

# 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: Environmental Preservation Committee

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BILL: SB 2104

INTRODUCER: Senator Bennett

SUBJECT: Waterfront Property

DATE: March 17, 2006

REVISED: 03/21/06

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	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Herrin</u>	<u>Yeatman</u>	<u>CA</u>	<b>Favorable</b>
2.	<u>Molloy</u>	<u>Kiger</u>	<u>EP</u>	<b>Pre-Meeting</b>
3.	<u></u>	<u></u>	<u>GE</u>	<u></u>
4.	<u></u>	<u></u>	<u>GA</u>	<u></u>
5.	<u></u>	<u></u>	<u></u>	<u></u>
6.	<u></u>	<u></u>	<u></u>	<u></u>

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## I. Summary:

This bill requires a local government that adopts an ordinance, relating to ad valorem tax deferrals for recreational and commercial working waterfront properties, to designate the percentage or amount of deferral. Such ordinance must also include the type of public lodging establishments that may be granted an ad valorem tax deferral. The bill also includes public lodging establishments in the definition of “recreational and commercial working waterfront” for purposes of eligibility for ad valorem tax deferral.

This bill amends sections 197.303 and 342.07 of the Florida Statutes.

## II. Present Situation:

**Tax Deferral Ordinances for Working Waterfronts** - In 2005, the Legislature enacted ss. 197.303-197.3047, F.S., to authorize counties and municipalities to allow ad valorem tax deferral for recreational and commercial working waterfronts. The ordinance must designate the type and location of working waterfront property for which the deferrals may be granted and may include properties defined as recreational and commercial working waterfront properties under s. 342.07(2), F.S.<sup>1</sup> A deferral under such ordinance applies only to taxes levied by the local government granting the deferral.<sup>2</sup> Property owners in a jurisdiction that has adopted a tax deferral ordinance and who own a recreational and commercial working waterfront may defer payment of those ad valorem and non-ad valorem assessments designated in the ordinance by

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<sup>1</sup> Section 197.303(3), F.S. The term “recreational and commercial working waterfront” is defined in s. 342.07(2), F.S., as a parcel or parcels of real property that provide access for water-dependent commercial activities or provide access for the public to the navigable waters of the state.

<sup>2</sup> Section 197.303(4), F.S.

annually filing an application with the county tax collector on or before January 31 following the year in which the taxes and non-ad valorem assessments were assessed.<sup>3</sup>

In order to retain the deferral, the use and ownership of the property must be maintained during the period of the deferral.<sup>4</sup> If there is a change in the use or legal ownership of the tax-deferred property, or the owner fails to maintain required insurance coverage, the owner is no longer entitled to claim the tax deferral. At that point, the total amount of the deferred taxes and interest for all previous years becomes due and payable November 1 of the year in which the change occurs and is delinquent on April 1 of the following year.<sup>5</sup>

**Public Lodging Establishments** - Under s. 509.013, F.S., the term “public lodging establishment” is defined as any unit, group of units, dwelling, building, or group of buildings within a single complex of buildings, which is rented to guests more than three times in a calendar year for periods of less than 30 days or 1 calendar month, whichever is less, or which is advertised or held out to the public as a place regularly rented to guests. In response to the rising prices for waterfront property, public lodging establishments in those areas are increasingly being acquired for redevelopment to a private use and the public typically loses the associated water access.

### III. Effect of Proposed Changes:

**Section 1** amends s. 197.303, F.S., to require greater specificity for a local ordinance designating the type and location of working waterfront properties that are eligible for tax deferrals. Specifically, the ordinance must designate the percentage or amount of the deferral. Also, public lodging establishments are to be included as eligible for tax deferrals and the ordinance must specify which type of public lodging.

**Section 2** amends s. 342.07, F.S., to include public lodging establishments in the definition of “recreational and commercial working waterfront” for purposes of eligibility for ad valorem tax deferral.

**Section 3** provides the act shall take effect July 1, 2006.

### IV. Constitutional Issues:

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

None.

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

None.

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<sup>3</sup> Sections 197.304 and 197.3041, F.S.

<sup>4</sup> Section 197.303(5), F.S.

<sup>5</sup> Section 197.3043(1), F.S.

C. Trust Funds Restrictions:

None.

**V. Economic Impact and Fiscal Note:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Public lodging establishments are added to the types of properties that may be eligible for tax deferral as part of a local ordinance that offers deferrals as a means of encouraging the continued use of recreational and commercial working waterfronts.

C. Government Sector Impact:

This bill requires a local government that adopts a tax deferral ordinance for recreational and commercial working waterfront properties to include public lodging establishments in the types of properties that may be eligible for the deferral. The local government is given the authority to designate the type of public lodging establishments that are included as eligible.

**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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