

CHAPTER 97-287

Senate Bill No. 1158

An act relating to taxation administration; amending ss. 20.04, 20.21, F.S., relating to the internal structure of the Department of Revenue; amending ss. 189.412, 195.087, 195.096, 195.097, 200.068, 200.0684, 213.015, 213.053, 213.2201, 409.2599, F.S., relating to powers and duties of the department; repealing s. 213.0451, F.S., relating to duties of division directors in the department; restoring those sections to the language and form in which they existed before their amendment by ss. 15-27, ch. 95-272, Laws of Florida; amending s. 220.03, F.S.; updating references to the Internal Revenue Code for corporate income tax purposes; providing for retroactive effect; amending s. 199.103, F.S.; including middle tier stock holding companies in provisions which provide for valuation of stocks or shares of certain savings associations for intangible personal property tax purposes; correcting a reference; providing effective dates.

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

Section 1. Subsection (3) of section 20.04, Florida Statutes, 1996 Supplement, is amended to read:

20.04 Structure of executive branch.—The executive branch of state government is structured as follows:

(3) For their internal structure, all departments, except for the Departments of Children and Family Services, Corrections, Revenue, and Transportation, must adhere to the following standard terms:

(a) The principal unit of the department is the “division.” Each division is headed by a “director.”

(b) The principal unit of the division is the “bureau.” Each bureau is headed by a “chief.”

(c) The principal unit of the bureau is the “section.” Each section is headed by an “administrator.”

(d) If further subdivision is necessary, sections may be divided into “subsections,” which are headed by “supervisors.”

Section 2. Section 20.21, Florida Statutes, is amended to read:

20.21 Department of Revenue.—There is created a Department of Revenue.

(1) The head of the Department of Revenue is the Governor and Cabinet.

~~(2) The following divisions are established within the Department of Revenue:~~

- (a) ~~Division of Administration.~~
- (b) ~~Division of Ad Valorem Tax.~~
- (c) ~~Division of Audits.~~
- (d) ~~Division of Collection and Enforcement.~~
- (e) ~~Division of Information Systems and Services.~~
- (f) ~~Division of Taxpayer Assistance.~~
- (g) ~~Division of Tax Processing.~~
- (h) ~~Division of Child Support Enforcement.~~

(2)(3)(a) The administrative responsibilities of the Department of Revenue ~~are Division of Administration shall be~~ to plan, organize, and control the administrative support services for the department. Administrative ~~The functions of this division shall include,~~ but are not limited to, finance and accounting, revenue accounting, personnel, and office services.

(b) The ad valorem tax responsibilities of the department ~~are Division of Ad Valorem Tax shall be~~ to carry out the relevant provisions of ad valorem tax law. Ad valorem tax ~~The functions of this division shall include,~~ but are not limited to, ad valorem administration, assessment standards and review, central property valuation, and field operations.

(c) The audit responsibilities of the department ~~are Division of Audits shall be~~ to plan, organize, administer, and control tax auditing activities. Audit ~~The functions of this division shall include,~~ but are not limited to, audit selection and standards development for those taxes collected by the department. The standards development function shall include development of standard audit criteria and provision of functional direction to field audit staff.

(d) The collection and enforcement responsibilities of the department ~~are to conduct Division of Collection and Enforcement shall include~~ tax collection and enforcement activities. Collection and enforcement ~~The functions of this division shall include,~~ but are not limited to, investigative services and central and field operations.

(e) The information systems and services responsibilities of the department ~~are to develop, maintain, and manage Division of Information Systems and Services shall include development, maintenance, and management of~~ all information systems for tax return processing and taxpayer registration activities. Information systems and services ~~The functions of this division shall include,~~ but are not limited to, automation of all information systems.

(f) The taxpayer assistance responsibilities of the department ~~are to render Division of Taxpayer Assistance shall include the rendering of advice to~~ department personnel and the public on tax matters. Taxpayer assistance ~~The functions of the division shall include,~~ but are not limited to, the preparation of departmental rules for all taxes, the rendition of opinions pursuant

to s. 213.22, and the provision of informal assistance to the public on tax matters.

(g) The tax processing responsibilities of the department ~~Division of Tax Processing~~ include, but are not limited to, receipts processing, tax returns processing, license registration, and taxpayer registration.

(h) The child support enforcement responsibilities of the department ~~Division of Child Support Enforcement~~ include the administration of the child support enforcement program established by Title IV-D of the Social Security Act, 42 U.S.C. ss. 651 et seq.

~~(4) The following offices are established within the Department of Revenue:~~

- ~~(a) Office of the Inspector General.~~
- ~~(b) Office of the General Counsel.~~
- ~~(c) Office of Tax Research.~~
- ~~(d) Office of Legislative and Cabinet Affairs.~~
- ~~(e) Office of Planning and Budgeting.~~

~~(3)(5)~~ The position of taxpayers' rights advocate is created within the Department of Revenue. The taxpayers' rights advocate shall be appointed by and report to the executive director of the department. The responsibilities of the taxpayers' rights advocate include, but are not limited to, the following:

(a) Facilitating the resolution of taxpayer complaints and problems which have not been resolved through normal administrative channels within the department, including any taxpayer complaints regarding unsatisfactory treatment of taxpayers by employees of the department.

(b) Issuing a stay action on behalf of a taxpayer who has suffered or is about to suffer irreparable loss as a result of action by the department.

~~(4)(6)~~ Necessary legal services, pursuant to chapter 16, including litigation shall be provided to the Department of Revenue by the Department of Legal Affairs, except for the establishment of paternity or support obligations, and the modification, enforcement, and collection of support obligations, for which legal services may be provided under a contract entered into by the Department of Revenue as the Title IV-D agency.

~~(5)(7)~~ Notwithstanding any other law, the department may process taxes, fines, or license or regulatory fees for the benefit of any other state agency. Such processing may be done only pursuant to a written agreement between the department and the agency requesting this service.

~~(6)(8)~~ Notwithstanding the provisions of s. 110.123, relating to the state group insurance program, the department may pay, or participate in the payment of, premiums for health, accident, and life insurance for its full-time out-of-state employees, pursuant to such rules as it may adopt, and

such payments shall be in addition to the regular salaries of such full-time out-of-state employees.

Section 3. Subsection (1) of section 189.412, Florida Statutes, 1996 Supplement, is amended to read:

189.412 Special District Information Program; duties and responsibilities.—The Special District Information Program of the Department of Community Affairs is created and has the following special duties:

(1) The collection and maintenance of special district compliance status reports from the Auditor General, the Department of Banking and Finance, the Division of Bond Finance of the State Board of Administration, the Division of Retirement, the ~~Division of Ad Valorem Tax~~ of the Department of Revenue, and the Commission on Ethics for the reporting required in ss. 11.45, 112.3144, 112.3145, 112.3148, 112.3149, 112.63, 200.068, 218.32, 218.34, and 218.38 and chapter 121 and from state agencies administering programs that distribute money to special districts. The special district compliance status reports must consist of a list of special districts used in that state agency and information indicating which special districts did not comply with the reporting statutorily required by that agency.

Section 4. Subsections (1) and (2) of section 195.087, Florida Statutes, as amended by section 18 of chapter 95-272, Laws of Florida, are amended to read:

195.087 Property appraisers and tax collectors to submit budgets to Department of Revenue.—

(1)(a) On or before June 1 of each year, every property appraiser, regardless of the form of county government, shall submit to the ~~Division of Ad Valorem Tax~~ of the Department of Revenue a budget for the operation of the property appraiser's office for the ensuing fiscal year beginning October 1. The property appraiser shall submit his or her budget in the manner and form required by the department. A copy of such budget shall be furnished at the same time to the board of county commissioners. The department division shall, upon proper notice to the county commission and property appraiser, review the budget request and may amend or change the budget request as it deems necessary, in order that the budget be neither inadequate nor excessive. On or before July 15, the department division shall notify the property appraiser and the board of county commissioners of its tentative budget amendments and changes. Prior to August 15, the property appraiser and the board of county commissioners may submit additional information or testimony to the department division respecting the budget. On or before August 15, the department division shall make its final budget amendments or changes to the budget and shall provide notice thereof to the property appraiser and board of county commissioners.

(b) The Governor and Cabinet, sitting as the Administration Commission, may hear appeals from the final action of the department Division of Ad Valorem Tax upon a written request being filed by the property appraiser or the presiding officer of the county commission no later than 15 days after the conclusion of the hearing held pursuant to s. 200.065(2)(d). The Administration Commission may amend the budget if it finds that any aspect of the

budget is unreasonable in light of the workload of the office of the property appraiser in the county under review. The budget request as approved by the department ~~division~~ and as amended by the commission shall become the operating budget of the property appraiser for the ensuing fiscal year beginning October 1, except that the budget so approved may subsequently be amended under the same procedure. After final approval, the property appraiser shall make no transfer of funds between accounts without the written approval of the department ~~division~~. However, all moneys received by property appraisers in complying with chapter 119 shall be accounted for in the same manner as provided for in s. 218.36, for moneys received as county fees and commissions, and any such moneys may be used and expended in the same manner and to the same extent as funds budgeted for the office and no budget amendment shall be required.

(2) On or before August 1 of each year, each tax collector, regardless of the form of county government, shall submit to the Department of Revenue a budget for the operation of the tax collector's office for the ensuing fiscal year, in the manner and form prescribed by the department of Revenue. A copy of such budget shall be furnished at the same time to the board of county commissioners. The department shall examine the budget and, if it is found adequate to carry on the work of the tax collector, shall approve the budget and certify it back to the tax collector. If the department finds the budget inadequate or excessive, it shall return such budget to the tax collector, together with its ruling thereon. The tax collector shall revise the budget as required and resubmit it to the department. After the final approval of the budget by the department, there shall be no reduction or increase by any officer, board, or commission without the approval of the department. However, all moneys received by tax collectors in complying with chapter 119 shall be accounted for in the same manner as provided for in s. 218.36, for moneys received as county fees and commissions, and any such moneys may be used and expended in the same manner and to the same extent as funds budgeted for the office and no budget amendment shall be required. This subsection does not apply in a county in which the office of tax collector has been abolished and the duties of that office have been transferred to another office pursuant to s. 1(d), Art. VIII of the State Constitution or in a county in which a resolution is in effect pursuant to s. 145.022 or in any charter county where the charter specifically provides for a different method for the submission of the tax collector's budget.

Section 5. Section 195.096, Florida Statutes, 1996 Supplement, is amended to read:

195.096 Review of assessment rolls.—

(1) The assessment rolls of each county shall be subject to review by the Department of Revenue ~~Division of Ad Valorem Tax~~.

(2) The department ~~Division of Ad Valorem Tax~~ shall conduct, no less frequently than once every 2 years, an in-depth review of the assessment rolls of each county. The department ~~Division of Ad Valorem Tax~~ need not individually study every use-class of property set forth in s. 195.073, but shall at a minimum study the level of assessment in relation to just value of each classification specified in subsection (3). Such in-depth review may

include proceedings of the value adjustment board and the audit or review of procedures used by the counties to appraise property.

(a) The department ~~Division of Ad Valorem Tax~~ shall, at least 30 days prior to the beginning of an in-depth review in any county, notify the property appraiser in the county of the pending review. At the request of the property appraiser, the department ~~Division of Ad Valorem Tax~~ shall consult with the property appraiser regarding the classifications and strata to be studied, in order that the review will be useful to the property appraiser in evaluating his or her procedures.

(b) Every property appraiser whose upcoming roll is subject to an in-depth review shall, if requested by the department on or before January 1, deliver upon completion of the assessment roll a list of the parcel numbers of all parcels that did not appear on the assessment roll of the previous year, indicating the parcel number of the parent parcel from which each new parcel was created or "cut out."

(c) In conducting assessment ratio studies, the department ~~Division of Ad Valorem Tax~~ must use a representative or statistically reliable sample of properties in tests of each classification, stratum, or roll made the subject of a ratio study published by it. For purposes of this section, the department ~~division~~ shall rely primarily on an assessment-to-sales-ratio study in conducting assessment ratio studies in those classifications of property specified in subsection (3) for which there are adequate market sales. The department shall compute the median and the value-weighted mean for each classification or subclassification studied and for the roll as a whole.

(d) In the conduct of these reviews, the department ~~Division of Ad Valorem Tax~~ shall adhere to all standards to which the property appraisers are required to adhere.

(e) The department ~~Division of Ad Valorem Tax~~ and each property appraiser shall cooperate in the conduct of these reviews, and each shall make available to the other all matters and records bearing on the preparation and computation of the reviews. The property appraisers shall provide any and all data requested by the department ~~Division of Ad Valorem Tax~~ in the conduct of the studies, including electronic data processing tapes. Any and all data and samples developed or obtained by the department ~~Division of Ad Valorem Tax~~ in the conduct of the studies shall be confidential and exempt from the provisions of s. 119.07(1) until a presentation of the findings of the study is made to the property appraiser. After the presentation of the findings, the department ~~Division of Ad Valorem Tax~~ shall provide any and all data requested by a property appraiser developed or obtained in the conduct of the studies, including tapes. Direct reimbursable costs of providing the data shall be borne by the party who requested it. Copies of existing data or records, whether maintained or required pursuant to law or rule, or data or records otherwise maintained, shall be submitted within 30 days from the date requested, in the case of written or printed information, and within 14 days from the date requested, in the case of computerized information.

(f) Within 120 days following the receipt of a county assessment roll by the executive director of the department pursuant to s. 193.1142(1), or within 10 days after approval of the assessment roll, whichever is later, the department ~~Division of Ad Valorem Tax~~ shall complete the review for that county and forward its findings, including a statement of the confidence interval for the median and such other measures as may be appropriate for each classification or subclassification studied and for the roll as a whole, employing a 95-percent level of confidence, and related statistical and analytical details to the Senate Finance, Taxation, and Claims Committee; the House Finance and Taxation Committee; and the appropriate property appraiser.

(3)(a) Upon completion of review pursuant to paragraph (2)(f), the department ~~Division of Ad Valorem Tax~~ shall publish the results of reviews conducted under this section. The results must include all statistical and analytical measures computed under this section for the real property assessment roll as a whole, the personal property assessment roll as a whole, and independently for the following real property classes whenever the classes constituted 5 percent or more of the total assessed value of real property in a county on the previous tax roll:

1. Residential property that consists of one primary living unit, including, but not limited to, single-family residences, condominiums, cooperatives, and mobile homes.
2. Residential property that consists of two or more primary living units.
3. Agricultural, high-water recharge, and other use-valued property.
4. Vacant lots.
5. Nonagricultural acreage and other undeveloped parcels.
6. Improved commercial and industrial property.
7. Taxable institutional or governmental, utility, locally assessed rail-road, oil, gas and mineral land, subsurface rights, and other real property.

When one of the above classes constituted less than 5 percent of the total assessed value of all real property in a county on the previous assessment roll, the department ~~division~~ may combine it with one or more other classes of real property for purposes of assessment ratio studies or use the weighted average of the other classes for purposes of calculating the level of assessment for all real property in a county. The department ~~division~~ shall also publish such results for any subclassifications of the classes or assessment rolls it may have chosen to study.

(b) When necessary for compliance with s. 236.081, and for those counties not being studied in the current year, the department ~~Division of Ad Valorem Tax~~ shall project value-weighted mean levels of assessment for each county. The department ~~Division of Ad Valorem Tax~~ shall make its projection based upon the best information available, utilizing professionally ac-

cepted methodology, and shall separately allocate changes in total assessed value to:

1. New construction, additions, and deletions.
2. Changes in the value of the dollar.
3. Changes in the market value of property other than those attributable to changes in the value of the dollar.
4. Changes in the level of assessment.

In lieu of the statistical and analytical measures published pursuant to paragraph (a), the department shall publish details concerning the computation of estimated assessment levels and the allocation of changes in assessed value for those counties not subject to an in-depth review.

(4) It is declared to be the legislative intent that approval of the rolls by the department pursuant to s. 193.1142 and certification by the value adjustment board pursuant to s. 193.122(1) shall not be deemed to impugn the use of postcertification reviews to require adjustments in the preparation of succeeding assessment rolls to ensure that such succeeding assessment rolls do meet the constitutional mandates of just value.

(5) It is the legislative intent that the ~~department~~ Division of Ad Valorem Tax utilize to the fullest extent practicable objective measures of market value in the conduct of reviews pursuant to this section.

(6) Reviews conducted under this section must include an evaluation of whether nonhomestead exempt values determined by the appraiser under applicable provisions of chapter 196 are correct and whether agricultural and high-water recharge classifications were granted in accordance with law.

(7) The Auditor General shall have the responsibility to perform performance audits of the administration of ad valorem tax laws by the department pursuant to the general authority granted in chapter 11. Such performance audits shall be conducted biennially following completion of reviews pursuant to this section. The performance audit conducted pursuant to this subsection shall be formally submitted to the Legislature no later than April 1, on a biennial basis, reporting on the activities of the ~~Division of~~ ad valorem tax program of the Department of Revenue related to the ad valorem tax rolls. The Auditor General shall include, for at least four counties so reviewed, findings as to the accuracy of assessment procedures, projections, and computations made by the division, utilizing the same generally accepted appraisal standards and procedures to which the division and the property appraisers are required to adhere. However, the report shall not include any findings or statistics related to any ad valorem tax roll which is in litigation between the state and county officials at the time the report is to be issued.

(8) When a roll is prepared as an interim roll pursuant to s. 193.1145, the department shall compute assessment levels for both the interim roll and the final approved roll.

(9) Chapter 120 shall not apply to this section.

Section 6. Subsections (1) and (4) of section 195.097, Florida Statutes, as amended by section 20 of chapter 95-272, Laws of Florida, are amended to read:

195.097 Postaudit notification of defects; supervision by the department.—

(1)(a) Upon evaluation of any reviews, studies, or findings of the Department of Revenue ~~Division of Ad Valorem Tax~~, the executive director of the department shall issue a notice to any property appraiser who the executive director has determined has one or more classes or other strata of property listed on the assessment rolls in a manner inconsistent with the requirements of law, or is otherwise not assessing in accordance with law. The executive director shall specify in his or her notice the classes or strata of property that have been improperly assessed on the prior year's roll, the nature of the defect or defects, and the requirements of the department to obtain approval of the current year's assessment roll. Such notice shall be provided to the property appraiser no later than November 15.

(b) Notwithstanding other provisions of this section, the executive director is not required to notice as a defect a class or stratum of property which, based upon the evaluation of any review, study, or finding of the department ~~Division of Ad Valorem Tax~~, indicates an assessment level of more than 100 percent of just value in any class or stratum of property on the prior year's tax roll.

(4) Upon the issuance of the administrative order, the department ~~Division of Ad Valorem Tax~~ shall commence continuing supervision of the preparation of the current rolls to ensure that every reasonable effort is being taken by the property appraiser to comply with the order. Supervision may include, but shall not be limited to, the conduct of ratio or other mass-data studies on the roll being prepared, onsite inspection of the property appraiser's office or field operations, and interviews with the property appraiser's personnel or consultants. The executive director may require the property appraiser to certify in writing the specific steps taken to comply with the administrative order. During such supervision, the executive director may seek any judicial remedy available to him or her under law to force compliance with the order, and may request removal of the property appraiser by the Governor when he or she deems such action necessary. No later than May 1, the executive director shall notify the property appraiser, in writing, as to whether he or she is in substantial compliance with the order. In the event that the executive director determines that the property appraiser is not in substantial compliance at that time, he or she shall send to the property appraiser and the governing body of each tax-levying agency in the county a notice of intent to disapprove the tax roll in whole or in part.

Section 7. Section 200.068, Florida Statutes, as amended by section 21 of chapter 95-272, Laws of Florida, is amended to read:

200.068 Certification of compliance with this chapter.—Not later than 30 days following adoption of an ordinance or resolution establishing a property

tax levy, each taxing authority shall certify compliance with the provisions of this chapter to the ~~Division of Ad Valorem Tax~~ of the Department of Revenue. In addition to a statement of compliance, such certification shall include a copy of the ordinance or resolution so adopted; a copy of the certification of value showing rolled-back millage and proposed millage rates, as provided to the property appraiser pursuant to s. 200.065(1) and (2)(b); and a certified copy of the advertisement, as published pursuant to s. 200.065(3). In certifying compliance, the governing body of the county shall also include a certified copy of the notice required under s. 194.037. However, if the value adjustment board completes its hearings after the deadline for certification under this section, the county shall submit such copy to the department not later than 30 days following completion of such hearings.

Section 8. Section 200.0684, Florida Statutes, as amended by section 22 of chapter 95-272, Laws of Florida, is amended to read:

200.0684 Annual compliance report for Department of Community Affairs.—An annual report indicating which special districts levying ad valorem taxes are certified and which special districts levying ad valorem taxes are not certified as being in compliance with this chapter as specified in s. 200.068 must be prepared by the ~~Division of Ad Valorem Tax~~ of the Department of Revenue and forwarded to the Special District Information Program of the Department of Community Affairs.

Section 9. Subsection (2) of section 213.015, Florida Statutes, 1996 Supplement, is amended to read:

213.015 Taxpayer rights.—There is created a Florida Taxpayer's Bill of Rights to guarantee that the rights, privacy, and property of Florida taxpayers are adequately safeguarded and protected during tax assessment, collection, and enforcement processes administered under the revenue laws of this state. The Taxpayer's Bill of Rights compiles, in one document, brief but comprehensive statements which explain, in simple, nontechnical terms, the rights and obligations of the Department of Revenue and taxpayers. The rights afforded taxpayers to assure that their privacy and property are safeguarded and protected during tax assessment and collection are available only insofar as they are implemented in other parts of the Florida Statutes or rules of the Department of Revenue. The rights so guaranteed Florida taxpayers in the Florida Statutes and the departmental rules are:

(2) The right to request assistance from a taxpayers' rights advocate of the department, who shall be responsible for facilitating the resolution of taxpayer complaints and problems not resolved through the normal administrative channels within the department, including any taxpayer complaints regarding unsatisfactory treatment by department employees. The taxpayers' rights advocate may issue a stay order if a taxpayer has suffered or is about to suffer irreparable loss as a result of an action by the department (see ss. 20.21(3) ~~20.21(5)~~ and 213.018).

Section 10. Subsection (15) of section 213.053, Florida Statutes, 1996 Supplement, is amended to read:

213.053 Confidentiality and information sharing.—

(15) The department may disclose location information limited to the names and addresses contained in returns, reports, accounts, or declarations filed with the department by persons subject to a tax enumerated in s. 213.05 to the ~~Division of child support enforcement program~~ to assist in the location of parents who owe or potentially owe a duty of support pursuant to Title IV-D of the Social Security Act. Additionally, the department may disclose asset information limited to the number of units, value, and description of all intangible personal property contained in returns, reports, accounts, or declarations filed with the department by persons subject to the tax imposed in chapter 199 to the ~~Division of child support enforcement program~~ to assist in the location of assets owned by parents who owe or potentially owe a duty of support pursuant to Title IV-D of the Social Security Act. Nothing in this subsection authorizes the disclosure of information if such disclosure is prohibited by federal law. Employees of the ~~Division of child support enforcement program~~ are bound by the same requirements of confidentiality and the same penalties for violation of the requirements as the department.

Section 11. Section 213.2201, Florida Statutes, as amended by section 25 of chapter 95-272, Laws of Florida, is amended to read:

213.2201 Publications by the department.—~~The department, through the Division of Administration,~~ may from time to time cause the laws under its jurisdiction, together with any rules and other publications, to be published in pamphlet form for free distribution in this state. The department may make charges for these technical and educational publications and mimeographed material of use for educational or reference purposes, except that charges may not be made for providing publications to any agency of the state. The charges shall be made at the discretion of the department ~~Division of Administration~~. The charges may be sufficient to cover the cost of research, preparation, printing, binding, publishing, and distribution. All moneys received for publications shall be deposited into the fund from which the cost of the publication was paid. The department may also enter into agreements with persons, firms, corporations, governmental agencies, and other institutions whereby publications may be exchanged reciprocally in lieu of payments for the publications.

Section 12. Section 409.2599, Florida Statutes, as amended by section 26 of chapter 95-272, Laws of Florida, is amended to read:

409.2599 Data processing services; interagency agreement.—The Department of Health and Rehabilitative Services shall provide to the ~~Division of child support enforcement program~~ in the Department of Revenue data processing services that meet the standards for federal certification pursuant to an interagency agreement.

Section 13. Section 213.0451, Florida Statutes, as created by section 27 of chapter 95-272, Laws of Florida, is repealed.

Section 14. Subsection (8) of section 199.103, Florida Statutes, is amended to read:

199.103 Basis of assessment; valuation.—All intangible personal property shall be subject to the annual tax at its just valuation as of January 1 of each year. Such property shall be valued in the following manner:

(8) Stocks or shares of a savings association or middle tier stock holding company, held by a parent mutual holding company, whose depositors are members of the mutual holding company, which converted from a mutual savings association to a mutual holding company pursuant to 12 U.S.C. s. 1467a.(o) ~~12 U.S.C. s. 1567(a)(e)~~, shall be valued as of January 1 each year on the same basis as ownership in the mutual savings association was valued for intangible tax purposes prior to the conversion. Stocks or shares of such a converted association which are held by individuals or entities other than the parent mutual holding company shall be valued pursuant to subsection (1) or subsection (4).

Section 15. Paragraph (n) of subsection (1) and paragraph (c) of subsection (2) of section 220.03, Florida Statutes, 1996 Supplement, are amended to read:

220.03 Definitions.—

(1) SPECIFIC TERMS.—When used in this code, and when not otherwise distinctly expressed or manifestly incompatible with the intent thereof, the following terms shall have the following meanings:

(n) “Internal Revenue Code” means the United States Internal Revenue Code of 1986, as amended and in effect on January 1, 1997 ~~1996~~, except as provided in subsection (3).

(2) DEFINITIONAL RULES.—When used in this code and neither otherwise distinctly expressed nor manifestly incompatible with the intent thereof:

(c) Any term used in this code shall have the same meaning as when used in a comparable context in the Internal Revenue Code and other statutes of the United States relating to federal income taxes, as such code and statutes are in effect on January 1, 1997 ~~1996~~. However, if subsection (3) is implemented, the meaning of any term shall be taken at the time the term is applied under this code.

Section 16. The amendments to section 220.03, Florida Statutes, 1996 Supplement, made by this act shall take effect upon this act becoming a law and shall operate retroactively to January 1, 1997.

Section 17. Except as otherwise provided in this act, this act shall take effect July 1, 1997, and if it becomes a law after July 1, 1997, it shall operate retroactively to that date.

Became a law without the Governor’s approval May 31, 1997.

Filed in Office Secretary of State May 30, 1997.