

# SENATE STAFF ANALYSIS AND ECONOMIC 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: Transportation and Economic Development Appropriations Committee

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BILL: CS/CS/SB 1018

INTRODUCER: Community Affairs Committee, Domestic Security Committee, and Senator Bennett

SUBJECT: Tax Benefit/Catastrophic Emergencies

DATE: March 22, 2006

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

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Pardue</u>	<u>Skelton</u>	<u>DS</u>	<u>Fav/CS</u>
2.	<u>Vickers</u>	<u>Yeatman</u>	<u>CA</u>	<u>Fav/CS</u>
3.	<u>Keating</u>	<u>Johansen</u>	<u>GE</u>	<u>Favorable</u>
4.	<u>Weaver</u>	<u>Martin</u>	<u>TA</u>	<u>Favorable</u>
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

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## I. Summary:

This committee substitute (CS) revises the definition for the term “infrastructure”, allowing local governments the authority to expend proceeds from the Local Government Infrastructure Surtax for certain private entity facilities that are used as public emergency shelters.

This CS substantially amends section 212.055 of the Florida Statutes.

## II. Present Situation:

**Local Government Infrastructure Surtax** - Local governments are authorized to levy numerous types of local discretionary sales surtaxes pursuant to s. 212.055, F.S. One such tax is the Local Government Infrastructure Surtax which may be levied at 0.5 percent or 1 percent. The proceeds of the tax are authorized to be expended within a county or municipalities within a county or by negotiated joint county agreement within another county. For counties with populations over 50,000, the proceeds of the tax must be used for the following purposes: 1) to finance, plan and construct infrastructure; 2) to acquire land for public recreation or conservation or protection of natural resources; and 3) to finance the closure of county-owned or municipality-owned solid waste landfills. Counties with a population of 50,000 or less as of April 1, 1992, in addition to generally authorized uses, may use the tax revenues for any public purpose if: 1) the debt service obligations for any year are met; 2) the county’s comprehensive plan is in compliance; and 3) the county has amended its surtax ordinance. These small counties are authorized to use the proceeds or accrued interest for long-term maintenance costs associated with landfill closures.

As currently defined by the section, infrastructure means: 1) any fixed capital expenditure or fixed capital outlay associated with the construction, reconstruction, or improvement of public

facilities which have a life expectancy of 5 or more years and any land acquisition, land improvement, design, and related engineering costs; 2) emergency vehicles and equipment; and 3) any expenditure for the construction, lease, or maintenance of, or provision of utilities or security for, court-related functions.

As of January 2006, twenty-one counties levy the Local Government Infrastructure Surtax.<sup>1</sup>

**Deficit of Public Emergency Shelters** - The Department of Community Affairs Division of Emergency Management's *2005 Shelter Retrofit Report* highlights the deficit of safe public emergency shelter space. While significant progress has reduced the deficit of spaces meeting the American Red Cross standard ARC 4496, the report projects a need of almost 1.3 million public shelter spaces in 2006. The department estimates Florida will have 816,778 spaces meeting the standard by the 2006 hurricane season.<sup>2</sup> According to the report, under current public shelter retrofit and building programs, Florida will meet its estimated emergency public shelter needs in 2011.

### III. Effect of Proposed Changes:

The CS amends s. 212.055, F. S., to expand the definition of the term "infrastructure." Under this CS, public facilities will also include private facilities used on a temporary basis as needed by local government as a public emergency shelter or a staging area for emergency response equipment.

The effect of this change will allow local governments to expend Local Government Infrastructure Surtax proceeds on private entity facilities that are used for public purposes as temporary public emergency shelters.

The CS provides limitations on Local Government Infrastructure Surtax funds expended to improve private facilities. Such funds shall only be used to bring a private facility up to current public emergency shelter standards. In return for this funding the owner agrees to enter into a contract to make the facility available as a temporary public emergency shelter as needed by local government for a minimum period of 10 years. Temporary use of the facility will be at no cost to the local government and the obligation must transfer to any subsequent owner until completion of the minimum period.

The CS provides for an effective date of July 1, 2006.

### IV. Constitutional Issues:

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

None.

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<sup>1</sup> Charlotte, Clay, Duval, Escambia, Flagler, Glades, Highlands, Hillsborough, Indian River, Lafayette, Lake, Leon, Monroe, Osceola, Pasco, Pinellas, Putnam, Sarasota, Seminole, Taylor and Wakulla counties.

<sup>2</sup> Department of Community Affairs, *2005 Shelter Retrofit Report*, September, 2005.

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

None.

**C. Trust Funds Restrictions:**

None.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

Private buildings may be improved for use as needed by local governments as emergency public shelters using Local Government Infrastructure Surtax funds. Improvements are limited to those necessary to meet current public emergency shelter standards. These improvements may result in the private building being better able to withstand hurricane force winds. In return the owner must agree to make the building available on an as needed basis for a minimum of 10 years at no cost to the local government.

**C. Government Sector Impact:**

The Local Government Infrastructure Surtax revenues are not affected by this bill. Local governments, however, will be given expanded authority to expend surtax proceeds. Use of such funds would be intended to aid in reducing the current deficit of suitable emergency public shelters.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.



## **VIII. Summary of Amendments:**

None.

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

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