

By the Committees on Commerce and Economic Opportunities;  
Fiscal Resource; and Senator Hargrett

310-2177-00

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; requiring  
21          that applicants for assistance in state  
22          housing, economic development, and community  
23          revitalization programs who support the  
24          objectives of redeveloping HOPE VI grant  
25          neighborhoods be given priority; providing  
26          application requirements; requiring the  
27          Department of Community Affairs to submit to  
28          the Legislature an annual summary of certain  
29          HOPE VI assistance provided; providing an  
30          effective date.  
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1           WHEREAS, Florida's urban-core neighborhoods continue to  
2 have inadequate supplies of affordable housing units, and

3           WHEREAS, these same neighborhoods contain vacant or  
4 abandoned industrial and manufacturing facilities, and

5           WHEREAS, vacant and dilapidated structures can have a  
6 blighting influence on the neighborhood, and

7           WHEREAS, the opportunity exists to convert these vacant  
8 or abandoned industrial and manufacturing facilities into  
9 alternative housing options, such as loft apartments, and

10           WHEREAS, the opportunity exists to convert these vacant  
11 or abandoned industrial and manufacturing facilities into  
12 mixed-use facilities that include businesses in the art,  
13 entertainment, and related fields, thereby attracting tourists  
14 and other visitors to the neighborhoods and encouraging  
15 individuals who work in such fields to reside in those  
16 neighborhoods, and

17           WHEREAS, the Legislature finds that the state should  
18 encourage adaptive reuse of existing buildings in these  
19 urban-core neighborhoods, NOW, THEREFORE,

20  
21 Be It Enacted by the Legislature of the State of Florida:

22  
23           Section 1. Paragraphs (n) and (o) are added to  
24 subsection (5) of section 212.08, Florida Statutes, to read:

25           212.08 Sales, rental, use, consumption, distribution,  
26 and storage tax; specified exemptions.--The sale at retail,  
27 the rental, the use, the consumption, the distribution, and  
28 the storage to be used or consumed in this state of the  
29 following are hereby specifically exempt from the tax imposed  
30 by this chapter.

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

1           (n) Materials for construction of single-family homes  
2 in certain areas.--

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

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

6           b. "Qualified home" means a single-family home having  
7 an appraised value of no more than \$160,000 which is located  
8 in an enterprise zone, empowerment zone, or Front Porch  
9 Florida Community and which is constructed and occupied by the  
10 owner thereof for residential purposes.

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

13           2. Building materials used in the construction of a  
14 qualified home and the costs of labor associated with the  
15 construction of a qualified home are exempt from the tax  
16 imposed by this chapter upon an affirmative showing to the  
17 satisfaction of the department that the requirements of this  
18 paragraph have been met. This exemption inures to the owner  
19 through a refund of previously paid taxes. To receive this  
20 refund, the owner must file an application under oath with the  
21 department which includes:

22           a. The name and address of the owner.

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

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

26           d. A certification by the local building inspector  
27 that the home is substantially completed.

28           e. A sworn statement, under penalty of perjury, from  
29 the general contractor licensed in this state with whom the  
30 owner contracted to construct the home, which statement lists  
31 the building materials used in the construction of the home

1 and the actual cost thereof, the labor costs associated with  
2 such construction, and the amount of sales tax paid on these  
3 materials and labor costs. If a general contractor was not  
4 used, the owner shall provide this information in a sworn  
5 statement, under penalty of perjury. Copies of invoices  
6 evidencing payment of sales tax must be attached to the sworn  
7 statement.

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

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 home is deemed to be substantially completed by the  
14 local building inspector. Within 30 working days after receipt  
15 of the application, the department shall determine if it meets  
16 the requirements of this paragraph. A refund approved pursuant  
17 to this paragraph shall be made within 30 days after formal  
18 approval of the application by the department. The provisions  
19 of s. 212.095 do not apply to any refund application made  
20 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 5. The exemption shall apply to purchases of materials  
25 on or after July 1, 2000.

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

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

28 a. "Building materials" means tangible personal  
29 property that becomes a component part of a housing project or  
30 a mixed-use project.

31

1           b. "Housing project" means the conversion of an  
2 existing manufacturing or industrial building to housing units  
3 in an urban high-crime area, enterprise zone, empowerment  
4 zone, Front Porch Community, designated brownfield area, or  
5 urban infill area and in which the developer agrees to set  
6 aside at least 20 percent of the housing units in the project  
7 for low-income and moderate-income persons.

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

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

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

27           a. The name and address of the owner.

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

30           c. A copy of the building permit issued for the  
31 project.

1           d. A certification by the local building inspector  
2 that the project is substantially completed.

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

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

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

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

28           Section 2. The agencies involved with the Urban Infill  
29 Implementation Project Grants Program under section 163.2523,  
30 Florida Statutes, the State Apartment Incentive Loan Program  
31 under section 420.5087, Florida Statutes, the HOME Investment

1 Partnership Program under section 420.5089, Florida Statutes,  
2 and the State Housing Tax Credit Program under section  
3 420.5093, Florida Statutes, shall give priority consideration  
4 to projects that would convert vacant industrial and  
5 manufacturing facilities to affordable housing units within  
6 urban high-crime areas, enterprise zones, empowerment zones,  
7 Front Porch Communities, designated brownfield areas, or urban  
8 infill areas.

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

27       Section 4. (1) State agencies shall give priority to  
28 applicants for assistance in state housing, economic  
29 development, and community revitalization programs where that  
30 application supports the objectives of redeveloping HOPE VI  
31 grant neighborhoods. The following programs shall provide

1 priority consideration to HOPE VI applications; SAIL, State  
2 Housing Tax Credit, Federal Low Income Housing Tax Credit,  
3 HOME program, Urban Infill Program, Urban High Crime Tax  
4 Credits, brownfields, state empowerment zone.

5 (2) To qualify for priority consideration in the above  
6 mentioned programs, a HOPE VI project applicant must document  
7 the following actions in the application for assistance.

8 (a) There is an active and open grant award from the  
9 United States Department of Housing and Urban Development  
10 under the HOPE VI program in the community.

11 (b) There is tangible and documented support committed  
12 by the unit of local government to redeveloping the  
13 neighborhoods surrounding the HOPE VI project.

14 (c) There is a written agreement between the public  
15 housing authority and the unit of local government that  
16 outlines the joint agreement to redevelop the entire HOPE VI  
17 neighborhoods and not to focus solely upon the public housing  
18 site.

19 (d) There is a clearly defined plan with goals and  
20 objectives to promote the redevelopment of the HOPE VI  
21 neighborhoods to be a mixed income neighborhood, and to  
22 deconcentrate the location of publicly assisted housing within  
23 the neighborhood, promote home ownership, and involve the  
24 residents of the neighborhood in the redevelopment planning  
25 and improvement process.

26 (3) The Department of Community Affairs shall annually  
27 submit to the Legislature a summary of all assistance provided  
28 to local HOPE VI applicants, and the percentage of HOPE VI  
29 projects to all program awards.

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



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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
COMMITTEE SUBSTITUTE FOR  
CS/SB 2578

The committee substitute requires state agencies to give priority consideration to applications submitted by communities receiving HOPE VI grants for certain programs. These programs include SAIL, State Housing Tax Credit, Federal Low Income Housing Tax Credit, HOME, Urban Infill Program, Urban High Crime Tax Credits, brownfields, and state empowerment zone. The committee substitute further establishes criteria for such applications, and requires the Department of Community Affairs to annually provide the Legislature with a summary of all assistance provided to HOPE VI applicants, and the percentage of HOPE VI projects to all program awards.