

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	_____	(Y/N)
ADOPTED AS AMENDED	_____	(Y/N)
ADOPTED W/O OBJECTION	_____	(Y/N)
FAILED TO ADOPT	_____	(Y/N)
WITHDRAWN	_____	(Y/N)
OTHER		

1 Committee/Subcommittee hearing bill: Ways & Means Committee
 2 Representative Botana offered the following:

Amendment (with title amendment)

5 Remove everything after the enacting clause and insert:

6 Section 1. Subsection (2) of section 11.40, Florida

7 Statutes, is amended to read:

8 11.40 Legislative Auditing Committee.—

9 (2) Following notification by the Auditor General, the
 10 Department of Financial Services, the Division of Bond Finance
 11 of the State Board of Administration, the Governor or his or her
 12 designee, or the Commissioner of Education or his or her
 13 designee of the failure of a local governmental entity, district
 14 school board, charter school, or charter technical career center
 15 to comply with the applicable provisions within s. 11.45(5)-(7),
 16 s. 205.0535, s. 218.32(1), s. 218.38, or s. 218.503(3), the

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17 Legislative Auditing Committee may schedule a hearing to
18 determine if the entity should be subject to further state
19 action. If the committee determines that the entity should be
20 subject to further state action, the committee shall:

21 (a) In the case of a local governmental entity or district
22 school board, direct the Department of Revenue and the
23 Department of Financial Services to withhold any funds not
24 pledged for bond debt service satisfaction which are payable to
25 such entity until the entity complies with the law. The
26 committee shall specify the date that such action must begin,
27 and the directive must be received by the Department of Revenue
28 and the Department of Financial Services 30 days before the date
29 of the distribution mandated by law. The Department of Revenue
30 and the Department of Financial Services may implement this
31 paragraph.

32 (b) In the case of a special district created by:

33 1. A special act, notify the President of the Senate, the
34 Speaker of the House of Representatives, the standing committees
35 of the Senate and the House of Representatives charged with
36 special district oversight as determined by the presiding
37 officers of each respective chamber, the legislators who
38 represent a portion of the geographical jurisdiction of the
39 special district, and the Department of Economic Opportunity
40 that the special district has failed to comply with the law.
41 Upon receipt of notification, the Department of Economic

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42 Opportunity shall proceed pursuant to s. 189.062 or s. 189.067.
43 If the special district remains in noncompliance after the
44 process set forth in s. 189.0651, or if a public hearing is not
45 held, the Legislative Auditing Committee may request the
46 department to proceed pursuant to s. 189.067(3).

47 2. A local ordinance, notify the chair or equivalent of
48 the local general-purpose government pursuant to s. 189.0652 and
49 the Department of Economic Opportunity that the special district
50 has failed to comply with the law. Upon receipt of notification,
51 the department shall proceed pursuant to s. 189.062 or s.
52 189.067. If the special district remains in noncompliance after
53 the process set forth in s. 189.0652, or if a public hearing is
54 not held, the Legislative Auditing Committee may request the
55 department to proceed pursuant to s. 189.067(3).

56 3. Any manner other than a special act or local ordinance,
57 notify the Department of Economic Opportunity that the special
58 district has failed to comply with the law. Upon receipt of
59 notification, the department shall proceed pursuant to s.
60 189.062 or s. 189.067(3).

61 (c) In the case of a charter school or charter technical
62 career center, notify the appropriate sponsoring entity, which
63 may terminate the charter pursuant to ss. 1002.33 and 1002.34.

64 Section 2. Paragraphs (d) through (j) of subsection (7) of
65 section 11.45, Florida Statutes, are redesignated as paragraphs

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66 (e) through (k), respectively, and a new paragraph (d) is added
67 to that subsection, to read:

68 11.45 Definitions; duties; authorities; reports; rules.-

69 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.-

70 (d) During the Auditor General's review of audit reports,
71 he or she shall contact each local government which is not in
72 compliance with s. 205.0535, and request evidence of corrective
73 action. The local government shall provide the Auditor General
74 with evidence of the initiation of corrective action within 45
75 days after the date the corrective action is requested by the
76 Auditor General and evidence of completion of corrective action
77 within 180 days after the date the corrective action is
78 requested by the Auditor General. If the local government fails
79 to comply with the Auditor General's request or is unable to
80 take corrective action within the required timeframe, the
81 Auditor General shall notify the Legislative Auditing Committee.

82 Section 3. Section 205.0315, Florida Statutes, is amended
83 to read:

84 205.0315 Ordinance adopted before ~~adoption after~~ October
85 1, 2024 ~~1995~~.-Beginning October 1, 2024 ~~1995~~, a county or
86 municipality that has ~~not~~ adopted a business tax ordinance or
87 resolution under this chapter before July 1, 2024, may not
88 increase or otherwise modify the tax rate structure or
89 classification in such ~~adopt~~ a business tax ordinance, except as
90 provided in s. 205.0535. However,- the business tax rate

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91 structure and classifications in the adopted ordinance may be
92 repealed ~~must be reasonable and based upon the rate structure~~
93 ~~and classifications prescribed in ordinances adopted by adjacent~~
94 ~~local governments that have implemented s. 205.0535. If no~~
95 ~~adjacent local government has implemented s. 205.0535, or if the~~
96 ~~governing body of the county or municipality finds that the rate~~
97 ~~structures or classifications of adjacent local governments are~~
98 ~~unreasonable, the rate structure or classifications prescribed~~
99 ~~in its ordinance may be based upon those prescribed in~~
100 ~~ordinances adopted by local governments that have implemented s.~~
101 ~~205.0535 in counties or municipalities that have a comparable~~
102 ~~population.~~

103 Section 4. Paragraph (b) of subsection (1), subsections
104 (4) and (5), and paragraph (a) of subsection (6) of section
105 205.033, Florida Statutes, are amended to read:

106 205.033 Conditions for levy; counties.—

107 (1) The following conditions are imposed on the authority
108 of a county governing body to levy a business tax:

109 (b) ~~Unless the county implements s. 205.0535 or adopts a~~
110 ~~new business tax ordinance under s. 205.0315, A business tax~~
111 ~~levied under this subsection may not exceed the rate provided by~~
112 ~~this chapter in effect for the year beginning October 1, 2023~~
113 ~~1971; however, beginning October 1, 2024 ~~1980~~, the county~~
114 ~~governing body must decrease ~~may increase~~ business taxes~~
115 ~~authorized by this chapter as provided in s. 205.0535. ~~The~~~~

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116 ~~amount of the increase above the tax rate levied on October 1,~~
117 ~~1971, for taxes levied at a flat rate may be up to 100 percent~~
118 ~~for business taxes that are \$100 or less; 50 percent for~~
119 ~~business taxes that are between \$101 and \$300; and 25 percent~~
120 ~~for business taxes that are more than \$300. Beginning October 1,~~
121 ~~1982, the increase may not exceed 25 percent for taxes levied at~~
122 ~~graduated or per unit rates. Authority to increase business~~
123 ~~taxes does not apply to licenses or receipts granted to any~~
124 ~~utility franchised by the county for which a franchise fee is~~
125 ~~paid.~~

126 (4) The revenues derived from the business tax, exclusive
127 of the costs of collection and any credit given for municipal
128 business taxes, shall be apportioned between the unincorporated
129 area of the county and the incorporated municipalities located
130 therein by a ratio derived by dividing their respective
131 populations by the population of the county. This subsection
132 does not apply to counties that ~~have~~ established a new rate
133 structure under s. 205.0535 before October 1, 2024.

134 (5) The revenues so apportioned shall be sent to the
135 governing authority of each municipality, according to its
136 ratio, and to the governing authority of the county, according
137 to the ratio of the unincorporated area, within 15 days
138 following the month of receipt. This subsection does not apply
139 to counties that ~~have~~ established a new rate structure under s.
140 205.0535 before October 1, 2024.

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141 (6)(a) Each county, as defined in s. 125.011(1), or any
142 county adjacent thereto may levy and collect, by an ordinance
143 enacted by the governing body of the county, an additional
144 business tax up to 50 percent of the appropriate business tax
145 imposed under subsection (1); however, beginning October 1,
146 2024, such business tax must be decreased as provided in s.
147 205.0535.

148 Section 5. Paragraph (b) of subsection (1) of section
149 205.043, Florida Statutes, is amended to read:

150 205.043 Conditions for levy; municipalities.—

151 (1) The following conditions are imposed on the authority
152 of a municipal governing body to levy a business tax:

153 (b) ~~Unless the municipality implements s. 205.0535 or~~
154 ~~adopts a new business tax ordinance under s. 205.0315, A~~
155 business tax levied under this subsection may not exceed the
156 rate in effect in the municipality for the year beginning
157 October 1, 2023. ~~1971; however, Beginning October 1, 2024 1980,~~
158 the municipal governing body must decrease ~~may increase~~ business
159 taxes authorized by this chapter as provided in s. 205.0535. ~~The~~
160 ~~amount of the increase above the tax rate levied on October 1,~~
161 ~~1971, for taxes levied at a flat rate may be up to 100 percent~~
162 ~~for business taxes that are \$100 or less; 50 percent for~~
163 ~~business taxes that are between \$101 and \$300; and 25 percent~~
164 ~~for business taxes that are more than \$300. Beginning October 1,~~
165 ~~1982, an increase may not exceed 25 percent for taxes levied at~~

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166 ~~graduated or per unit rates. Authority to increase business~~
167 ~~taxes does not apply to receipts or licenses granted to any~~
168 ~~utility franchised by the municipality for which a franchise fee~~
169 ~~is paid.~~

170 Section 6. Section 205.0535, Florida Statutes, is amended
171 to read:

172 205.0535 Reclassification and rate structure revisions.—

173 (1) As used in this section, the term:

174 (a) "Recalculated tax rate" means the tax rate that, if it
175 had been applied in the immediate prior fiscal year, would
176 result in the maximum total revenue that does not exceed the
177 revenue base.

178 (b) "Revenue base" means the total revenue for the fiscal
179 year ending September 30, 2024.

180 (c) "Total revenue" means:

181 1. For a county, the total annual revenue generated by
182 receipts issued in the fiscal year, less any revenue distributed
183 to municipalities under s. 205.033(4) in such year, and less any
184 revenue refunded to businesses pursuant to sub-
185 paragraph(4) (a) 3.b. in such year.

186 2. For a municipality, the total annual revenue generated
187 by receipts issued in the fiscal year plus any revenue received
188 from the county under s. 205.033(4) in such fiscal year, and
189 less any revenue refunded to businesses pursuant to sub-
190 paragraph(4) (a) 3.b. in such year.

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191 (2)-(1) Beginning by October 1, 2024 2008, any municipality
192 that has adopted by ordinance a local business tax ~~after October~~
193 ~~1, 1995,~~ may not ~~by ordinance~~ reclassify businesses,
194 professions, and occupations or ~~and may~~ establish new rate
195 structures, ~~if the conditions specified in subsections (2) and~~
196 ~~(3) are met.~~ A person who is engaged in the business of
197 providing local exchange telephone service or a pay telephone
198 service in a municipality or in the unincorporated area of a
199 county and who pays the business tax under the category
200 designated for telephone companies or a pay telephone service
201 provider certified pursuant to s. 364.3375 is deemed to have but
202 one place of business or business location in each municipality
203 or unincorporated area of a county. Pay telephone service
204 providers may not be assessed a business tax on a per-instrument
205 basis.

206 (3) Beginning October 1, 2024, the total revenue generated
207 by the business tax each fiscal year may not exceed the revenue
208 base.

209 (4)(a) Beginning October 1, 2025, if the total revenue
210 received by a local government from the local business tax in
211 the immediate prior fiscal year exceeds the revenue base:

212 1. The governing authority must adopt an ordinance to
213 proportionally adjust the rates of the local business taxes
214 levied under this chapter for the current fiscal year to the
215 recalculated tax rate.

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216 2. The rate adjustment ordinance must be adopted as soon
217 as practicable, but no later than January 1 of the current
218 fiscal year.

219 3. By February 1, the county or municipality must issue a
220 refund to each business that paid the local business tax:

221 a. In the prior fiscal year. Such refund shall be the
222 difference between the amount paid and the amount that would
223 have been paid if the recalculated tax rate had been used.

224 b. At the unreduced rate in the current fiscal year. Such
225 refund shall be the difference in the amount paid and the amount
226 due if the recalculated tax rate had been used.

227 (b) A refund issued under subparagraph (a)3. may be
228 granted as a credit against tax due in the next fiscal year.

229 (c) If the county or municipality is unable to grant a
230 refund pursuant to subparagraph (a)3. because a business no
231 longer exists, or the county or municipality is unable to locate
232 the business or deliver such refund after making reasonable
233 efforts to do so, then such refund shall be treated by the
234 county or municipality as unclaimed property under chapter 717.

235 ~~(2) Before adopting a reclassification and revision~~
236 ~~ordinance, the municipality or county must establish an equity~~
237 ~~study commission and appoint its members. Each member of the~~
238 ~~study commission must be a representative of the business~~
239 ~~community within the local government's jurisdiction. Each~~
240 ~~equity study commission shall recommend to the appropriate local~~

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241 ~~government a classification system and rate structure for~~
242 ~~business taxes.~~

243 ~~(3)(a) After the reclassification and rate structure~~
244 ~~revisions have been transmitted to and considered by the~~
245 ~~appropriate local governing body, it may adopt by majority vote~~
246 ~~a new business tax ordinance. Except that a minimum tax of up to~~
247 ~~\$25 is permitted, the reclassification may not increase the tax~~
248 ~~by more than the following: for receipts costing \$150 or less,~~
249 ~~200 percent; for receipts costing more than \$150 but not more~~
250 ~~than \$500, 100 percent; for receipts costing more than \$500 but~~
251 ~~not more than \$2,500, 75 percent; for receipts costing more than~~
252 ~~\$2,500 but not more than \$10,000, 50 percent; and for receipts~~
253 ~~costing more than \$10,000, 10 percent; however, in no case may~~
254 ~~the tax on any receipt be increased more than \$5,000.~~

255 ~~(b) The total annual revenue generated by the new rate~~
256 ~~structure for the fiscal year following the fiscal year during~~
257 ~~which the rate structure is adopted may not exceed:~~

258 ~~1. For municipalities, the sum of the revenue base and 10~~
259 ~~percent of that revenue base. The revenue base is the sum of the~~
260 ~~business tax revenue generated by receipts issued for the most~~
261 ~~recently completed local fiscal year or the amount of revenue~~
262 ~~that would have been generated from the authorized increases~~
263 ~~under s. 205.043(1)(b), whichever is greater, plus any revenue~~
264 ~~received from the county under s. 205.033(4).~~

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265 ~~2. For counties, the sum of the revenue base, 10 percent~~
266 ~~of that revenue base, and the amount of revenue distributed by~~
267 ~~the county to the municipalities under s. 205.033(4) during the~~
268 ~~most recently completed local fiscal year. The revenue base is~~
269 ~~the business tax revenue generated by receipts issued for the~~
270 ~~most recently completed local fiscal year or the amount of~~
271 ~~revenue that would have been generated from the authorized~~
272 ~~increases under s. 205.033(1)(b), whichever is greater, but may~~
273 ~~not include any revenues distributed to municipalities under s.~~
274 ~~205.033(4).~~

275 ~~(c) In addition to the revenue increases authorized by~~
276 ~~paragraph (b), revenue increases attributed to the increases in~~
277 ~~the number of receipts issued are authorized.~~

278 ~~(4) After the conditions specified in subsections (2) and~~
279 ~~(3) are met, municipalities and counties may, every other year~~
280 ~~thereafter, increase or decrease by ordinance the rates of~~
281 ~~business taxes by up to 5 percent. However, an increase must be~~
282 ~~enacted by at least a majority plus one vote of the governing~~
283 ~~body.~~

284 (5) This chapter does not prohibit a municipality or
285 county from decreasing or repealing any business tax authorized
286 under this chapter. By majority vote, the governing body of a
287 county or municipality may adopt an ordinance repealing a local
288 business tax or establishing new rates that decrease local
289 business taxes, provided that the new rates do not produce

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290 ~~revenues in excess of the revenue base and do not result in an~~
291 ~~increase in local business taxes for a taxpayer. Such ordinances~~
292 ~~are not subject to subsections (2) and (3).~~

293 (6) A receipt may not be issued unless the federal
294 employer identification number or social security number is
295 obtained from the person to be taxed.

296 (7) This section does not apply to a municipality that
297 imposes a business tax on merchants which is measured by gross
298 receipts from the sale of merchandise or services, or both, as
299 described in s. 205.044.

300 Section 7. Section 205.0536, Florida Statutes, is amended
301 to read:

302 205.0536 Distribution of county revenues.—A county that
303 established ~~establishes~~ a new rate structure under s. 205.0535,
304 before October 1, 2024, shall retain all business tax revenues
305 collected from businesses, professions, or occupations whose
306 places of business are located within the unincorporated
307 portions of the county. Any business tax revenues collected by a
308 county that established ~~establishes~~ a new rate structure under
309 s. 205.0535, before October 1, 2024, from businesses,
310 professions, or occupations whose places of business are located
311 within a municipality, exclusive of the costs of collection,
312 must be apportioned between the unincorporated area of the
313 county and the incorporated municipalities located therein by a
314 ratio derived by dividing their respective populations by the

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315 population of the county. As used in this section, the term
316 "population" means the latest official state estimate of
317 population certified under s. 186.901. The revenues so
318 apportioned shall be sent to the governing authority of each
319 municipality, according to its ratio, and to the governing
320 authority of the county, according to the ratio of the
321 unincorporated area, within 15 days after the month of receipt.

322 Section 8. Section 205.046, Florida Statutes, is created
323 to read:

324 205.046 Audits.—An audit of financial statements of a
325 local government which is performed by a certified public
326 accountant pursuant to s. 218.39 and submitted to the Auditor
327 General must be accompanied by an affidavit executed by the
328 chair of the governing board of the local government, as a
329 separate document, stating that the local government has
330 complied with the provisions of s. 205.0535 and must be filed
331 with the Auditor General or, in the event the local government
332 has not complied with s. 205.0535, the affidavit shall instead
333 include a description of the noncompliance and corrective action
334 taken by the local government to correct the noncompliance and
335 to prevent such noncompliance in the future.

336 Section 9. Paragraph (a) of subsection (2) of section
337 215.97, Florida Statutes, is amended to read:

338 215.97 Florida Single Audit Act.—

339 (2) As used in this section, the term:

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340 (a) "Audit threshold" means the threshold amount used to
341 determine when a state single audit or project-specific audit of
342 a nonstate entity shall be conducted in accordance with this
343 section. Each nonstate entity that expends a total amount of
344 state financial assistance equal to or in excess of \$750,000 in
345 any fiscal year of such nonstate entity shall be required to
346 have a state single audit or a project-specific audit for such
347 fiscal year in accordance with the requirements of this section.
348 After consulting with the Executive Office of the Governor, the
349 Department of Financial Services, and all state awarding
350 agencies, the Auditor General shall periodically review the
351 threshold amount for requiring audits under this section and may
352 recommend any appropriate statutory change to revise the
353 threshold amount in the annual report submitted to the
354 Legislature pursuant to s. 11.45(7)(i) ~~s. 11.45(7)(h)~~.

355 Section 10. Paragraph (e) of subsection (1) of section
356 218.32, Florida Statutes, is amended to read:

357 218.32 Annual financial reports; local governmental
358 entities.—

359 (1)

360 (e)1. Each local governmental entity that is not required
361 to provide for an audit under s. 218.39 must submit the annual
362 financial report to the department no later than 9 months after
363 the end of the fiscal year. The department shall consult with
364 the Auditor General in the development of the format of annual

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365 financial reports submitted pursuant to this paragraph. The
366 format must include balance sheet information used by the
367 Auditor General pursuant to s. 11.45(7)(g) ~~s. 11.45(7)(f)~~. The
368 department must forward the financial information contained
369 within the annual financial reports to the Auditor General in
370 electronic form. This paragraph does not apply to housing
371 authorities created under chapter 421.

372 2. The annual financial report filed by a dependent
373 special district or an independent special district shall
374 specify separately:

375 a. The total number of district employees compensated in
376 the last pay period of the district's fiscal year being
377 reported.

378 b. The total number of independent contractors to whom
379 nonemployee compensation was paid in the last month of the
380 district's fiscal year being reported.

381 c. All compensation earned by or awarded to employees,
382 whether paid or accrued, regardless of contingency.

383 d. All compensation earned by or awarded to nonemployee
384 independent contractors, whether paid or accrued, regardless of
385 contingency.

386 e. Each construction project with a total cost of at least
387 \$65,000 approved by the district that is scheduled to begin on
388 or after October 1 of the fiscal year being reported, together
389 with the total expenditures for such project.

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390 3. The annual financial report of a dependent special
391 district or an independent special district amending a final
392 adopted budget under s. 189.016(6) must include a budget
393 variance report based on the budget adopted under s. 189.016(4)
394 before the beginning of the fiscal year being reported.

395 4. The annual financial report of an independent special
396 district that imposes ad valorem taxes shall include the millage
397 rate or rates imposed by the district, the total amount of ad
398 valorem taxes collected by or on behalf of the district, and the
399 total amount of outstanding bonds issued by the district and the
400 terms of such bonds.

401 5. The annual financial report of an independent special
402 district that imposes non-ad valorem special assessments shall
403 include the rate or rates of such assessments imposed by the
404 district, the total amount of special assessments collected by
405 or on behalf of the district, and the total amount of
406 outstanding bonds issued by the district and the terms of such
407 bonds.

408 Section 11. Subsection (8) of section 489.537, Florida
409 Statutes, is amended to read:

410 489.537 Application of this part.—

411 (8) Persons licensed under this part are subject to ss.
412 205.0535(2) ~~205.0535(1)~~ and 205.065, as applicable.

413 Section 12. This act shall take effect July 1, 2024.

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T I T L E A M E N D M E N T

Remove everything before the enacting clause and insert:
A bill to be entitled
An act relating to local business taxes; amending s.
11.40, F.S.; conforming provisions to changes made by
the act; amending s. 11.45, F.S.; requiring the
Auditor General to contact certain local governments;
requiring such local government provide specified
evidence within a certain time period; requiring
notification to the Legislative Auditing Committee in
specified circumstances; amending s. 205.0315, F.S.;
authorizing specified entities to continue to levy a
certain tax; prohibiting the repeal or modification of
certain ordinances beginning a date certain; providing
an exception; amending ss. 205.033 and 205.043, F.S.;
revising the conditions imposed on taxing authorities
governing the levy of a specified tax; amending s.
205.0535, F.S.; providing definitions; prohibiting
reclassification of businesses subject to a specified
tax rate; prohibiting the revenue generated from a
certain tax from exceeding a specified value;
requiring specified actions be taken in event of a

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440 violation of such prohibition; providing
441 applicability; amending s. 205.0536, F.S.; conforming
442 provisions to changes made by the act; amending s.
443 205.046, F.S.; requiring a specified document be filed
444 with a certain audit; providing requirements for such
445 document; amending ss. 215.97, 218.32, and 489.537,
446 F.S.; conforming a cross-reference; providing an
447 effective date.