

1 A bill to be entitled
2 An act relating to natural gas motor fuel; amending s.
3 206.86, F.S.; deleting definitions for the terms
4 "alternative fuel" and "natural gasoline"; amending s.
5 206.87, F.S.; conforming a cross-reference; repealing
6 s. 206.877, F.S., relating to the annual decal fee
7 program for motor vehicles powered by alternative
8 fuels; repealing s. 206.89, F.S., relating to the
9 requirements for alternative fuel retailer licenses;
10 amending s. 206.91, F.S.; making grammatical and
11 technical changes; providing a directive to the
12 Division of Law Revision and Information; creating s.
13 206.9951, F.S.; providing definitions; creating s.
14 206.9952, F.S.; establishing requirements for natural
15 gas fuel retailer licenses; providing penalties for
16 certain licensure violations; creating s. 206.9955,
17 F.S.; providing calculations for a motor fuel
18 equivalent gallon; providing for the levy of the
19 natural gas fuel tax; authorizing the Department of
20 Revenue to adopt rules; creating s. 206.996, F.S.;
21 establishing requirements for monthly reports of
22 natural gas fuel retailers; providing that reports are
23 made under the penalties of perjury; allowing natural
24 gas fuel retailers to seek a deduction of the tax
25 levied under specified conditions; creating s.
26 206.9965, F.S.; providing exemptions and refunds from
27 the natural gas fuel tax; transferring, renumbering,
28 and amending s. 206.879, F.S.; revising provisions

29 relating to the State Alternative Fuel User Fee
 30 Clearing Trust Fund; creating s. 206.998, F.S.;
 31 providing for the applicability of specified sections
 32 of parts I and II of ch. 206, F.S.; amending s.
 33 212.055, F.S.; expanding the use of the local
 34 government infrastructure surtax to include the
 35 installation of systems for natural gas fuel; amending
 36 s. 212.08, F.S.; providing an exemption from taxes for
 37 natural gas and natural gas fuel under certain
 38 circumstances; requiring the Office of Program Policy
 39 Analysis and Government Accountability to complete a
 40 report reviewing the taxation of natural gas fuel;
 41 requiring submission of the report to the Legislature
 42 by a specified date; providing an effective date.

43
 44 Be It Enacted by the Legislature of the State of Florida:

45
 46 Section 1. Section 206.86, Florida Statutes, is amended to
 47 read:

48 206.86 Definitions.—As used in this part:

49 (1) "Diesel fuel" means all petroleum distillates commonly
 50 known as diesel #2, biodiesel, or any other product blended with
 51 diesel or any product placed into the storage supply tank of a
 52 diesel-powered motor vehicle.

53 (2) "Taxable diesel fuel" or "fuel" means any diesel fuel
 54 not held in bulk storage at a terminal ~~and~~ which has not been
 55 dyed for exempt use in accordance with Internal Revenue Code
 56 requirements.

57 (3) "User" includes any person who uses diesel fuels
 58 within this state for the propulsion of a motor vehicle on the
 59 public highways of this state, even though the motor is also
 60 used for a purpose other than the propulsion of the vehicle.

61 ~~(4) "Alternative fuel" means any liquefied petroleum gas~~
 62 ~~product or compressed natural gas product or combination thereof~~
 63 ~~used in an internal combustion engine or motor to propel any~~
 64 ~~form of vehicle, machine, or mechanical contrivance. This term~~
 65 ~~includes, but is not limited to, all forms of fuel commonly or~~
 66 ~~commercially known or sold as natural gasoline, butane gas,~~
 67 ~~propane gas, or any other form of liquefied petroleum gas or~~
 68 ~~compressed natural gas.~~

69 ~~(5) "Natural gasoline" is a liquid hydrocarbon that is~~
 70 ~~produced by natural gas and must be blended with other liquid~~
 71 ~~petroleum products to produce motor fuel.~~

72 (4)~~(6)~~ "Removal" means any physical transfer of diesel
 73 fuel and any use of diesel fuel other than as a material in the
 74 production of diesel fuel.

75 (5)~~(7)~~ "Blender" means any person who ~~that~~ produces
 76 blended diesel fuel outside the bulk transfer/terminal system.

77 (6)~~(8)~~ "Colorless marker" means material that is not
 78 perceptible to the senses until the diesel fuel into which it is
 79 introduced is subjected to a scientific test.

80 (7)~~(9)~~ "Dyed diesel fuel" means diesel fuel that is dyed
 81 in accordance with United States Environmental Protection Agency
 82 or Internal Revenue Service requirements for high sulfur diesel
 83 fuel or low sulfur diesel fuel.

84 (8)~~(10)~~ "Ultimate vendor" means a licensee that sells

85 undyed diesel fuel to the United States or its departments or
86 agencies in bulk lots of not less than 500 gallons in each
87 delivery or to the user of the diesel fuel for use on a farm for
88 farming purposes.

89 (9)~~(11)~~ "Local government user of diesel fuel" means any
90 county, municipality, or school district licensed by the
91 department to use untaxed diesel fuel in motor vehicles.

92 (10)~~(12)~~ "Mass transit system" means any licensed local
93 transportation company providing local bus service that is open
94 to the public and that travels regular routes.

95 (11)~~(13)~~ "Diesel fuel registrant" means anyone required by
96 this chapter to be licensed to remit diesel fuel taxes,
97 including, but not limited to, terminal suppliers, importers,
98 local government users of diesel fuel, and mass transit systems.

99 (12)~~(14)~~ "Biodiesel" means any product made from
100 nonpetroleum-based oils or fats which is suitable for use in
101 diesel-powered engines. Biodiesel is also referred to as alkyl
102 esters.

103 (13)~~(15)~~ "Biodiesel manufacturer" means those industrial
104 plants, regardless of capacity, where organic products are used
105 in the production of biodiesel. This includes businesses that
106 process or blend organic products that are marketed as
107 biodiesel.

108 Section 2. Paragraph (a) of subsection (1) of section
109 206.87, Florida Statutes, is amended to read:

110 206.87 Levy of tax.—

111 (1) (a) An excise tax of 4 cents per gallon is hereby
112 imposed upon each net gallon of diesel fuel subject to the tax

113 under subsection (2), ~~except alternative fuels which are subject~~
114 ~~to the fee imposed by s. 206.877.~~

115 Section 3. Section 206.877, Florida Statutes, is repealed.

116 Section 4. Section 206.89, Florida Statutes, is repealed.

117 Section 5. Subsection (1) of section 206.91, Florida
118 Statutes, is amended to read:

119 206.91 Tax reports; computation and payment of tax.—

120 (1) For the purpose of determining the amount of taxes
121 imposed by s. 206.87, each diesel fuel registrant shall, not
122 later than the 20th day of each calendar month, mail to the
123 department, on forms prescribed by the department, monthly
124 reports that provide ~~which shall show such~~ information on
125 inventories, purchases, nontaxable disposals, and taxable sales
126 in gallons of diesel fuel ~~and alternative fuel~~, for the
127 preceding calendar month ~~as may be~~ required by the department.
128 However, if the 20th day falls on a Saturday, a Sunday, or a
129 federal or state legal holiday, returns shall be accepted if
130 postmarked on the next succeeding workday. The reports must
131 include, ~~shall contain~~ or be verified by, a written declaration
132 stating that they are ~~such report is~~ made under the penalties of
133 perjury. The diesel fuel registrant shall deduct from the amount
134 of taxes shown by the report to be payable an amount equivalent
135 to .67 percent of the taxes on diesel fuel imposed by s.
136 206.87(1) (a) and (e), which deduction is ~~hereby~~ allowed to the
137 diesel fuel registrant on account of services and expenses in
138 complying with the provisions of this part. The allowance on
139 taxable gallons of diesel fuel sold to persons licensed under
140 this chapter is not ~~shall not be~~ deductible unless the diesel

141 fuel registrant has allowed 50 percent of the allowance provided
142 by this section to a purchaser with a valid wholesaler or
143 terminal supplier license. This allowance is not ~~shall not be~~
144 deductible unless payment of the taxes is made on or before the
145 20th day of the month as ~~herein~~ required in this subsection.
146 ~~Nothing in~~ This subsection does not ~~shall be construed to~~
147 authorize a deduction from the constitutional fuel tax or fuel
148 sales tax.

149 Section 6. The Division of Law Revision and Information is
150 requested to create part V of chapter 206, Florida Statutes,
151 consisting of ss. 206.9951-206.998, entitled "NATURAL GAS FUEL."

152 Section 7. Section 206.9951, Florida Statutes, is created
153 to read:

154 206.9951 Definitions.—As used in this part, the term:

155 (1) "Motor fuel equivalent gallon" means the volume of
156 natural gas fuel it takes to equal the energy content of 1
157 gallon of motor fuel.

158 (2) "Natural gas fuel" means any liquefied petroleum gas
159 product, compressed natural gas product, or combination thereof
160 used in a motor vehicle as defined in s. 206.01(23). This term
161 includes, but is not limited to, all forms of fuel commonly or
162 commercially known or sold as natural gasoline, butane gas,
163 propane gas, or any other form of liquefied petroleum gas,
164 compressed natural gas, or liquefied natural gas. The term does
165 not include natural gas or liquefied petroleum placed in a
166 separate tank of a motor vehicle for cooking, heating, water
167 heating, or electric generation.

168 (3) "Natural gas fuel retailer" means any person who sells

169 natural gas fuel for use in a motor vehicle as defined in s.
170 206.01(23).

171 (4) "Natural gasoline" is a liquid hydrocarbon that is
172 produced by natural gas and must be blended with other liquid
173 petroleum products to produce motor fuel.

174 (5) "Person" means a natural person, corporation,
175 copartnership, firm, company, agency, or association; a state
176 agency; a federal agency; or a political subdivision of the
177 state.

178 Section 8. Section 206.9952, Florida Statutes, is created
179 to read:

180 206.9952 Application for license as a natural gas fuel
181 retailer.—

182 (1) It is unlawful for any person to engage in business as
183 a natural gas fuel retailer within this state unless the person
184 is the holder of a valid license issued by the department to
185 engage in such business.

186 (2) A person who has facilities for placing natural gas
187 fuel into the supply system of an internal combustion engine
188 fueled by individual portable containers of 10 gallons or less
189 is not required to be licensed as a natural gas fuel retailer,
190 provided that the fuel is only used for exempt purposes.

191 (3) (a) Any person who acts as a natural gas retailer and
192 does not hold a valid natural gas fuel retailer license shall
193 pay a penalty of \$200 for each month of operation without a
194 license. This paragraph expires December 31, 2018.

195 (b) Effective January 1, 2019, any person who acts as a
196 natural gas fuel retailer and does not hold a valid natural gas

197 fuel retailer license shall pay a penalty of 25 percent of the
198 tax assessed on the total purchases made during the unlicensed
199 period.

200 (4) To procure a natural gas fuel retailer license, a
201 person shall file an application and a bond with the department
202 on a form prescribed by the department. The department may not
203 issue a license upon the receipt of any application unless it is
204 accompanied by a bond.

205 (5) When a natural gas fuel retailer license application
206 is filed by a person whose previous license was canceled for
207 cause by the department or the department believes that such
208 application was not filed in good faith or is filed by another
209 person as a subterfuge for the actual person in interest whose
210 previous license has been canceled, the department may, if
211 evidence warrants, refuse to issue a license for such an
212 application.

213 (6) Upon the department's issuance of a natural gas fuel
214 retailer license, such license remains in effect so long as the
215 natural gas fuel retailer is in compliance with the requirements
216 of this part.

217 (7) Such license may not be assigned and is valid only for
218 the natural gas fuel retailer in whose name the license is
219 issued. The license shall be displayed conspicuously by the
220 natural gas fuel retailer in the principal place of business for
221 which the license was issued.

222 (8) With the exception of a state or federal agency or a
223 political subdivision licensed under this chapter, each person,
224 as defined in this part, who operates as a natural gas fuel

225 retailer shall report monthly to the department and pay a tax on
 226 all natural gas fuel purchases beginning January 1, 2019.

227 (9) The license application requires a license fee of \$5.
 228 Each license shall be renewed annually by submitting a
 229 reapplication and the license fee to the department. The license
 230 fee shall be paid to the department for deposit into the General
 231 Revenue Fund.

232 Section 9. Section 206.9955, Florida Statutes, is created
 233 to read:

234 206.9955 Levy of natural gas fuel tax.-

235 (1) The motor fuel equivalent gallon means the following
 236 for:

237 (a) Compressed natural gas gallon: 5.66 pounds, or per
 238 each 126.67 cubic feet.

239 (b) Liquefied natural gas gallon: 6.06 pounds.

240 (c) Liquefied petroleum gas gallon: 1.35 gallons.

241 (2) Effective January 1, 2019, the following taxes shall
 242 be imposed:

243 (a) An excise tax of 4 cents upon each motor fuel
 244 equivalent gallon of natural gas fuel.

245 (b) An additional tax of 1 cent upon each motor fuel
 246 equivalent gallon of natural gas fuel, which is designated as
 247 the "ninth-cent fuel tax."

248 (c) An additional tax of 1 cent on each motor fuel
 249 equivalent gallon of natural gas fuel by each county, which is
 250 designated as the "local option fuel tax."

251 (d) An additional tax on each motor fuel equivalent gallon
 252 of natural gas fuel, which is designated as the "State

253 Comprehensive Enhanced Transportation System Tax," at a rate
254 determined pursuant to this paragraph. Each calendar year, the
255 department shall determine the tax rate applicable to the sale
256 of natural gas fuel for the following 12-month period beginning
257 January 1, rounded to the nearest tenth of a cent, by adjusting
258 the initially established tax rate of 5.8 cents per gallon by
259 the percentage change in the average of the Consumer Price Index
260 issued by the United States Department of Labor for the most
261 recent 12-month period ending September 30.

262 (e)1. An additional tax is imposed on each motor fuel
263 equivalent gallon of natural gas fuel for the privilege of
264 selling natural gas fuel. Each calendar year, the department
265 shall determine the tax rate applicable to the sale of natural
266 gas fuel, rounded to the nearest tenth of a cent, for the
267 following 12-month period beginning January 1. The tax rate is
268 calculated by adjusting the initially established tax rate of
269 9.2 cents per gallon by the percentage change in the average of
270 the Consumer Price Index issued by the United States Department
271 of Labor for the most recent 12-month period ending September
272 30.

273 2. The department is authorized to adopt rules and publish
274 forms to administer this paragraph.

275 (3) Unless otherwise provided by this chapter, the taxes
276 specified in subsection (2) are imposed on natural gas fuel when
277 it is placed into the fuel supply tank of a motor vehicle as
278 defined in s. 206.01(23). The person liable for payment of the
279 taxes imposed by this section is the person selling the fuel to
280 the end user, for use in the fuel supply tank of a motor vehicle

281 as defined in s. 206.01(23).

282 Section 10. Section 206.996, Florida Statutes, is created
283 to read:

284 206.996 Monthly reports by natural gas fuel retailers;
285 deductions.—

286 (1) For the purpose of determining the amount of taxes
287 imposed by s. 206.9955, each natural gas fuel retailer shall
288 file beginning February 2019, and each month thereafter, no
289 later than the 20th day of each month, monthly reports
290 electronically with the department showing information on
291 inventory, purchases, nontaxable disposals, and taxable sales in
292 gallons of natural gas fuel for the preceding month. However, if
293 the 20th day of the month falls on a Saturday, Sunday, or
294 federal or state legal holiday, a return must be accepted if it
295 is electronically filed on the next succeeding business day. The
296 reports must include, or be verified by, a written declaration
297 stating that such report is made under the penalties of perjury.
298 The natural gas fuel retailer shall deduct from the amount of
299 taxes shown by the report to be payable an amount equivalent to
300 0.67 percent of the taxes on natural gas fuel imposed by s.
301 206.9955(2)(a) and (e), which deduction is allowed to the
302 natural gas fuel retailer to compensate it for services rendered
303 and expenses incurred in complying with the requirements of this
304 part. This allowance is not deductible unless payment of
305 applicable taxes is made on or before the 20th day of the month.
306 This subsection may not be construed as authorizing a deduction
307 from the constitutional fuel tax or the fuel sales tax.

308 (2) Upon the electronic filing of the monthly report, each

309 natural gas fuel retailer shall pay the department the full
310 amount of natural gas fuel taxes for the preceding month at the
311 rate provided in s. 206.9955, less the amount allowed the
312 natural gas fuel retailer for services and expenses as provided
313 in subsection (1).

314 (3) The department may authorize a quarterly return and
315 payment of taxes when the taxes remitted by the natural gas fuel
316 retailer for the preceding quarter did not exceed \$100, and the
317 department may authorize a semiannual return and payment of
318 taxes when the taxes remitted by the natural gas fuel retailer
319 for the preceding 6 months did not exceed \$200.

320 (4) In addition to the allowance authorized by subsection
321 (1), every natural gas fuel retailer is entitled to a deduction
322 of 1.1 percent of the taxes imposed under s. 206.9955(2) (b) and
323 (c), on account of services and expenses incurred due to
324 compliance with the requirements of this part. This allowance
325 may not be deductible unless payment of the tax is made on or
326 before the 20th day of the month.

327 Section 11. Section 206.9965, Florida Statutes, is created
328 to read:

329 206.9965 Exemptions and refunds; natural gas fuel
330 retailers.—Natural gas fuel may be purchased from natural gas
331 fuel retailers exempt from the tax imposed by this part when
332 used or purchased for the following:

333 (1) Exclusive use by the United States or its departments
334 or agencies. Exclusive use by the United States or its
335 departments and agencies means the consumption by the United
336 States or its departments or agencies of the natural gas fuel in

337 | a motor vehicle as defined in s. 206.01(23).

338 | (2) Use for agricultural purposes as defined in s.
339 | 206.41(4)(c).

340 | (3) Uses as provided in s. 206.874(3).

341 | (4) Used to propel motor vehicles operated by state and
342 | local government agencies.

343 | (5) Individual use resulting from residential refueling
344 | devices located at a person's primary residence.

345 | (6) Purchases of natural gas fuel between licensed natural
346 | gas fuel retailers. A natural gas fuel retailer that sells tax-
347 | paid natural gas fuel to another natural gas fuel retailer may
348 | take a credit on its monthly return or may file a claim for
349 | refund with the Chief Financial Officer pursuant to s. 215.26.
350 | All sales of natural gas fuel between natural gas fuel retailers
351 | must be documented on invoices or other evidence of the sale of
352 | such fuel and the seller shall retain a copy of the purchaser's
353 | natural gas fuel retailer license.

354 | (7) Natural gas fuel consumed by a power take off or
355 | engine exhaust for the purpose of unloading bulk cargo by
356 | pumping or turning a concrete mixer drum used in the
357 | manufacturing process, or for the purpose of compacting solid
358 | waste, which is mounted on a motor vehicle and which has no
359 | separate fuel tank or power unit, is allowed a refund of 35
360 | percent of the tax paid on the fuel purchased.

361 | Section 12. Section 206.879, Florida Statutes, is
362 | transferred and renumbered as section 206.997, Florida Statutes,
363 | and amended to read:

364 | 206.997 ~~206.879~~ State and local alternative fuel user fee

365 clearing trust funds; distribution.-

366 ~~(1)~~ Notwithstanding the provisions of s. 206.875, the
367 revenues from the state natural gas fuel tax imposed by s.
368 206.9955(2) (a), (d), and (e) ~~alternative fuel fees imposed by s.~~
369 ~~206.877~~ shall be deposited into the State Alternative Fuel User
370 Fee Clearing Trust Fund, ~~which is hereby created~~. After
371 deducting the service charges provided in s. 215.20, the
372 proceeds in this trust fund shall be distributed as follows: the
373 taxes imposed under s. 206.9955(2) (d) and (e) ~~one-fifth of the~~
374 ~~proceeds in calendar year 1991, one-third of the proceeds in~~
375 ~~calendar year 1992, three-sevenths of the proceeds in calendar~~
376 ~~year 1993, and one-half of the proceeds in each calendar year~~
377 ~~thereafter~~ shall be transferred to the State Transportation
378 Trust Fund and the tax imposed under s. 206.9955(2) (a); ~~the~~
379 ~~remainder~~ shall be distributed as follows: 50 percent shall be
380 transferred to the State Board of Administration for
381 distribution according to the provisions of s. 16, Art. IX of
382 the State Constitution of 1885, as amended; 25 percent shall be
383 transferred to the Revenue Sharing Trust Fund for
384 Municipalities; and the remaining 25 percent shall be
385 distributed using the formula contained in s. 206.60(1).

386 (2) Notwithstanding the provisions of s. 206.875, the
387 revenues from the local natural gas fuel tax imposed by s.
388 206.9955(2) (b) and (c) ~~alternative fuel fees imposed in lieu of~~
389 ~~s. 206.87(1) (b) or (c)~~ shall be deposited into the Local
390 Alternative Fuel User Fee Clearing Trust Fund, ~~which is hereby~~
391 ~~created~~. After deducting the service charges provided in s.
392 215.20, the proceeds in this trust fund shall be returned

393 monthly to the appropriate county.

394 Section 13. Section 206.998, Florida Statutes, is created
395 to read:

396 206.998 Applicability of specified sections of parts I and
397 II.—The provisions of ss. 206.01, 206.02, 206.025, 206.026,
398 206.027, 206.028, 206.03, 206.05, 206.055, 206.06, 206.07,
399 206.075, 206.09, 206.10, 206.11, 206.12, 206.13, 206.14, 206.15,
400 206.16, 206.17, 206.175, 206.18, 206.199, 206.20, 206.204,
401 206.205, 206.21, 206.215, 206.22, 206.23, 206.24, 206.25,
402 206.27, 206.28, 206.405, 206.406, 206.41, 206.413, 206.43,
403 206.44, 206.48, 206.485, 206.49, 206.56, 206.59, 206.606,
404 206.608, and 206.61 of part I of this chapter and ss. 206.86,
405 206.872, 206.874, 206.8745, 206.88, 206.90, and 206.93 of part
406 II of this chapter shall, as far as lawful or practicable, be
407 applicable to the tax levied and imposed and to the collection
408 thereof as if fully set out in this part. However, any provision
409 of any such section does not apply if it conflicts with any
410 provision of this part.

411 Section 14. Paragraph (d) of subsection (2) of section
412 212.055, Florida Statutes, is amended to read:

413 212.055 Discretionary sales surtaxes; legislative intent;
414 authorization and use of proceeds.—It is the legislative intent
415 that any authorization for imposition of a discretionary sales
416 surtax shall be published in the Florida Statutes as a
417 subsection of this section, irrespective of the duration of the
418 levy. Each enactment shall specify the types of counties
419 authorized to levy; the rate or rates which may be imposed; the
420 maximum length of time the surtax may be imposed, if any; the

421 procedure which must be followed to secure voter approval, if
422 required; the purpose for which the proceeds may be expended;
423 and such other requirements as the Legislature may provide.
424 Taxable transactions and administrative procedures shall be as
425 provided in s. 212.054.

426 (2) LOCAL GOVERNMENT INFRASTRUCTURE SURTAX.—

427 (d) The proceeds of the surtax authorized by this
428 subsection and any accrued interest shall be expended by the
429 school district, within the county and municipalities within the
430 county, or, in the case of a negotiated joint county agreement,
431 within another county, to finance, plan, and construct
432 infrastructure; to acquire land for public recreation,
433 conservation, or protection of natural resources; to provide
434 loans, grants, or rebates to residential or commercial property
435 owners who make energy efficiency improvements to their
436 residential or commercial property, if a local government
437 ordinance authorizing such use is approved by referendum; or to
438 finance the closure of county-owned or municipally owned solid
439 waste landfills that have been closed or are required to be
440 closed by order of the Department of Environmental Protection.
441 Any use of the proceeds or interest for purposes of landfill
442 closure before July 1, 1993, is ratified. The proceeds and any
443 interest may not be used for the operational expenses of
444 infrastructure, except that a county that has a population of
445 fewer than 75,000 and that is required to close a landfill may
446 use the proceeds or interest for long-term maintenance costs
447 associated with landfill closure. Counties, as defined in s.
448 125.011, and charter counties may, in addition, use the proceeds

449 or interest to retire or service indebtedness incurred for bonds
450 issued before July 1, 1987, for infrastructure purposes, and for
451 bonds subsequently issued to refund such bonds. Any use of the
452 proceeds or interest for purposes of retiring or servicing
453 indebtedness incurred for refunding bonds before July 1, 1999,
454 is ratified.

455 1. For the purposes of this paragraph, the term
456 "infrastructure" means:

457 a. Any fixed capital expenditure or fixed capital outlay
458 associated with the construction, reconstruction, or improvement
459 of public facilities that have a life expectancy of 5 or more
460 years and any related land acquisition, land improvement,
461 design, and engineering costs.

462 b. A fire department vehicle, an emergency medical service
463 vehicle, a sheriff's office vehicle, a police department
464 vehicle, or any other vehicle, and the equipment necessary to
465 outfit the vehicle for its official use or equipment that has a
466 life expectancy of at least 5 years.

467 c. Any expenditure for the construction, lease, or
468 maintenance of, or provision of utilities or security for,
469 facilities, as defined in s. 29.008.

470 d. Any fixed capital expenditure or fixed capital outlay
471 associated with the improvement of private facilities that have
472 a life expectancy of 5 or more years and that the owner agrees
473 to make available for use on a temporary basis as needed by a
474 local government as a public emergency shelter or a staging area
475 for emergency response equipment during an emergency officially
476 declared by the state or by the local government under s.

477 252.38. Such improvements are limited to those necessary to
 478 comply with current standards for public emergency evacuation
 479 shelters. The owner must enter into a written contract with the
 480 local government providing the improvement funding to make the
 481 private facility available to the public for purposes of
 482 emergency shelter at no cost to the local government for a
 483 minimum of 10 years after completion of the improvement, with
 484 the provision that the obligation will transfer to any
 485 subsequent owner until the end of the minimum period.

486 e. Any land acquisition expenditure for a residential
 487 housing project in which at least 30 percent of the units are
 488 affordable to individuals or families whose total annual
 489 household income does not exceed 120 percent of the area median
 490 income adjusted for household size, if the land is owned by a
 491 local government or by a special district that enters into a
 492 written agreement with the local government to provide such
 493 housing. The local government or special district may enter into
 494 a ground lease with a public or private person or entity for
 495 nominal or other consideration for the construction of the
 496 residential housing project on land acquired pursuant to this
 497 sub-subparagraph.

498 2. For the purposes of this paragraph, the term "energy
 499 efficiency improvement" means any energy conservation and
 500 efficiency improvement that reduces consumption through
 501 conservation or a more efficient use of electricity, natural
 502 gas, propane, or other forms of energy on the property,
 503 including, but not limited to, air sealing; installation of
 504 insulation; installation of energy-efficient heating, cooling,

505 or ventilation systems; installation of solar panels; building
506 modifications to increase the use of daylight or shade;
507 replacement of windows; installation of energy controls or
508 energy recovery systems; installation of electric vehicle
509 charging equipment; installation of systems for natural gas fuel
510 as defined in s. 206.9951; and installation of efficient
511 lighting equipment.

512 3. Notwithstanding any other provision of this subsection,
513 a local government infrastructure surtax imposed or extended
514 after July 1, 1998, may allocate up to 15 percent of the surtax
515 proceeds for deposit into ~~in~~ a trust fund within the county's
516 accounts created for the purpose of funding economic development
517 projects having a general public purpose of improving local
518 economies, including the funding of operational costs and
519 incentives related to economic development. The ballot statement
520 must indicate the intention to make an allocation under the
521 authority of this subparagraph.

522 Section 15. Subsection (4) of section 212.08, Florida
523 Statutes, is amended to read:

524 212.08 Sales, rental, use, consumption, distribution, and
525 storage tax; specified exemptions.—The sale at retail, the
526 rental, the use, the consumption, the distribution, and the
527 storage to be used or consumed in this state of the following
528 are hereby specifically exempt from the tax imposed by this
529 chapter.

530 (4) EXEMPTIONS; ITEMS BEARING OTHER EXCISE TAXES, ETC.—

531 (a) Also exempt are:

532 1. Water delivered to the purchaser through pipes or

533 conduits or delivered for irrigation purposes. The sale of
534 drinking water in bottles, cans, or other containers, including
535 water that contains minerals or carbonation in its natural state
536 or water to which minerals have been added at a water treatment
537 facility regulated by the Department of Environmental Protection
538 or the Department of Health, is exempt. This exemption does not
539 apply to the sale of drinking water in bottles, cans, or other
540 containers if carbonation or flavorings, except those added at a
541 water treatment facility, have been added. Water that has been
542 enhanced by the addition of minerals and that does not contain
543 any added carbonation or flavorings is also exempt.

544 2. All fuels used by a public or private utility,
545 including any municipal corporation or rural electric
546 cooperative association, in the generation of electric power or
547 energy for sale. Fuel other than motor fuel and diesel fuel is
548 taxable as provided in this chapter with the exception of fuel
549 expressly exempt herein. Natural gas and natural gas fuel as
550 defined in s. 206.9951(2) are exempt from the tax imposed by
551 this chapter when placed into the fuel supply system of a motor
552 vehicle. Motor fuels and diesel fuels are taxable as provided in
553 chapter 206, with the exception of those motor fuels and diesel
554 fuels used by railroad locomotives or vessels to transport
555 persons or property in interstate or foreign commerce, which are
556 taxable under this chapter only to the extent provided herein.
557 The basis of the tax shall be the ratio of intrastate mileage to
558 interstate or foreign mileage traveled by the carrier's railroad
559 locomotives or vessels that were used in interstate or foreign
560 commerce and that had at least some Florida mileage during the

561 previous fiscal year of the carrier, such ratio to be determined
562 at the close of the fiscal year of the carrier. However, during
563 the fiscal year in which the carrier begins its initial
564 operations in this state, the carrier's mileage apportionment
565 factor may be determined on the basis of an estimated ratio of
566 anticipated miles in this state to anticipated total miles for
567 that year, and subsequently, additional tax shall be paid on the
568 motor fuel and diesel fuels, or a refund may be applied for, on
569 the basis of the actual ratio of the carrier's railroad
570 locomotives' or vessels' miles in this state to its total miles
571 for that year. This ratio shall be applied each month to the
572 total Florida purchases made in this state of motor and diesel
573 fuels to establish that portion of the total used and consumed
574 in intrastate movement and subject to tax under this chapter.
575 The basis for imposition of any discretionary surtax shall be
576 set forth in s. 212.054. Fuels used exclusively in intrastate
577 commerce do not qualify for the proration of tax.

578 3. The transmission or wheeling of electricity.

579 (b) Alcoholic beverages and malt beverages are not exempt.
580 The terms "alcoholic beverages" and "malt beverages" as used in
581 this paragraph have the same meanings ascribed to them in ss.
582 561.01(4) and 563.01, respectively. It is determined by the
583 Legislature that the classification of alcoholic beverages made
584 in this paragraph for the purpose of extending the tax imposed
585 by this chapter is reasonable and just, and it is intended that
586 such tax be separate from, and in addition to, any other tax
587 imposed on alcoholic beverages.

588 Section 16. The Office of Program Policy Analysis and

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589 Government Accountability shall complete a report reviewing the
590 taxation of natural gas fuel used to power motor vehicles under
591 chapters 206 and 212, Florida Statutes. At a minimum, the report
592 must evaluate growth trends in the use of natural gas fuel,
593 survey how other states tax natural gas fuel and how other
594 states provide incentives to consumers of such fuel, and survey
595 consumers and suppliers of natural gas fuel. The report must be
596 submitted to the President of the Senate and the Speaker of the
597 House of Representatives by December 1, 2017.

598 Section 17. This act shall take effect January 1, 2014.