

1                   A bill to be entitled  
2           An act relating to renewable energy source devices;  
3           amending s. 24.118, F.S.; correcting a cross-  
4           reference; amending s. 163.08, F.S.; articulating the  
5           2016 constitutional amendment prohibiting  
6           consideration of solar or renewable energy source  
7           devices in determining assessed values of real  
8           properties; requiring local government financing  
9           agreements related to certain qualifying improvements  
10          to contain certain disclosures; amending s. 193.624,  
11          F.S.; revising the definition of the term "renewable  
12          energy source device"; excluding the value of a  
13          renewable energy source device installed on or after a  
14          specified date from the assessed value of real  
15          property; amending s. 196.183, F.S.; exempting the  
16          assessed value of certain renewable energy source  
17          devices from ad valorem taxation; amending s. 501.604,  
18          F.S.; correcting a cross-reference; creating part II  
19          of chapter 520, F.S., entitled "Distributed Energy  
20          Generation System Sales"; providing definitions;  
21          providing applicability relating to, and specifying  
22          the disclosures required of, certain agreements to  
23          sell, finance, or lease distributed energy generation  
24          systems; providing exemptions; requiring sellers,  
25          buyers, and lessees of such systems to comply with

26 | specified standards, tariffs, and rules; providing  
 27 | penalties; amending s. 671.304, F.S.; correcting  
 28 | cross-references; providing for the future expiration  
 29 | and reversion of specified statutory text; providing  
 30 | an effective date.

31 |  
 32 | Be It Enacted by the Legislature of the State of Florida:

33 |  
 34 | Section 1. Subsection (1) of section 24.118, Florida  
 35 | Statutes, is amended to read:

36 | 24.118 Other prohibited acts; penalties.—

37 | (1) UNLAWFUL EXTENSIONS OF CREDIT.—Any retailer who  
 38 | extends credit or lends money to a person for the purchase of a  
 39 | lottery ticket is guilty of a misdemeanor of the second degree,  
 40 | punishable as provided in s. 775.082 or s. 775.083. This  
 41 | subsection shall not be construed to prohibit the purchase of a  
 42 | lottery ticket through the use of a credit or charge card or  
 43 | other instrument issued by a bank, savings association, credit  
 44 | union, or charge card company or by a retailer pursuant to part  
 45 | III ~~part II~~ of chapter 520, provided that any such purchase from  
 46 | a retailer shall be in addition to the purchase of goods and  
 47 | services other than lottery tickets having a cost of no less  
 48 | than \$20.

49 | Section 2. Paragraph (a) of subsection (1) and subsection  
 50 | (4) of section 163.08, Florida Statutes, are amended to read:

51           163.08 Supplemental authority for improvements to real  
52 property.—

53           (1) (a) In chapter 2008-227, Laws of Florida, the  
54 Legislature amended the energy goal of the state comprehensive  
55 plan to provide, in part, that the state shall reduce its energy  
56 requirements through enhanced conservation and efficiency  
57 measures in all end-use sectors and reduce atmospheric carbon  
58 dioxide by promoting an increased use of renewable energy  
59 resources. That act also declared it the public policy of the  
60 state to play a leading role in developing and instituting  
61 energy management programs that promote energy conservation,  
62 energy security, and the reduction of greenhouse gases. In  
63 addition to establishing policies to promote the use of  
64 renewable energy, the Legislature provided for a schedule of  
65 increases in energy performance of buildings subject to the  
66 Florida Energy Efficiency Code for Building Construction. In  
67 chapter 2008-191, Laws of Florida, the Legislature adopted new  
68 energy conservation and greenhouse gas reduction comprehensive  
69 planning requirements for local governments. In the 2008 general  
70 election, the voters of this state approved a constitutional  
71 amendment authorizing the Legislature, by general law, to  
72 prohibit consideration of any change or improvement made for the  
73 purpose of improving a property's resistance to wind damage or  
74 the installation of a renewable energy source device in the  
75 determination of the assessed value of residential real

76 | property. In the 2016 general election, the voters of this state  
77 | approved a constitutional amendment authorizing the Legislature,  
78 | by general law, to prohibit consideration of the installation of  
79 | a solar or renewable energy source device on any property in the  
80 | determination of the assessed value of the underlying real  
81 | property.

82 |       (4) (a) Subject to local government ordinance or  
83 | resolution, a property owner may apply to the local government  
84 | for funding to finance a qualifying improvement and enter into a  
85 | financing agreement with the local government. Costs incurred by  
86 | the local government for such purpose may be collected as a non-  
87 | ad valorem assessment. Any financing agreement entered into  
88 | between a local government and a property owner for the  
89 | financing of a qualifying improvement must comply with the  
90 | disclosure requirements in s. 520.23 that apply to distributed  
91 | energy generation systems.

92 |       (b) A non-ad valorem assessment shall be collected  
93 | pursuant to s. 197.3632 and, notwithstanding s. 197.3632(8)(a),  
94 | shall not be subject to discount for early payment. However, the  
95 | notice and adoption requirements of s. 197.3632(4) do not apply  
96 | if this section is used and complied with, and the intent  
97 | resolution, publication of notice, and mailed notices to the  
98 | property appraiser, tax collector, and Department of Revenue  
99 | required by s. 197.3632(3)(a) may be provided on or before  
100 | August 15 in conjunction with any non-ad valorem assessment

101 authorized by this section, if the property appraiser, tax  
 102 collector, and local government agree.

103 Section 3. Section 193.624, Florida Statutes, is amended  
 104 to read:

105 193.624 Assessment of renewable energy source devices  
 106 ~~residential property.~~

107 (1) As used in this section, the term "renewable energy  
 108 source device" means any of the following equipment or devices  
 109 that collect, transmit, store, or use ~~collects, transmits,~~  
 110 ~~stores, or uses~~ solar energy, wind energy, or energy derived  
 111 from geothermal deposits:

112 (a) Solar energy collectors, photovoltaic modules, and  
 113 inverters.

114 (b) Storage tanks and other storage systems, excluding  
 115 swimming pools used as storage tanks.

116 (c) Rockbeds.

117 (d) Thermostats and other control devices.

118 (e) Heat exchange devices.

119 (f) Pumps and fans.

120 (g) Roof ponds.

121 (h) Freestanding thermal containers.

122 (i) Pipes, ducts, refrigerant handling systems, and other  
 123 equipment used to interconnect such systems; however, such  
 124 equipment does not include conventional backup systems of any  
 125 type.

126 (j) Windmills and wind turbines.

127 (k) Wind-driven generators.

128 (l) Power conditioning and storage devices that use wind  
129 energy to generate electricity or mechanical forms of energy.

130 (m) Pipes and other equipment used to transmit hot  
131 geothermal water to a dwelling or structure from a geothermal  
132 deposit.

133 (2) In determining the assessed value of real property  
134 ~~used for residential purposes~~, an increase in the just value of  
135 the property attributable to the installation of a renewable  
136 energy source device may not be considered.

137 (3) This section applies to ~~the installation of a~~  
138 renewable energy source device installed on or after January 1,  
139 2013, on ~~to~~ new and existing residential real property. This  
140 section applies to a renewable energy source device installed on  
141 or after January 1, 2018, on all other real property.

142 Section 4. Subsection (1) of section 196.183, Florida  
143 Statutes, is amended to read:

144 196.183 Exemption for tangible personal property.—

145 (1) (a) Each tangible personal property tax return is  
146 eligible for an exemption from ad valorem taxation of up to  
147 \$25,000 of assessed value.

148 (b) In addition, the assessed value of a renewable energy  
149 source device, as defined in s. 193.624, that is otherwise  
150 subject to tangible personal property tax is exempt from ad

151 valorem taxation.

152

153 A single return must be filed for each site in the county where  
154 the owner of tangible personal property transacts business.  
155 Owners of freestanding property placed at multiple sites, other  
156 than sites where the owner transacts business, must file a  
157 single return, including all such property located in the  
158 county. Freestanding property placed at multiple sites includes  
159 vending and amusement machines, LP/propane tanks, utility and  
160 cable company property, billboards, leased equipment, and  
161 similar property that is not customarily located in the offices,  
162 stores, or plants of the owner, but is placed throughout the  
163 county. Railroads, private carriers, and other companies  
164 assessed pursuant to s. 193.085 shall be allowed one \$25,000  
165 exemption for each county to which the value of their property  
166 is allocated. The \$25,000 exemption for freestanding property  
167 placed at multiple locations and for centrally assessed property  
168 shall be allocated to each taxing authority based on the  
169 proportion of just value of such property located in the taxing  
170 authority; however, the amount of the exemption allocated to  
171 each taxing authority may not change following the extension of  
172 the tax roll pursuant to s. 193.122.

173 Section 5. Subsection (13) of section 501.604, Florida  
174 Statutes, is amended to read:

175 501.604 Exemptions.—The provisions of this part, except

176 ss. 501.608 and 501.616(6) and (7), do not apply to:

177 (13) A commercial telephone seller licensed pursuant to  
178 chapter 516 or part III ~~part II~~ of chapter 520. For purposes of  
179 this exemption, the seller must solicit to sell a consumer good  
180 or service within the scope of his or her license and the  
181 completed transaction must be subject to the provisions of  
182 chapter 516 or part III ~~part II~~ of chapter 520.

183 Section 6. Parts II, III, IV, and V of chapter 520,  
184 Florida Statutes, are renumbered as Parts III, IV, V, and VI,  
185 respectively, and a new Part II, consisting of sections 520.20,  
186 520.21, 520.22, 520.23, and 520.24, is created to read:

187 PART II

188 DISTRIBUTED ENERGY GENERATION SYSTEM SALES

189 520.20 Definitions.—As used in this part, the term:

190 (1) "Agreement" means a contract executed between a buyer  
191 or lessee and a seller that leases, finances, or sells a  
192 distributed energy generation system. For purposes of this part,  
193 the term includes retail installment contracts.

194 (2) "Buyer" means a person that enters into an agreement  
195 to buy, lease, or finance a distributed energy generation system  
196 from a seller.

197 (3) "Distributed energy generation system" means a  
198 renewable energy source device, as defined in s. 193.624, that  
199 has a capacity, alone or in connection with other similar  
200 devices, of one kilowatt and that is primarily intended for on-

201 site use. The term does not include an electric generator  
202 intended for occasional use.

203 (4) "Lessee" means a person that enters into an agreement  
204 to lease or rent a distributed energy generation system.

205 (5) "Retail installment contract" means an agreement  
206 executed in this state between a buyer and a seller in which the  
207 title to, or a lien upon, a distributed energy source device is  
208 retained or taken by the seller from the buyer as security, in  
209 whole or in part, for the buyer's obligations to make specified  
210 payments over time.

211 (6) "Seller" means a person regularly engaged in, and  
212 whose business substantially consists of, selling, financing, or  
213 leasing goods, including distributed energy generation systems,  
214 to buyers or lessees. For purposes of the disclosure  
215 requirements of s. 520.23, the term includes a local government  
216 that finances the purchase of a qualified improvement under s.  
217 163.08(4).

218 520.21 Applicability.—This part applies to agreements to  
219 sell, finance, or lease a distributed energy generation system  
220 and is supplemental to other provisions contained in part III  
221 related to retail installment contracts. If any provision  
222 related to retail installment contract requirements for a  
223 distributed energy generation system under this part conflicts  
224 with any other provision related to retail installment  
225 contracts, this part controls.

226        520.22 Required safety standards.—  
 227        (1) A seller who installs a distributed energy generation  
 228 system must comply with applicable safety, performance, and  
 229 reliability standards established by:  
 230        (a) The Florida Public Service Commission.  
 231        (b) The electric utility, as defined in s. 366.02, in  
 232 whose service territory the distributed energy generation system  
 233 will be installed.  
 234        (c) The National Electric Code.  
 235        (d) The National Electrical Safety Code.  
 236        (e) The Institute of Electrical and Electronics Engineers.  
 237        (f) UL.  
 238        (g) The Federal Energy Regulatory Commission.  
 239        (h) Local regulatory authorities.  
 240        (2) A buyer or lessee who installs a distributed energy  
 241 generation system and wishes to receive the benefit of an  
 242 electric utility's net metering program must comply with the  
 243 applicable interconnection tariffs and rules of the electric  
 244 utility and any applicable interconnection rules and standards  
 245 established by the Florida Public Service Commission.  
 246        520.23 Disclosures required.—  
 247        (1) Each agreement between a buyer or lessee and a seller  
 248 that sells, finances, or leases a distributed energy generation  
 249 system must be in at least 12-point type and must:  
 250        (a) Be signed and dated by the person buying, financing,

251 or leasing the distributed energy generation system and the  
252 seller.

253 (b) Contain a provision granting the buyer or lessee the  
254 right to rescind the agreement for a period of not less than 3  
255 business days after the agreement is signed by the buyer or  
256 lessee and before the distributed energy generation system is  
257 installed.

258 (c) Provide a description of the distributed energy  
259 generation system, including the make and model of its major  
260 components and the expected amount of energy it will produce  
261 based on average weather conditions. In lieu of providing this  
262 information, a seller may provide a warranty or guarantee of the  
263 energy production output that the distributed energy generation  
264 system will provide over the life of the distributed energy  
265 generation system.

266 (d) Separately set forth the following items, if  
267 applicable:

268 1. The total cost to be paid by the buyer or lessee,  
269 including any interest, installation fees, document preparation  
270 fees, service fees, or other fees.

271 2. If the distributed energy generation system is being  
272 financed or leased, the total number of payments, the payment  
273 frequency, the amount of the payment expressed in dollars, the  
274 total amount of interest expressed in dollars, and the payment  
275 due dates.

276 (e) Disclose and specifically identify all tax credits,  
277 including electric utility rate credits, rebates, or state or  
278 federal tax incentives for which the buyer or lessee may be  
279 eligible and that are used by the seller in calculating the  
280 purchase price of the distributed energy generation system. The  
281 disclosure must identify any conditions or requirements to  
282 obtain such credits, rebates, or tax incentives.

283 (f) Identify any tax obligations that the buyer or lessee  
284 may be required to pay in buying, financing, or leasing the  
285 distributed energy generation system, including:

286 1. Any taxes that may be assessed against the buyer or  
287 lessee.

288 2. Any obligation of the buyer or lessee to transfer tax  
289 credits, rebates, or other state or federal tax incentives that  
290 may apply to the system to any other person or to the seller.

291 (g) Disclose whether the seller will insure the  
292 distributed energy generation system against damage or loss and,  
293 if applicable, circumstances under which the seller will not  
294 insure the system against damage or loss.

295 (h) Disclose whether the warranty or maintenance  
296 obligations of the distributed energy generation system may be  
297 sold or transferred to a third party.

298 (i) In each lease agreement, an identification of the  
299 party responsible for the balance of the lease payments if the  
300 property on which the distributed energy generation system is

301 located is sold or if the lessee dies before the end of the  
302 lease agreement.

303 (j) Provide a full and accurate summary of the total costs  
304 under the agreement for maintaining and operating the  
305 distributed energy generation system over the life of the  
306 system, including financing, maintenance, and construction costs  
307 related to the system.

308 (k) If the agreement contains an estimate of the buyer's  
309 or lessee's future utility charges based on projected utility  
310 rates after the installation of a distributed energy generation  
311 system:

312 1. Provide an estimate of the buyer's or lessee's  
313 estimated utility charges during the same period as impacted by  
314 potential utility rate changes ranging from at least a 5-percent  
315 annual decrease to at least a 5-percent annual increase from  
316 current utility costs. The comparative estimates must be  
317 calculated using the same utility rates.

318 2. Specify whether, and the extent to which, the estimate  
319 is based on the buyer's or lessee's participation in a utility  
320 net metering program and identify the conditions or requirements  
321 for participation in the program.

322 (2) In addition to the requirements in subsection (1),  
323 each agreement shall include the following disclosures,  
324 separately acknowledged and signed by the buyer or lessee:

325 (a) A statement identifying whether the agreement contains

326 any restrictions on the buyer's or lessee's ability to modify or  
327 transfer ownership of a distributed energy generation system,  
328 including whether any modification or transfer is subject to  
329 review or approval by a third party. If the modification or  
330 transfer of the distributed energy generation system is subject  
331 to review or approval by a third party, the agreement must  
332 identify the name, address, and telephone number of the person  
333 responsible for approving the modification or transfer and must  
334 specify the method for updating any change in the person's  
335 information.

336 (b) A provision disclosing whether the agreement contains  
337 any restrictions on the ability of the buyer or lessee to modify  
338 or transfer ownership of real property to which a distributed  
339 energy generation system is or will be affixed, including  
340 whether a modification or transfer is subject to review or  
341 approval by a third party. The disclosure must identify the  
342 name, address, and telephone number of the person responsible  
343 for approving any modification or transfer and must specify the  
344 method for updating any change in the person's information.

345 (c) A statement that contains the following language:

346  
347 UTILITY RATES AND UTILITY RATE STRUCTURES MAY CHANGE AND THESE  
348 CHANGES CANNOT BE ACCURATELY PREDICTED. THEREFORE, PROJECTED  
349 SAVINGS FROM YOUR DISTRIBUTED ENERGY GENERATION SYSTEM MAY  
350 CHANGE. IN ADDITION, TAX CREDITS, REBATES, AND OTHER STATE OR

351 FEDERAL INCENTIVES ARE SUBJECT TO CHANGE OR TERMINATION BY  
352 FEDERAL OR STATE EXECUTIVE, LEGISLATIVE, OR REGULATORY ACTION.

353  
354 (3) A person who is obligated to maintain or warrant a  
355 distributed energy generation system under an agreement may not  
356 transfer the maintenance or warranty obligations of that system  
357 until the person discloses the name, address, and telephone  
358 number of the person who will be assuming the maintenance or  
359 warranty of that system.

360 (4) Marketing materials that are provided to a buyer or  
361 lessee that estimate a buyer's or lessee's future utility  
362 charges based on projected utility rates that might apply after  
363 installation of a distributed energy generation system must also  
364 provide an estimate of the buyer's or lessee's estimated utility  
365 charges for the same period assuming a rate increase of at least  
366 5 percent and assuming a rate decrease of at least 5 percent.

367 (5) This section does not apply to a person or company,  
368 acting through its officers, employees, or agents, that markets,  
369 sells, solicits, negotiates, or enters into an agreement for a  
370 distributed energy generation system as part of a transaction  
371 involving the sale or transfer of real property to which the  
372 system is affixed.

373 520.24 Penalties.—

374 (1) Any seller who willfully and intentionally violates  
375 any provision of this part commits a noncriminal violation, as

376 defined in s. 775.08(3), punishable by a fine not to exceed the  
 377 cost of the distributed energy generation system.

378 (2) In the case of a willful and intentional violation of  
 379 this part, the owner may recover from the person committing such  
 380 violation, or may set off or counterclaim in any action against  
 381 the owner by such person, an amount equal to any finance charges  
 382 and fees charged to the owner under the agreement, plus attorney  
 383 fees and costs incurred by the owner to assert his or her rights  
 384 under this part.

385 Section 7. Paragraph (d) of subsection (2) of section  
 386 671.304, Florida Statutes, is amended to read:

387 671.304 Laws not repealed; precedence where code  
 388 provisions in conflict with other laws; certain statutory  
 389 remedies retained.—

390 (2) The following laws and parts of laws are specifically  
 391 not repealed and shall take precedence over any provisions of  
 392 this code which may be inconsistent or in conflict therewith:

393 (d) Chapter 520—Retail installment sales (Part I, Motor  
 394 Vehicle Sales Finance Act; Part III ~~Part II~~, Retail Installment  
 395 Sales Act; Part IV ~~Part III~~, Installment Sales Finance Act).

396 Section 8. The amendments made by this act to s.  
 397 193.624(2) and (3) and s. 196.183(1), Florida Statutes, expire  
 398 on December 31, 2037, and the text of those subsections shall  
 399 revert to that in existence on December 31, 2017, except that  
 400 any amendments to such text enacted other than by this act shall

CS/HB 1351

2017

401 be preserved and continue to operate to the extent that such  
402 amendments are not dependent upon the portions of the text which  
403 expire pursuant to this section.

404 Section 9. This act shall take effect January 1, 2018.