

By the Committee on Fiscal Resource and Senator Hargrett

314-2068-00

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

22  
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,

11  
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 for construction of single-family homes  
24 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 appraised value of no more than \$160,000 which is located  
30 in an enterprise zone, empowerment zone, or Front Porch

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1 Florida Community and which is constructed and occupied by the  
2 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           5. The exemption shall apply to purchases of materials  
18 on or after July 1, 2000.

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

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

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

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

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1           c. "Mixed-use project" means the conversion of an  
2 existing manufacturing or industrial building to mixed-use  
3 units that include artists' studios, art and entertainment  
4 services, or other compatible uses. A mixed-use project must  
5 be located in an urban high-crime area, enterprise zone,  
6 empowerment zone, Front Porch Community, designated brownfield  
7 area, or urban infill area and the developer must agree to set  
8 aside at least 20 percent of the square footage of the project  
9 for low-income and moderate-income housing.

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

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

20           a. The name and address of the owner.

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

23           c. A copy of the building permit issued for the  
24 project.

25           d. A certification by the local building inspector  
26 that the project is substantially completed.

27           e. A sworn statement, under penalty of perjury, from  
28 the general contractor licensed in this state with whom the  
29 owner contracted to construct the project, which statement  
30 lists the building materials used in the construction of the  
31 project and the actual cost thereof, and the amount of sales

1 tax paid on these materials. If a general contractor was not  
2 used, the owner shall provide this information in a sworn  
3 statement, under penalty of perjury. Copies of invoices  
4 evidencing payment of sales tax must be attached to the sworn  
5 statement.

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

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

19 5. The exemption shall apply to purchases of materials  
20 on or after July 1, 2000.

21 Section 2. The agencies involved with the Urban Infill  
22 Implementation Project Grants Program under section 163.2523,  
23 Florida Statutes, the State Apartment Incentive Loan Program  
24 under section 420.5087, Florida Statutes, the HOME Investment  
25 Partnership Program under section 420.5089, Florida Statutes,  
26 and the State Housing Tax Credit Program under section  
27 420.5093, Florida Statutes, shall give priority consideration  
28 to projects that would convert vacant industrial and  
29 manufacturing facilities to affordable housing units within  
30 urban high-crime areas, enterprise zones, empowerment zones,  
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1 Front Porch Communities, designated brownfield areas, or urban  
2 infill areas.

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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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
COMMITTEE SUBSTITUTE FOR  
SB 2578

This committee substitute limits homes eligible for a sales tax exemption for building materials on the basis of appraised value rather than assessed value.

It includes designated brownfield areas in the list of areas eligible for the sales tax exemption for building materials for new homes and mixed use developments.

It provides that the exemption applies to purchases made on or after July 1, 2000.

It changes the list of eligible mixed use developments to artists' studios, art and entertainment services, or other compatible uses.