

<b>Tab 1</b>	<b>SB 184</b> by <b>Polsky (CO-INTRODUCERS) Pizzo</b> ; (Identical to H 00101) Homestead Exemption for First Responders						
<b>Tab 2</b>	<b>SB 322</b> by <b>Gruters</b> ; (Identical to H 00529) Natural Gas Fuel Taxes						
<b>Tab 3</b>	<b>SB 358</b> by <b>Burgess (CO-INTRODUCERS) Calatayud</b> ; (Identical to H 00475) Residential Graywater System Tax Credits						
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<b>Tab 4</b>	<b>SB 672</b> by <b>Avila</b> ; (Similar to CS/H 00717) Homestead Property Tax Exemptions						
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<b>Tab 5</b>	<b>SB 762</b> by <b>Wright</b> ; (Similar to H 00747) Property Tax Exemption for Surviving Spouses of Veterans						

**The Florida Senate**  
**COMMITTEE MEETING EXPANDED AGENDA**

**FINANCE AND TAX**  
**Senator Ingoglia, Chair**  
**Senator Rodriguez, Vice Chair**

**MEETING DATE:** Tuesday, March 21, 2023  
**TIME:** 8:30—10:30 a.m.  
**PLACE:** Mallory Horne Committee Room, 37 Senate Building

**MEMBERS:** Senator Ingoglia, Chair; Senator Rodriguez, Vice Chair; Senators Albritton, Berman, Boyd, Broxson, Hutson, Jones, Mayfield, Pizzo, and Torres

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	<b>SB 184</b> Polsky (Identical H 101)	Homestead Exemption for First Responders; Exempting from ad valorem taxation the homestead property of the surviving spouse of a first responder who dies in the line of duty while employed by the United States Government; expanding the definition of "first responder" to include certain federal law enforcement officers; providing applicability, etc.  CA 03/15/2023 Favorable FT 03/21/2023 Favorable AP	Favorable Yeas 10 Nays 0
2	<b>SB 322</b> Gruters (Identical H 529)	Natural Gas Fuel Taxes; Delaying the effective date of taxes on natural gas fuel, etc.  TR 03/14/2023 Favorable FT 03/21/2023 Favorable AP	Favorable Yeas 10 Nays 0
3	<b>SB 358</b> Burgess (Identical H 475)	Residential Graywater System Tax Credits; Providing a tax credit to developers and homebuilders for certain graywater systems purchased during the taxable year; specifying information the developer or homebuilder must provide to the Department of Revenue; revising the definition of the term "adjusted federal income" to include credits created by the act, etc.  CA 03/07/2023 Favorable FT 03/21/2023 Fav/CS AP	Fav/CS Yeas 10 Nays 0
4	<b>SB 672</b> Avila (Similar CS/H 717)	Homestead Property Tax Exemptions; Requiring, rather than authorizing, a property appraiser to grant the homestead property tax exemption for certain permanently and totally disabled veterans or their surviving spouses if certain conditions are met; requiring, rather than authorizing, the transfer of the exemption to a surviving spouse's new residence under certain circumstances, etc.  CA 03/15/2023 Favorable FT 03/21/2023 Fav/CS AP	Fav/CS Yeas 10 Nays 0

**COMMITTEE MEETING EXPANDED AGENDA**

Finance and Tax

Tuesday, March 21, 2023, 8:30—10:30 a.m.

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TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
5	<b>SB 762</b> Wright (Similar H 747)	Property Tax Exemption for Surviving Spouses of Veterans; Authorizing a surviving spouse of a veteran who predeceased the issuance of a certain letter from the Federal Government to produce the letter before the property appraiser, etc.  CA 03/15/2023 Favorable FT 03/21/2023 Favorable AP	Favorable Yeas 10 Nays 0

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Other Related Meeting Documents

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**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

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

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

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BILL: SB 184

INTRODUCER: Senators Polsky and Pizzo

SUBJECT: Homestead Exemption for First Responders

DATE: March 17, 2023

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Hackett</u>	<u>Ryon</u>	<u>CA</u>	<b>Favorable</b>
2.	<u>Shuler</u>	<u>Babin</u>	<u>FT</u>	<b>Favorable</b>
3.	_____	_____	<u>AP</u>	_____

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## I. Summary:

SB 184 expands both the ad valorem tax exemption for surviving spouses of first responders who died in the line of duty and the ad valorem tax exemption for first responders rendered totally and permanently disabled in the line of duty to include federal law enforcement officers. The bill does not otherwise substantively amend the requirements to receive those tax exemptions.

The Revenue Estimating Conference has determined the bill will reduce local government ad valorem receipts by an insignificant amount, less than \$100,000 total.

The bill takes effect January 1, 2024, and will first apply to the 2024 ad valorem tax roll.

## II. Present Situation:

### General Overview of Property Taxation

The ad valorem tax or “property tax” is an annual tax levied by counties, municipalities, school districts, and some special districts. The tax is based on the taxable value of a property as of January 1 of each year.<sup>1</sup> The property appraiser annually determines the “just value”<sup>2</sup> of property within the taxing authority and then applies relevant exclusions, assessment limitations, and

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

<sup>2</sup> Property must be valued at “just value” for purposes of property taxation, unless the Florida Constitution provides otherwise. FLA. CONST. Art VII, s. 4. Just value has been interpreted by the courts to mean the fair market value that a willing buyer would pay a willing seller for the property in an arm’s-length transaction. *See, e.g., Walter v. Schuler*, 176 So. 2d 81 (Fla. 1965); *Deltona Corp. v. Bailey*, 336 So. 2d 1163 (Fla. 1976); *S. Bell Tel. & Tel. Co. v. Dade Cnty.*, 275 So. 2d 4 (Fla. 1973).

exemptions to determine the property's "taxable value."<sup>3</sup> Property tax bills are mailed in November of each year based on the previous January 1 valuation.<sup>4</sup> If a taxpayer furnishes the outstanding taxes within 30 days after the tax collector mailed the tax notice, the taxpayer will receive a 4 percent discount on the total amount of taxes due.<sup>5</sup> The full amount of taxes is due by March 31 of the following year.<sup>6</sup>

The Florida Constitution prohibits the state from levying ad valorem taxes<sup>7</sup> and limits the Legislature's authority to provide for property valuations at less than just value, unless expressly authorized.<sup>8</sup>

### **Homestead Exemptions**

The Florida Constitution establishes homestead protections for certain residential real estate in the state in three distinct ways. First, it provides homesteads, property owned and maintained as a person's primary residence, with an exemption from taxes.<sup>9</sup> Second, the homestead provisions protect the homestead from forced sale by creditors.<sup>10</sup> Third, the homestead provisions delineate the restrictions a homestead owner faces when attempting to alienate or devise the homestead property.<sup>11</sup>

Every person having legal or equitable title to real estate and who maintains a permanent residence on the real estate is eligible for a \$25,000 tax exemption applicable to all ad valorem tax levies, including levies by school districts.<sup>12</sup> An additional \$25,000 exemption applies to homestead property value between \$50,000 and \$75,000. This exemption does not apply to ad valorem taxes levied by school districts.<sup>13</sup>

### **Annual Application**

Each person or organization meeting the criteria for an ad valorem tax exemption may claim the exemption if the claimant held legal title to the real or personal property subject to the exemption on January 1.<sup>14</sup> The application for exemption must be filed with the property appraiser on or before March 1, and failure to make an application constitutes a waiver of the exemption for that year.<sup>15</sup> The application must list and describe the property for which the exemption is being

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<sup>3</sup> See ss. 192.001(2) and (16), F.S.

<sup>4</sup> Section 197.322, F.S.; see also Florida Department of Revenue, Florida Property Tax Calendar, available at: <https://floridarevenue.com/property/Documents/taxcalendar.pdf> (last visited Mar. 15, 2023).

<sup>5</sup> Section 197.162, F.S.; see also Florida Department of Revenue, Tax Collector Calendar, available at: <https://floridarevenue.com/property/Documents/tccalendar.pdf> (last visited Mar. 15, 2023).

<sup>6</sup> Section 197.162, F.S.

<sup>7</sup> FLA. CONST. art. VII, s. 1(a).

<sup>8</sup> See FLA. CONST. art. VII, s. 4.

<sup>9</sup> FLA. CONST. art. VII, s. 6.

<sup>10</sup> FLA. CONST. art. X, s. 4.

<sup>11</sup> *Id.* at (c).

<sup>12</sup> FLA. CONST. art VII, s. 6(a); s. 196.031, F.S.

<sup>13</sup> FLA. CONST. art VII, s. 6(a); s. 196.031(1)(b), F.S.

<sup>14</sup> Section 196.011(1)(a), F.S.

<sup>15</sup> Section 196.011(1), F.S. But see s. 196.011(7) and (8) for conditions when the exemption may be granted if an application is filed after March 1.

claimed and certify the ownership and use of the property.<sup>16</sup> The claimant must reapply for the exemption on an annual basis unless the property appraiser (subject to approval by a vote of the governing body of the county) has waived the annual application requirement for a property after an initial application is made and the exemption granted.<sup>17</sup>

### **Exemption for Totally and Permanently Disabled First Responders**

The homestead property of a first responder who has a total and permanent disability as a result of an injury or injuries sustained in the line of duty while serving as a first responder or during an operation in another state or country authorized by this state is exempt from taxation.<sup>18</sup>

To be eligible for this exemption, the first responder must be a permanent resident of Florida on January 1 of the year in which the exemption is sought, and must present documentation showing disability and causation to the property appraiser.<sup>19</sup>

This exemption may carry over to the benefit of the first responder's surviving spouse so long as the surviving spouse holds title to the homestead property, permanently resides thereon, and does not remarry.<sup>20</sup> The amount exempted may be carried forward to a new homestead if the property is sold.<sup>21</sup>

"First responder" is defined as a law enforcement or correctional officer as defined in s. 943.10, F.S.; a firefighter as defined in s. 633.102, F.S.; or an emergency medical technician or paramedic as defined in s. 401.23, F.S.<sup>22</sup>

### **Exemption for Surviving Spouses of First Responders**

The homestead property of the surviving spouse of a first responder who died in the line of duty while employed by the state or any political subdivision thereof is exempt from taxation.<sup>23</sup>

To be eligible for this exemption, the first responder and their spouse must have been permanent residents of Florida on January 1 of the year in which the first responder died, and a letter must have been issued by the proper employing authority legally recognizing and certifying that the first responder died in the line of duty.<sup>24</sup>

This exemption continues so long as the surviving spouse holds title to the homestead property, permanently resides thereon, and does not remarry.<sup>25</sup> The amount exempted may be carried forward to a new homestead if the property is sold.<sup>26</sup>

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<sup>16</sup> Section 196.011(1)(a), F.S.

<sup>17</sup> Section 196.011(5) and (9)(a), F.S.

<sup>18</sup> FLA. CONST. art. VII, s. 6(f)(3); s. 196.102(2), F.S.

<sup>19</sup> Section 196.102(2) and (5), F.S.

<sup>20</sup> FLA. CONST. art. VII, s. 6(f)(2); s. 196.102(8), F.S.

<sup>21</sup> Section 196.102(8), F.S.

<sup>22</sup> Section 196.102(1)(c), F.S., referring to s. 196.081(6)(c)1., F.S.

<sup>23</sup> FLA. CONST. art. VII, s. 6(f)(2); s. 196.081(6), F.S.

<sup>24</sup> Section 196.081(6), F.S.

<sup>25</sup> Section 196.081(6)(b), F.S.

<sup>26</sup> *Id.*

“First responder” is defined as a law enforcement or correctional officer as defined in s. 943.10, F.S.; a firefighter as defined in s. 633.102, F.S.; or an emergency medical technician or paramedic as defined in s. 401.23, F.S.<sup>27</sup>

### III. Effect of Proposed Changes:

The bill amends s. 196.081, F.S., to revise the definition of “first responder” to include federal law enforcement officers as defined in s. 901.1505(1), F.S.<sup>28</sup> This revision expands both the ad valorem tax exemption for surviving spouses of first responders who died in the line of duty and the ad valorem tax exemption for first responders rendered totally and permanently disabled in the line of duty to include federal law enforcement officers. The bill does not otherwise substantively amend the requirements to receive those tax exemptions.

The bill provides that the amendments made therein first apply to the 2024 ad valorem tax roll.

The bill takes effect January 1, 2024.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

Article VII, s. 18(b) of the Florida Constitution provides that except upon the approval of each house of the Legislature by a two-thirds vote of the membership, the Legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandate requirement does not apply to laws having an insignificant impact,<sup>29</sup> which for Fiscal Year 2022-2023 is forecast at approximately \$2.3 million.<sup>30</sup> The Revenue Estimating Conference estimated that the impact would be insignificant, or less than \$100,000.<sup>31</sup>

#### B. Public Records/Open Meetings Issues:

None.

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<sup>27</sup> Section 196.081(6)(c)1., F.S.

<sup>28</sup> Section 901.1505(1), F.S, provides that the term “federal law enforcement officer” means “a person who is employed by the Federal Government as a full-time law enforcement officer as defined by the applicable provisions of the United States Code, who is empowered to effect an arrest for violations of the United States Code, who is authorized to carry firearms in the performance of her or his duties, and who has received law enforcement training equivalent to that prescribed in s. 943.13.”

<sup>29</sup> FLA. CONST. art. VII, s. 18(d).

<sup>30</sup> An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year times \$0.10. See Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (Sept. 2011), available at <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Mar. 15, 2023).

<sup>31</sup> Office of Economic and Demographic Research, *Revenue Estimating Conference Impact Results: HB 101 / SB 184*, 8-9 (Feb. 24, 2023), available at: [http://edr.state.fl.us/content/conferences/revenueimpact/archives/2023/\\_pdf/impact0224.pdf](http://edr.state.fl.us/content/conferences/revenueimpact/archives/2023/_pdf/impact0224.pdf) (last visited Mar. 15, 2023).

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

Article VII, s. 19 of the Florida Constitution requires that legislation that increases or creates taxes or fees be passed by a 2/3 vote of each chamber in a bill with no other subject. The bill does not increase or create new taxes or fees. Thus, the constitutional requirements related to new or increased taxes or fees do not apply.

E. Other Constitutional Issues:

None identified.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

The Revenue Estimating Conference has determined the bill will reduce local government ad valorem receipts by an insignificant amount, less than \$100,000 total.<sup>32</sup>

B. Private Sector Impact:

The bill may positively impact totally and permanently disabled first responders employed by the federal government and their spouses who take advantage of the granted homestead exemption.

C. Government Sector Impact:

The bill may negatively impact local governments who furnish the homestead exemption to newly eligible property owners.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 196.081, Florida Statutes.

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<sup>32</sup> *Id.*



**IX. Additional Information:**

- A. **Committee Substitute – Statement of Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

- B. **Amendments:**

None.

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

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By Senator Polsky

30-00619-23

2023184\_\_

A bill to be entitled

An act relating to homestead exemption for first responders; amending s. 196.081, F.S.; exempting from ad valorem taxation the homestead property of the surviving spouse of a first responder who dies in the line of duty while employed by the United States Government; expanding the definition of "first responder" to include certain federal law enforcement officers; providing applicability; providing an effective date.

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

Section 1. Subsection (6) of section 196.081, Florida Statutes, is amended to read:

196.081 Exemption for certain permanently and totally disabled veterans and for surviving spouses of veterans; exemption for surviving spouses of first responders who die in the line of duty.—

(6) Any real estate that is owned and used as a homestead by the surviving spouse of a first responder who died in the line of duty while employed by the United States, the state, or any political subdivision of the state, including authorities and special districts, and for whom a letter from the United States Government, the state, or appropriate political subdivision of the state, or other authority or special district, has been issued which legally recognizes and certifies that the first responder died in the line of duty while employed as a first responder is exempt from taxation if the first

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

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responder and his or her surviving spouse were permanent residents of this state on January 1 of the year in which the first responder died.

(a) The production of the letter by the surviving spouse which attests to the first responder's death in the line of duty is prima facie evidence that the surviving spouse is entitled to the exemption.

(b) The tax exemption applies as long as the surviving spouse holds the legal or beneficial title to the homestead, permanently resides thereon as specified in s. 196.031, and does not remarry. If the surviving spouse sells the property, an exemption not to exceed the amount granted under the most recent ad valorem tax roll may be transferred to his or her new residence if it is used as his or her primary residence and he or she does not remarry.

(c) As used in this subsection only, and not applicable to the payment of benefits under s. 112.19 or s. 112.191, the term:

1. "First responder" means a federal law enforcement officer as defined in s. 901.1505(1), a law enforcement officer or correctional officer as defined in s. 943.10, a firefighter as defined in s. 633.102, or an emergency medical technician or paramedic as defined in s. 401.23 who is a full-time paid employee, part-time paid employee, or unpaid volunteer.

2. "In the line of duty" means:

- a. While engaging in law enforcement;
- b. While performing an activity relating to fire suppression and prevention;
- c. While responding to a hazardous material emergency;
- d. While performing rescue activity;

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

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59 e. While providing emergency medical services;  
60 f. While performing disaster relief activity;  
61 g. While otherwise engaging in emergency response activity;  
62 or  
63 h. While engaging in a training exercise related to any of  
64 the events or activities enumerated in this subparagraph if the  
65 training has been authorized by the employing entity.  
66  
67 A heart attack or stroke that causes death or causes an injury  
68 resulting in death must occur within 24 hours after an event or  
69 activity enumerated in this subparagraph and must be directly  
70 and proximately caused by the event or activity in order to be  
71 considered as having occurred in the line of duty.  
72 Section 2. The amendments made by this act to s.  
73 196.081(6), Florida Statutes, first apply to the 2024 ad valorem  
74 tax roll.  
75 Section 3. This act shall take effect January 1, 2024.



## THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

### COMMITTEES:

Governmental Oversight and Accountability, *Vice Chair*  
Appropriations  
Appropriations Committee on Agriculture, Environment,  
and General Government  
Appropriations Committee on Transportation, Tourism,  
and Economic Development  
Criminal Justice  
Environment and Natural Resources  
Ethics and Elections

### SELECT COMMITTEE:

Select Committee on Resiliency

**SENATOR TINA SCOTT POLSKY**

30th District

March 15, 2023

Chairman Blaise Ingoglia  
Committee on Finance and Tax  
215 Knott Building  
404 S. Monroe Street  
Tallahassee, FL 32399-1100

Chairman Ingoglia,

I respectfully request that you place SB 184, relating to Homestead Exemption for First Responders, on the agenda of the Committee on Finance and Tax, at your earliest convenience.

Should you have any questions or concerns, please feel free to contact me or my office. Thank you in advance for your consideration.

Kindest Regards,

A handwritten signature in black ink, appearing to read "Tina S. Polsky".

Senator Tina S. Polsky  
Florida Senate, District 30

cc: Robert Babin, Staff Director  
Stephanie Bell-Parke, Administrative Assistant

### REPLY TO:

- 5301 North Federal Highway, Suite 135, Boca Raton, Florida 33487 (561) 443-8170
- 220 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5030

Senate's Website: [www.flsenate.gov](http://www.flsenate.gov)

**KATHLEEN PASSIDOMO**  
President of the Senate

**DENNIS BAXLEY**  
President Pro Tempore

The Florida Senate

**APPEARANCE RECORD**

Deliver both copies of this form to  
Senate professional staff conducting the meeting

3-21-23

Meeting Date

184

Bill Number or Topic

Committee

Amendment Barcode (if applicable)

Name

Marty Kiar-Broward County Prop. Appraiser

Phone

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City

State

Zip

Speaking:

For

Against

Information

**OR**

Waive Speaking:

In Support

Against

**PLEASE CHECK ONE OF THE FOLLOWING:**

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I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

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

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

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BILL: SB 322

INTRODUCER: Senator Gruters

SUBJECT: Natural Gas Fuel Taxes

DATE: March 17, 2023

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Price	Vickers	TR	<b>Favorable</b>
2.	Gross	Babin	FT	<b>Favorable</b>
3.			AP	

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**I. Summary:**

SB 322 delays the imposition of Florida’s natural gas fuel tax from January 1, 2024, to January 1, 2026, and conforms related statutory provisions.

The Revenue Estimating Conference determined that the bill would, in Fiscal Year 2023-2024, reduce General Revenue Fund receipts by an insignificant amount, reduce state trust fund receipts by \$200,000, and reduce local government revenue by \$100,000.

The bill takes effect July 1, 2023.

**II. Present Situation:**

In 2013, the Legislature established a fuel tax for natural gas when sold as a fuel for a motor vehicle. The decal fee imposed on “alternative fuel” vehicles was simultaneously repealed.<sup>1</sup> The bill repealed related provisions, including s. 206.877, F.S. (motor vehicles fueled by liquefied petroleum gas or compressed natural gas), and s. 206.89, F.S. (licensure of retailers of alternative fuel); and it amended and relocated various provisions to the new part V.

The bill delayed the imposition of the newly established tax until December 31, 2018, and exempted from the sales and use tax natural gas and natural gas fuel when placed into the fuel system of a motor vehicle.<sup>2</sup> Thereafter, a person operating as a natural gas fuel retailer was required to pay a tax on all natural gas fuel purchases<sup>3</sup> and report monthly to the Department of Revenue.<sup>4</sup>

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<sup>1</sup> Ch.2013-198, L.O.F. Codified in Part V of ch. 206, F.S.

<sup>2</sup> Section 212.08(4)(a)2., F.S. (2022).

<sup>3</sup> Section 206.9952(8), F.S. (2013).

<sup>4</sup> The method for determining the tax rate imposed was originally created in s. 206.996(1), F.S., with an effective date of February 2019.

Beginning January 1, 2019, the following taxes were to be imposed on natural gas fuel:

- An excise tax of 4 cents upon each motor fuel equivalent gallon of natural gas fuel.
- An additional tax of 1 cent upon each motor fuel equivalent gallon<sup>5</sup> of natural gas fuel, which is designated as the “ninth-cent fuel tax.”
- An additional tax of 1 cent on each motor fuel equivalent gallon of natural gas fuel by each county, which is designated as the “local option fuel tax.”
- An additional tax on each motor fuel equivalent gallon of natural gas fuel, which is designated as the “State Comprehensive Enhanced Transportation System (SCETS) Tax,” at a rate determined by statute.<sup>6</sup>
- An additional tax on each motor fuel equivalent gallon of natural gas fuel “for the privilege of selling natural gas fuel” at a rate determined by statute.<sup>7</sup>

The Legislature also established the following penalties:

- A penalty, set to expire on December 31, 2018, for any person who acts as a natural gas retailer without holding a valid natural gas fuel retailer license in the amount of \$200 for each month of operation without a license.<sup>8</sup>
- Effective January 1, 2019, a penalty of 25 percent of the tax assessed on the total purchases made during the unlicensed period for any person who acts as a natural gas fuel retailer without a valid natural gas fuel retailer license.<sup>9</sup>

In 2018, the Legislature:

- Delayed until January 1, 2024, imposition of the natural gas fuel taxes described above, as well as a natural gas fuel retailer’s obligation to report monthly to the DOR.
- Made a correction to the formulas used by the DOR to determine the annual tax rates for SCETS and the additional fuel tax, which was necessary to properly perform the calculations.<sup>10</sup>
- Extended the expiration date of the \$200 penalty against a person acting as a natural gas retailer without a license from December 31, 2018, to December 31, 2023.
- Extended the effective date of the 25 percent penalty to January 1, 2019, to January 1, 2024.<sup>11</sup>

<sup>5</sup> “Motor fuel equivalent gallon” is defined in s. 206.9951(1), F.S., to mean the volume of natural gas fuel it takes to equal the energy content of one gallon of motor fuel. Section 206.9955, F.S., currently defines the motor fuel equivalent gallon for compressed natural gas, liquefied natural gas, and liquefied petroleum gas.

<sup>6</sup> Each calendar year, the department shall determine the tax rate applicable to the sale of natural gas fuel for the following 12-month period beginning January 1, rounded to the nearest tenth of a cent, by adjusting the initially established tax rate of 5.8 cents per gallon by the percentage change in the average of the Consumer Price Index issued by the United States Department of Labor for the most recent 12-month period ending September 30. Section 206.9955(2)(d), F.S. (2013).

<sup>7</sup> Each calendar year, the department shall determine the tax rate applicable to the sale of natural gas fuel, rounded to the nearest tenth of a cent, for the following 12-month period beginning January 1. The tax rate is calculated by adjusting the initially established tax rate of 9.2 cents per gallon by the percentage change in the average of the Consumer Price Index issued by the United States Department of Labor for the most recent 12-month period ending September 30. Section 206.9955(2)(e)1., F.S. (2013).

<sup>8</sup> Section 206.9952(3)(a), F.S. (2013).

<sup>9</sup> Section 206.9952(3)(b), F.S. (2013).

<sup>10</sup> *Supra* notes 6 and 7.

<sup>11</sup> Ch. 2018-118, L.O.F.

### III. Effect of Proposed Changes:

The bill delays from January 1, 2024, to January 1, 2026, the imposition of natural gas fuel taxes, calculations required to be made by the DOR to set the annual tax rate for SCETS and the additional tax, and a retailer's obligation to report monthly. Monthly reporting must begin February 2026, rather than February 2024.

The bill extends the current expiration date from December 31, 2023, to December 31, 2025, for the penalty imposed on a person who acts as a natural gas retailer but does not hold proper licensure. The bill also makes the 25 percent penalty against a retailer who acts without a retailer license effective January 1, 2026, rather than January 1, 2024.

The bill takes effect July 1, 2023.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

Article VII, s. 18 of the Florida Constitution governs laws that require counties and municipalities to spend funds, limit the ability of counties and municipalities to raise revenue, or reduce the percentage of state tax shared with counties and municipalities.

Subsection (b) of Art. VII, s. 18 of the Florida Constitution provides that except upon approval of each house of the Legislature by two-thirds vote of the membership, the legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandates requirements do not apply to laws having an insignificant impact,<sup>12,13</sup> which is \$2.3 million or less for Fiscal Year 2023-2024.<sup>14</sup> The Revenue Estimating Conference determined that the bill will reduce local revenues by \$100,000. Thus, the bill is likely not a mandate.

Furthermore, while the bill reduces the authority of local governments to raise revenue by delaying the imposition of county and municipal taxes on natural gas fuel, the authority to raise revenue through taxes on natural gas fuel did not exist on February 1, 1989.<sup>15</sup>

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<sup>12</sup> FLA. CONST. art. VII, s. 18(d).

<sup>13</sup> An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year multiplied by \$0.10. See Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (September 2011), available at <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Mar. 8, 2023).

<sup>14</sup> Based on the Demographic Estimating Conference's estimated population adopted on July 18, 2022. The conference packet is available at <http://edr.state.fl.us/Content/conferences/population/archives/220718demographic.pdf> (last visited Mar. 8, 2023).

<sup>15</sup> See s. 206.877, F.S. (1989). Motor vehicles fueled by compressed natural gas were subject to payment of an annual decal fee in lieu of tax.



**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**D. State Tax or Fee Increases:**

The bill does not create or raise a state tax or fee. Therefore, the requirements of Article VII, section 19 of the Florida Constitution do not apply.

**E. Other Constitutional Issues:**

None identified.

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

The Revenue Estimating Conference determined that the bill would, in Fiscal Year 2023-2024, reduce General Revenue Fund receipts by an insignificant amount, reduce state trust fund receipts by \$200,000, and reduce local government revenue by \$100,000.

**B. Private Sector Impact:**

Those who purchase or sell natural gas fuel will not pay taxes on such fuel until January 1, 2026. Retailers will not report nor be subject to the specified penalties until such date.

**C. Government Sector Impact:**

The Department of Revenue estimates nonrecurring and recurring costs to implement the provisions in the bill. Nonrecurring costs for Fiscal Year 2024-2025 equal \$53,000. Nonrecurring costs for Fiscal Year 2025-2026 equal \$191,256. Beginning in Fiscal Year 2025-2026, recurring costs equal \$18,000.<sup>16</sup>

The estimated costs will be used to update and maintain the states System for Unified Tax (SUNTAX). The cost to inform retailers of the delayed imposition of the natural gas tax will be absorbed by the DOR.

**VI. Technical Deficiencies:**

None.

---

<sup>16</sup> Department of Revenue, *2023 Agency Legislative Bill Analysis* (Feb. 1, 2023) (on file with the Senate Committee on Finance and Tax).

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 206.9955, 206.9952, and 206.996.

**IX. Additional Information:**

**A. Committee Substitute – Statement of Changes:**

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

None.

**B. Amendments:**

None.

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

---

By Senator Gruters

22-00627-23

2023322\_\_

A bill to be entitled

An act relating to natural gas fuel taxes; amending s. 206.9955, F.S.; delaying the effective date of taxes on natural gas fuel; amending ss. 206.9952 and 206.996, F.S.; conforming provisions to changes made by the act; providing an effective date.

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

Section 1. Subsection (2) of section 206.9955, Florida Statutes, is amended to read:

206.9955 Levy of natural gas fuel tax.—

(2) Effective January 1, 2026 ~~2024~~, the following taxes shall be imposed:

(a) An excise tax of 4 cents upon each motor fuel equivalent gallon of natural gas fuel.

(b) An additional tax of 1 cent upon each motor fuel equivalent gallon of natural gas fuel, which is designated as the "ninth-cent fuel tax."

(c) An additional tax of 1 cent on each motor fuel equivalent gallon of natural gas fuel by each county, which is designated as the "local option fuel tax."

(d) An additional tax on each motor fuel equivalent gallon of natural gas fuel, which is designated as the "State Comprehensive Enhanced Transportation System Tax," at a rate determined pursuant to this paragraph. Before January 1, 2026 ~~2024~~, and each year thereafter, the department shall determine the tax rate applicable to the sale of natural gas fuel for the following 12-month period beginning January 1, rounded to the

Page 1 of 4

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

22-00627-23

2023322\_\_

nearest tenth of a cent, by adjusting the tax rate of 5.8 cents per gallon by the percentage change in the average of the Consumer Price Index issued by the United States Department of Labor for the most recent 12-month period ending September 30, compared to the base year average, which is the average for the 12-month period ending September 30, 2013.

(e)1. An additional tax is imposed on each motor fuel equivalent gallon of natural gas fuel for the privilege of selling natural gas fuel. Before January 1, 2026 ~~2024~~, and each year thereafter, the department shall determine the tax rate applicable to the sale of natural gas fuel, rounded to the nearest tenth of a cent, for the following 12-month period beginning January 1, by adjusting the tax rate of 9.2 cents per gallon by the percentage change in the average of the Consumer Price Index issued by the United States Department of Labor for the most recent 12-month period ending September 30, compared to the base year average, which is the average for the 12-month period ending September 30, 2013.

2. The department is authorized to adopt rules and publish forms to administer this paragraph.

Section 2. Subsections (3) and (8) of section 206.9952, Florida Statutes, are amended to read:

206.9952 Application for license as a natural gas fuel retailer.—

(3) (a) Any person who acts as a natural gas retailer and does not hold a valid natural gas fuel retailer license shall pay a penalty of \$200 for each month of operation without a license. This paragraph expires December 31, 2025 ~~2023~~.

(b) Effective January 1, 2026 ~~2024~~, any person who acts as

Page 2 of 4

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

22-00627-23

2023322\_\_

59 a natural gas fuel retailer and does not hold a valid natural  
60 gas fuel retailer license shall pay a penalty of 25 percent of  
61 the tax assessed on the total purchases made during the  
62 unlicensed period.

63 (8) With the exception of a state or federal agency or a  
64 political subdivision licensed under this chapter, each person,  
65 as defined in this part, who operates as a natural gas fuel  
66 retailer shall report monthly to the department and pay a tax on  
67 all natural gas fuel purchases beginning January 1, 2026 ~~2024~~.

68 Section 3. Subsection (1) of section 206.996, Florida  
69 Statutes, is amended to read:

70 206.996 Monthly reports by natural gas fuel retailers;  
71 deductions.—

72 (1) For the purpose of determining the amount of taxes  
73 imposed by s. 206.9955, each natural gas fuel retailer shall  
74 file beginning with February 2026 ~~2024~~, and each month  
75 thereafter, no later than the 20th day of each month, monthly  
76 reports electronically with the department showing information  
77 on inventory, purchases, nontaxable disposals, taxable uses, and  
78 taxable sales in gallons of natural gas fuel for the preceding  
79 month. However, if the 20th day of the month falls on a  
80 Saturday, Sunday, or federal or state legal holiday, a return  
81 must be accepted if it is electronically filed on the next  
82 succeeding business day. The reports must include, or be  
83 verified by, a written declaration stating that such report is  
84 made under the penalties of perjury. The natural gas fuel  
85 retailer shall deduct from the amount of taxes shown by the  
86 report to be payable an amount equivalent to 0.67 percent of the  
87 taxes on natural gas fuel imposed by s. 206.9955(2)(a) and (e),

Page 3 of 4

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22-00627-23

2023322\_\_

88 which deduction is allowed to the natural gas fuel retailer to  
89 compensate it for services rendered and expenses incurred in  
90 complying with the requirements of this part. This allowance is  
91 not deductible unless payment of applicable taxes is made on or  
92 before the 20th day of the month. This subsection may not be  
93 construed as authorizing a deduction from the constitutional  
94 fuel tax or the fuel sales tax.

95 Section 4. This act shall take effect July 1, 2023.

Page 4 of 4

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



## THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

**SENATOR JOE GRUTERS**

22nd District

**COMMITTEES:**

Regulated Industries, *Chair*  
Appropriations  
Appropriations Committee on Agriculture,  
Environment, and General Government  
Appropriations Committee on Health  
and Human Services  
Commerce and Tourism  
Community Affairs  
Transportation

**SELECT COMMITTEE:**

Select Committee on Resiliency

**JOINT COMMITTEE:**

Joint Committee on Public Counsel Oversight,  
*Alternating Chair*

March 14, 2023

The Honorable Blaise Ingoglia, Chair  
Committee on Finance and Tax  
215 Knott Building  
404 South Monroe Street  
Tallahassee, FL 32399-1100

Dear Chair Ingoglia:

I am writing to request that Senate Bill 322, Natural Gas Fuel Taxes to be placed on the agenda of the next Finance and Tax committee meeting.

Should you have any questions regarding this bill, please do not hesitate to reach out to me. Thank you for your time and consideration.

Warm regards,

A handwritten signature in black ink that reads "Joe Gruters".

Joe Gruters

Cc: Robert Babin, Staff Director  
Stephanie Bell-Parke, Committee Administrative Assistant

REPLY TO:

- 381 Interstate Boulevard, Sarasota, Florida 34240 (941) 378-6309
- 316 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5022

Senate's Website: [www.flsenate.gov](http://www.flsenate.gov)

**KATHLEEN PASSIDOMO**  
President of the Senate

**DENNIS BAXLEY**  
President Pro Tempore

The Florida Senate  
**APPEARANCE RECORD**

Deliver both copies of this form to  
Senate professional staff conducting the meeting

SB 322

Bill Number or Topic

Amendment Barcode (if applicable)

3/21/23

Meeting Date

FINANCE & TAX

Committee

Name

CAROLYN Johnson

Phone

850-521-1200

Address

136 S. Bronagh St.

Street

Email

cjohnson@flchamber.com

Tallahassee

City

FL

State

32301

Zip

Speaking:

For

Against

Information

**OR**

Waive Speaking:

In Support

Against

**PLEASE CHECK ONE OF THE FOLLOWING:**

I am appearing without  
compensation or sponsorship.

I am a registered lobbyist,  
representing:

I am not a lobbyist, but received  
something of value for my appearance  
(travel, meals, lodging, etc.),  
sponsored by:

FLORIDA CHAMBER of Commerce

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf](#) (flsenate.gov)

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3/21/23

Meeting Date

Finance & Tax

Committee

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to Senate professional staff conducting the meeting

322

Bill Number or Topic

Amendment Barcode (if applicable)

Name Dale Calhoun

Phone 8506810496

Address 201 S Monroe Street Unit A

Email dale.calhoun@floridagas.org

Street

Tallahassee

FL

32301

City

State

Zip

Speaking:  For  Against  Information OR Waive Speaking:  In Support  Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

Florida Natural Gas Association & Florida Propane Gas Association

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate

**APPEARANCE RECORD**

Deliver both copies of this form to  
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3/21/23

Meeting Date

322

Bill Number or Topic

Finance & Tax

Committee

Amendment Barcode (if applicable)

Name ALIX MILLER

Phone 850-222-9900

Address 350 E. College Ave

Email alix@floridatrucking.org

Street

Tallahassee

FL

32301

City

State

Zip

Speaking:  For  Against  Information **OR** Waive Speaking:  In Support  Against

**PLEASE CHECK ONE OF THE FOLLOWING:**

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

FLORIDA TRUCKING ASSOCIATION

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf](#) ([flsenate.gov](#))

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The Florida Senate  
**APPEARANCE RECORD**

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3/21/23  
Meeting Date  
S FFT  
Committee

SB 322  
Bill Number or Topic  
Amendment Barcode (if applicable)

Name KEYNA CURRY Phone 850 566-9575

Address 730 EAST PALM AVE Email keynacurry@pacconsultants.com  
Street  
TALLAHASSEE FL 32301  
City State Zip

Speaking:  For  Against  Information **OR** Waive Speaking:  In Support  Against

**PLEASE CHECK ONE OF THE FOLLOWING:**

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:  
NATIONAL WASTE + RECYCLING ASSN - FL CHAPTER

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022JointRules.pdf flsenate.gov](#)

This form is part of the public record for this meeting.

3/21/23

Meeting Date

# The Florida Senate APPEARANCE RECORD

Deliver both copies of this form to  
Senate professional staff conducting the meeting

SB 322

Bill Number or Topic

Committee

Amendment Barcode (if applicable)

Name

Tanner Warwick

Phone

Address

516 N Adams St

Email

Street

Tallahassee

FL

32301

City

State

Zip

Speaking:

For

Against

Information

OR

Waive Speaking:

In Support

Against

### PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without  
compensation or sponsorship.

I am a registered lobbyist,  
representing:

I am not a lobbyist, but received  
something of value for my appearance  
(travel, meals, lodging, etc.),  
sponsored by:

Associated Industries of Florida

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

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

---

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

---

BILL: CS/SB 358

INTRODUCER: Finance and Tax Committee; and Senators Burgess and Calatayud

SUBJECT: Residential Graywater System Tax Credits

DATE: March 21, 2023

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Hackett</u>	<u>Ryon</u>	<u>CA</u>	<b>Favorable</b>
2.	<u>Gross</u>	<u>Babin</u>	<u>FT</u>	<b>Fav/CS</b>
3.	_____	_____	<u>AP</u>	_____

---

**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

---

**I. Summary:**

CS/SB 358 creates a corporate income tax credit for the purchase of residential graywater systems. The credit is equal to 50 percent of the cost of each system, up to \$4,200 per system. The credit applies to taxable years beginning on or after January 1, 2024. The bill specifies eligibility conditions for the credit, authorizes the carryforward of unused credits, and authorizes the Department of Revenue (DOR) and the Department of Environmental Protection (DEP) to adopt rules to implement the tax credit. Additionally, the DOR is authorized to share information related to the tax credit with the DEP.

The Revenue Estimating Conference (REC) has not analyzed the committee substitute. The REC determined that the prior version of the bill would result in a reduction to General Revenue Fund receipts by an indeterminate amount beginning in Fiscal Year 2023-2024.

The bill takes effect on July 1, 2023.

**II. Present Situation:**

**Graywater, Residential Systems, and Development Incentives**

Graywater is the part of domestic sewage that is not carried off by toilets, urinals, and kitchen drains. It includes waste from the bath, lavatory, laundry, and sink, except for kitchen sink

waste.<sup>1</sup> Graywater installations occur in both residential and non-residential properties and the capture, treatment, and reuse of graywater yields usable water that would otherwise be directed to the sewer.<sup>2</sup> Reusing graywater also supplants the use of potable water for non-potable needs and conserves fresh water.<sup>3</sup>

The Florida Building Code specifies that graywater may only be used for flushing toilets and urinals. Any discharge from the building must be connected to a public sewer or an onsite sewage treatment and disposal system in accordance with Department of Health regulations in chapter 64E-6 of the Florida Administrative Code.<sup>4</sup> Graywater systems in Florida have several requirements: the graywater must be filtered, disinfected, and dyed; and storage reservoirs must have drains and overflow pipes that must be indirectly connected to the sanitary drainage system.<sup>5</sup>

To encourage adoption of residential graywater reuse in the state, counties, municipalities, and special districts are required to implement incentives for the use of graywater technologies.<sup>6</sup> To do this, they must authorize the use of residential graywater technologies in their respective jurisdictions and provide specific density or intensity bonuses to developers or homebuilders if a certain percentage of a proposed or existing development will have a graywater system installed.<sup>7</sup>

### ***Water Reuse Systems Certification***

Various certifications are used to establish standards for reused water. Recycled graywater is tested for attributes such as biochemical oxygen demand, suspended solids, and bacteria presence. The National Science Foundation, a federal agency, and the American National Standards Institute, a nonprofit organization, have produced standards for on-site residential and commercial water reuse treatment systems, the most rigorous of which is referred to as “NSF/ANSI 350.” Products are tested for at least 26 weeks for performance, and other evaluations are completed, before a product is granted certification.<sup>8</sup> There are several products that have achieved this certification, with costs ranging from \$1,000 to \$10,000.<sup>9</sup>

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<sup>1</sup> Section 381.0065(2)(f), F.S.

<sup>2</sup> Alliance for Water Efficiency, *Graywater Systems*, available at:

<https://www.allianceforwaterefficiency.org/resources/topic/graywater-systems> (last visited Mar. 8, 2023).

<sup>3</sup> Martinez, Christopher J., *Gray Water Reuse in Florida*, University of Florida IFAS Extension,

<https://edis.ifas.ufl.edu/ae453#:~:text=Gray%20water%20must%20be%20filtered,to%20the%20sanitary%20drainage%20system> (last visited Mar. 8, 2023).

<sup>4</sup> 2020 Florida Building Code – Plumbing, Seventh Edition (Dec. 2020), available at:

<https://codes.iccsafe.org/content/FLPC2020P1> (last visited Mar. 8, 2023).

<sup>5</sup> *Id.*

<sup>6</sup> Section 403.892(2), F.S.

<sup>7</sup> *Id.*

<sup>8</sup> National Science Foundation, *NSF/ANSI Standard 350 for Water Reuse Treatment Systems*, available at:

[https://d2evkimvhatqav.cloudfront.net/documents/ww\\_nsf\\_ansi350\\_ga\\_insert.pdf](https://d2evkimvhatqav.cloudfront.net/documents/ww_nsf_ansi350_ga_insert.pdf) (last visited Mar. 8, 2023).

<sup>9</sup> *Id.* See also Todd Woody, *Install a Greywater System to Lower Utility Bills and Save Water*, BLOOMBERG NEWS, Mar. 17, 2022, available at: <https://www.bloomberg.com/news/articles/2022-03-17/why-you-should-install-a-home-greywater-system?leadSource=uverify%20wall> (last visited Mar. 8, 2023).

## Corporate Income Tax

Florida imposes a 5.5 percent tax on the taxable income of certain corporations and financial institutions doing business in Florida.<sup>10</sup> Corporate income tax<sup>11</sup> is remitted to the DOR and distributed to the General Revenue Fund. Florida utilizes the taxable income (for each corporation's taxable year) determined for federal income tax purposes as a starting point to determine the total amount of Florida corporate income tax due.<sup>12</sup> The first \$50,000 of net income is exempt.<sup>13</sup>

Statutes authorize various incentives and credits which offset corporate income tax liability.<sup>14</sup> Credits against corporate income tax are applied in an order established by law.<sup>15</sup> There is presently no credit available against corporate income tax for the purchase of residential greywater systems.

### III. Effect of Proposed Changes:

The bill creates s. 220.199, F.S., which provides a tax credit against corporate income tax for developers and homebuilders that purchase a qualifying residential graywater system for use in Florida. The credit may be applied to taxable years beginning on or after January 1, 2024, and is equal to 50 percent of the cost of each system purchased during the taxable year, not to exceed \$4,200 per system purchased.

Eligible systems must be NSF/ANSI 350 Class R certified noncommercial, residential graywater systems. To claim a credit, an applicant must submit to the Department of Environmental Protection (DEP) reasonable assurances that the system meets these requirements as well as a manufacturer's warranty assuring the system will function as designed. The DEP must, within 60 days of a completed application, determine if the applicant is eligible for a credit and issue to the applicant and the DOR a certification to that effect. Taxpayers must attach the certification to the tax return on which the credit is claimed.

The bill provides that unused tax credits may be carried forward for up to two taxable years, and authorizes the DOR and the DEP to adopt rules to administer the tax credit.

The bill amends s. 220.02(8), F.S., to include the new tax credit at the end of the Legislature's intended order of tax credit application.<sup>16</sup>

The bill amends s. 220.13, F.S., to provide that a taxpayer may not apply the same credit to both federal income and Florida corporate income taxes.<sup>17</sup>

---

<sup>10</sup> Sections 220.11(2) and 220.63(2), F.S.

<sup>11</sup> Referred to officially as the Florida Corporate Income/Franchise Tax.

<sup>12</sup> Section 220.12, F.S.

<sup>13</sup> Section 220.14, F.S.

<sup>14</sup> Florida Department of Revenue, *Corporate Income Tax Incentives*, available at: [https://floridarevenue.com/taxes/taxesfees/Pages/corp\\_tax\\_incent.aspx](https://floridarevenue.com/taxes/taxesfees/Pages/corp_tax_incent.aspx) (last visited Mar. 8, 2023).

<sup>15</sup> Section 220.02(8), F.S.

<sup>16</sup> Section 2.

<sup>17</sup> Section 3.

The bill takes effect July 1, 2023.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

Not applicable. The bill does not require counties and municipalities to spend funds, limit their ability to raise revenue, or reduce the percentage of a state tax shared with them. Therefore, the mandates provisions of s. 18, Art. VII of the State Constitution do not apply.

##### **B. Public Records/Open Meetings Issues:**

None.

##### **C. Trust Funds Restrictions:**

None.

##### **D. State Tax or Fee Increases:**

The bill does not create or raise state taxes or fees. Therefore, the requirements of s. 19, Art. VII of the State Constitution do not apply.

##### **E. Other Constitutional Issues:**

None identified.

#### **V. Fiscal Impact Statement:**

##### **A. Tax/Fee Issues:**

The Revenue Estimating Conference has not analyzed the committee substitute. The REC determined that the prior version of the bill would result in a reduction to General Revenue Fund receipts by an indeterminate amount beginning in Fiscal Year 2023-2024.

##### **B. Private Sector Impact:**

Qualified businesses that purchase residential greywater systems and meet the requirements may decrease corporate income tax liability by up to \$4,200 per unit purchased.

##### **C. Government Sector Impact:**

The DOR estimates it will incur administrative costs of \$39,728 in Fiscal Year 2024-2025 as a result of the bill.<sup>18</sup>

---

<sup>18</sup> Florida Dep't of Revenue, *Senate Bill 358 Bill Analysis* (Feb. 17, 2023) (on file with the Senate Committee on Finance and Tax).

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

The DOR has identified that, due to confidentiality regulations, an exception may be necessary to allow the DOR to communicate with DEP in administering the bill.<sup>19</sup>

**VIII. Statutes Affected:**

This bill substantially amends sections 220.02 and 220.13 of the Florida Statutes.  
This bill creates section 220.199 of the Florida Statutes.

**IX. Additional Information:**

- A. **Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS by Finance and Tax on March 21, 2023:**

The committee substitute:

- Authorizes the Department of Revenue to share information with the Department of Environmental Protection related to the graywater system tax credit.
- Requires developers or homebuilders to submit an application with the Department of Environmental Protection rather than the Department of Revenue.
- Requires eligible graywater systems to be purchased for use in Florida.
- Specifies that the Department of Environmental Protection must determine eligibility within 60 days after receipt of a completed application.
- Provides the Department of Environmental Protection with rulemaking authority.
- Removes an unnecessary definition.
- Makes other technical and conforming changes.

- B. **Amendments:**

None.

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

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<sup>19</sup> *Id.*



115778

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/21/2023	.	
	.	
	.	
	.	

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The Committee on Finance and Tax (Burgess) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 20 - 55

and insert:

Section 1. Paragraph (o) of subsection (8) of section 213.053, Florida Statutes, is amended to read:

213.053 Confidentiality and information sharing.—

(8) Notwithstanding any other provision of this section, the department may provide:

(o) Information relative to ss. 220.1845, 220.199, and





11 376.30781 to the Department of Environmental Protection in the  
12 conduct of its official business.

13  
14 Disclosure of information under this subsection shall be  
15 pursuant to a written agreement between the executive director  
16 and the agency. Such agencies, governmental or nongovernmental,  
17 shall be bound by the same requirements of confidentiality as  
18 the Department of Revenue. Breach of confidentiality is a  
19 misdemeanor of the first degree, punishable as provided by s.  
20 775.082 or s. 775.083.

21 Section 2. Section 220.199, Florida Statutes, is created to  
22 read:

23 220.199 Residential graywater system tax credit.—

24 (1) For purposes of this section, the term:

25 (a) "Developer" has the same meaning as in s. 380.031(2).

26 (b) "Graywater" has the same meaning as in s.

27 381.0065(2)(f).

28 (2) For taxable years beginning on or after January 1,  
29 2024, a developer or homebuilder is eligible to receive a credit  
30 against the tax imposed by this chapter in an amount up to 50  
31 percent of the cost of each NSF/ANSI 350 Class R certified  
32 noncommercial, residential graywater system purchased during the  
33 taxable year. The tax credit may not exceed \$4,200 for each  
34 system purchased.

35 (3) To claim a credit under this section, a developer or  
36 homebuilder must submit an application to the Department of  
37 Environmental Protection which includes documentation showing  
38 that the developer or homebuilder has purchased for use in this  
39 state a graywater system meeting the requirements of subsection



40 (2) and that the graywater system meets the functionality  
41 assurances provided in s. 403.892(3)(c). The Department of  
42 Environmental Protection shall make a determination on the  
43 eligibility of the applicant for the credit sought and shall  
44 certify the determination to the applicant and the Department of  
45 Revenue within 60 days after receipt of a completed application.  
46 The taxpayer must attach the certification from the Department  
47 of Environmental Protection to the tax return on which the  
48 credit is claimed.

49 (4) Any unused tax credit authorized under this section may  
50 be carried forward and claimed by the taxpayer for up to 2  
51 taxable years.

52 (5) The Department of Revenue shall adopt rules to  
53 administer this section, including, but not limited to, rules  
54 prescribing forms for a credit and any evidence needed to  
55 substantiate a claim for a credit under this section.

56 (6) The Department of Environmental Protection shall adopt  
57 rules to administer this section, including, but not limited to,  
58 rules relating to application forms for credit approval and  
59 certification and the application and certification procedures,  
60 guidelines, and requirements necessary to administer this  
61 section.

62  
63 ===== T I T L E A M E N D M E N T =====

64 And the title is amended as follows:

65 Delete lines 3 - 11

66 and insert:

67 credits; amending s. 213.053, F.S.; authorizing the  
68 Department of Revenue to provide certain information



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69 to the Department of Environmental Protection;  
70 creating s. 220.199, F.S.; defining terms; providing a  
71 tax credit to developers and homebuilders for certain  
72 graywater systems purchased during the taxable year;  
73 providing a cap on the amount of the tax credit per  
74 system; specifying information the developer or  
75 homebuilder must provide to the Department of  
76 Environmental Protection; requiring the Department of  
77 Environmental Protection to certify to the applicant  
78 and the Department of Revenue its determination of an  
79 applicant's eligibility for the tax credit within a  
80 specified timeframe; authorizing tax credits to be  
81 carried forward for up to a specified number of years;  
82 requiring the Department of Revenue and the Department  
83 of Environmental Protection to adopt rules; amending  
84 s.

By Senator Burgess

23-00310A-23

2023358\_\_

A bill to be entitled

An act relating to residential graywater system tax credits; creating s. 220.199, F.S.; defining terms; providing a tax credit to developers and homebuilders for certain graywater systems purchased during the taxable year; providing a cap on the amount of the tax credit per system; specifying information the developer or homebuilder must provide to the Department of Revenue; authorizing tax credits to be carried forward for up to a specified number of years; authorizing the department to adopt rules; amending s. 220.02, F.S.; revising the order in which credits may be taken to include credits created by the act; amending s. 220.13, F.S.; revising the definition of the term "adjusted federal income" to include credits created by the act; providing an effective date.

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

Section 1. Section 220.199, Florida Statutes, is created to read:

220.199 Residential graywater system tax credit.-

(1) For purposes of this section, the term:

(a) "Department" means the Department of Revenue.

(b) "Developer" has the same meaning as in s. 380.031(2).

(c) "Graywater" has the same meaning as in s.

381.0065(2)(f).

(2) For taxable years beginning on or after January 1, 2024, a developer or homebuilder is eligible to receive a credit

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

23-00310A-23

2023358\_\_

against the tax imposed by this chapter in an amount up to 50 percent of the cost of each NSF/ANSI 350 Class R certified noncommercial, residential graywater system purchased during the taxable year. The tax credit may not exceed \$4,200 for each system purchased.

(3) A developer or homebuilder that wishes to claim a tax credit under this section must submit an application to the department which includes a written verification by the Department of Environmental Protection that the developer or homebuilder has submitted reasonable assurances that the system meets the requirements of subsection (2) and the functionality assurances provided in s. 403.892(3)(c). The Department of Environmental Protection shall make a determination on the eligibility of the applicant for the credit sought and certify the determination to the applicant and the department. The taxpayer must attach the certification to the tax return on which the credit is claimed.

(4) Any unused tax credit authorized under this section may be carried forward and claimed by the taxpayer for up to 2 taxable years.

(5) The department may adopt rules to administer this section, including, but not limited to, rules prescribing forms, application procedures and dates, and guidelines for making an affirmative showing of qualification for a credit and any evidence needed to substantiate a claim for a credit under this section.

Section 2. Subsection (8) of section 220.02, Florida Statutes, is amended to read:

220.02 Legislative intent.-

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

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59 (8) It is the intent of the Legislature that credits  
 60 against either the corporate income tax or the franchise tax be  
 61 applied in the following order: those enumerated in s. 631.828,  
 62 those enumerated in s. 220.191, those enumerated in s. 220.181,  
 63 those enumerated in s. 220.183, those enumerated in s. 220.182,  
 64 those enumerated in s. 220.1895, those enumerated in s. 220.195,  
 65 those enumerated in s. 220.184, those enumerated in s. 220.186,  
 66 those enumerated in s. 220.1845, those enumerated in s. 220.19,  
 67 those enumerated in s. 220.185, those enumerated in s. 220.1875,  
 68 those enumerated in s. 220.1876, those enumerated in s.  
 69 220.1877, those enumerated in s. 220.193, those enumerated in s.  
 70 288.9916, those enumerated in s. 220.1899, those enumerated in  
 71 s. 220.194, those enumerated in s. 220.196, those enumerated in  
 72 s. 220.198, ~~and~~ those enumerated in s. 220.1915, and those  
 73 enumerated in s. 220.199.

74 Section 3. Paragraph (a) of subsection (1) of section  
 75 220.13, Florida Statutes, is amended to read:

76 220.13 "Adjusted federal income" defined.—

77 (1) The term "adjusted federal income" means an amount  
 78 equal to the taxpayer's taxable income as defined in subsection  
 79 (2), or such taxable income of more than one taxpayer as  
 80 provided in s. 220.131, for the taxable year, adjusted as  
 81 follows:

82 (a) *Additions.*—There shall be added to such taxable income:

83 1.a. The amount of any tax upon or measured by income,  
 84 excluding taxes based on gross receipts or revenues, paid or  
 85 accrued as a liability to the District of Columbia or any state  
 86 of the United States which is deductible from gross income in  
 87 the computation of taxable income for the taxable year.

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88 b. Notwithstanding sub-subparagraph a., if a credit taken  
 89 under s. 220.1875, s. 220.1876, or s. 220.1877 is added to  
 90 taxable income in a previous taxable year under subparagraph 11.  
 91 and is taken as a deduction for federal tax purposes in the  
 92 current taxable year, the amount of the deduction allowed shall  
 93 not be added to taxable income in the current year. The  
 94 exception in this sub-subparagraph is intended to ensure that  
 95 the credit under s. 220.1875, s. 220.1876, or s. 220.1877 is  
 96 added in the applicable taxable year and does not result in a  
 97 duplicate addition in a subsequent year.

98 2. The amount of interest which is excluded from taxable  
 99 income under s. 103(a) of the Internal Revenue Code or any other  
 100 federal law, less the associated expenses disallowed in the  
 101 computation of taxable income under s. 265 of the Internal  
 102 Revenue Code or any other law, excluding 60 percent of any  
 103 amounts included in alternative minimum taxable income, as  
 104 defined in s. 55(b)(2) of the Internal Revenue Code, if the  
 105 taxpayer pays tax under s. 220.11(3).

106 3. In the case of a regulated investment company or real  
 107 estate investment trust, an amount equal to the excess of the  
 108 net long-term capital gain for the taxable year over the amount  
 109 of the capital gain dividends attributable to the taxable year.

110 4. That portion of the wages or salaries paid or incurred  
 111 for the taxable year which is equal to the amount of the credit  
 112 allowable for the taxable year under s. 220.181. This  
 113 subparagraph shall expire on the date specified in s. 290.016  
 114 for the expiration of the Florida Enterprise Zone Act.

115 5. That portion of the ad valorem school taxes paid or  
 116 incurred for the taxable year which is equal to the amount of

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

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117 the credit allowable for the taxable year under s. 220.182. This  
 118 subparagraph shall expire on the date specified in s. 290.016  
 119 for the expiration of the Florida Enterprise Zone Act.

120 6. The amount taken as a credit under s. 220.195 which is  
 121 deductible from gross income in the computation of taxable  
 122 income for the taxable year.

123 7. That portion of assessments to fund a guaranty  
 124 association incurred for the taxable year which is equal to the  
 125 amount of the credit allowable for the taxable year.

126 8. In the case of a nonprofit corporation which holds a  
 127 pari-mutuel permit and which is exempt from federal income tax  
 128 as a farmers' cooperative, an amount equal to the excess of the  
 129 gross income attributable to the pari-mutuel operations over the  
 130 attributable expenses for the taxable year.

131 9. The amount taken as a credit for the taxable year under  
 132 s. 220.1895.

133 10. Up to nine percent of the eligible basis of any  
 134 designated project which is equal to the credit allowable for  
 135 the taxable year under s. 220.185.

136 11. Any amount taken as a credit for the taxable year under  
 137 s. 220.1875, s. 220.1876, or s. 220.1877. The addition in this  
 138 subparagraph is intended to ensure that the same amount is not  
 139 allowed for the tax purposes of this state as both a deduction  
 140 from income and a credit against the tax. This addition is not  
 141 intended to result in adding the same expense back to income  
 142 more than once.

143 12. The amount taken as a credit for the taxable year under  
 144 s. 220.193.

145 13. Any portion of a qualified investment, as defined in s.

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146 288.9913, which is claimed as a deduction by the taxpayer and  
 147 taken as a credit against income tax pursuant to s. 288.9916.

148 14. The costs to acquire a tax credit pursuant to s.  
 149 288.1254(5) that are deducted from or otherwise reduce federal  
 150 taxable income for the taxable year.

151 15. The amount taken as a credit for the taxable year  
 152 pursuant to s. 220.194.

153 16. The amount taken as a credit for the taxable year under  
 154 s. 220.196. The addition in this subparagraph is intended to  
 155 ensure that the same amount is not allowed for the tax purposes  
 156 of this state as both a deduction from income and a credit  
 157 against the tax. The addition is not intended to result in  
 158 adding the same expense back to income more than once.

159 17. The amount taken as a credit for the taxable year  
 160 pursuant to s. 220.198.

161 18. The amount taken as a credit for the taxable year  
 162 pursuant to s. 220.1915.

163 19. The amount taken as a credit for the taxable year  
 164 pursuant to s. 220.199.

165 Section 4. This act shall take effect July 1, 2023.



*The Florida Senate*

## Committee Agenda Request

**To:** Senator Blaise Ingoglia, Chair  
Committee on Finance and Tax

**Subject:** Committee Agenda Request

**Date:** March 9, 2023

---

I respectfully request that **Senate Bill #358**, relating to Residential Graywater System Tax Credits, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in blue ink that reads "Danny".

---

Senator Danny Burgess  
Florida Senate, District 23

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to Senate professional staff conducting the meeting

03/21/2023

Meeting Date

SB358

Bill Number or Topic

Finance and Tax

Committee

Amendment Barcode (if applicable)

Name Mary Winn

Phone 850-766-2612

Address 1006 Brookwood Dr. Street

Email kathywinn980@gmail.com

Tallahassee FL 32308 City State Zip

Speaking: [ ] For [ ] Against [ ] Information OR Waive Speaking: [x] In Support [ ] Against

PLEASE CHECK ONE OF THE FOLLOWING:

[x] I am appearing without compensation or sponsorship.

[ ] I am a registered lobbyist, representing:

representing the League of Women Voters of Florida

[ ] I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. 2020-2022 Joint Rules.pdf flsenate.gov

This form is part of the public record for this meeting.



The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to Senate professional staff conducting the meeting

3/21 Meeting Date

JB 358 Bill Number or Topic

F+T Committee

Amendment Barcode (if applicable)

Name Andrew Ketchel Phone

Address 1990 Bannerman Rd. Email

Tallahassee FL 32312 City State Zip

Speaking: [ ] For [ ] Against [ ] Information OR Waive Speaking: [X] In Support [ ] Against

PLEASE CHECK ONE OF THE FOLLOWING:
[ ] I am appearing without compensation or sponsorship.
[X] I am a registered lobbyist, representing: Greyter Water Systems
[ ] I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. 2020-2022 Joint Rules.pdf flsenate.gov

This form is part of the public record for this meeting.

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

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

---

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

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BILL: CS/SB 672

INTRODUCER: Finance and Tax Committee and Senator Avila

SUBJECT: Homestead Property Tax Exemptions

DATE: March 21, 2023

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Hackett</u>	<u>Ryon</u>	<u>CA</u>	<b>Favorable</b>
2.	<u>Shuler</u>	<u>Babin</u>	<u>FT</u>	<b>Fav/CS</b>
3.	_____	_____	<u>AP</u>	_____

---

**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

---

**I. Summary:**

CS/SB 672 clarifies that veterans, first responders, and surviving spouses receiving homestead exemptions related to disability or death sustained in the line of duty who purchase a new homestead property are entitled to transfer and retain the amount of the exemption. The bill also similarly clarifies that, upon establishing a new homestead, a person who applies for and receives such an exemption is entitled to receive a refund for the taxes paid on the homestead property in the year of acquisition.

The bill does not substantively change the procedure for applying for or being granted such an exemption or refund.

The Revenue Estimating Conference analyzed the prior version of the bill and determined the bill would have no impact on local government ad valorem receipts. Staff does not expect the committee substitute to change the determination.

The bill takes effect July 1, 2023.

## II. Present Situation:

### General Overview of Property Taxation

The ad valorem tax or “property tax” is an annual tax levied by counties, municipalities, school districts, and some special districts. The tax is based on the taxable value of a property as of January 1 of each year.<sup>1</sup> The property appraiser annually determines the “just value”<sup>2</sup> of property within the taxing authority and then applies relevant exclusions, assessment limitations, and exemptions to determine the property’s “taxable value.”<sup>3</sup> Property tax bills are mailed in November of each year based on the previous January 1 valuation.<sup>4</sup> If a taxpayer furnishes the outstanding taxes within 30 days after the tax collector mailed the tax notice, the taxpayer will receive a 4 percent discount on the total amount of taxes due.<sup>5</sup> The full amount of taxes is due by March 31 of the following year.<sup>6</sup>

The Florida Constitution prohibits the state from levying ad valorem taxes<sup>7</sup> and limits the Legislature’s authority to provide for property valuations at less than just value, unless expressly authorized.<sup>8</sup>

### Homestead Exemptions

The Florida Constitution establishes homestead protections for certain residential real estate in the state in three distinct ways. First, it provides homesteads, property owned and maintained as a person’s primary residence, with an exemption from taxes.<sup>9</sup> Second, the homestead provisions protect the homestead from forced sale by creditors.<sup>10</sup> Third, the homestead provisions delineate the restrictions a homestead owner faces when attempting to alienate or devise the homestead property.<sup>11</sup>

Every person having legal or equitable title to real estate and who maintains a permanent residence on the real estate is eligible for a \$25,000 tax exemption applicable to all ad valorem

---

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

<sup>2</sup> Property must be valued at “just value” for purposes of property taxation, unless the Florida Constitution provides otherwise. FLA. CONST. Art VII, s. 4. Just value has been interpreted by the courts to mean the fair market value that a willing buyer would pay a willing seller for the property in an arm’s-length transaction. *See, e.g., Walter v. Schuler*, 176 So. 2d 81 (Fla. 1965); *Deltona Corp. v. Bailey*, 336 So. 2d 1163 (Fla. 1976); *S. Bell Tel. & Tel. Co. v. Dade Cnty.*, 275 So. 2d 4 (Fla. 1973).

<sup>3</sup> *See* ss. 192.001(2) and (16), F.S.

<sup>4</sup> Section 197.322, F.S.; *see also* Florida Department of Revenue, Florida Property Tax Calendar, *available at*: <https://floridarevenue.com/property/Documents/taxcalendar.pdf> (last visited Mar. 15, 2023).

<sup>5</sup> Section 197.162, F.S.; *see also* Florida Department of Revenue, Tax Collector Calendar, *available at*: <https://floridarevenue.com/property/Documents/tccalendar.pdf> (last visited Mar. 15, 2023).

<sup>6</sup> Section 197.162, F.S.

<sup>7</sup> FLA. CONST. art. VII, s. 1(a).

<sup>8</sup> *See* FLA. CONST. art. VII, s. 4.

<sup>9</sup> FLA. CONST. art. VII, s. 6.

<sup>10</sup> FLA. CONST. art. X, s. 4.

<sup>11</sup> *Id.* at (c).

tax levies, including levies by school districts.<sup>12</sup> An additional \$25,000 exemption applies to homestead property value between \$50,000 and \$75,000. This exemption does not apply to ad valorem taxes levied by school districts.<sup>13</sup>

### ***Annual Application***

Each person or organization meeting the criteria for an ad valorem tax exemption may claim the exemption if the claimant held legal title to the real or personal property subject to the exemption on January 1.<sup>14</sup> The application for exemption must be filed with the property appraiser on or before March 1, and failure to make an application constitutes a waiver of the exemption for that year.<sup>15</sup> The application must list and describe the property for which the exemption is being claimed and certify the ownership and use of the property.<sup>16</sup> The claimant must reapply for the exemption on an annual basis unless the property appraiser (subject to approval by a vote of the governing body of the county) has waived the annual application requirement for a property after an initial application is made and the exemption granted.<sup>17</sup>

### ***Property Tax Exemptions for Veterans, First Responders, and Surviving Spouses***

The Florida Constitution provides several property tax exemptions for disabled veterans and first responders and their surviving spouses.<sup>18</sup> These include exemptions for the following persons:

- A veteran or first responder<sup>19</sup> with a total and permanent service-connected disability is entitled to a complete exemption for property owned and used as a homestead.<sup>20</sup>
- A veteran with a total service-connected disability that confines him or her to a wheelchair is entitled to a complete exemption for property owned and used as a homestead.<sup>21</sup> Upon the veteran's death, the exemption carries over to the veteran's unremarried surviving spouse.<sup>22</sup>
- A veteran disabled to a degree of 10 percent or more by misfortune or during wartime service is entitled to an exemption for any property up to \$5,000. Upon the death of the veteran, the exemption carries over to the veteran's unremarried surviving spouse.<sup>23</sup>

<sup>12</sup> FLA. CONST. art VII, s. 6(a); s. 196.031, F.S.

<sup>13</sup> FLA. CONST. art VII, s. 6(a); s. 196.031(1)(b), F.S.

<sup>14</sup> Section 196.011(1)(a), F.S.

<sup>15</sup> Section 196.011(1), F.S. But see s. 196.011(7) and (8), F.S., for conditions when the exemption may be granted if an application is filed after March 1.

<sup>16</sup> Section 196.011(1)(a), F.S.

<sup>17</sup> Section 196.011(5) and (9)(a), F.S.

<sup>18</sup> FLA. CONST. art VII, s. 6(f).

<sup>19</sup> "First responder" in this context means a law enforcement officer or correctional officer as defined in s. 943.10, F.S., a firefighter as defined in s. 633.102, F.S., or an emergency medical technician or paramedic as defined in s. 401.23, F.S., who is a full-time paid employee, part-time paid employee, or unpaid volunteer. Section 196.081(6)(c)1., F.S.

<sup>20</sup> FLA. CONST. art. VII, s. 3(b); ss. 196.081 and 196.102, F.S.

<sup>21</sup> FLA. CONST. art. VII, s. 3(b); s. 196.091(1), F.S.

<sup>22</sup> Section 196.091(3), F.S.

<sup>23</sup> Section 196.24, F.S. This statutory provision was created by ch. 69-55, L.O.F. However, it was preceded by s. 192.11, F.S., as authorized by Art. IX, s. 9 of the State Constitution (1885). That provision in the constitution provided that: "There shall be exempt from taxation property to the value of five hundred dollars to every widow and to every person who is a bona fide resident of the State and has lost a limb or been disabled in war or by misfortune."

- The unremarried surviving spouse of a veteran or first responder who died while on active duty is entitled to a complete exemption for property owned and used as a homestead if the veteran was a permanent resident of Florida on the day he or she died.<sup>24</sup>

### ***Tax Discount on Homestead Property for a Combat-disabled Veteran***

In addition to the property tax exemptions described above, certain combat-disabled veterans are entitled to a discount on their homestead property taxes.<sup>25</sup> The discount is calculated as a percentage equal to the percentage of the veteran's permanent, service-connected disability.<sup>26</sup> The discount is applied as a reduction to the taxable value of the homestead property.<sup>27</sup>

### ***Carry-Over of Exemptions to New Residences by Surviving Spouses***

An exemption granted to a surviving spouse of a disabled or deceased veteran or first responder continues so long as the surviving spouse holds title to the homestead property, permanently resides thereon, and does not remarry.<sup>28</sup> The amount exempted may be carried forward to a new homestead if the first property is sold, the newly acquired property is established as a homestead, and the surviving spouse does not remarry.<sup>29</sup> Additionally, a veteran or surviving spouse who acquires new homestead property between January 1 and November 1 may receive a refund, prorated as of the date of transfer, of the ad valorem taxes paid in the year of acquisition if they apply for and receive an exemption under 198.081, F.S., in the following tax year.<sup>30</sup>

## **III. Effect of Proposed Changes:**

The bill amends s. 196.081, F.S., to clarify throughout that veterans, first responders, and surviving spouses receiving homestead exemptions related to disability or death sustained in the line of duty who purchase a new homestead property are entitled to transfer and retain the amount of the exemption.

The bill also similarly clarifies that upon establishing a new homestead a person who applies for and receives such an exemption is entitled to receive a refund for the taxes paid on the homestead property in the year of acquisition.

In order to transfer an exemption or receive a refund under these provisions, the property owner must still notify the property appraiser and apply for the exemption. The bill does not substantively change the procedure for applying for or being granted such an exemption.

The language changed by the bill is, in several places, the replacement of the word "may." The permissive nature of statutory language on homestead exemptions applies to the property owner's actions in applying for the exemption, for transferring an exemption, or to receive a refund. Because such a property owner may decide not to seek an exemption to which they are

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<sup>24</sup> Section 196.081(4) and (6) F.S.

<sup>25</sup> FLA. CONST. art. VII, s. 6(e); s. 196.082, F.S.

<sup>26</sup> Section 196.082(2), F.S.

<sup>27</sup> Section 196.082(6), F.S.

<sup>28</sup> Section 196.081(3), (4)(b), and (6)(b), F.S.

<sup>29</sup> *Id.*

<sup>30</sup> Section 198.081(1)(b).

entitled, the clarification of the exemption in the bill has no substantive effect. The bill may, however, clarify that property appraisers do not have discretion in the discussed transfer of exemptions and issuance of refunds.

The bill takes effect July 1, 2023.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

Article VII, s. 18(b) of the Florida Constitution provides that except upon the approval of each house of the Legislature by a two-thirds vote of the membership, the Legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandate requirement does not apply to laws having an insignificant impact,<sup>31</sup> which for Fiscal Year 2022-2023 is forecast at approximately \$2.3 million.<sup>32</sup> As the Revenue Estimating Conference estimates no impact on local governments from this bill, the county and municipality mandate provisions of Article VII, section 18 of the Florida Constitution likely do not apply.<sup>33</sup>

##### **B. Public Records/Open Meetings Issues:**

None.

##### **C. Trust Funds Restrictions:**

None.

##### **D. State Tax or Fee Increases:**

Article VII, s. 19 of the Florida Constitution requires that legislation that increases or creates taxes or fees be passed by a 2/3 vote of each chamber in a bill with no other subject. The bill does not increase or create new taxes or fees. Thus, the constitutional requirements related to new or increased taxes or fees do not apply.

##### **E. Other Constitutional Issues:**

None identified.

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<sup>31</sup> FLA. CONST. art. VII, s. 18(d).

<sup>32</sup> An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year times \$0.10. See Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (Sept. 2011), available at: <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Mar. 15, 2023).

<sup>33</sup> Office of Economic and Demographic Research, *Revenue Estimating Conference Impact Results: SB 672 & HB 717*, 106-107, (Feb. 17, 2023), available at: [http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/\\_pdf/page106-107.pdf](http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/_pdf/page106-107.pdf) (last visited Mar. 16, 2023).

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

The Revenue Estimating Conference analyzed the prior version of the bill and determined the bill would have no impact on local government ad valorem receipts.<sup>34</sup> Staff does not expect the committee substitute to change the determination.

**B. Private Sector Impact:**

None.

**C. Government Sector Impact:**

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 196.081, Florida Statutes.

**IX. Additional Information:****A. Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)**CS by Finance and Tax on March 21, 2023:**

The committee substitute made several clarifying changes to eliminate ambiguity regarding veterans' and surviving spouses' entitlement to refunds and their authority to transfer exemptions.

**B. Amendments:**

None.

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

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<sup>34</sup> *Id.*



887296

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/21/2023	.	
	.	
	.	
	.	

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The Committee on Finance and Tax (Avila) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause and insert:

Section 1. Paragraph (b) of subsection (1), subsection (3), paragraph (b) of subsection (4), and paragraph (b) of subsection (6) of section 196.081, Florida Statutes, are amended to read:

196.081 Exemption for certain permanently and totally disabled veterans and for surviving spouses of veterans; exemption for surviving spouses of first responders who die in





887296

11 the line of duty.-

12 (1)

13 (b) If legal or beneficial title to property is acquired  
14 between January 1 and November 1 of any year by a veteran or his  
15 or her surviving spouse receiving an exemption under this  
16 section on another property for that tax year, the veteran or  
17 his or her surviving spouse is entitled to ~~may receive~~ a refund,  
18 prorated as of the date of transfer, of the ad valorem taxes  
19 paid for the newly acquired property if he or she applies for  
20 and receives an exemption under this section for the newly  
21 acquired property in the next tax year. If the property  
22 appraiser finds that the applicant is entitled to an exemption  
23 under this section for the newly acquired property, the property  
24 appraiser shall immediately make such entries upon the tax rolls  
25 of the county that are necessary to allow the prorated refund of  
26 taxes for the previous tax year.

27 (3) If the totally and permanently disabled veteran  
28 predeceases his or her spouse and if, upon the death of the  
29 veteran, the spouse holds the legal or beneficial title to the  
30 homestead and permanently resides thereon as specified in s.  
31 196.031, the exemption from taxation carries over to the benefit  
32 of the veteran's spouse until such time as he or she remarries  
33 or sells or otherwise disposes of the property. If the spouse  
34 sells the property, the spouse may transfer an exemption not to  
35 exceed the amount granted from the most recent ad valorem tax  
36 roll ~~may be transferred~~ to his or her new residence, as long as  
37 it is used as his or her primary residence and he or she does  
38 not remarry.

39 (4) Any real estate that is owned and used as a homestead



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40 by the surviving spouse of a veteran who died from service-  
41 connected causes while on active duty as a member of the United  
42 States Armed Forces and for whom a letter from the United States  
43 Government or United States Department of Veterans Affairs or  
44 its predecessor has been issued certifying that the veteran who  
45 died from service-connected causes while on active duty is  
46 exempt from taxation if the veteran was a permanent resident of  
47 this state on January 1 of the year in which the veteran died.

48 (b) The tax exemption carries over to the benefit of the  
49 veteran's surviving spouse as long as the spouse holds the legal  
50 or beneficial title to the homestead, permanently resides  
51 thereon as specified in s. 196.031, and does not remarry. If the  
52 surviving spouse sells the property, the spouse may transfer an  
53 exemption not to exceed the amount granted under the most recent  
54 ad valorem tax roll ~~may be transferred~~ to his or her new  
55 residence as long as it is used as his or her primary residence  
56 and he or she does not remarry.

57 (6) Any real estate that is owned and used as a homestead  
58 by the surviving spouse of a first responder who died in the  
59 line of duty while employed by the state or any political  
60 subdivision of the state, including authorities and special  
61 districts, and for whom a letter from the state or appropriate  
62 political subdivision of the state, or other authority or  
63 special district, has been issued which legally recognizes and  
64 certifies that the first responder died in the line of duty  
65 while employed as a first responder is exempt from taxation if  
66 the first responder and his or her surviving spouse were  
67 permanent residents of this state on January 1 of the year in  
68 which the first responder died.



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69           (b) The tax exemption applies as long as the surviving  
70 spouse holds the legal or beneficial title to the homestead,  
71 permanently resides thereon as specified in s. 196.031, and does  
72 not remarry. If the surviving spouse sells the property, the  
73 spouse may transfer an exemption not to exceed the amount  
74 granted under the most recent ad valorem tax roll ~~may be~~  
75 ~~transferred~~ to his or her new residence if it is used as his or  
76 her primary residence and he or she does not remarry.

77           Section 2. This act shall take effect July 1, 2023.

78

79 ===== T I T L E   A M E N D M E N T =====

80 And the title is amended as follows:

81           Delete everything before the enacting clause  
82 and insert:

83                                   A bill to be entitled  
84           An act relating to homestead property tax exemptions;  
85           amending s. 196.081, F.S.; specifying that certain  
86           permanently and totally disabled veterans or their  
87           surviving spouses are entitled to, rather than may  
88           receive, a prorated refund of ad valorem taxes paid  
89           under certain circumstances; making clarifying changes  
90           relating to the transfer of homestead tax exemptions  
91           by surviving spouses of certain veterans and first  
92           responders; providing an effective date.

By Senator Avila

39-01415-23

2023672\_\_

A bill to be entitled

An act relating to homestead property tax exemptions; amending s. 196.081, F.S.; requiring, rather than authorizing, a property appraiser to grant the homestead property tax exemption for certain permanently and totally disabled veterans or their surviving spouses if certain conditions are met; requiring, rather than authorizing, the transfer of the exemption to a surviving spouse's new residence under certain circumstances; requiring, rather than authorizing, the transfer of the homestead tax exemption for surviving spouses of certain first responders who died in the line of duty to the surviving spouse's new residence under certain circumstances; providing an effective date.

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

Section 1. Paragraph (b) of subsection (1), subsection (3), paragraph (b) of subsection (4), and paragraph (b) of subsection (6) of section 196.081, Florida Statutes, are amended to read:

196.081 Exemption for certain permanently and totally disabled veterans and for surviving spouses of veterans; exemption for surviving spouses of first responders who die in the line of duty.—

(1)

(b) If legal or beneficial title to property is acquired between January 1 and November 1 of any year by a veteran or his or her surviving spouse receiving an exemption under this

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

39-01415-23

2023672\_\_

section on another property for that tax year, the veteran or his or her surviving spouse shall ~~may~~ receive a refund, prorated as of the date of transfer, of the ad valorem taxes paid for the newly acquired property if he or she applies for and receives an exemption under this section for the newly acquired property in the next tax year. If the property appraiser finds that the applicant is entitled to an exemption under this section for the newly acquired property, the property appraiser shall immediately make such entries upon the tax rolls of the county that are necessary to allow the prorated refund of taxes for the previous tax year.

(3) If the totally and permanently disabled veteran predeceases his or her spouse and if, upon the death of the veteran, the spouse holds the legal or beneficial title to the homestead and permanently resides thereon as specified in s. 196.031, the exemption from taxation carries over to the benefit of the veteran's spouse until such time as he or she remarries or sells or otherwise disposes of the property. If the spouse sells the property, an exemption not to exceed the amount granted from the most recent ad valorem tax roll shall ~~may~~ be transferred to his or her new residence, as long as it is used as his or her primary residence and he or she does not remarry.

(4) Any real estate that is owned and used as a homestead by the surviving spouse of a veteran who died from service-connected causes while on active duty as a member of the United States Armed Forces and for whom a letter from the United States Government or United States Department of Veterans Affairs or its predecessor has been issued certifying that the veteran who died from service-connected causes while on active duty is

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

39-01415-23

2023672\_\_

59 exempt from taxation if the veteran was a permanent resident of  
60 this state on January 1 of the year in which the veteran died.

61 (b) The tax exemption carries over to the benefit of the  
62 veteran's surviving spouse as long as the spouse holds the legal  
63 or beneficial title to the homestead, permanently resides  
64 thereon as specified in s. 196.031, and does not remarry. If the  
65 surviving spouse sells the property, an exemption not to exceed  
66 the amount granted under the most recent ad valorem tax roll  
67 shall ~~may~~ be transferred to his or her new residence as long as  
68 it is used as his or her primary residence and he or she does  
69 not remarry.

70 (6) Any real estate that is owned and used as a homestead  
71 by the surviving spouse of a first responder who died in the  
72 line of duty while employed by the state or any political  
73 subdivision of the state, including authorities and special  
74 districts, and for whom a letter from the state or appropriate  
75 political subdivision of the state, or other authority or  
76 special district, has been issued which legally recognizes and  
77 certifies that the first responder died in the line of duty  
78 while employed as a first responder is exempt from taxation if  
79 the first responder and his or her surviving spouse were  
80 permanent residents of this state on January 1 of the year in  
81 which the first responder died.

82 (b) The tax exemption applies as long as the surviving  
83 spouse holds the legal or beneficial title to the homestead,  
84 permanently resides thereon as specified in s. 196.031, and does  
85 not remarry. If the surviving spouse sells the property, an  
86 exemption not to exceed the amount granted under the most recent  
87 ad valorem tax roll shall ~~may~~ be transferred to his or her new

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

39-01415-23

2023672\_\_

88 residence if it is used as his or her primary residence and he  
89 or she does not remarry.

90 Section 2. This act shall take effect July 1, 2023.

Page 4 of 4

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



**SENATOR Bryan Avila**  
39th District

## THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

**COMMITTEES:**

Government Oversight and Accountability, Chair  
Appropriations  
Appropriations Committee on Education  
Appropriations Committee of Health and Human  
Services  
Education Pre-K 12  
Ethics and Elections  
Health Policy  
Select Committee on Resiliency  
Joint Select Committee on Collective Bargaining

March 16, 2023

Honorable Senator Blaise Ingoglia  
Committee on Finance and Tax

Honorable Chair Ingoglia:

I respectfully request SB 672 An Act Relating to Homestead Property Tax Exemption be placed on the next committee agenda.

SB 672 Requires rather than authorizes, a property appraiser to grant the homestead property tax exemption for certain permanently and totally disabled veterans or their surviving spouses if certain conditions are met; requiring, rather than authorizing, the transfer of the exemption to a surviving spouse's new residence under certain circumstances.

Sincerely,

A handwritten signature in blue ink that reads "Bryan Avila".

---

Senator Bryan Avila  
Florida Senate, District 39

CC: Robert Babin, Staff Director  
Stephanie Bell-Parke, Committee Administrative Assistant  
Hannah Christian, Legislative Aide

REPLY TO:

- 10001 Northwest 87th Avenue, Hialeah Gardens, Florida 33016 (305) 364-3073
- 326 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5039

Senate's Website: [www.flsenate.gov](http://www.flsenate.gov)

**Kathleen Passidomo**  
President of the Senate

**Dennis Baxley**  
President Pro Tempore

# APPEARANCE RECORD

Deliver both copies of this form to  
Senate professional staff conducting the meeting

3/21/2025

Meeting Date

FINANCE & TAX

Committee

SB 0672

Bill Number or Topic

Amendment Barcode (if applicable)

Name

Bob ASZTALOS

Phone

(850) 487-1533

Address

400 S. MARSHALL ST Suite 2105 Capitol

Email

ASZTALOS@FOVA.State.FL.US

Street

TALLAHASSEE

FL

32399

City

State

Zip

Speaking:

For

Against

Information

**OR**

Waive Speaking:

In Support

Against

### PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without  
compensation or sponsorship.

I am a registered lobbyist,  
representing:

FOVA

I am not a lobbyist, but received  
something of value for my appearance  
(travel, meals, lodging, etc.),  
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

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

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

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BILL: SB 762

INTRODUCER: Senator Wright

SUBJECT: Property Tax Exemption for Surviving Spouses of Veterans

DATE: March 17, 2023

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Hackett</u>	<u>Ryon</u>	<u>CA</u>	<b>Favorable</b>
2.	<u>Shuler</u>	<u>Babin</u>	<u>FT</u>	<b>Favorable</b>
3.	_____	_____	<u>AP</u>	_____

---

**I. Summary:**

SB 762 clarifies that if a veteran predeceases the issuance of a letter of total and permanent disability from the United States Department of Veterans Affairs, the veteran’s surviving spouse may produce the letter to the property appraiser to establish eligibility for the homestead exemption for surviving spouses of permanently and totally disabled veterans. The bill does not substantively alter the requirements or procedure for applying for or receiving such an exemption.

The Revenue Estimating Conference has determined the bill will have no fiscal impact.

The bill takes effect January 1, 2024, and first applies to the 2024 tax roll.

**II. Present Situation:**

**General Overview of Property Taxation**

The ad valorem tax or “property tax” is an annual tax levied by counties, municipalities, school districts, and some special districts. The tax is based on the taxable value of a property as of January 1 of each year.<sup>1</sup> The property appraiser annually determines the “just value”<sup>2</sup> of property within the taxing authority and then applies relevant exclusions, assessment limitations, and

---

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

<sup>2</sup> Property must be valued at “just value” for purposes of property taxation, unless the Florida Constitution provides otherwise. FLA. CONST. Art VII, s. 4. Just value has been interpreted by the courts to mean the fair market value that a willing buyer would pay a willing seller for the property in an arm’s-length transaction. *See, e.g., Walter v. Schuler*, 176 So. 2d 81 (Fla. 1965); *Deltona Corp. v. Bailey*, 336 So. 2d 1163 (Fla. 1976); *S. Bell Tel. & Tel. Co. v. Dade Cnty.*, 275 So. 2d 4 (Fla. 1973).



exemptions to determine the property's "taxable value."<sup>3</sup> Property tax bills are mailed in November of each year based on the previous January 1 valuation.<sup>4</sup> If a taxpayer furnishes the outstanding taxes within 30 days after the tax collector mailed the tax notice, the taxpayer will receive a 4 percent discount on the total amount of taxes due.<sup>5</sup> The full amount of taxes is due by March 31 of the following year.<sup>6</sup>

The Florida Constitution prohibits the state from levying ad valorem taxes<sup>7</sup> and limits the Legislature's authority to provide for property valuations at less than just value, unless expressly authorized.<sup>8</sup>

### **Homestead Exemptions**

The Florida Constitution establishes homestead protections for certain residential real estate in the state in three distinct ways. First, it provides homesteads, property owned and maintained as a person's primary residence, with an exemption from taxes.<sup>9</sup> Second, the homestead provisions protect the homestead from forced sale by creditors.<sup>10</sup> Third, the homestead provisions delineate the restrictions a homestead owner faces when attempting to alienate or devise the homestead property.<sup>11</sup>

Every person having legal or equitable title to real estate and who maintains a permanent residence on the real estate is eligible for a \$25,000 tax exemption applicable to all ad valorem tax levies, including levies by school districts.<sup>12</sup> An additional \$25,000 exemption applies to homestead property value between \$50,000 and \$75,000. This exemption does not apply to ad valorem taxes levied by school districts.<sup>13</sup>

### **Annual Application**

Each person or organization meeting the criteria for an ad valorem tax exemption may claim the exemption if the claimant held legal title to the real or personal property subject to the exemption on January 1.<sup>14</sup> The application for exemption must be filed with the property appraiser on or before March 1, and failure to make an application constitutes a waiver of the exemption for that year.<sup>15</sup> The application must list and describe the property for which the exemption is being

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<sup>3</sup> See ss. 192.001(2) and (16), F.S.

<sup>4</sup> Section 197.322, F.S.; see also Florida Department of Revenue, Florida Property Tax Calendar, available at: <https://floridarevenue.com/property/Documents/taxcalendar.pdf> (last visited Mar. 15, 2023).

<sup>5</sup> Section 197.162, F.S.; see also Florida Department of Revenue, Tax Collector Calendar, available at: <https://floridarevenue.com/property/Documents/tccalendar.pdf> (last visited Mar. 15, 2023).

<sup>6</sup> Section 197.162, F.S.

<sup>7</sup> FLA. CONST. art. VII, s. 1(a).

<sup>8</sup> See FLA. CONST. art. VII, s. 4.

<sup>9</sup> FLA. CONST. art. VII, s. 6.

<sup>10</sup> FLA. CONST. art. X, s. 4.

<sup>11</sup> *Id.* at (c).

<sup>12</sup> FLA. CONST. art VII, s. 6(a); s. 196.031, F.S.

<sup>13</sup> FLA. CONST. art VII, s. 6(a); s. 196.031(1)(b), F.S.

<sup>14</sup> Section 196.011(1)(a), F.S.

<sup>15</sup> Section 196.011(1), F.S. But see s. 196.011(7) and (8), F.S., for conditions when the exemption may be granted if an application is filed after March 1.

claimed and certify the ownership and use of the property.<sup>16</sup> The claimant must reapply for the exemption on an annual basis unless the property appraiser (subject to approval by a vote of the governing body of the county) has waived the annual application requirement for a property after an initial application is made and the exemption granted.<sup>17</sup>

### **Exemption for Veterans with Total and Permanent Service-Connected Disability**

The homestead property of a veteran who was honorably discharged with a service-connected total and permanent disability is exempt from taxation.<sup>18</sup> To qualify for this exemption, the veteran must be a permanent resident of the state on January 1 of the tax year for which exemption is being claimed or must have been a permanent resident of this state on January 1 of the year the veteran died.<sup>19</sup> If the veteran predeceases their spouse, the spouse may continue to receive the exemption as long as the property remains the homestead property and permanent residence of the spouse, and the spouse is unmarried.<sup>20</sup>

A totally and permanently disabled veteran, or his or her surviving spouse, who acquires legal or beneficial title to property between January 1 and November 1, may receive a prorated refund of the ad valorem taxes paid for the newly acquired property as of the date of the property transfer provided they were eligible for and granted the exemption on another homestead property in the previous tax year.<sup>21</sup>

### ***Application for This Exemption***

The presentation of a letter of total and permanent disability from the United States Government or United States Department of Veterans Affairs (USDVA) or its predecessor by a veteran or their spouse to the property appraiser is prima facie evidence of entitlement to the exemption.<sup>22</sup> A veteran may apply for the exemption before receiving documentation from the USDVA.<sup>23</sup> When the property appraiser receives the documentation, the exemption is granted as of the date of the original application, with excess taxes paid refunded (subject to the four years of limitation under s. 197.182(1)(e), F.S.).<sup>24</sup>

A letter of total and permanent disability is a document requested by a veteran from the USDVA. A veteran must file an application for disability benefits alongside supporting medical documentation of disability.<sup>25</sup> A surviving spouse may apply independently to the Department of Veterans Affairs for certain benefits, but a letter of total and permanent disability requires application by the veteran.<sup>26</sup> In the event that a veteran applies for a letter and predeceases either

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<sup>16</sup> Section 196.011(1)(a), F.S.

<sup>17</sup> Section 196.011(5) and (9)(a), F.S.

<sup>18</sup> FLA. CONST. art. VII, s. 3(b); s. 196.081(1), F.S.

<sup>19</sup> Section 196.081(1), F.S.

<sup>20</sup> Section 196.081(3), F.S.

<sup>21</sup> Section 196.081(1)(b), F.S.

<sup>22</sup> Section 196.081(2), F.S.

<sup>23</sup> Section 196.081(5), F.S.

<sup>24</sup> *Id.*

<sup>25</sup> U. S. Dep't of Veterans Affairs, *How to File a VA Disability Claim*, (Mar. 8, 2023), <https://www.va.gov/disability/how-to-file-claim/>.

<sup>26</sup> *Id.*; U.S. Dep't of Veterans Affairs, *About VA DIC for spouses, dependents, and parents*, (Oct 12, 2022), <https://www.va.gov/disability/dependency-indemnity-compensation/>.

its issuance or presentation, however, a surviving spouse may present the letter to the property appraiser to establish eligibility for the homestead exemptions discussed.<sup>27</sup>

### III. Effect of Proposed Changes:

The bill amends s. 196.081(2), F.S., to clarify that if a veteran predeceases the issuance of a letter of total and permanent disability from USDVA, the veteran's surviving spouse may produce the letter to the property appraiser to establish eligibility for the homestead exemption for surviving spouses of permanently and totally disabled veterans. The bill does not substantively alter the requirements or procedure for applying for or receiving such an exemption.

The bill takes effect January 1, 2024, and first applies to the 2024 tax roll.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

Article VII, s. 18(b) of the Florida Constitution provides that except upon the approval of each house of the Legislature by a two-thirds vote of the membership, the Legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandate requirement does not apply to laws having an insignificant impact,<sup>28</sup> which for Fiscal Year 2022-2023 is forecast at approximately \$2.3 million.<sup>29</sup> As the Revenue Estimating Conference estimates no impact on local governments from this bill, the mandate provisions of Article VII, section 18 of the Florida Constitution likely do not apply.<sup>30</sup>

#### B. Public Records/Open Meetings Issues:

None.

#### C. Trust Funds Restrictions:

None.

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<sup>27</sup> Section 196.081(2), F.S., provides that “production by a veteran or the spouse *or surviving spouse* of a letter of total and permanent disability [...] is prima facie evidence of the fact that the veteran or the surviving spouse is entitled to the exemption.” (emphasis added).

<sup>28</sup> FLA. CONST. art. VII, s. 18(d).

<sup>29</sup> An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year times \$0.10. See Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (Sept. 2011), available at: <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Mar. 15, 2023).

<sup>30</sup> Office of Economic and Demographic Research, *Revenue Estimating Conference Impact Results: SB 762/HB747*, 190-191, (Mar. 3, 2023), available at: [http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/\\_pdf/page190-191.pdf](http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2023/_pdf/page190-191.pdf) (last visited Mar. 16, 2023).

**D. State Tax or Fee Increases:**

Article VII, s. 19 of the Florida Constitution requires that legislation that increases or creates taxes or fees be passed by a 2/3 vote of each chamber in a bill with no other subject. The bill does not increase or create new taxes or fees. Thus, the constitutional requirements related to new or increased taxes or fees do not apply.

**E. Other Constitutional Issues:**

None identified.

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

The Revenue Estimating Conference has determined the bill will have no impact on local government ad valorem receipts.<sup>31</sup>

**B. Private Sector Impact:**

None.

**C. Government Sector Impact:**

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 196.081, Florida Statutes.

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

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

None.

**B. Amendments:**

None.

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<sup>31</sup> *Id.*

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

---

By Senator Wright

8-01087A-23

2023762\_\_

1 A bill to be entitled

2 An act relating to a property tax exemption for  
3 surviving spouses of veterans; amending s. 196.081,  
4 F.S.; authorizing a surviving spouse of a veteran who  
5 predeceased the issuance of a certain letter from the  
6 Federal Government to produce the letter before the  
7 property appraiser; providing applicability; providing  
8 an effective date.

9  
10 Be It Enacted by the Legislature of the State of Florida:

11  
12 Section 1. Subsection (2) of section 196.081, Florida  
13 Statutes, is amended to read:

14 196.081 Exemption for certain permanently and totally  
15 disabled veterans and for surviving spouses of veterans;  
16 exemption for surviving spouses of first responders who die in  
17 the line of duty.—

18 (2) The production by a veteran or the spouse or surviving  
19 spouse of a letter of total and permanent disability from the  
20 United States Government or United States Department of Veterans  
21 Affairs or its predecessor before the property appraiser of the  
22 county in which property of the veteran lies is prima facie  
23 evidence of the fact that the veteran or the surviving spouse is  
24 entitled to the exemption. If the veteran predeceases the  
25 issuance of the letter, the surviving spouse may produce the  
26 letter before the property appraiser.

27 Section 2. The amendment to s. 196.081, Florida Statutes,  
28 made by this act applies beginning with the 2024 tax roll.

29 Section 3. This act shall take effect January 1, 2024.



The Florida Senate

## Committee Agenda Request

**To:** Senator Blaise Ingoglia, Chair  
Committee on Finance and Tax

**Subject:** Committee Agenda Request

**Date:** March 16, 2023

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I respectfully request that **Senate Bill 762**, relating to Property Tax Exemption for Surviving Spouses of Veterans, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

Thank you for your consideration.

A handwritten signature in cursive script that reads "Tom A. Wright".

---

Senator Tom A. Wright  
Florida Senate, District 8



## THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

### COMMITTEES:

Environment and Natural Resources, *Chair*  
Finance and Tax, *Vice Chair*  
Appropriations Committee on Agriculture, Environment,  
and General Government  
Commerce and Tourism  
Fiscal Policy  
Governmental Oversight and Accountability  
Military and Veterans Affairs, Space, and  
Domestic Security  
Rules

### SENATOR ANA MARIA RODRIGUEZ

40th District

March 21, 2023

Chair Ingoglia,

I would like to be listed as voting yes on the following bills that were heard in the Finance Tax committee meeting on March 21, 2023:

- SB 672 Homestead Property Tax Exemptions: Homestead Property Tax Exemptions
- SB 358: Residential Graywater System Tax Credits
- SB 762: Property Tax Exemption for Surviving Spouses of Veterans
- SB 184: Homestead Exemption for First Responders
- SB 322: Natural Gas Fuel Taxes

Sincerely,

A handwritten signature in black ink, appearing to read "A. Rodriguez".

**Senator Ana Maria Rodriguez**

The Florida Senate, District 40

#### REPLY TO:

- Miami-Dade College, West Campus Suite 1112, 3800 NW 115th Avenue, Doral, Florida 33178 (305) 470-2552
- 314 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5040

Senate's Website: [www.flsenate.gov](http://www.flsenate.gov)

**KATHLEEN PASSIDOMO**  
President of the Senate

**DENNIS BAXLEY**  
President Pro Tempore



# CourtSmart Tag Report

Room: SB 37

Case No.:

Type:

Caption: Committee on Finance and Tax

Judge:

Started: 3/21/2023 8:33:19 AM

Ends: 3/21/2023 8:47:58 AM

Length: 00:14:40

8:33:22 AM Chair Ingoglia calls meeting to order  
8:33:37 AM Roll Call  
8:34:10 AM Quorum is present  
8:34:33 AM Take up SB 672 Homestead Property Tax Exemptions  
8:34:36 AM Chair Ingoglia recognizes Senator Avila to explain the bill  
8:35:10 AM Chair Ingoglia recognizes Senator Avila to explain Amendment 887296  
8:35:19 AM Action on amendment recorded  
8:35:22 AM Back on bill as amended  
8:35:27 AM Public testimony by Mr. Bob Asztalos, FDVA  
8:35:42 AM Roll call for SB 672  
8:36:14 AM Vote recorded  
8:36:23 AM Take up SB 358 Residential Graywater System Tax Credits  
8:36:33 AM Chair Ingoglia recognizes Senator Burgess to explain the bill  
8:36:56 AM Chair Ingoglia ask members for questions  
8:37:06 AM Question by Senator Torres  
8:37:25 AM Answer by Senator Burgess  
8:37:36 AM Chair Ingoglia recognizes Senator Burgess to explain amendment 115778  
8:37:55 AM Chair Ingoglia ask members for questions  
8:38:00 AM Public Appearance by Ms. Mary Winn, representing the League of Women Voters of Florida  
8:38:09 AM Public Appearance by Mr. Bob Asztalos, FDVA  
8:38:20 AM Chair Ingoglia ask members for debates  
8:38:32 AM Roll call for SB 358  
8:38:54 AM Vote recorded  
8:39:11 AM Take up SB 762 Property Tax Exemption for Surviving Spouses of Veterans  
8:39:24 AM Chair Ingoglia recognizes Senator Wright explain the bill  
8:39:45 AM Chair Ingoglia ask members for questions  
8:39:52 AM Question by Senator Pizzo  
8:39:59 AM Answer by Senator Wright  
8:40:14 AM Chair Ingoglia ask members for debates  
8:40:24 AM Comment by Senator Torres  
8:40:42 AM Roll call on SB 762  
8:41:00 AM Vote recorded  
8:41:11 AM Take up SB 184 Homestead Exemption for First Responders  
8:41:36 AM Chair Ingoglia recognizes Senator Polsky explain the bill  
8:41:51 AM Chair Ingoglia ask members for questions  
8:41:55 AM Comment by Senator Boyd  
8:42:14 AM Public Appearance by Marty Kiar, Broward County Pro. Appraiser  
8:44:33 AM Chair Ingoglia ask members for debates  
8:44:43 AM Roll call on SB 184  
8:45:01 AM Vote recorded  
8:45:09 AM Take up SB 322 Natural Gas Fuel Taxes  
8:45:34 AM Chair Ingoglia recognizes Senator Gruters to explain the bill  
8:46:03 AM Chair Ingoglia ask members for questions  
8:46:08 AM Public Appearance by Ms. Carolyn Johnson, Florida Chamber of Commerce  
8:46:13 AM Public Appearance by Mr. Dale Calhon, Florida Natural Gas Association & Florida Propane Gas Association  
8:46:18 AM Public Appearance by Mr. Alex Miller, Florida Trucking Association  
8:46:25 AM Public Appearance by Ms. Keyna Cory, National Waste & Recycling Association- Florida Chamber  
8:46:30 AM Public Appearance by Mr. Tanner Warwick, Associated Industries of Florida  
8:46:34 AM Chair Ingoglia ask members for debates  
8:46:42 AM Roll call on SB 322  
8:47:03 AM Vote recorded

**8:47:12 AM** Chair Ingoglia ask members for questions  
**8:47:13 AM** Chair Ingoglia recognizes Senator Jones  
**8:47:17 AM** Comment by Senator Jones  
**8:47:29 AM** Chair Ingoglia recognizes Senator Pizzo  
**8:47:32 AM** Comment by Senator Pizzo  
**8:47:41 AM** Senator Berman moves  
**8:47:43 AM** Meeting Adjourned