

By Senator Hargrett

21-1594C-00

1 A bill to be entitled
2 An act relating to neighborhood revitalization;
3 amending s. 212.08, F.S.; providing an
4 exemption from the tax on sales, use, and other
5 transactions for building materials and labor
6 used in the construction of certain
7 single-family homes located in an enterprise
8 zone, empowerment zone, or Front Porch Florida
9 Community; providing an exemption from the tax
10 on sales, use, and other transactions for
11 building materials used in the construction of
12 specified redevelopment projects; providing
13 requirements for refund applications; providing
14 for rules; directing the agencies involved with
15 specified housing programs to give priority
16 consideration to specified projects in
17 urban-core neighborhoods; directing the
18 Department of Community Affairs to propose
19 modifications to the Brownfields Redevelopment
20 Act for consideration by the Legislature;
21 providing an effective date.

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23 WHEREAS, Florida's urban-core neighborhoods continue to
24 have inadequate supplies of affordable housing units, and

25 WHEREAS, these same neighborhoods contain vacant or
26 abandoned industrial and manufacturing facilities, and

27 WHEREAS, vacant and dilapidated structures can have a
28 blighting influence on the neighborhood, and

29 WHEREAS, the opportunity exists to convert these vacant
30 or abandoned industrial and manufacturing facilities into
31 alternative housing options, such as loft apartments, and

1 WHEREAS, the opportunity exists to convert these vacant
2 or abandoned industrial and manufacturing facilities into
3 mixed-use facilities that include businesses in the art,
4 entertainment, and related fields, thereby attracting tourists
5 and other visitors to the neighborhoods and encouraging
6 individuals who work in such fields to reside in those
7 neighborhoods, and

8 WHEREAS, the Legislature finds that the state should
9 encourage adaptive reuse of existing buildings in these
10 core-urban neighborhoods, NOW, THEREFORE,

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

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14 Section 1. Paragraphs (n) and (o) are added to
15 subsection (5) of section 212.08, Florida Statutes, to read:

16 212.08 Sales, rental, use, consumption, distribution,
17 and storage tax; specified exemptions.--The sale at retail,
18 the rental, the use, the consumption, the distribution, and
19 the storage to be used or consumed in this state of the
20 following are hereby specifically exempt from the tax imposed
21 by this chapter.

22 (5) EXEMPTIONS; ACCOUNT OF USE.--

23 (n) Materials and labor for construction of
24 single-family homes in certain areas.--

25 1. As used in this paragraph, the term:

26 a. "Building materials" means tangible personal
27 property that becomes a component part of a qualified home.

28 b. "Qualified home" means a single-family home having
29 an assessed value of \$60,000 or more but less than \$120,000
30 which is located in an enterprise zone, empowerment zone, or
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1 Front Porch Florida Community and which is constructed and
2 occupied by the owner thereof for residential purposes.

3 c. "Substantially completed" has the same meaning as
4 provided in s. 192.042(1).

5 2. Building materials used in the construction of a
6 qualified home and the costs of labor associated with the
7 construction of a qualified home are exempt from the tax
8 imposed by this chapter upon an affirmative showing to the
9 satisfaction of the department that the requirements of this
10 paragraph have been met. This exemption inures to the owner
11 through a refund of previously paid taxes. To receive this
12 refund, the owner must file an application under oath with the
13 department which includes:

14 a. The name and address of the owner.

15 b. The address and assessment roll parcel number of
16 the home for which a refund is sought.

17 c. A copy of the building permit issued for the home.

18 d. A certification by the local building inspector
19 that the home is substantially completed.

20 e. A sworn statement, under penalty of perjury, from
21 the general contractor licensed in this state with whom the
22 owner contracted to construct the home, which statement lists
23 the building materials used in the construction of the home
24 and the actual cost thereof, the labor costs associated with
25 such construction, and the amount of sales tax paid on these
26 materials and labor costs. If a general contractor was not
27 used, the owner shall provide this information in a sworn
28 statement, under penalty of perjury. Copies of invoices
29 evidencing payment of sales tax must be attached to the sworn
30 statement.

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1 f. A sworn statement, under penalty of perjury, from
2 the owner affirming that he or she is occupying the home for
3 residential purposes.

4 3. An application for a refund under this paragraph
5 must be submitted to the department within 6 months after the
6 date the home is deemed to be substantially completed by the
7 local building inspector. Within 30 working days after receipt
8 of the application, the department shall determine if it meets
9 the requirements of this paragraph. A refund approved pursuant
10 to this paragraph shall be made within 30 days after formal
11 approval of the application by the department. The provisions
12 of s. 212.095 do not apply to any refund application made
13 under this paragraph.

14 4. The department shall establish by rule an
15 application form and criteria for establishing eligibility for
16 exemption under this paragraph.

17 (o) Building materials in redevelopment projects.--

18 1. As used in this paragraph, the term:

19 a. "Building materials" means tangible personal
20 property that becomes a component part of a housing project or
21 a mixed-use project.

22 b. "Housing project" means the conversion of an
23 existing manufacturing or industrial building to housing units
24 in an urban high-crime area, enterprise zone, empowerment
25 zone, Front Porch Community, or urban infill area and in which
26 the developer agrees to set aside at least 20 percent of the
27 housing units in the project for low-income and
28 moderate-income persons.

29 c. "Mixed-use project" means the conversion of an
30 existing manufacturing or industrial building to mixed-use
31 units that include businesses from the following SIC codes:

1 SIC 8412, museums and art galleries; SIC 7929, bands,
2 orchestras, actors, and other entertainers and entertainment
3 groups; SIC 7922, theatrical producers and miscellaneous
4 theatrical services; SIC 7911, dance studios, schools, and
5 halls; SIC 7812, motion picture and video tape production; SIC
6 7819, services allied to motion picture production; SIC 8999,
7 services not elsewhere classified; SIC 3229, pressed and blown
8 glass and glassware; SIC 3269, pottery products. A mixed-use
9 project must be located in an urban high crime area,
10 enterprise zone, empowerment zone, Front Porch Community, or
11 urban infill area and the developer must agree to set aside at
12 least 20 percent of the square footage of the project for
13 low-income and moderate-income housing.

14 d. "Substantially completed" has the same meaning as
15 provided in s. 192.042(1).

16 2. Building materials used in the construction of a
17 housing project or mixed-use project are exempt from the tax
18 imposed by this chapter upon an affirmative showing to the
19 satisfaction of the department that the requirements of this
20 paragraph have been met. This exemption inures to the owner
21 through a refund of previously paid taxes. To receive this
22 refund, the owner must file an application under oath with the
23 department which includes:

24 a. The name and address of the owner.

25 b. The address and assessment roll parcel number of
26 the project for which a refund is sought.

27 c. A copy of the building permit issued for the
28 project.

29 d. A certification by the local building inspector
30 that the project is substantially completed.

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1 e. A sworn statement, under penalty of perjury, from
2 the general contractor licensed in this state with whom the
3 owner contracted to construct the project, which statement
4 lists the building materials used in the construction of the
5 project and the actual cost thereof, and the amount of sales
6 tax paid on these materials. If a general contractor was not
7 used, the owner shall provide this information in a sworn
8 statement, under penalty of perjury. Copies of invoices
9 evidencing payment of sales tax must be attached to the sworn
10 statement.

11 3. An application for a refund under this paragraph
12 must be submitted to the department within 6 months after the
13 date the project is deemed to be substantially completed by
14 the local building inspector. Within 30 working days after
15 receipt of the application, the department shall determine if
16 it meets the requirements of this paragraph. A refund approved
17 pursuant to this paragraph shall be made within 30 days after
18 formal approval of the application by the department. The
19 provisions of s. 212.095 do not apply to any refund
20 application made under this paragraph.

21 4. The department shall establish by rule an
22 application form and criteria for establishing eligibility for
23 exemption under this paragraph.

24 Section 2. The agencies involved with the Urban Infill
25 Implementation Project Grants Program under section 163.2523,
26 Florida Statutes, the State Apartment Incentive Loan Program
27 under section 420.5087, Florida Statutes, the HOME Investment
28 Partnership Program under section 420.5089, Florida Statutes,
29 and the State Housing Tax Credit Program under section
30 420.5093, Florida Statutes, shall give priority consideration
31 to projects that would convert vacant industrial and

1 manufacturing facilities to affordable housing units within
2 urban-core neighborhoods.

3 Section 3. The Department of Community Affairs, in
4 conjunction with the Office of Tourism, Trade, and Economic
5 Development, the Office of Urban Opportunities, and Enterprise
6 Florida, Inc., shall recommend new economic incentives or
7 revisions to existing economic incentives in order to promote
8 the reuse of vacant industrial and manufacturing facilities
9 for affordable housing and mixed-use development. The report
10 must also identify any state regulatory or programmatic
11 barriers to the reuse of such facilities. The department
12 shall submit a report to the President of the Senate and the
13 Speaker of the House of Representatives containing its
14 recommendations by January 31, 2001. Based upon consultation
15 with the Department of Environmental Protection, the
16 department shall include, as a component of the report, any
17 recommended modifications to the Brownfields Redevelopment
18 Act, sections 376.77-376.85, Florida Statutes, for revising
19 liability protection or economic incentives under the act to
20 promote reuse of such facilities.

21 Section 4. This act shall take effect upon becoming a
22 law.

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LEGISLATIVE SUMMARY

Provides a sales tax exemption for building materials and labor used in the construction of a single-family home with a value between \$60,000 and \$120,000 located in an enterprise zone, empowerment zone, or Front Porch Florida Community. Provides a sales tax exemption for building materials used in the construction of specified housing redevelopment projects and mixed-use redevelopment projects. Provides requirements for refund applications. Directs the agencies involved with housing programs to give priority consideration to projects that convert vacant industrial and manufacturing facilities to affordable housing units within urban-core neighborhoods. Directs the Department of Community Affairs to propose modifications to the Brownfields Redevelopment Act for consideration by the Legislature.