paid out to governmental entities. (The unencumbered remainder, \$763,648.08, reverted to the General Revenue Fund.)

By January 31, 2016, the Office of Program Policy Analysis and Government Accountability must release a report reviewing the rebate program to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The review must include an analysis of the economic benefits resulting to the state from the program.

III. Effect of Proposed Changes:

The bill amends s. 377.810, F.S., to authorize DACS to use unencumbered natural gas fuel fleet vehicle rebate program funds for additional rebates. Between June 1 and June 30 of each fiscal year, applicants who had already met the program maximum of \$250,000 per fiscal year may file an application for additional rebates on additional qualified vehicles. If DACS has remaining unencumbered funds after June 30 of each fiscal year, it may use these funds to award additional rebates. Governmental applicants have preference, with any funds remaining and unencumbered after awards to governmental applicants available for commercial applicants. Rebates must be 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.

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:

To the extent that there are unencumbered remaining funds, commercial applicants may receive additional rebates.

C. Government Sector Impact:

To the extent that there are unencumbered remaining funds, governmental applicants may receive additional rebates.

To the extent that there are unencumbered remaining funds, the use of those funds to make awards of additional rebates the following fiscal year instead of reverting them to the General Revenue Fund will decrease the amount of reversions to the General Revenue Fund.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill authorizes DACS to retain unencumbered funds within the natural gas fuel fleet vehicle rebate program at the end of each fiscal year and to use such funds to award additional rebates.

Section 216.301, F.S., requires that “any appropriation not identified as an incurred obligation effective June 30th shall revert to the fund from which it was appropriated and shall be available for reappropriation by the Legislature.” Additionally, s. 216.351, F.S., provides that subsequent inconsistent laws supersede chapter 216, F.S., “only to the extent that they do so by express reference to this section.”

The bill does not make express reference to s. 216.351 or chapter 216 in general. This could be done by an amendment to the sentence beginning on line 30 to read: “Notwithstanding ss. 216.301 and 216.351, F.S., any unencumbered funds remaining after June 30 of each fiscal year may not revert and may be used by the department to award the additional rebates.” However, should the bill becomes law, it clearly authorizes the DACS to retain unencumbered funds and use them to award rebates after June 30, and, as a later-in-time enactment by the Legislature, would appear to be an exception to the requirements of ss. 216.301 and 216.351, F.S.

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.)

None.

B. Amendments:

None.