



Ways and Means Committee

Wednesday, January 31, 2018

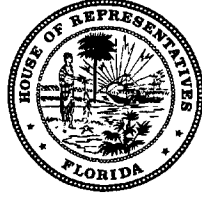
9:00 a.m. – 12:00 p.m.

Morris Hall

MEETING PACKET

The Florida House of Representatives

Ways and Means Committee



Richard Corcoran
Speaker

Paul Renner
Chair


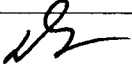
AGENDA

January 31, 2018
9:00 a.m. – 12:00 p.m.
Morris Hall

- I. Call to Order/Roll Call
- II. Chair's Opening Remarks
- III. **Consideration of the following bills:**
 - HB 603 Taxes and Fees for Veterans and Low-income Persons by Gonzalez
 - CS/HB 1173 Lands Used for Governmental Purposes by Local, Federal & Veterans Affairs Subcommittee, Raschein
 - HB 1237 Alachua County by Clemons
- IV. **Workshop on the following:**
 - Discussion of tax reduction concepts:
 - Agriculture-Related Hurricane Issues
 - Research & Development Tax Credit
 - Property Tax Exemption for Disabled Ex-Servicemember or Spouse
- V. Closing Remarks and Adjournment

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 603 Taxes and Fees for Veterans and Low-income Persons
SPONSOR(S): Gonzalez
TIED BILLS: IDEN./SIM. **BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local, Federal & Veterans Affairs Subcommittee	13 Y, 0 N	Renner	Miller
2) Ways & Means Committee		Aldridge 	Langston 
3) Government Accountability Committee			

SUMMARY ANALYSIS

The bill creates an exemption from local business taxes for honorably discharged veterans and their spouses, unremarried surviving spouses of such veterans, spouses of certain active duty military servicemembers, and low-income persons who engage in or manage a business, profession or occupation. For low-income persons, the individual claiming the exemption must receive public assistance or have a household income less than 130 percent of the federal poverty level. A business with fewer than 100 people may be exempt from the business tax if an individual to whom an exemption would apply owns a majority interest in the business. The bill also specifies the procedure required to receive such exemption.

The bill allows any municipality that imposes a business tax on merchants measured by gross receipts from the sale of merchandise, services, or both, to continue imposing such tax.

Additionally, the bill removes the \$1 or \$2 fee a veteran must pay to have the word "Veteran" displayed on an identification card or driver license issued by the Department of Highway Safety and Motor Vehicles (DHSMV). The bill also provides the following two additional forms of identification a veteran may present to the DHSMV as proof of veteran status for the purpose of receiving the "Veteran" designation on an identification card or driver license:

- Veteran health identification card, issued by the U.S. Department of Veterans Affairs; or a
- Veteran identification card, issued by the U.S. Department of Veterans Affairs pursuant to the Veterans Identification Card Act of 2015.

Lastly, the bill prohibits county tax collectors from charging a veteran the \$6.25 service fee for driver license services upon presentation of specified documentation proving an individual is a veteran.

The Revenue Estimating Conference (REC) estimates that the elimination of the \$1 and \$2 fee for the "Veteran" designation on identification cards and driver licenses will have an insignificant negative impact on General Revenue collections and will reduce the Highway Safety Operating Trust Fund by \$100,000 annually beginning in fiscal year 2018-19. The REC estimates the elimination of the \$6.25 service charge for veterans will have a recurring negative revenue impact on local governments of \$400,000 beginning in fiscal year 2018-19.

The REC also estimates the exemption from local business taxes for certain individuals will have a recurring negative \$19.1 million impact on local government revenues for fiscal year 2018-19, growing to a negative \$21.2 million impact for fiscal year 2021-22.

The bill may be a county or municipality mandate requiring a two-thirds vote of the membership of the House. See Section III.A.1 of the analysis.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Local Business Taxes

Present Situation

Background

In 1972, the Florida Legislature elected to stop administering occupational license taxes at the state level and gave the authority to local governments. Local governments were then authorized to levy occupational license taxes according to the provisions of the "Local Occupational License Act."¹

In 2006, 368 of the then-incorporated 404 municipalities and 52 of the 67 counties in Florida had some sort of local occupational license tax in place. Although the local occupational license tax was designed to be purely revenue producing in nature, it had become, unintentionally, a measure of profession and business qualifications to engage in a specific activity. Chapter 2006-152, L.O.F., renamed the act as the "Local Business Tax Act" to reflect that the business or individual has merely paid a tax and it alone does not authenticate the qualifications of a business or individual. The legislation removed the term "occupational license" and added the terms "local business tax" and "local business tax receipt."

Administrative Procedures

Under current law, a county or municipality, by appropriate resolution or ordinance, may impose a local business tax for the privilege of engaging in or managing a business, profession, or occupation within its jurisdiction.² This differs from fees or licenses paid to any board, commission, or officer for permits, registration, examination, or inspection. Unless otherwise provided by law, these fees or licenses are deemed to be regulatory and in addition to, but not in lieu of, any local business tax imposed under the provisions of ch. 205, F.S.³ "Business," "profession," and "occupation" do not include the customary religious, charitable, or educational activities of nonprofit religious, nonprofit charitable, and nonprofit educational institutions in this state.⁴

Currently, the method for adopting a local business tax ordinance, revising the rate structure of such a tax, or reclassifying occupations within the tax structure is dependent on both the date of the adoption of the tax and the statute under which it was adopted.⁵ Municipalities wishing to revise their rate structure and classification must do so under s. 205.043, F.S., or adopt a new ordinance under s. 205.0315, F.S.

Local business taxes must be "based upon reasonable classifications" and "uniform throughout any class." Rate structure revisions have been permitted under this section since October 1, 1980, subject to limitations on increases above the tax rate levied on October 1, 1971.⁶

A local business tax ordinance adopted after October 1, 1995, must be based on the ordinances of adjacent local governments that adopted their ordinances under s. 205.0535, F.S. If no such government exists or the local government finds that the rate structure or classifications of the adjacent

¹ Ch. 72-306, Laws of Fla. *See also* ch. 205, F.S.

² Sections 205.032 and 205.042, F.S.

³ Section 205.022(5), F.S.

⁴ Section 205.022(1), F.S.

⁵ Section 205.0315, F.S.

⁶ Section 205.043, F.S.

jurisdiction are unreasonable, then the local government may base its ordinance on that of a jurisdiction of comparable population that adopted an ordinance under s. 205.0535, F.S.⁷

Local governments that adopted a local business tax ordinance after October 1, 1995, were allowed to reclassify businesses, professions, and occupations and to establish new rate structures by October 1, 2008.⁸ The procedures for revising the classifications and rate structure included requiring a local government to establish an equity study commission to recommend a revised classification system and new rate structure.⁹ After consideration of the commission's recommendations, the local government had the authority to adopt by majority vote a new local business tax ordinance, subject to the following statutory limitations on the amount of the increase:¹⁰

- For receipts costing \$150 or less, 200 percent;
- For receipts costing more than \$150 but not more than \$500, 100 percent;
- For receipts costing more than \$500 but not more than \$2,500, 75 percent;
- For receipts costing more than \$2,500 but not more than \$10,000, 50 percent; and
- For receipts costing more than \$10,000, 10 percent.

A minimum business tax of up to \$25 is permitted and no receipt may be increased more than \$5,000.¹¹ The total annual revenue generated by the new rate structure for the fiscal year following the fiscal year during which the rate structure is adopted may not exceed the sum of the revenue base and 10 percent of that revenue base.¹²

A local government that followed these procedures and adopted a new rate structure before the October 1, 2008, deadline is authorized to increase its local business taxes by up to 5 percent every other year by ordinance, if approved by a majority plus one of the governing body.¹³

Counties operating under a home-rule charter¹⁴ or any adjacent county are authorized to levy and collect an additional business tax up to 50 percent, if the business tax being imposed was adopted by ordinance prior to January 1, 1995.¹⁵

Sections 205.033 and 205.043, F.S., stipulate the conditions under which counties and municipalities are authorized to levy a local business tax. When levying a new business tax, the county or municipality must first give at least 14 days public notice of the resolution or ordinance by publishing a notice in a newspaper of general circulation within its jurisdiction. The public notice must contain the proposed classifications and rates applicable to the business tax.¹⁶

A municipality's governing body that levies the tax may request that the county in which the municipality is located issue the municipal receipt and collect the tax. A county's governing body that levies the tax may request that municipalities within the county issue the county receipt and collect the tax. However, before a local government issues any business receipts on behalf of another local government, appropriate agreements must be entered into by the affected local governments.¹⁷ All business tax receipts are sold by the appropriate tax collector beginning July 1st of each year. The taxes are due and payable on or before September 30th of each year, and the receipts expire on September 30th of the succeeding year. Under certain circumstances, administrative penalties are also imposed.¹⁸

⁷ Section 205.0315, F.S.

⁸ Section 205.0535(1), F.S.

⁹ Section 205.0535(2), F.S.

¹⁰ Section 205.0535(3)(a), F.S.

¹¹ *Id.*

¹² Section 205.0535(3)(b), F.S.

¹³ Section 205.0535(4), F.S.

¹⁴ Section 125.011(1), F.S.

¹⁵ Section 205.033(6), F.S. This applies to business taxes imposed under s. 205.033(1), F.S.

¹⁶ Sections 205.032 and 205.042, F.S.

¹⁷ Section 205.045, F.S.

¹⁸ Section 205.053, F.S.

Exemptions

Local governments may exempt certain individuals from all or some portion of local business taxes as well as to regulate the issuance of tax receipts to certain individuals or businesses. Such exemptions include the following:

- An exemption of 50 percent of the business tax levied when the permanent business location or branch office is located in an enterprise zone.¹⁹
- Vehicles used for the sale and delivery of tangible personal property at wholesale or retail from the place of business on which a business tax is paid.²⁰
- An individual who engages in or manages a business, profession, or occupation as an employee of another person, excluding individuals acting in the capacity as an independent contractor.²¹
- An individual licensed and operating as a real estate broker associate or sales associate under chapter 475, F.S.²²
- All disabled persons physically incapable of manual labor, widows with minor dependents, and persons 65 years or older, with not more than one employee or helper, and who use their own capital only, not in excess of \$1,000.²³
- An exemption of \$50 toward the local business tax for all honorably discharged members of the United States Armed Forces who served during certain specified periods, who are also disabled from performing manual labor and who are permanent residents and electors of the state. The unremarried spouse of a deceased disabled veteran who qualified for the exemption is also entitled to this exemption.²⁴
- Charitable and religious organizations.²⁵
- A licensed mobile home dealer or mobile home manufacturer, or an employee of a dealer or manufacturer, who performs setup operations.²⁶

Tax Collections

Statewide, in local fiscal year 2014-2015,²⁷ total county levies of local business taxes were \$36.2 million²⁸ and total municipal levies of local business taxes were \$128.3 million.²⁹ Preliminary data for local fiscal year 2015-2016 indicate \$35.7 million³⁰ for county levies and \$128.8 million³¹ for municipal levies.

¹⁹ Section 205.054, F.S.

²⁰ Section 205.063, F.S.

²¹ Section 205.066, F.S.

²² Section 205.067, F.S.

²³ Section 205.162, F.S.

²⁴ Section 205.171, F.S.

²⁵ Sections 205.191 and 205.192, F.S.

²⁶ Section 205.193, F.S.

²⁷ Local fiscal year 2015 is the most current final data available. Local fiscal year 2016 data are preliminary since reporting by all municipalities has not yet been finalized.

²⁸ Office of Economic and Demographic Research, *County Revenues: LFY 1993-2015*, available at <http://edr.state.fl.us/content/local-government/data/data-a-to-z/g-l.cfm> (accessed 12/6/2017).

²⁹ Office of Economic and Demographic Research, *Municipal Revenues: LFY 1993-2015*, available at <http://edr.state.fl.us/Content/local-government/data/data-a-to-z/localbiztxmu.xls> (accessed 12/6/2017).

³⁰ Office of Economic and Demographic Research, *HB 603 Review*, available at http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2018/_pdf/Impact1201.pdf (accessed 12/6/2017).

³¹ *Id.*

Distribution of Tax Proceeds

The revenues derived from the business tax imposed by county governments, exclusive of the costs of collection and credit given for municipal business taxes, are apportioned between the county's unincorporated area and the incorporated municipalities located within the county by a ratio derived by dividing their respective populations by the county's total population.³² Within 15 days following the month of receipt, the apportioned revenues are sent to each governing authority.³³

Authorized Uses

Local business tax proceeds are considered general revenue for the local government. The proceeds of a county-imposed local business tax may be used for overseeing and implementing a comprehensive economic development strategy through advertising, promotional activities, and other sales and marketing techniques.³⁴ The proceeds of the additional county business tax imposed pursuant to s. 205.033(6), F.S., are 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.

Local Business Tax on the Gross Sales of Retail and Wholesale Merchants

The Cities of Panama City and Panama City Beach levy separate business taxes on the gross sale of all retail and wholesale merchants within the municipal jurisdiction. These municipalities are the only known local governments in Florida that levy a local business tax on the gross receipts of retail and wholesale merchants.³⁵

For retail merchants, the City of Panama City imposes a tax of \$10 for each \$1,000 (i.e. 1 percent) of gross sales with a minimum tax of \$1.50 per month. The tax imposed on wholesale merchants is \$0.50 for each \$1,000 of gross sales, or major fraction thereof (i.e. 0.05 percent) with a minimum tax of \$1.50 per month. The tax only applies to the first \$5,000 collected by a merchant for any single item of merchandise.³⁶

The City of Panama City Beach imposes a tax of \$10 for each \$1,000 (i.e. 1 percent) of gross sales with a minimum tax of \$50 per year for retail merchants. The tax imposed on wholesale merchants is \$1.50 for each \$1,000 of gross sales, or major fraction thereof (i.e. 0.15 percent) with a minimum tax of \$50 per year.³⁷

Effect of Proposed Changes

The bill authorizes an exemption to the local business tax for honorably discharged veterans and their spouses, unmarried surviving spouses of honorably discharged veterans, active duty military servicemembers' spouses, and low-income persons receiving public assistance, as defined in s. 403.2554, F.S., or having a household income less than 130 percent of the federal poverty level. The exemption for the spouses of active duty military servicemembers requires a receipt of permanent change of station orders to the county or municipality.

³² Section 205.033, F.S.

³³ Section 205.033(5), F.S.

³⁴ Section 205.033(7), F.S.

³⁵ Office of Economic and Demographic Research, *2016 Local Government Financial Information Handbook* at 148, available at <http://edr.state.fl.us/Content/local-government/reports/lgfih16.pdf> (accessed 11/17/2017).

³⁶ Panama City Code of Ordinances, ch. 14, sec. 14-29 (April 21, 2017).

³⁷ *Supra* note 35. The Fiscal Year 2016-2017 City of Panama City Beach budget identifies \$10.3 million of projected revenue from local business tax levies (the single largest revenue source) and no levy of ad valorem taxes. Panama City Beach Administration, *Budgets & Financial Statements*, Amended 2016/Adopted 2017 Budget, at 7, available at <http://www.pcbgov.com/home/showdocument?id=6254> (last accessed 11/17/2017).

The bill requires an individual to complete and sign, under penalty of perjury, a Request for Fee Exemption to be furnished by the local governing authority and to provide written documentation supporting the request. Additionally, the bill provides an exemption for businesses with fewer than 100 people, if an individual to whom an exemption may apply owns a majority interest in the business.

The bill allows any municipality that imposes a business tax on the gross sales of all retail and wholesale merchants within the municipal jurisdiction to continue to impose such tax. The municipality may change, by ordinance, the definition of a merchant, but not the rate of the tax.

The bill repeals s. 205.171, F.S., which provides an exemption of \$50 toward the local business tax for all honorably discharged members of the United States Armed Forces who served during certain specified periods, who are also disabled from performing manual labor and who are permanent residents and electors of the state, as well as the unremarried spouse of a deceased disabled veteran who qualified for the exemption.

Driver Licenses and Identification Cards

Present Situation

Currently, veterans may receive a “Veteran” designation³⁸ on their identification cards³⁹ or driver licenses⁴⁰ by presenting a copy of their DD Form 214⁴¹ or another acceptable form of verification specified by the Florida Department of Veterans’ Affairs. The veteran must pay a \$1 fee for an initial or renewal identification card or driver license, or a \$2 fee for a replacement, and surrenders the current identification card or driver license. If the veteran is receiving a replacement identification card or driver license solely for the purpose of receiving the “Veteran” designation, the required \$25 replacement fee is waived.⁴² Revenue generated from the \$1 and \$2 fees is deposited into the Highway Safety Operating Trust Fund.

Chapter 2010-163, Laws of Florida required all state driver license issuance services be transferred to tax collectors⁴³ As part of that transfer, tax collectors retain portions of specified fees when processing certain driver license services.⁴⁴ Tax collectors are required to charge a \$6.25 service fee;⁴⁵ however, the fee may not be charged:

- More than once per customer;
- For a reexamination requested by the Medical Advisory Board or Department of Highway Safety and Motor Vehicles;
- For a voter registration transaction; or

³⁸ Chapter 2015-85, Laws of Fla., required the word “Veteran” to be displayed on identification cards and driver licenses instead of the “V” designation. The Department of Highway Safety and Motor Vehicles expects the implementation of the new design to be completed by December 2017. *See* Department of Highway Safety and Motor Vehicles Agency analysis for SB 100, on file with Local, Federal & Veterans Affairs Subcommittee staff.

³⁹ Section 322.051(8)(b), F.S.

⁴⁰ Section 322.14(1)(d), F.S.

⁴¹ Each veteran is issued a Department of Defense DD Form 214 upon separation from active duty service. This form contains information normally needed to verify military service of benefits, retirement, employment, and membership in veterans’ organizations. The form contains the veteran’s dates of service, last duty assignment, pay grade and rank, awards received, and condition of discharge. *See* <http://www.dd214.us/> (accessed 11/20/ 2017).

⁴² *See* sections 322.21(1)(e) and 322.21(1)(f)3.

⁴³ Tax collectors are constitutional officers pursuant to FLA. CONST. art. VIII, s. 1(d). Volusia, Broward, and Miami-Dade counties do not have a tax collector who is a constitutional officer. Additionally, the tax collectors of Glades, Franklin, and Gilchrist counties have opted out of providing driver license services, in part because they are small counties as defined in s. 120.52(a)(19), F.S., and have instead entered into interlocal agreements with neighboring tax collectors in adjacent counties to provide driver license services.

⁴⁴ Driver license services provided under ch. 322, F.S., include the issuance of driver license and identification cards, examinations for driver licenses, educational programs, and administrative functions associated with such activities.

⁴⁵ Section 322.135(1)(c), F.S.

- In violation of any federal or state law.⁴⁶

Proof of Veteran Status

Currently, United States military veterans do not have one uniform veteran identification card available to them that proves military service.

On July 20, 2015, Congress enacted the “Veterans Identification Card Act 2015.”⁴⁷ The Act directs the United States Department of Veterans Affairs (VA) to issue a veteran’s identification card to a requesting veteran who is neither entitled to military retired pay nor enrolled in the VA system for patient enrollment. The card is required to display the veteran’s name and photograph and serve as proof that the veteran has a DD Form 214⁴⁸ or other official document in his or her military personnel file that describes the veteran’s military service.⁴⁹ The identification card cannot be used as proof of eligibility for any federal benefits and does not grant access to military installations.

Certain veterans may be eligible for other methods of identification that may prove veteran status including, but not limited to, the following:

- **Veteran Health Identification Card**⁵⁰ – This card is issued to veterans enrolled in the VA health care system and is used for identification and check-in at VA appointments.
- **DD Form 2 (Retired) U.S. Uniformed Services ID**⁵¹ – This card is issued to retired Uniform Service⁵² members entitled to pay, members on the temporary disability retired list, and members on the permanent disability retired list.
- **DD Form 1173 U.S. Uniformed Services ID and Privilege Card**⁵³ – This card is issued to Medal of Honor recipients, former members in receipt of retired pay, 100 percent disabled veterans, and other benefits-eligible categories as described in DoD policy.
- **DD Form 2765 Department of Defense/Uniformed Services ID and Privilege Card**⁵⁴ – This card is issued to Medal of Honor recipients, 100 percent disabled veterans, former members in receipt of retired pay, other benefits-eligible categories as described in the Department of Defense (DoD) policy.
- **100-percent Disabled Veterans State Identification Card** - This card is issued by the Florida Department of Veterans’ Affairs to any Florida veteran who has a 100-percent total and permanent service-connected disability rating from the USDVA or the DoD.⁵⁵
- **“Veteran” Designation on Florida Identification Car or Driver License Card.**⁵⁶

⁴⁶ *Id.*

⁴⁷ Veterans Identification Card Act 2015, Pub. L. No. 114-31, H.R. 91, 114th Cong. (July 20, 2015).

⁴⁸ Each veteran is issued a Department of Defense DD Form 214. This form contains information normally needed to verify military service of benefits, retirement, employment, membership in veterans’ organizations, and the veteran’s condition of discharge. *See* <http://www.dd214.us/> (accessed 11/22/2017).

⁴⁹ Congress.gov, *H.R. 91-Veterans Identification Card Act 2015*, available at: <https://www.congress.gov/bill/114th-congress/house-bill/91> (accessed 11/22/2017).

⁵⁰ U.S. Department of Veterans Affairs site on *Veteran Identification Cards*, available at:

https://iris.custhelp.com/app/answers/detail/a_id/911 (accessed 11/22/2017).

⁵¹ Department of Defense Common Access Card site on *Uniformed Services ID Card*, available at: www.cac.mil/uniformed-services-id-card/ (accessed 11/22/2017).

⁵² 10 U.S.C. §101(a)(5) defines “uniformed services” as consisting of the Army, Marines, Navy, Air Force, Coast Guard, Public Health Service, and the National Oceanic and Atmospheric Administration.

⁵³ *Id.*

⁵⁴ *Id.*

⁵⁵ See s. 295.17, F.S.

⁵⁶ See ss. 322.14(1)(d) and 322.051(8)(b), F.S.

Effect of Proposed Changes

The bill removes the \$1 fee for adding the “Veteran” designation on an identification card or driver license. The bill also removes the \$2 fee for adding the “Veteran” designation on a replacement identification card or driver license when the veteran surrenders his or her current identification card or driver license.

The bill also adds two additional forms of identification a veteran may present to the DHSMV to prove veteran status for the purpose of receiving the “Veteran” designation on an identification card or driver license. Specifically, under the bill a veteran may present:

- A Veteran health identification card, issued by the U.S. Department of Veterans Affairs; or
- A Veteran identification card, issued by the U.S. Department of Veterans Affairs pursuant to the Veterans Identification Card Act of 2015.

Lastly, the bill prohibits county tax collectors from charging a veteran the \$6.25 service fee for identification card and driver license services upon presentation of the veteran’s:

- DD Form 214, issued by the U.S. Department of State;
- Veteran health identification card, issued by the U.S. Department of Veterans Affairs;
- Veteran identification card issued by the U.S. Department of Veterans Affairs pursuant to the Veterans Identification Card Act of 2015; or
- Other acceptable form specified by the Florida Department of Veterans’ Affairs.

B. SECTION DIRECTORY:

- | | |
|-----------|--|
| Section 1 | Creates s. 205.055, F.S., to exempt honorably discharged veterans, such veterans’ spouses, unremarried surviving spouses of honorably discharged veterans, active duty servicemembers’ spouses, and low-income persons from paying the local business tax and specifies the procedures required to receive such exemption. |
| Section 2 | Repeals s. 205.171, F.S., relating to exemptions for disabled veterans of any war or their unremarried spouses. |
| Section 3 | Allows any municipality that imposes a business tax based on gross receipts from the sale of merchandise, services, or both, to continue imposing such tax and allows municipalities to revise the definition of the term “merchant.” |
| Section 4 | Amends s. 322.051, F.S., deleting fees for adding the word “Veteran” to an identification card and revising acceptable forms of identification required for the addition. |
| Section 5 | Amends s. 322.14, F.S., deleting fees for adding the word “Veteran” to a driver license and revising acceptable forms of identification required for the addition. |
| Section 6 | Amends s. 322.135, F.S., prohibiting tax collectors from charging certain service fees to veterans who present specified forms of identification. |
| Section 7 | Provides an effective date of July 1, 2018. |

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Revenue Estimating Conference (REC) estimates that the elimination of the \$1 and \$2 fee for the “Veteran” designation on identification card and driver licenses the bill will have a negative

insignificant impact on General Revenue collections and will reduce the Highway Safety Operating Trust Fund by \$100,000 annually beginning in fiscal year 2018-19.

2. Expenditures:

The DHSMV states that the programming required to update the Florida Driver License Information System to waive the \$1 fee for a veterans' driver license or identification card and the \$2 fee for a veteran's replacement driver license or identification card with the word "Veteran" displayed on it would cost approximately \$10,275 in FTE and contracted resources.⁵⁷

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The REC estimates the elimination of the \$6.25 service fee tax collectors charge veterans for services rendered will have a recurring negative revenue impact on local governments of \$400,000 beginning in fiscal year 2018-19.

The REC also estimates the exemption from local business taxes for certain individuals will have a recurring negative \$19.1 million impact on local government revenues for fiscal year 2018-19, growing to a negative \$21.2 million impact for fiscal year 2021-22.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill provides additional exemptions to local business taxes for low-income persons and servicemembers and their families. By doing so, the bill appears to promote business and industry in the state. Additionally, veterans requesting the "Veteran" designation on an identification card or driver license will no longer pay a \$1 or \$2 fee for the designation when a driver license or identification card is being issued, renewed, or replaced. The veteran will also be exempt from paying the \$6.25 service fee for services rendered by a tax collector.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The county/municipality mandates provision of Art. VII, s. 18 of the Florida Constitution may apply because this bill reduces the authority that counties or municipalities have to raise revenues in the aggregate. The reduction in authority comes from the exemptions to local business taxes created by the bill for certain categories of individuals.

If the bill does qualify as a mandate, final passage must be approved by two-thirds of the membership of each house of the Legislature.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

1 A bill to be entitled
 2 An act relating to taxes and fees for veterans and
 3 low-income persons; creating s. 205.055, F.S.;
 4 exempting certain persons and businesses from business
 5 taxes and fees; providing requirements for applying
 6 for such exemption; repealing s. 205.171, F.S.,
 7 relating to exemptions allowed for disabled veterans
 8 of any war or their unremarried spouses; authorizing
 9 municipalities that impose certain business taxes on
 10 merchants to continue to impose such taxes;
 11 authorizing such municipalities to revise the
 12 definition of the term "merchant"; amending ss.
 13 322.051 and 322.14, F.S.; deleting fees for adding the
 14 word "Veteran" to an identification card or driver
 15 license; revising acceptable forms of identification
 16 required for such addition; amending s. 322.135, F.S.;
 17 prohibiting tax collectors from charging certain
 18 driver license service fees to veterans who present
 19 specified forms of identification; providing an
 20 effective date.

21
 22 Be It Enacted by the Legislature of the State of Florida:

23
 24 Section 1. Section 205.055, Florida Statutes, is created
 25 to read:

26 205.055 Exemptions; veterans, spouses of veterans and
 27 certain servicemembers, and low-income persons.-

28 (1) The following persons are entitled to an exemption
 29 from a business tax and any fees imposed under this chapter:

30 (a) A veteran of the United States Armed Forces who was
 31 honorably discharged upon separation from service, or the spouse
 32 or unremarried surviving spouse of such a veteran.

33 (b) The spouse of an active duty military servicemember
 34 who has relocated to the county or municipality pursuant to a
 35 permanent change of station order.

36 (c) A person who is receiving public assistance as defined
 37 in s. 409.2554.

38 (d) A person whose household income is below 130 percent
 39 of the federal poverty level based on the current year's federal
 40 poverty guidelines.

41 (2) A person must complete and sign, under penalty of
 42 perjury, a Request for Fee Exemption to be furnished by the
 43 local governing authority and provide written documentation in
 44 support of his or her request for an exemption under subsection
 45 (1).

46 (3) If a person who is exempt under subsection (1) owns a
 47 majority interest in a business with fewer than 100 employees,
 48 the business is exempt.

49 Section 2. Section 205.171, Florida Statutes, is repealed.

50 Section 3. Notwithstanding the provisions of this act, a

51 municipality that imposes a business tax on merchants which is
 52 measured by gross receipts from the sale of merchandise or
 53 services, or both, may continue to impose such tax and may, by
 54 ordinance, revise the definition of the term "merchant."
 55 However, the municipality may not revise the rate of the tax
 56 measured by gross sales.

57 Section 4. Paragraph (b) of subsection (8) of section
 58 322.051, Florida Statutes, is amended to read:

59 322.051 Identification cards.—

60 (8)

61 (b) 1. The word "Veteran" must ~~shall~~ be exhibited on the
 62 identification card of a veteran upon ~~the payment of an~~
 63 ~~additional \$1 fee for the identification card and the~~
 64 presentation of a copy of the person's:

65 a. DD Form 214, issued by the United States Department of
 66 Defense;

67 b. Veteran health identification card, issued by the
 68 United States Department of Veterans Affairs;

69 c. Veteran identification card, issued by the United
 70 States Department of Veterans Affairs pursuant to the Veterans
 71 Identification Card Act of 2015, Pub. L. 114-31; or

72 d. Other ~~another~~ acceptable form specified by the
 73 Department of Veterans' Affairs.

74 2. Until a veteran's identification card is next renewed,
 75 the veteran may have the word "Veteran" added to his or her

76 identification card upon surrender of his or her current
 77 identification card, ~~payment of a \$2 fee to be deposited into~~
 78 ~~the Highway Safety Operating Trust Fund,~~ and presentation of any
 79 of the forms of identification specified in subparagraph 1 a
 80 copy of his or her DD Form 214 or another acceptable form
 81 specified by the Department of Veterans' Affairs. If the
 82 applicant is not conducting any other transaction affecting the
 83 identification card, a replacement identification card must
 84 ~~shall~~ be issued with the word "Veteran" without payment of the
 85 fee required in s. 322.21(1)(f)3.

86 Section 5. Paragraph (d) of subsection (1) of section
 87 322.14, Florida Statutes, is amended to read:

88 322.14 Licenses issued to drivers.—

89 (1)

90 (d)1. The word "Veteran" must ~~shall~~ be exhibited on the
 91 driver license of a veteran upon ~~the payment of an additional \$1~~
 92 ~~fee for the license and~~ the presentation of a copy of the
 93 person's:

94 a. DD Form 214, issued by the United States Department of
 95 Defense;

96 b. Veteran health identification card, issued by the
 97 United States Department of Veterans Affairs;

98 c. Veteran identification card, issued by the United
 99 States Department of Veterans Affairs pursuant to the Veterans
 100 Identification Card Act of 2015, Pub. L. 114-31; or

101 d. ~~Other another~~ acceptable form specified by the
 102 Department of Veterans' Affairs.

103 2. Until a veteran's license is next renewed, the veteran
 104 may have the word "Veteran" added to his or her license upon
 105 surrender of his or her current license, ~~payment of a \$2 fee to~~
 106 ~~be deposited into the Highway Safety Operating Trust Fund,~~ and
 107 presentation of any of the forms of identification specified in
 108 subparagraph 1 a copy of his or her DD Form 214 or another
 109 ~~acceptable form specified by the Department of Veterans'~~
 110 ~~Affairs~~. If the applicant is not conducting any other
 111 transaction affecting the driver license, a replacement license
 112 must shall be issued with the word "Veteran" without payment of
 113 the fee required in s. 322.21(1)(e).

114 Section 6. Paragraph (c) of subsection (1) of section
 115 322.135, Florida Statutes, is amended to read:

116 322.135 Driver license agents.—

117 (1) The department shall, upon application, authorize by
 118 interagency agreement any or all of the tax collectors who are
 119 constitutional officers under s. 1(d), Art. VIII of the State
 120 Constitution in the several counties of the state, subject to
 121 the requirements of law, in accordance with rules of the
 122 department, to serve as its agent for the provision of specified
 123 driver license services.

124 (c) A service fee of \$6.25 must shall be charged, in
 125 addition to the fees set forth in this chapter, for providing

126 all services pursuant to this chapter. The service fee may not
 127 be charged:

128 1. More than once per customer during a single visit to a
 129 tax collector's office.

130 2. For a reexamination requested by the Medical Advisory
 131 Board or required pursuant to s. 322.221.

132 3. For a voter registration transaction.

133 4. In violation of any federal or state law.

134 5. To a veteran receiving any service pursuant to this
 135 chapter, upon presentation of a copy of the veteran's:

136 a. DD Form 214, issued by the United States Department of
 137 Defense;

138 b. Veteran health identification card, issued by the
 139 United States Department of Veterans Affairs;

140 c. Veteran identification card, issued by the United
 141 States Department of Veterans Affairs pursuant to the Veterans
 142 Identification Card Act of 2015, Pub. L. 114-31; or

143 d. Other acceptable form specified by the Department of
 144 Veterans' Affairs.

145 Section 7. This act shall take effect July 1, 2018.

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Ways & Means Committee
 2 Representative Gonzalez offered the following:

Amendment

5 Remove line 48 and insert:

6 the business is exempt. Such person must complete and sign,
 7 under penalty of perjury, a Request for Fee Exemption to be
 8 furnished by the local governing authority and provide written
 9 documentation in support of his or her request for an exemption
 10 for the business under this subsection.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 1173 Lands Used for Governmental Purposes
SPONSOR(S): Local, Federal & veterans Affairs Subcommittee and Raschein
TIED BILLS: IDEN./SIM. **BILLS:** SB 1622

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local, Federal & Veterans Affairs Subcommittee	10 Y, 0 N, As CS	Gregory	Miller
2) Ways & Means Committee		Dugan <i>RD</i>	Langston <i>[Signature]</i>
3) Government Accountability Committee			

SUMMARY ANALYSIS

Purchasing Nonconservation Land Buffering a Military Installation

The Board of Trustees of the Internal Improvement Trust Fund (Board of Trustees) holds state lands in trust for the use and benefit of the people of Florida. The Board of Trustees may acquire nonconservation land through the Military Base Protection Program (MBPP) from the annual list submitted by the Department of Economic Opportunity (DEO) to buffer a military installation against encroachment. The bill adds additional procedures for the selection of lands under the MBPP by requiring:

- DEO annually to request military installations to submit a list of base buffering lands for acquisitions;
- The Florida Defense Support Task Force to analyze the resulting list and provide ranking recommendations to DEO;
- DEO to submit its final list to the Board of Trustees for acquisition; and
- The Board of Trustees to use federal appraisal standards and to disclose its appraisal to the seller when federal partnership funds are available.

The bill authorizes the Board of Trustees to lease or convey the acquired military buffer land at less than appraised value to the military installation, provided the conveyance states the land will revert to the Board of Trustees if the military installation does not use the land as a buffer or if the military installation closes.

Purchasing Land in an Area of Critical State Concern

The Governor and Cabinet may designate certain areas within the state containing resources of statewide significance as areas of critical state concern (ACSC). Under present law, based on recommendations from DEO, the Department of Environmental Protection (DEP) proposes to the Board of Trustees purchasing lands within or outside an ACSC that directly impact the area. The bill authorizes the Board of Trustees to purchase lands within ACSCs to prevent or satisfy private property rights claims resulting from limitations imposed by inclusion within the area without following its normal acquisition procedures. DEP, when purchasing lands in an ACSC to prevent or satisfy private property rights claims, could use alternative valuation methods if the parcel is estimated to be worth \$500,000 or less, the cost of an outside appraisal is not justified, and the public's interest is reasonably protected.

Finally, each county where one or more ACSCs are located may create a land authority. The land authority may contribute tourist impact tax revenues to its most populous municipality or the housing authority of such municipality, for the construction, redevelopment, or preservation of affordable housing. The bill authorizes each land authority to contribute tourist impact tax revenues to the county or the county's housing authority to purchase land in the county, not just the most populous municipality, for the construction, redevelopment, or preservation of affordable housing in an ACSC.

The bill may have impacts on state and local government expenditures. See Fiscal Analysis Section.

The bill provides the act is effective upon becoming law.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h1173b.WMC.DOCX

DATE: 1/26/2018

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Purchasing Nonconservation Land Buffering a Military Installation

Present Situation

The State of Florida owns lands for many purposes including preservation, conservation, recreation, water management, historic preservation, and administration of government. These lands include:

- All swamp and overflowed lands held by the state or which may inure to the state;
- All lands owned by the state by right of its sovereignty;
- All internal improvement lands proper;
- All tidal lands;
- All lands covered by shallow waters of the ocean or gulf, or bays or lagoons thereof, and all lands owned by the state covered by fresh water;
- All parks, reservations, or lands or bottoms set aside in the name of the state, excluding lands held for transportation facilities and transportation corridors and canal rights-of-way; and
- All lands which have accrued, or which may accrue, to the state.¹

The Board of Trustees of the Internal Improvement Trust Fund (Board of Trustees) holds state lands in trust for the use and benefit of the people of Florida.² The Board of Trustees consists of the Governor, Attorney General, Chief Financial Officer, and Commissioner of Agriculture. This body may acquire, sell, transfer, and administer state lands in the manner consistent with chapters 253 and 259, F.S.³ The Department of Environmental Protection (DEP), through its Division of State Lands (DSL), performs all staff duties and functions related to the acquisition, administration, and disposition of state lands.⁴

“Conservation lands” are lands managed for conservation, outdoor resource-based recreation, or archaeological or historic preservation, except those lands acquired solely to facilitate the acquisition of other conservation lands. Lands acquired for uses other than conservation, outdoor resource-based recreation, or archaeological or historic preservation (“nonconservation lands”) are not designated conservation lands. Nonconservation lands include the following: correction and detention facilities, military installations and facilities, state office buildings, maintenance yards, State University or Florida College System institution campuses, agricultural field stations or offices, tower sites, law enforcement and license facilities, laboratories, hospitals, clinics, and other sites that possess no significant natural or historical resources.⁵

Military Base Protection Program

The Board of Trustees may acquire, through the Military Base Protection Program (MBPP), nonconservation lands from the annual list submitted by the Department of Economic Opportunity (DEO) to buffer a military installation against encroachment.⁶ The MBPP secures nonconservation lands to serve as a buffer to protect military installations against encroachment and supports local community efforts to engage in service partnerships with military installations.⁷ DEO annually may submit a list of nonconservation lands recommended for Board of Trustees acquisition through fee simple purchase or through perpetual, less-than-fee interest purchase, to buffer a military installation

¹ Section 253.03(1), F.S.

² Section 253.001, F.S.

³ Section 253.02(1), F.S.

⁴ Section 253.002(1), F.S.

⁵ Section 253.034(2)(c), F.S.

⁶ Section 253.025(21), F.S.

⁷ Section 288.980(2)(a), F.S.

against encroachment. The Board of Trustees also must consider the recommendations of the Florida Defense Support Task Force (FDSTF) when selecting nonconservation lands to purchase for buffering military installations.⁸ For the purpose of this program, "nonconservation lands" are lands not subject to acquisition by the Florida Forever Program.⁹ Funds appropriated to the MBPP may be used to address emergent needs relating to mission sustainment, encroachment reduction or prevention, and base retention.¹⁰

Board of Trustees Appraisals

The Board of Trustees must obtain at least one appraisal when acquiring land. Two appraisals are required when the estimated value of the parcel exceeds \$1 million. If both appraisals exceed \$1 million and differ significantly, the Board of Trustees may obtain a third appraisal. The Director of DSL may use a comparable sales analysis, an appraisal prepared by DSL, or other reasonably prudent procedures to estimate the value of a parcel if the estimated worth is \$100,000 or less, the cost of an outside appraisal is not justified, and the public's interest is reasonably protected. The state need not appraise the value of lands and appurtenances received from donations.¹¹

Proposed Changes

The bill amends s. 253.025(21), F.S., to add procedures for the selection of lands under the MBPP.

The bill:

- Specifies that the Board of Trustees use DSL when acquiring nonconservation land to buffer a military installation based on a list submitted by DEO. This is consistent with current law;
- Requires DEO annually to request military installations in Florida to submit a list of base buffering encroachment lands for fee simple or less-than-fee simple acquisitions by October 1;
- Requires FDSTF to analyze the list and provide ranking recommendations to DEO;
- Requires DEO to submit its final list of base buffering encroachment lands to DSL for acquisition. The list must include at a minimum a legal description of the land and the property identification number, a detailed map of the land, and a management and monitoring agreement to ensure the land serves a base buffering purpose;
- Requires applying the Uniform Appraisal Standards for Federal Land Acquisitions,¹² commonly known as the Yellow Book appraisal standards, when federal partnership funds are available for the acquisition. These standards are broadly consistent with USPAP, which is used by the Board of Trustees;¹³ and
- Requires the Board of Trustees to disclose the appraisal to the seller if federal partnership funds are available.

The bill authorizes the Board of Trustees to lease or convey the acquired military buffer land to the military installation at less than appraised value in accordance with the installation's procedures and state law. The military installation or another governmental entity must provide for the management and monitoring of the land. If the Board of Trustees conveys the land at less than appraised value, then the conveyance must state the land will revert to the Board of Trustees if the military installation does not use the land as a military installation buffer or if the military installation closes.

The bill also amends s. 288.980(2)(c), F.S., to define "nonconservation lands" as lands acquired for uses other than conservation, outdoor resource-based recreation, or archaeological or historic

⁸ Section 288.980(2)(b), F.S.

⁹ Section 288.980(2)(c), F.S.

¹⁰ Section 288.980(2)(d), F.S.

¹¹ Section 253.025(8)(b), F.S. The Board of Trustees' appraisal procedures follow the Uniform Standards of Professional Appraisal Practice (USPAP) standards when developing an appraisal. *See* Rule 18-1.006(1), F.A.C.

¹² U.S. Department of Justice, *Uniform Appraisal Standards for Federal Land Acquisitions, 2016*, <https://www.justice.gov/file/408306/download> (last visited January 10, 2018).

¹³ *Id.* at 6. *See* Rule 18-1.006(1), F.A.C.

preservation. This will conform this definition of “nonconservation lands” in ch. 288, F.S., with the definition found in ch. 253, F.S.

Purchasing Land in an Area of Critical State Concern

Present Situation

Areas of Critical State Concern

The Governor and Cabinet, sitting as the Administration Commission,¹⁴ may designate by rule certain areas within the state that contain resources of statewide significance as areas of critical state concern (ACSCs) based on the recommendations of DEO.¹⁵ To be designated as an ACSC, the area must:

- Contain, or have a significant impact upon, environmental or natural resources of regional or statewide importance, including state or federal parks, forests, wildlife refuges, wilderness areas, aquatic preserves, major rivers and estuaries, state environmentally endangered lands, Outstanding Florida Waters, and aquifer recharge areas, the uncontrolled private or public development of which would cause substantial deterioration of such resources;¹⁶
- Contain, or have a significant impact upon, historical or archaeological resources, sites, or statutorily defined historical or archaeological districts, the private or public development of which would cause substantial deterioration or complete loss of such resources, sites, or districts;¹⁷ or
- Have a significant impact upon, or is being significantly impacted by, an existing or proposed major public facility or other area of major public investment including, highways, ports, airports, energy facilities, and water management projects.¹⁸

The current designated ACSCs are the Big Cypress Area,¹⁹ the Green Swamp Area,²⁰ the Florida Keys Area, the City of Key West Area,²¹ and the Apalachicola Bay Area.²²

One hundred and eighty days after an ACSC is established, the local government having jurisdiction may submit to DEO its existing land development regulations and local comprehensive plan for the area. The local government must prepare, adopt, and submit new or modified regulations and comprehensive plan that take into consideration the principles set forth in the rule designating the ACSC.²³

Board of Trustees Buying Land within an Area of Critical State Concern

Within 45 days of designation of an ACSC, and annually thereafter, DEP must consider the recommendations of DEO for the purchase of lands within an ACRC or lands outside the area that directly impact it. These lands may include lands used to preserve and protect water supply. DEP must make recommendations to the Board of Trustees to purchase:

- Environmentally endangered lands;
- Outdoor recreation lands;
- Lands that conserve sensitive habitat;
- Lands that protect, restore, or enhance nearshore water quality and fisheries;

¹⁴ See ss. 14.202 and 380.031(1), F.S.

¹⁵ Section 380.05, F.S.

¹⁶ Section 380.05(2)(a), F.S.

¹⁷ Section 380.05(2)(b), F.S.

¹⁸ Section 380.05(2)(c), F.S.

¹⁹ Section 380.055, F.S.

²⁰ Section 380.0551, F.S.

²¹ Section 380.0552, F.S.

²² Section 380.0555, F.S.

²³ Section 380.05(5), F.S.

- Lands used to protect and enhance water supply to the Florida Keys, including alternative water supplies such as reverse osmosis and reclaimed water systems; or
- Lands used to prevent or satisfy private property rights claims resulting from limitations imposed by the designation of an ACSC if the acquisition of such lands fulfill a public purpose the Board of Trustees may use when acquiring conservation and recreation lands.²⁴

Board of Trustees Purchasing Land Immediately

The Board of Trustees may direct DEP to purchase conservation lands immediately when the lands:

- Are listed or placed at auction by the federal government as part of the Resolution Trust Corporation sale of lands from failed savings and loan associations;
- Are listed or placed at auction by the federal government as part of the Federal Deposit Insurance Corporation sale of lands from failed banks; or
- Will be developed or otherwise lost to potential public ownership, or for which federal matching funds will be lost, by the time the land can be purchased under the program where the land is listed for acquisition.²⁵

Three of the members of the Board of Trustees must vote to acquire the land immediately. The Board of Trustees may waive or modify all acquisition procedures to acquire these lands. Lands acquired immediately must, at the time of purchase, be on one of the acquisition lists or be essential for water resource development, protection, or restoration, or a significant portion of the lands must contain natural communities or plant or animal species listed by the Florida Natural Areas Inventory as critically imperiled, imperiled, or rare, or as excellent quality occurrences of natural communities.²⁶

Board of Trustees Appraisals

The Board of Trustees must obtain at least one appraisal when acquiring land. Two appraisals are required when the estimated value of the parcel exceeds \$1 million. If both appraisals exceed \$1 million and differ significantly, the Board of Trustees may obtain a third appraisal. The director of DSL may use a comparable sales analysis, an appraisal prepared by DSL, or other reasonably prudent procedures to estimate the value of a parcel if estimated to be worth \$100,000 or less, the cost of an outside appraisal is not justified, and the public's interest is reasonably protected. The state is not required to appraise the value of lands and appurtenances received from donations.²⁷

Local Authority Buying Land within an Area of Critical State Concern

Each county in which one or more ACSCs are located may create, by ordinance, a public body corporate and politic, known as a land authority.²⁸ To carry out the purposes of the ACSC program, the land authority may:

- Acquire and dispose of real and personal property or any interest therein when the acquisition is necessary or appropriate to protect the natural environment, provide public access or public recreational facilities, preserve wildlife habitat areas, provide affordable housing to families whose incomes do not exceed 160 percent of the median family income for the area, prevent or satisfy private property rights claims resulting from limitations imposed by the designation of an ACSC, or provide access to management of acquired lands;
- Acquire interests in land by means of land exchanges;
- Contribute tourist impact tax revenues it receives to its most populous municipality or the housing authority of such municipality, at the request of the commission or council of such

²⁴ Section 259.045, F.S.

²⁵ Section 253.025(22), F.S.

²⁶ *Id.*

²⁷ Section 253.025(8)(b), F.S.

²⁸ Section 380.0663, F.S.

municipality, for the construction, redevelopment, or preservation of affordable housing in an ACSC within such municipality;

- Contribute funds to DEP for the purchase of lands by the department; and
- Enter into all alternatives to the acquisition of fee interests in land, including, but not limited to, the acquisition of easements, development rights, life estates, leases, and leaseback arrangements.²⁹

Tourist Impact Tax

Any county creating a land authority is authorized to levy by ordinance, in the area or areas designated as an ACSC, a tourist impact tax on every person who rents, leases, or lets for consideration any living quarters or accommodations in any hotel, apartment hotel, motel, resort motel, apartment, apartment motel, rooming house, mobile home park, recreational vehicle park, condominium, or timeshare resort for a term of six months or less, unless such establishment is exempt. If the area or ACSC are greater than 50 percent of the land area of the county, the tax may be levied throughout the entire county. The county levies the tourist impact tax at the rate of one percent of each dollar and major fraction thereof of the total consideration charged for such taxable privilege.³⁰ Half of the tax revenues must be distributed to the land authority to be used in accordance with s. 380.0666, and the other half must be distributed to the governing body of the county to be used to offset property tax losses due to land acquisition under the tax.³¹

Proposed Changes

Board of Trustees Purchasing Land Immediately within an Area of Critical State Concern

The bill amends s. 253.025(22), F.S., to change the qualifications and methods for the Board of Trustees to purchase land immediately. Specifically the bill:

- Authorizes the Board of Trustees to use “any available funding sources” to purchase lands immediately;
- Adds lands to prevent or satisfy private property rights claims resulting from limitations imposed by the designation of an ACSC to the types of lands the Board of Trustees may purchase immediately. This will allow the Board of Trustees to circumvent its usual acquisition procedures when quickly purchasing such property;
- Adds lands within an ACSC to the list of areas where lands purchased immediately must be located at the time of purchase; and
- Authorizes the director of DSL, when purchasing lands immediately, to use a comparable sales analysis, an appraisal prepared by DSL, or other reasonably prudent procedures to estimate the value of such parcels if the parcel is estimated to be worth \$500,000 or less, the cost of an outside appraisal is not justified, and the public’s interest is reasonably protected. This raises the threshold estimated value of the land for which DSL may use alternative land valuation techniques when purchasing land immediately.

The bill amends s. 259.045, F.S., to add authorization for the Board of Trustees to purchase lands within ACSC to prevent or satisfy private property rights claims resulting from limitations imposed by the designation of an ACSC using Florida Forever funds if those lands are on a Board of Trustee’s approved conservation lands acquisition list. Further, the bill authorizes the Board of Trustees to utilize alternative valuation techniques, other than a formal appraisal, to purchase lands within an ACSC to prevent or satisfy private property rights claims resulting from limitations imposed by the designation of an ACSC if the parcel is estimated to be valued at \$500,000 or less, cost of an outside appraisal is not justified, and the public interest is protected.

²⁹ Section 380.0666(3), F.S.

³⁰ Section 125.0108(1), F.S.

³¹ Section 125.0108(3), F.S.

Use of the Tourist Impact Tax to Purchase Land for Affordable Housing

The bill authorizes each land authority to contribute tourist impact tax revenues to the county or the county's housing authority to purchase land in the county, not just the most populous municipality, for the construction, redevelopment, or preservation of affordable housing in an ACSC.

B. SECTION DIRECTORY:

Section 1. Amends s. 253.025, F.S., relating to acquisition of state lands.

Section 2. Amends s. 380.006, F.S., relating to powers of the land authority.

Section 3. Provides and effective date on becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The bill may increase costs to DEO by requiring the agency follow additional procedures to create a list of lands to purchase to buffer military installations.

The bill may increase costs to the Board of Trustees because it requires the Board of Trustees to disclose the appraisal of military buffer land to the seller if federal partnership funds are available. This may put the Board of Trustees at a negotiating disadvantage.

The bill may have a negative fiscal impact on the Board of Trustees because it authorizes the Board of Trustees to lease or convey the acquired military buffer land to the military installation at less than appraised value. This may cause a negative fiscal impact if the Board of Trustees bought the land at appraised value.

The bill may have a positive fiscal impact on DEP by authorizing the department to use alternative valuation methods to ascertain the value of land bought immediately if the parcel is estimated to be worth \$500,000 or less, the cost of an outside appraisal is not justified, and the public's interest is reasonably protected.

The bill may have a positive fiscal impact on DEP by authorizing the department to use alternative valuation methods to ascertain the value of land bought within ACSC to prevent or satisfy private property rights claims resulting from limitations imposed by the designation of an ACSC if the parcel is estimated to be worth \$500,000 or less, the cost of an outside appraisal is not justified, and the public's interest is reasonably protected.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

The bill may have a negative fiscal impact on municipalities or municipal housing authorities within ACSCs who receive tourist impact tax revenues for affordable housing because the bill authorizes

the land authority to also distribute those funds to counties or county housing authorities within the ACSC.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill may have a positive fiscal impact on landowners who intend to sell their land to the Board of Trustees by requiring the Board of Trustees to disclose the appraisal of lands to the seller if federal partnership funds are available. The seller will be aware of the Board of Trustee's appraisal and estimated land value without purchasing its own appraisal. This may create a negotiation advantage for the seller.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditures of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill does not provide rulemaking authority or require executive branch rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 24, 2018, the Local, Federal & Veterans Affairs Subcommittee adopted an amendment and reported the bill favorably as a committee substitute. The amendment:

- Authorized the Board of Trustees to purchase lands within ACSCs to prevent or satisfy private property rights claims resulting from limitations imposed by the designation of an ACSC using Florida Forever funds if those lands are on a Board of Trustee's approved conservation lands acquisition list;
- Authorized the Board of Trustees to purchase lands within ACSC without following its normal acquisition procedures to prevent or satisfy private property rights claims resulting from limitations imposed by the designation of an ACSC using:
 - Florida Forever funds if those lands meet a conservation and recreation purpose or are on a Board of Trustee's approved conservation lands acquisition list; or
 - Other available funding mechanisms.
- Authorized the Board of Trustees to utilize alternative valuation techniques, other than a formal appraisal, to purchase lands within an ACSC to prevent or satisfy private property rights claims resulting from limitations imposed by the designation of an ACSC if the parcel is estimated to be valued at \$500,000 or less, cost of an outside appraisal is not justified, and the public interest is protected; and
- Conforms the definition of "nonconservation lands" in the defense conversion and transitions statutes with the definition in the state lands statute.

1 A bill to be entitled
 2 An act relating to lands used for governmental
 3 purposes; amending s. 253.025, F.S.; specifying the
 4 authority of the Division of State Lands within the
 5 Department of Environmental Protection to acquire
 6 lands from an annual list provided by the Department
 7 of Economic Opportunity and the Florida Defense
 8 Support Task Force for the purpose of buffering
 9 military installations against encroachment; providing
 10 requirements for the annual list; providing conditions
 11 under which specified appraisal standards are required
 12 for such lands; authorizing such lands to be leased or
 13 conveyed for less than appraised value to military
 14 installations; providing requirements for such leasing
 15 and conveyance; authorizing the use of certain funding
 16 sources for the immediate acquisition of lands that
 17 prevent or satisfy private property rights claims
 18 within areas of critical state concern; providing
 19 procedures for estimating the value of such lands
 20 under certain conditions; amending s. 259.045, F.S.;
 21 authorizing the Department of Environmental Protection
 22 to acquire conservation and recreation lands to
 23 prevent or satisfy private property rights claims
 24 within areas of critical state concern; providing
 25 procedures for estimating the value of such lands

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2018

26 under certain conditions; amending s. 288.980, F.S.;
 27 revising the definition of the term "nonconservation
 28 lands"; amending s. 380.0666, F.S.; authorizing land
 29 authorities to contribute tourist impact tax revenues
 30 to counties for the construction, redevelopment, and
 31 preservation of certain affordable housing; providing
 32 an effective date.

33

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

35

36 Section 1. Subsections (21) and (22) of section 253.025,
 37 Florida Statutes, are amended to read:

38 253.025 Acquisition of state lands.—

39 (21) (a) The board of trustees, through its agent, the
 40 Division of State Lands within the Department of Environmental
 41 Protection, may acquire, pursuant to s. 288.980(2)(b),
 42 nonconservation lands from the annual list submitted by the
 43 Department of Economic Opportunity for the purpose of buffering
 44 a military installation against encroachment.

45 (b) The Department of Economic Opportunity shall annually
 46 by October 1 request military installations in the state to
 47 provide the department with a list of base buffering
 48 encroachment lands for fee simple or less-than-fee simple
 49 acquisitions.

50 (c) The Florida Defense Support Task Force shall analyze

51 the list of base buffering encroachment lands submitted by the
 52 military installations and provide its recommendations for
 53 ranking the lands to the Department of Economic Opportunity.

54 (d) The Department of Economic Opportunity shall submit
 55 the final list of base buffering encroachment lands to the
 56 Division of State Lands, which may acquire the lands pursuant to
 57 this section. At a minimum, the annual list must contain for
 58 each land:

59 1. A legal description of the land and its property
 60 identification number;

61 2. A detailed map of the land; and

62 3. A management and monitoring agreement to ensure the
 63 land serves a base buffering purpose.

64 (e) If federal partnership funds are available before the
 65 land is acquired, yellow book appraisal standards must be
 66 applied and the appraised value must be disclosed to the seller.

67 (f) As authorized by the Division of State Lands on behalf
 68 of the board of trustees, and in agreement with the benefitting
 69 military installation, the land may be leased or conveyed at
 70 less than appraised value to the installation after its
 71 acquisition in accordance with the installation's procedures and
 72 the laws of this state. The management and monitoring of the
 73 land must be provided by the installation or another
 74 governmental entity.

75 (g) A conveyance at less than appraised value must state

76 that the land will revert to the board of trustees if the land
 77 is not used for its intended purposes as a military installation
 78 buffer or if the military installation closes.

79 (22) The board of trustees, by an affirmative vote of at
 80 least three members, may direct the department to purchase lands
 81 on an immediate basis using:

82 (a) Up to 15 percent of the funds allocated to the
 83 department pursuant to s. 259.105 for the acquisition of lands
 84 that:

85 1. ~~(a)~~ Are listed or placed at auction by the Federal
 86 Government as part of the Resolution Trust Corporation sale of
 87 lands from failed savings and loan associations;

88 2. ~~(b)~~ Are listed or placed at auction by the Federal
 89 Government as part of the Federal Deposit Insurance Corporation
 90 sale of lands from failed banks; ~~or~~

91 3. ~~(c)~~ Will be developed or otherwise lost to potential
 92 public ownership, or for which federal matching funds will be
 93 lost, by the time the land can be purchased under the program
 94 within which the land is listed for acquisition; or

95 4. Will prevent or satisfy private property rights claims
 96 resulting from limitations imposed by the designation of an area
 97 of critical state concern pursuant to chapter 380.

98 (b) Any available funding source for the acquisition of
 99 lands that are used to prevent or satisfy private property
 100 rights claims resulting from limitations imposed by the

101 designation of an area of critical state concern.

102
 103 For such acquisitions, the board of trustees may waive or modify
 104 all procedures required for land acquisition pursuant to this
 105 chapter and all competitive bid procedures required pursuant to
 106 chapters 255 and 287. Lands acquired pursuant to this subsection
 107 must, at the time of purchase, be within an area of critical
 108 state concern designated pursuant to chapter 380, be on one of
 109 the acquisition lists established pursuant to chapter 259, or be
 110 essential for water resource development, protection, or
 111 restoration, or a significant portion of the lands must contain
 112 natural communities or plant or animal species that are listed
 113 by the Florida Natural Areas Inventory as critically imperiled,
 114 imperiled, or rare, or as excellent quality occurrences of
 115 natural communities. For the purposes of this subsection, if a
 116 parcel is estimated to be worth \$500,000 or less and the
 117 director of the Division of State Lands finds that the cost of
 118 an outside appraisal is not justified, a comparable sales
 119 analysis, an appraisal prepared by the division, or other
 120 reasonably prudent procedure may be used by the division to
 121 estimate the value of the land, provided the public interest is
 122 reasonably protected.

123 Section 2. Subsection (6) of section 259.045, Florida
 124 Statutes, is amended to read:

125 259.045 Purchase of lands in areas of critical state

126 concern; recommendations by department and land authorities.—
 127 Within 45 days after the Administration Commission designates an
 128 area as an area of critical state concern under s. 380.05, and
 129 annually thereafter, the Department of Environmental Protection
 130 shall consider the recommendations of the state land planning
 131 agency pursuant to s. 380.05(1)(a) relating to purchase of lands
 132 within an area of critical state concern or lands outside an
 133 area of critical state concern that directly impact an area of
 134 critical state concern, which may include lands used to preserve
 135 and protect water supply, and shall make recommendations to the
 136 board with respect to the purchase of the fee or any lesser
 137 interest in any such lands that are:

138 (6) Lands used to prevent or satisfy private property
 139 rights claims resulting from limitations imposed by the
 140 designation of an area of critical state concern if the
 141 acquisition of such lands fulfills a public purpose listed in s.
 142 259.032(2) or if the parcel is wholly or partially, at the time
 143 of acquisition, on one of the board's approved acquisition lists
 144 established pursuant to this chapter. For the purposes of this
 145 subsection, if a parcel is estimated to be worth \$500,000 or
 146 less and the director of the Division of State Lands finds that
 147 the cost of an outside appraisal is not justified, a comparable
 148 sales analysis, an appraisal prepared by the Division of State
 149 Lands, or other reasonably prudent procedures may be used by the
 150 Division of State Lands to estimate the value of the parcel,

151 provided the public's interest is reasonably protected.

152
 153 The department, a local government, a special district, or a
 154 land authority within an area of critical state concern may make
 155 recommendations with respect to additional purchases which were
 156 not included in the state land planning agency recommendations.

157 Section 3. Paragraph (c) of subsection (2) of section
 158 288.980, Florida Statutes, is amended to read:

159 288.980 Military base retention; legislative intent;
 160 grants program.—

161 (2)

162 (c) As used in this subsection, the term "nonconservation
 163 lands" means lands acquired for uses other than conservation,
 164 outdoor resource-based recreation, or archaeological or historic
 165 preservation ~~not subject to acquisition by the Florida Forever~~
 166 ~~Program.~~

167 Section 4. Subsection (3) of section 380.0666, Florida
 168 Statutes, is amended to read:

169 380.0666 Powers of land authority.—The land authority
 170 shall have all the powers necessary or convenient to carry out
 171 and effectuate the purposes and provisions of this act,
 172 including the following powers, which are in addition to all
 173 other powers granted by other provisions of this act:

174 (3) To acquire and dispose of real and personal property
 175 or any interest therein when such acquisition is necessary or

176 appropriate to protect the natural environment, provide public
 177 access or public recreational facilities, preserve wildlife
 178 habitat areas, provide affordable housing to families whose
 179 income does not exceed 160 percent of the median family income
 180 for the area, prevent or satisfy private property rights claims
 181 resulting from limitations imposed by the designation of an area
 182 of critical state concern, or provide access to management of
 183 acquired lands; to acquire interests in land by means of land
 184 exchanges; to contribute tourist impact tax revenues received
 185 pursuant to s. 125.0108 to the county in which it is located and
 186 its most populous municipality or the housing authority of such
 187 county or municipality, at the request of the county commission
 188 or the commission or council of such municipality, for the
 189 construction, redevelopment, or preservation of affordable
 190 housing in an area of critical state concern within such
 191 municipality or any other area of the county; to contribute
 192 funds to the Department of Environmental Protection for the
 193 purchase of lands by the department; and to enter into all
 194 alternatives to the acquisition of fee interests in land,
 195 including, but not limited to, the acquisition of easements,
 196 development rights, life estates, leases, and leaseback
 197 arrangements. However, the land authority shall make an
 198 acquisition or contribution only if:
 199 (a) Such acquisition or contribution is consistent with
 200 land development regulations and local comprehensive plans

201 adopted and approved pursuant to this chapter;

202 (b) The property acquired is within an area designated as
 203 an area of critical state concern at the time of acquisition or
 204 is within an area that was designated as an area of critical
 205 state concern for at least 20 consecutive years before ~~prior to~~
 206 removal of the designation;

207 (c) The property to be acquired has not been selected for
 208 purchase through another local, regional, state, or federal
 209 public land acquisition program. Such restriction does ~~shall~~ not
 210 apply if the land authority cooperates with the other public
 211 land acquisition programs which listed the lands for
 212 acquisition, to coordinate the acquisition and disposition of
 213 such lands. In such cases, the land authority may enter into
 214 contractual or other agreements to acquire lands jointly or for
 215 eventual resale to other public land acquisition programs; and

216 (d) The acquisition or contribution is not used to improve
 217 public transportation facilities or otherwise increase road
 218 capacity to reduce hurricane evacuation clearance times.

219 Section 5. This act shall take effect upon becoming a law.

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: HB 1237 Alachua County
SPONSOR(S): Clemons, Sr.
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local, Federal & Veterans Affairs Subcommittee	10 Y, 2 N	Darden	Miller
2) Ways & Means Committee		Dugan <i>RD</i>	Langston <i>[Signature]</i>
3) Government Accountability Committee			

SUMMARY ANALYSIS

The Community Redevelopment Act authorizes counties and municipalities to create community redevelopment agencies (CRAs) as a means of redeveloping slums and blighted areas. CRAs are controlled by a governing board that either is composed of members of the local governing body creating the CRA or commissioners appointed by the local governing body. CRAs operate under a community redevelopment plan that is approved by the local governing body. CRAs are primarily funded by tax increment financing, calculated based on the increase of property values inside the boundaries of the CRA.

Four municipalities in Alachua County (Alachua, Gainesville, Hawthorne, and High Springs) are currently operating CRAs.

The bill provides that each taxing authority which provides at least 20 percent of the total budget of a CRA located in Alachua County must have at least one member of the taxing authority's governing board also serving as a member of the CRA's governing board. A taxing authority may choose not to have a member serve on the CRA's governing board. The bill provides that a taxing authority shall have a number of seats on the governing board of the CRA in proportion to the percentage of tax increment financing provided by the taxing authority. The bill provides an exemption for a CRA in a municipality with a population of less than 20,000.

The bill provides the act takes effect upon becoming law.

Pursuant to House Rule 5.5(b), a local bill providing an exemption from general law may not be placed on the Special Order Calendar for expedited consideration. The provisions of House Rule 5.5(b) appear to apply to this bill.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Community Redevelopment Act

The Community Redevelopment Act of 1969 (Act)¹ authorizes a county or municipality to create a community redevelopment agency (CRA) as a means of redeveloping slums and blighted areas. The Act defines a “blighted area” as an area in which there are a substantial number of deteriorated structures causing economic distress or endangerment to life or property and two or more of the following factors are present:

- Predominance of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities;
- Aggregate assessed values of real property in the area for ad valorem tax purposes have failed to show any appreciable increase over the five years prior to the finding of such conditions;
- Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- Unsanitary or unsafe conditions;
- Deterioration of site or other improvements;
- Inadequate and outdated building density patterns;
- Falling lease rates per square foot of office, commercial, or industrial space compared to the remainder of the county or municipality;
- Tax or special assessment delinquency exceeding the fair value of the land;
- Residential and commercial vacancy rates higher in the area than in the remainder of the county or municipality;
- Incidence of crime in the area higher than in the remainder of the county or municipality;
- Fire and emergency medical service calls to the area proportionately higher than in the remainder of the county or municipality;
- A greater number of violations of the Florida Building Code in the area than the number of violations recorded in the remainder of the county or municipality;
- Diversity of ownership or defective or unusual conditions of title which prevent the free alienability of land within the deteriorated or hazardous area;
- Governmentally owned property with adverse environmental conditions caused by a public or private entity; or
- A substantial number or percentage of properties damaged by sinkhole activity that have not been adequately repaired or stabilized.²

An area also may be classified as blighted if one of the above factors is present and all taxing authorities with jurisdiction over the area have agreed that the area is blighted by interlocal agreement or by passage of a resolution by the governing bodies.³

The Act defines a “slum area” as “an area having physical or economic conditions conducive to disease, infant mortality, juvenile delinquency, poverty, or crime because there is a predominance of buildings or improvements” in poor states of repair with one of the following factors present:

- Inadequate provision for ventilation, light, air, sanitation, or open spaces;
- High density of population, compared to the population density of adjacent areas within the county or municipality, and overcrowding, as indicated by government-maintained statistics or other studies and the requirements of the Florida Building Code; or

¹ Chapter 163, part III, F.S.

² Section 163.340(8), F.S.

³ *Id.*

- The existence of conditions that endanger life or property by fire or other causes.⁴

Community Redevelopment Agency Boards

The Act allows the local governing body creating a CRA to choose between two structures when establishing the agency's governing board.

One option is to appoint a board of commissioners consisting of five to nine members serving four-year terms.⁵ The local governing body may appoint any person as a commissioner who lives in or is engaged in business in the agency's area of operation.⁶ The local governing body making the appointment selects the chair and vice chair of the commission.⁷ Commissioners are not entitled to compensation for their services, but may receive reimbursement for expenses incurred in the discharge of their official duties.⁸ Commissioners and employees of an agency are subject to the code of ethics for public officers and employees under ch. 112, F.S.⁹

The other option is for the local governing body to appoint itself as the agency board of commissioners.¹⁰ If the local governing body consists of five members, the local governing body may appoint two additional members to four-year terms.¹¹ The additional members either must meet the selection criteria for appointed board members under s. 163.356, F.S. (described above), or may be representatives of another taxing authority within the agency's area of operation, subject to an interlocal agreement between the local governing body creating the CRA and the other taxing authority.¹² A local governing body that serves as the governing body of the CRA does not have the power to otherwise adjust the composition of the CRA board once the district is created.¹³

Community Redevelopment Agencies in Alachua County

There are currently four CRAs operating in Alachua County:¹⁴

- Alachua Community Redevelopment Agency,
- Gainesville Community Redevelopment Agency,
- Hawthorne Community Redevelopment Agency, and
- High Springs Community Redevelopment Agency.

Proposed Changes

The bill creates an exception to general law. The bill provides that each taxing authority which provides at least 20 percent of the total budget of a CRA located in Alachua County must have at least one member of the taxing authority's governing board also serving as a member of the CRA's governing board. A taxing authority may choose not have a member serve on the CRA's governing board. The bill provides that a taxing authority shall have a number of seats on the governing board of the CRA in proportion to the percentage of tax increment financing provided by the taxing authority. The bill provides an exemption for a CRA in a municipality with a population of less than 20,000.

⁴ Section 163.340(7), F.S.

⁵ Section 163.356(2), F.S.

⁶ Section 163.356(3)(b), F.S. A person is "engaged in business" if he or she owns a business, performs services for compensation, or serves as an officer or director of a business that owns property or performs services in the agency's area of operation.

⁷ Section 163.356(3)(c), F.S.

⁸ Section 163.356(3)(a), F.S.

⁹ Section 163.367(1), F.S., *but cf.* s. 112.3142, F.S. (requiring ethics training for specific constitutional officers and elected municipal officers).

¹⁰ Section 163.357(1)(a), F.S.

¹¹ Section 163.357(1)(c), F.S.

¹² Section 163.357(1)(c)-(d), F.S.

¹³ Op. Att'y Gen. Fla. 84-74 (July 30, 1984).

¹⁴ See Special District Accountability Program, *Official List of Special Districts Online*, Dept. of Economic Opportunity, <http://specialdistrictreports.floridajobs.org/webreports/mainindex.aspx> (last accessed Jan. 10, 2018).

B. SECTION DIRECTORY:

Section 1: Provides that each taxing authority which provides at least 20 percent of the budget of a CRA in Alachua County shall be represented on the board of that CRA at the option of said taxing authority. Provides an exception for CRAs in a municipality with a population under 20,000.

Section 2: Provides that the bill shall take effect upon becoming a law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? December 4, 2017

WHERE? The *Gainesville Sun*, a daily newspaper of general circulation published in Alachua County, Florida.

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

The bill does not provide rulemaking authority or require executive branch rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Pursuant to House Rule 5.5(b), a local bill providing an exemption from general law may not be placed on the Special Order Calendar for expedited consideration. The provisions of House Rule 5.5(b) appear to apply to this bill.

The bill is unclear on who selects the member of the taxing authority's governing body that serves on the CRA board. It is also unclear if the members of the CRA's governing board representing the taxing authority serve in addition to or in the place of current CRA governing board members.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

HB 1237

2018

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A bill to be entitled
An act relating to Alachua County; providing an
exception to general law; requiring specified taxing
authorities to have proportional representation on
community redevelopment agency boards; providing
exceptions; providing an effective date.

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

Section 1. Notwithstanding any other law the contrary,
each taxing authority in Alachua County which provides at least
20 percent of the total budget of a community redevelopment
agency ("CRA") must have at least one member on both the
governing body of such taxing authority and the CRA board,
except that a taxing authority may choose not to serve on the
CRA board. The representation on the CRA board shall be
proportional to the percentage of tax increment each taxing
authority contributes to the CRA. A CRA involving a municipality
with a population of less than 20,000 is exempt from the
proportional representation requirement.

Section 2. This act shall take effect upon becoming a law.

Agriculture-Related Hurricane Tax Issues

1. Fencing and Building Materials

- Refund state and local sales tax paid on fencing materials used on farms and building materials for non-residential farm buildings.
- Applies to taxes paid between Sept. 10, 2017 and May 31, 2018.

2. Agriculture Transportation

- Refund state and local fuel taxes applied to fuel used to transport agricultural products from the farm site to the initial stage of processing or packing.
- Applies to taxes paid between Sept. 10, 2017 and June 30, 2018.

3. Packing and Processing Facility Tangible Personal Property

- For property tax purposes, machinery & equipment operated by a citrus fruit packing or processing facility will be valued at salvage value as long as it is idled as a result of either Hurricane Irma crop damage or citrus greening.

Other Tax Issues

1. Research & Development Tax Credits (Corporate Income Tax)

- Increase the annual \$9 million program tax credit limit.

2. Exemption for Disabled Ex-servicemember or Surviving Spouse (Property Tax)

- Remove requirement that surviving spouse must have been married to servicemember for at least 5 years to qualify for exemption.