

By Representative Brown

1 A bill to be entitled
 2 An act relating to local taxing jurisdiction
 3 property address databases; amending s.
 4 624.509, F.S.; providing immunity from
 5 liability by an insurer for certain taxes,
 6 interest, and penalties under certain
 7 circumstances; providing for a fine for failing
 8 to exercise due diligence; requiring the
 9 Department of Revenue to develop, maintain, and
 10 update an electronic database for certain
 11 property addresses for certain purposes;
 12 providing requirements; providing duties of the
 13 department; requiring participating local
 14 taxing jurisdictions to provide certain
 15 information to the department for such
 16 purposes; requiring the department to provide
 17 copies of such database upon request; providing
 18 criteria for an insurance company's due
 19 diligence in developing a database; authorizing
 20 the department to adopt certain rules;
 21 providing for an annual appropriation to pay
 22 certain expenses of the department; providing
 23 an adjustable cap; providing an effective date.

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

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 27 Section 1. Subsections (11), (12), and (13) are added
 28 to section 624.509, Florida Statutes, to read:
 29 624.509 Premium tax; rate and computation.--
 30 (11) Any insurance company that is obligated to report
 31 and remit the tax on property insurance premiums imposed under

1 s. 175.101 and on casualty insurance premiums imposed under s.
2 185.08 shall be held harmless from any tax, interest, or
3 penalty liability which would otherwise be due solely as a
4 result of an assignment of an insured property to an incorrect
5 local taxing jurisdiction, if the insurance company exercises
6 due diligence in applying an electronic database provided by
7 the Department of Revenue under subsection (12). Insurance
8 companies which do not use the electronic database provided by
9 the Department of Revenue, or which do not exercise due
10 diligence in applying the electronic database, shall be
11 subject to a 0.5 percent penalty on the premium for each
12 policy which is improperly assigned, whether assigned to an
13 improper local taxing jurisdiction, not assigned to a local
14 taxing jurisdiction if such property should be assigned to
15 such jurisdiction, or assigned to a local taxing jurisdiction
16 if such property should not be assigned to such jurisdiction.

17 (12)(a) The Department of Revenue shall, subject to
18 legislative appropriation, create as soon as practicable and
19 feasible, and thereafter maintain, an electronic database that
20 gives due and proper regard to any format that is approved by
21 the American National Standards Institute's Accredited
22 Standards Committee X12 and that designates for each street
23 address and address range in this state, including any
24 multiple postal street addresses applicable to one street
25 location, the local taxing jurisdiction in which the street
26 address and address range is located and the appropriate code
27 for each such participating local taxing jurisdiction,
28 identified by one nationwide standard numeric code. The
29 nationwide standard numeric code shall contain the same number
30 of numeric digits, and each digit, or combination of digits,
31 shall refer to the same level of taxing jurisdiction

1 throughout the United States using a format similar to FIPS
2 55-3 or any other appropriate standard approved by the
3 Federation of Tax Administrators and the Multistate Tax
4 Commission. Each address or address range shall be provided in
5 standard postal format, including the street number, street
6 number range, street name, and zip code. Each year, after
7 creation of the initial database, the Department of Revenue
8 shall annually create and maintain a database for the current
9 tax year. Each annual database shall be calendar year
10 specific.

11 (b)1. Each participating local taxing jurisdiction
12 shall furnish to the Department of Revenue all information
13 needed to create and update the electronic database as soon as
14 practicable and feasible. The information furnished to the
15 Department of Revenue shall specify an effective date.

16 2. Each participating local taxing jurisdiction shall
17 furnish to the Department of Revenue all information needed to
18 create and update the current year's database, including
19 changes in annexations, incorporations, reorganizations, and
20 any other changes in jurisdictional boundaries, as well as
21 changes in eligibility to participate in the excise taxes
22 imposed under chapters 175 and 185. The information furnished
23 to the Department of Revenue shall specify an effective date
24 and such information shall be furnished to the Department of
25 Revenue by July 1 of the current year.

26 3. The Department of Revenue shall create and update
27 the current year's database in accordance with the information
28 furnished by participating local taxing jurisdictions under
29 subparagraph 1. or subparagraph 2., as appropriate. To the
30 extent practicable, each new annual database shall be posted
31 by the Department of Revenue on an Internet website by October

1 1 of each year. Each participating local taxing jurisdiction
2 shall have access to such website and within 30 days
3 thereafter shall provide any corrections to the Department of
4 Revenue. The Department of Revenue shall finalize the current
5 year database and post it on an Internet website by December
6 15 of the tax year. Any disputes in jurisdictional boundaries
7 which are unable to be resolved and included, as appropriate,
8 in the database by December 15 shall not affect the current
9 year database and shall not be retroactively included in such
10 database. The finalized database shall be used in assigning
11 policies and premiums to the proper local taxing jurisdiction
12 for the insurance premium tax return due on the following
13 March 1. The Department of Revenue shall furnish the annual
14 database on magnetic or electronic media to any insurance
15 company or vendor who requests the database for the sole
16 purpose of assigning insurance premiums to the proper local
17 taxing jurisdiction for the excise taxes imposed under
18 chapters 175 and 185.

19 4. Each annual database shall identify the additions,
20 deletions, or other changes to the preceding version of the
21 database.

22 (13)(a) As used in this subsection, "due diligence"
23 means the care and attention that is expected from, and
24 ordinarily exercised by, a reasonable and prudent person under
25 the circumstances.

26 (b) Notwithstanding any law to the contrary, an
27 insurance company is exercising due diligence if the insurance
28 company:

29 1. Assigns an insured's premium to local taxing
30 jurisdictions in accordance with the Department of Revenue's
31 annual database.

1 2. Expends reasonable resources to accurately and
2 reliably implement such method.

3 3. Maintains adequate internal controls to correctly
4 include in the insurance company's database of policyholders
5 the location of the property insured, in proper address
6 format.

7 4. Corrects errors in the assignments of addresses to
8 local taxing jurisdictions within 120 days after the insurance
9 company discovers such errors.

10 Section 2. The Department of Revenue shall adopt rules
11 to implement and administer this section.

12 Section 3. An amount shall be annually appropriated,
13 from the moneys collected under chapters 175 and 185, Florida
14 Statutes, and deposited into the Police and Firefighters'
15 Premium Tax Trust Fund, sufficient to pay the expenses of the
16 Department of Revenue in carrying out the provisions of this
17 act, but not to exceed \$100,000 annually, adjusted by the
18 lesser of 5 percent or the growth in the total collections.

19 Section 4. This act shall take effect January 1, 2002.

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22 HOUSE SUMMARY

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24 Provides for development by the Department of Revenue or
25 an insurer of an electronic database of local taxing
26 jurisdiction property addresses for purposes of
27 accurately assessing a tax on property insurance premiums
28 on property in such jurisdictions. Provides for
29 certification by the department of such databases
developed by insurers. Provides immunity from liability
for taxes, interest, and penalties otherwise due solely
as a result of assignment of an insured property to an
incorrect local taxing jurisdiction through use of such
database. Provides an appropriation. See bill for
details.