CHAPTER 2000-355

House Bill No. 2433

An act relating to taxation; creating s. 196.2002, F.S., providing an exemption for not-for-profit water and wastewater corporations; amending s. 95.091, F.S.; specifying the time period within which the Department of Revenue and Department of Business and Professional Regulation may determine and assess the amount of certain taxes, penalties, or interest due beginning July 1, 2002; correcting a reference; amending s. 106.265, F.S.; providing that the Florida Elections Commission, rather than the Department of Revenue, shall have responsibility for collecting civil penalties for violation of chapter 104 or chapter 106, F.S.; amending s. 120.80, F.S.; providing for the award of reasonable attorney's fees and costs of an appeal to a prevailing appellant on an appeal of an assessment imposed or refund denied under chapter 212, F.S., under specified circumstances; amending s. 166.231(1), F.S., to allow a municipality to levy tax on water service outside municipal boundaries if an agreement is reached by specific date; amending ss. 175.111 and 185.09, F.S.; removing a requirement that insurers subject to a premium tax for a municipal or special district firefighter pension plan or a municipal police pension plan file an annual premium receipt report with the Division of Retirement; amending s. 213.053, F.S.; authorizing the Department of Revenue to share information regarding such reports with the Department of Management Services, and to share certain identifying information with the Department of Highway Safety and Motor Vehicles; creating s. 189.420, F.S.; providing requirements with respect to special district assessments on facilities regulated under ch. 513, F.S.; amending s. 203.01, F.S.; authorizing the department to require quarterly, semiannual, or annual returns for the tax on gross receipts for utility services under certain conditions; amending ss. 206.09 and 206.095, F.S.; authorizing the department to suspend a requirement for certain reports from carriers transporting, or terminal operators handling, motor fuel and similar products, under certain conditions; amending s. 212.051, F.S.; including specialty chemicals and bioaugmentation products within the sales tax exemption for equipment and machinery used for pollution control in connection with the manufacture of items of tangible personal property for sale; providing definitions; amending s. 212.06, F.S.; clarifying language with respect to the exemption from the indexed tax on manufactured asphalt for asphalt used for government public works projects; specifying that the exemption includes federal projects; amending s. 212.08, F.S.; revising application of the exemption for portable containers used for processing farm products; providing conditions under which the full sales tax exemption for machinery and equipment used to produce electrical or steam energy will apply when both residual and nonresidual fuels are used; revising application of the sales tax exemption for repair and labor charges for certain industrial machinery and equipment; providing intent; providing an exemption for people-mover systems and parts thereof purchased or manufactured by certain contractors;

providing an exemption for the purchase of component parts by, and other manufacturing costs incurred by, certain contractors who manufacture and install such systems and parts; providing definitions; amending s. 212.11, F.S.; authorizing the department to allow a sales tax dealer to continue to use a filing frequency when the dealer exceeds the maximum tax for that frequency, under certain conditions; amending s. 212.12, F.S.; revising provisions which authorize the department to sample a dealer's records when such records are adequate but voluminous, in order to determine the dealer's tax liability; providing that overpayments and deficiencies shall be projected over the entire audit period, and the tax deficiency reduced or refund made as necessary; providing intent; amending s. 213.015, F.S.; specifying additional taxpayer rights with respect to treatment by department personnel and explanation of the reason for audit selection; amending s. 213.21, F.S.; providing conditions under which a taxpayer's liability may be compromised when the taxpayer establishes reasonable reliance on written advice issued by the department; providing application; repealing s. 213.235(6), F.S., which relates to application of the annual rate of interest applicable to tax payment deficiencies as determined under said section; amending s. 213.27, F.S.; authorizing the department to contract with public or private vendors to develop and implement a voluntary system for sales and use tax collection and administration; providing for compensation; requiring reports; providing for application of provisions of chapter 212, F.S., to system users; providing for maintenance of confidentiality of certain information; providing a penalty; amending s. 220.03, F.S.; updating references to the Internal Revenue Code for corporate income tax purposes; providing for retroactive effect; amending s. 220.62, F.S.; including savings association holding companies registered under the Homeowners' Loan Act within the definition of "savings association" for purposes of the franchise tax on banks and savings associations; providing that s. 1 of ch. 98-187, Laws of Florida, which amends s. 201.09, F.S., to provide liability for the excise tax on documents when a renewal note increases the unpaid balance or the original face amount of the original contract and obligation, applies retroactively to certain term obligations; directing the Division of Retirement to adjust a municipality's 1997 base year revenue for purposes of its own pension plan for firefighters or police officers based on specified information; authorizing the department to provide data to the division; providing that, for a specified period, persons classified under SIC Industry Group Number 212 who paid tax under ch. 212, F.S., on certain charges for steam or electrical energy entitled to exemption are entitled to a refund, and that such persons who did not pay the tax are not required to pay the tax, penalty, or interest; providing that failure to timely file a consolidated return for intangible personal property tax for any one or more years shall not prejudice a taxpayer's right to file a consolidated return under certain conditions; amending s. 210.20, F.S.; eliminating transfers of net cigarette tax collections to the Municipal Financial Assistance Trust Fund and Revenue Sharing Trust Fund for Municipalities; amending s. 212.20, F.S.; authorizing a distribution of proceeds under ch. 212, F.S., to the Revenue

Sharing Trust Fund for Municipalities; amending s. 288.1169, F.S.; revising a cross reference, to conform; amending s. 11.45, F.S.; revising a reference, to conform; repealing s. 200.132, F.S., relating to the Municipal Financial Assistance Trust Fund; providing effective dates.

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

Section 1. Section 196.2002, Florida Statutes, is created to read:

196.2002 Exemption for 501(c)(12) Not-for-Profit Water and Wastewater Systems.—Property of any not-for-profit water and wastewater corporation which holds a current exemption from federal income tax under section 501(c)(12) of the Internal Revenue Code, as amended, shall be exempt from ad valorem taxation if the sole or primary function of the corporation is to construct, maintain or operate a water and/or wastewater system in this state.

Section 2. Paragraph (a) of subsection (3) of section 95.091, Florida Statutes, is amended to read:

95.091 Limitation on actions to collect taxes.—

(3)(a) With the exception of taxes levied under chapter 198 and tax adjustments made pursuant to s. 220.23, the Department of Revenue may determine and assess the amount of any tax, penalty, or interest due under any tax enumerated in s. 72.011 which it has authority to administer and the Department of Business and Professional Regulation may determine and assess the amount of any tax, penalty, or interest due under any tax enumerated in s. 72.011 which it has authority to administer:

1.a. For taxes due before July 1, 1999, within 5 years after the date the tax is due, any return with respect to the tax is due, or such return is filed, whichever occurs later; and for taxes due on or after July 1, 1999, within 3 years after the date the tax is due, any return with respect to the tax is due, or such return is filed, whichever occurs later;

b. Effective July 1, 2002, notwithstanding sub-subparagraph a., within 3 years after the date the tax is due, any return with respect to the tax is due, or such return is filed, whichever occurs later;

2. For taxes due before July 1, 1999, within 6 years after the date the taxpayer either makes a substantial underpayment of tax, or files a substantially incorrect return;

3. At any time while the right to a refund or credit of the tax is available to the taxpayer;

4. For taxes due before July 1, 1999, at any time after the taxpayer has filed a grossly false return;

5. At any time after the taxpayer has failed to make any required payment of the tax, has failed to file a required return, or has filed a fraudulent

return, except that for taxes due on or after July 1, 1999, the limitation prescribed in subparagraph 1. ~~sub-subparagraph a.~~ applies if the taxpayer has disclosed in writing the tax liability to the department before the department has contacted the taxpayer; or

6. In any case in which there has been a refund of tax erroneously made for any reason:

a. For refunds made before July 1, 1999, within 5 years after making such refund; and

b. For refunds made on or after July 1, 1999, within 3 years after making such refund,

or at any time after making such refund if it appears that any part of the refund was induced by fraud or the misrepresentation of a material fact.

Section 3. Subsection (2) of section 106.265, Florida Statutes, is amended to read:

106.265 Civil penalties.—

(2) If any person, political committee, committee of continuous existence, or political party fails or refuses to pay to the commission any civil penalties assessed pursuant to the provisions of this section, the commission ~~Department of Revenue~~ shall be responsible for collecting the civil penalties resulting from such action.

Section 4. Paragraph (b) of subsection (14) of section 120.80, Florida Statutes, is amended to read:

120.80 Exceptions and special requirements; agencies.—

(14) DEPARTMENT OF REVENUE.—

(b) Taxpayer contest proceedings.—

1. In any administrative proceeding brought pursuant to this chapter as authorized by s. 72.011(1), the taxpayer shall be designated the "petitioner" and the Department of Revenue shall be designated the "respondent," except that for actions contesting an assessment or denial of refund under chapter 207, the Department of Highway Safety and Motor Vehicles shall be designated the "respondent," and for actions contesting an assessment or denial of refund under chapters 210, 550, 561, 562, 563, 564, and 565, the Department of Business and Professional Regulation shall be designated the "respondent."

2. In any such administrative proceeding, the applicable department's burden of proof, except as otherwise specifically provided by general law, shall be limited to a showing that an assessment has been made against the taxpayer and the factual and legal grounds upon which the applicable department made the assessment.

3.a. Prior to filing a petition under this chapter, the taxpayer shall pay to the applicable department the amount of taxes, penalties, and accrued interest assessed by that department which are not being contested by the taxpayer. Failure to pay the uncontested amount shall result in the dismissal of the action and imposition of an additional penalty of 25 percent of the amount taxed.

b. The requirements of s. 72.011(2) and (3)(a) are jurisdictional for any action under this chapter to contest an assessment or denial of refund by the Department of Revenue, the Department of Highway Safety and Motor Vehicles, or the Department of Business and Professional Regulation.

4. Except as provided in s. 220.719, further collection and enforcement of the contested amount of an assessment for nonpayment or underpayment of any tax, interest, or penalty shall be stayed beginning on the date a petition is filed. Upon entry of a final order, an agency may resume collection and enforcement action.

5. The prevailing party, in a proceeding under ss. 120.569 and 120.57 authorized by s. 72.011(1), may recover all legal costs incurred in such proceeding, including reasonable attorney's fees, if the losing party fails to raise a justiciable issue of law or fact in its petition or response.

6. Upon review pursuant to s. 120.68 of final agency action concerning an assessment of tax, penalty, or interest with respect to a tax imposed under chapter 212, or the denial of a refund of any tax imposed under chapter 212, if the court finds that the Department of Revenue improperly rejected or modified a conclusion of law, the court may award reasonable attorney's fees and reasonable costs of the appeal to the prevailing appellant.

Section 5. Subsection (1) of section 166.231, Florida Statutes, is amended, to read:

166.231 Municipalities; public service tax.—

(1)(a) A municipality may levy a tax on the purchase of electricity, metered natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, and water service. Except for those municipalities in which (c) applies, the tax shall be levied only upon purchases within the municipality and shall not exceed 10 percent of the payments received by the seller of the taxable item from the purchaser for the purchase of such service. Municipalities imposing a tax on the purchase of cable television service as of May 4, 1977, may continue to levy such tax to the extent necessary to meet all obligations to or for the benefit of holders of bonds or certificates which were issued prior to May 4, 1977. Purchase of electricity means the purchase of electric power by a person who will consume it within the municipality.

(b) The tax imposed by paragraph (a) shall not be applied against any fuel adjustment charge, and such charge shall be separately stated on each bill. The term "fuel adjustment charge" means all increases in the cost of

utility services to the ultimate consumer resulting from an increase in the cost of fuel to the utility subsequent to October 1, 1973.

(c) The tax in paragraph (a) on water service may be applied outside municipal boundaries to property included in a development of regional impact approved pursuant to s. 380.06, if agreed to in writing by the development of such property and the municipality prior to March 31, 2000, if a tax levied pursuant to the subsection is challenged, recovery, if any, shall be limited to monies paid into an escrow account of the clerk of the court subsequent to such challenge.

Section 6. Section 175.111, Florida Statutes, is amended to read:

175.111 Certified copy of ordinance or resolution filed; insurance companies' annual report of premiums; duplicate files; book of accounts.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter, whenever any municipality passes an ordinance or whenever any special fire control district passes a resolution establishing a chapter plan or local law plan assessing and imposing the taxes authorized in s. 175.101, a certified copy of such ordinance or resolution shall be deposited with the division. Thereafter every insurance company, association, corporation, or other insurer carrying on the business of property insurance on real or personal property, on or before the succeeding March 1 after date of the passage of the ordinance or resolution, shall report fully in writing and under oath to the division and the Department of Revenue a just and true account of all premiums by such insurer received for property insurance policies covering or insuring any real or personal property located within the corporate limits of each such municipality or special fire control district during the period of time elapsing between the date of the passage of the ordinance or resolution and the end of the calendar year. The report shall include the code designation as prescribed by the division for each piece of insured property, real or personal, located within the corporate limits of each municipality and within the legally defined boundaries of each special fire control district. The aforesaid insurer shall annually thereafter, on March 1, file with ~~the division and~~ the Department of Revenue a similar report covering the preceding year's premium receipts, and every such insurer at the same time of making such reports shall pay to the Department of Revenue the amount of the tax hereinbefore mentioned. Every insurer engaged in carrying on such insurance business in the state shall keep accurate books of accounts of all such business done by it within the corporate limits of each such municipality and within the legally defined boundaries of each such special fire control district, and in such manner as to be able to comply with the provisions of this chapter. Based on the insurers' reports of premium receipts, the division shall prepare a consolidated premium report and shall furnish to any municipality or special fire control district requesting the same a copy of the relevant section of that report.

Section 7. Section 185.09, Florida Statutes, is amended to read:

185.09 Report of premiums paid; date tax payable.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter, whenever any municipality passes an ordinance establishing a chapter

plan or local law plan and assessing and imposing the tax authorized in s. 185.08, a certified copy of such ordinance shall be deposited with the division; and thereafter every insurance company, corporation, or other insurer carrying on the business of casualty insuring, on or before the succeeding March 1 after date of the passage of the ordinance, shall report fully in writing to the division and the Department of Revenue a just and true account of all premiums received by such insurer for casualty insurance policies covering or insuring any property located within the corporate limits of such municipality during the period of time elapsing between the date of the passage of the ordinance and the end of the calendar year. The aforesaid insurer shall annually thereafter, on March 1, file with ~~the division and~~ the Department of Revenue a similar report covering the preceding year's premium receipts. Every such insurer shall, at the time of making such report, pay to the Department of Revenue the amount of the tax heretofore mentioned. Every insurer engaged in carrying on a general casualty insurance business in the state shall keep accurate books of account of all such business done by it within the limits of such incorporated municipality in such a manner as to be able to comply with the provisions of this chapter. Based on the insurers' reports of premium receipts, the division shall prepare a consolidated premium report and shall furnish to any municipality requesting the same a copy of the relevant section of that report.

Section 8. Paragraphs (r) and (s) are added to subsection (7) of section 213.053, Florida Statutes, to read:

213.053 Confidentiality and information sharing.—

(7) Notwithstanding any other provision of this section, the department may provide:

(r) Information relative to the returns required by ss. 175.111 and 185.09 to the Department of Management Services in the conduct of its official duties. The Department of Management Services is, in turn, authorized to disclose payment information to a governmental agency as necessary in the administration of chapters 175 and 185.

(s) Names, addresses, and federal employer identification numbers, or similar identifiers, to the Department of Highway Safety and Motor Vehicles for use in the conduct of its official duties.

Disclosure of information under this subsection shall be pursuant to a written agreement between the executive director and the agency. Such agencies, governmental or nongovernmental, shall be bound by the same requirements of confidentiality as the Department of Revenue. Breach of confidentiality is a misdemeanor of the first degree, punishable as provided by s. 775.082 or s. 775.083.

Section 9. Section 189.420, Florida Statutes, is created to read:

189.420 Assessments levied on facilities regulated under chapter 513.—When an independent or dependent special district levies an assessment on a facility regulated under chapter 513, the assessment shall not be based on

the assertion that the facility is comprised of residential units. Instead, facilities regulated under chapter 513 shall be assessed in the same manner as a hotel, motel, or other similar facility.

Section 10. Effective January 1, 2001, paragraph (g) is added to subsection (1) of section 203.01, Florida Statutes, to read:

203.01 Tax on gross receipts for utility services.—

(1)(a) Every person that receives payment for any utility service shall report by the last day of each month to the Department of Revenue, under oath of the secretary or some other officer of such person, the total amount of gross receipts derived from business done within this state, or between points within this state, for the preceding month and, at the same time, shall pay into the State Treasury an amount equal to a percentage of such gross receipts at the rate set forth in paragraph (b). Such collections shall be certified by the Comptroller upon the request of the State Board of Education.

(b) Beginning July 1, 1992, and thereafter, the rate shall be 2.5 percent.

(c) Any person who purchases, installs, rents, or leases a telephone system or telecommunication system for his or her own use to provide that person with telephone service or telecommunication service which is a substitute for any telephone company switched service or a substitute for any dedicated facility by which a telephone company provides a communication path shall register with the Department of Revenue and pay into the State Treasury a yearly amount equal to a percentage of the actual cost of operating such system at the rate set forth in paragraph (b). "Actual cost" includes, but is not limited to, depreciation, interest, maintenance, repair, and other expenses directly attributable to the operation of such system. For purposes of this paragraph, the depreciation expense to be included in actual cost shall be the depreciation expense claimed for federal income tax purposes. The total amount of any payment required by a lease or rental contract or agreement shall be included within the actual cost. The provisions of this paragraph do not apply to the use by any local telephone company or any telecommunication carrier of its own telephone system or telecommunication system to conduct a telecommunication service for hire or to the use of any radio system operated by any county or municipality or by the state or any political subdivision thereof. If a system described in this paragraph is located in more than one state, the actual cost of such system for purposes of this paragraph shall be the actual cost of the system's equipment located in Florida. The term "telecommunications carrier" specifically includes cellular telephone carriers and other radio common carriers.

(d) Electricity produced by cogeneration or by small power producers which is transmitted and distributed by a public utility between two locations of a customer of the utility pursuant to s. 366.051 is subject to the tax imposed by this section. The tax shall be applied to the cost price of such electricity as provided in s. 212.02(4) and shall be paid each month by the producer of such electricity.

(e) Electricity produced by cogeneration or by small power producers during the 12-month period ending June 30 of each year which is in excess of nontaxable electricity produced during the 12-month period ending June 30, 1990, is subject to the tax imposed by this section. The tax shall be applied to the cost price of such electricity as provided in s. 212.02(4) and shall be paid each month, beginning with the month in which total production exceeds the production of nontaxable electricity for the 12-month period ending June 30, 1990. For purposes of this paragraph, "nontaxable electricity" means electricity produced by cogeneration or by small power producers which is not subject to tax under paragraph (d). Taxes paid pursuant to paragraph (d) may be credited against taxes due under this paragraph. Electricity generated as part of an industrial manufacturing process which manufactures products from phosphate rock, raw wood fiber, paper, citrus or any agricultural product shall not be subject to the tax imposed by this paragraph. "Industrial manufacturing process" means the entire process conducted at the location where the process takes place.

(f) Any person other than a cogenerator or small power producer described in paragraph (e) who produces for his or her own use electrical energy which is a substitute for electrical energy produced by an electric utility as defined in s. 366.02 is subject to the tax imposed by this section. The tax shall be applied to the cost price of such electrical energy as provided in s. 212.02(4) and shall be paid each month. The provisions of this paragraph do not apply to any electrical energy produced and used by an electric utility.

(g) Notwithstanding any other provision of this chapter, with the exception of a telephone or telecommunication system described in paragraph (c), the department may require:

1. A quarterly return and payment when the tax remitted for the preceding four calendar quarters did not exceed $1,000;

2. A semiannual return and payment when the tax remitted for the preceding four calendar quarters did not exceed $500; or

3. An annual return and payment when the tax remitted for the preceding four calendar quarters did not exceed $100.

Section 11. Effective July 1, 2000, section 206.09, Florida Statutes, is amended to read:

206.09 Reports from carriers transporting motor fuel or similar products.—

(1) Every railroad company, pipeline company, water transportation company, private carrier, and common carrier transporting motor fuel, casinghead gasoline, natural gasoline, naphtha, or diesel fuel distillate, either in interstate or intrastate or foreign commerce, to points within Florida, and every person transporting motor fuel, casinghead gasoline, natural gasoline, naphtha, or diesel fuel distillate, by whatever manner, to a point in Florida from any point outside of said state, shall file monthly returns setting forth:

(a) The name under which such person is transacting business within the state.

(b) The location with street number address of such person's principal office or place of business within the state.

(c) The name, federal employer identification number or, if such number is not available, the social security number, and business address of the owner or the names and addresses of the partners, if such person is a partnership, or the principal officers, if such person is a corporation or association.

(2) Such person or company shall report under oath to the department on forms prescribed by the department all deliveries of motor fuel, casinghead gasoline, natural gasoline, naphtha, or diesel fuel distillate so made to points within the state.

(3) Such reports shall cover monthly periods and be submitted within 20 days after the close of the month covered by the report and shall show:

(a) The name, federal employer identification number or, if such number is not available, the social security number, and complete business address of the person to whom the deliveries of motor fuel, casinghead gasoline, natural gasoline, naphtha, or diesel fuel distillate have actually and in fact been made;

(b) The name, federal employer identification number or, if such number is not available, the social security number, and complete business address of the originally named consignee, if motor fuel, casinghead gasoline, natural gasoline, naphtha, or diesel fuel distillate has been delivered to any person other than the originally named consignee;

(c) The municipality and state of origin, the municipality, county, and state of delivery, the date of delivery, and the number and initials of each tank car and the number of gallons contained therein, if shipped by rail;

(d) The name of the boat, barge, or vessel and the number of gallons contained therein, if shipped by water;

(e) The company unit number of each tank truck and the number of gallons contained therein, if transported by motor truck;

(f) If delivered by other means, the manner in which such delivery is made; and

(g) Such other additional information relative to shipments of motor fuel as the department may require.

(4) The department is authorized to suspend the reporting requirements of this section if substantially the same data is filed with the Internal Revenue Service and provided to the department through a national information reporting system.

(5)~~(4)~~ If any such person or company required to file under this section fails to make a complete report, the department shall impose, in addition to any other penalty or interest due, a penalty in the amount of $200.

Section 12. Effective July 1, 2000, section 206.095, Florida Statutes, is amended to read:

206.095 Reports from terminal operators.—

(1) Every terminal operator who stores, handles, or transfers motor fuel, casinghead gasoline, natural gasoline, naphtha, diesel fuel, kerosene, or other middle distillates shall file a report on forms prescribed by the department. The report shall be filed on a monthly basis within 20 days after the close of the month covered by the report and shall show:

(a) The name, address, and license number of the terminal supplier, importer, or exporter storing or transferring such product.

(b) The name of the boat, barge, or vessel transporting the product to the terminal.

(c) The number of gallons and type of product which is being stored.

(d) Such other additional information relative to shipments and storage of products as the department may require.

(2) The department is authorized to suspend the reporting requirements of this section if substantially the same data is filed with the Internal Revenue Service and provided to the department through a national information reporting system.

(3)~~(2)~~ If any terminal operator fails to make a complete report, the department shall impose, in addition to any other penalty and interest due, a penalty in the amount of $100.

Section 13. Effective July 1, 2000, section 212.051, Florida Statutes, is amended to read:

212.051 Equipment, ~~or~~ machinery, and other materials for pollution control; not subject to sales or use tax.—

(1) Notwithstanding any provision to the contrary, sales, use, or privilege taxes shall not be collected with respect to any facility, device, fixture, equipment, ~~or~~ machinery, specialty chemical, or bioaugmentation product used primarily for the control or abatement of pollution or contaminants in manufacturing, processing, compounding, or producing for sale items of tangible personal property at a fixed location, or any structure, machinery, or equipment installed in the reconstruction or replacement of such facility, device, fixture, equipment, or machinery. To qualify, such facility, device, fixture, equipment, ~~or~~ structure, specialty chemical, or bioaugmentation product must be used, installed, or constructed to meet a law implemented by, or a condition of a permit issued by, the Department of Environmental Protection; however, such exemption shall not be allowed unless the purchaser signs a certificate stating that the facility, device, fixture, equipment,

~~or~~ structure, specialty chemical, or bioaugmentation product to be exempted is required to meet such law or condition.

(2) Equipment, machinery, or materials required to meet any law implemented by, or any condition of a permit issued by, the Department of Environmental Protection that are purchased for the monitoring, prevention, abatement, or control of pollution or contaminants at privately owned or operated landfills or construction and demolition debris disposal facilities shall be exempt from taxation as otherwise imposed by this chapter; however, such exemption shall not be allowed unless the purchaser signs a certificate stating that the equipment, machinery, or materials to be exempted are required to meet such law or condition. This exemption does not include solid waste collection vehicles, compactors, graders, or other earth-moving equipment.

(3) For the purposes of this section, "specialty chemicals" means those chemicals used to enhance or further treat wastewater, including, but not limited to, defoamers, nutrients, and polymers, and "bioaugmentation products" means the microorganisms used in waste treatment plants to break down solids and consume organic matter.

Section 14. (1) Paragraph (c) of subsection (1) of section 212.06, Florida Statutes, is amended to read:

212.06 Sales, storage, use tax; collectible from dealers; "dealer" defined; dealers to collect from purchasers; legislative intent as to scope of tax.—

(1)

(c)1. Notwithstanding the provisions of paragraph (b), the use tax on asphalt manufactured for one's own use shall be calculated with respect to paragraph (b) only upon the cost of materials which become a component part or which are an ingredient of the finished asphalt and upon the cost of the transportation of such components and ingredients. In addition, an indexed tax of 38 cents per ton of such manufactured asphalt shall be due at the same time and in the same manner as taxes due pursuant to paragraph (b). Beginning July 1, 1989, the indexed tax shall be adjusted each July 1 to an amount, rounded to the nearest cent, equal to the product of 38 cents multiplied by a fraction, the numerator of which is the annual average of the "materials and components for construction" series of the producer price index, as calculated and published by the United States Department of Labor, Bureau of Statistics, for the previous calendar year, and the denominator of which is the annual average of said series for calendar year 1988.

2. Beginning July 1, 1999, the indexed tax imposed by this paragraph on ~~shall not apply to~~ manufactured asphalt which is used for any federal, state, or local government public works project shall be reduced by 20 percent. ~~Beginning July 1, 1999, 20 percent of such amount is exempt.~~

(2) It is the intent of the Legislature that the amendment to s. 212.06(1)(c), Florida Statutes, by this section is remedial in nature and merely clarifies existing law.

Section 15. (1) Effective July 1, 2000, paragraphs (a) and (c) of subsection (5) and paragraph (eee) of subsection (7) of section 212.08, Florida Statutes, are amended, and paragraph (ggg) is added to subsection (7) of said section, to read:

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

(5) EXEMPTIONS; ACCOUNT OF USE.—

(a) Items in agricultural use and certain nets.—There are exempt from the tax imposed by this chapter nets designed and used exclusively by commercial fisheries; disinfectants, fertilizers, insecticides, pesticides, herbicides, fungicides, and weed killers used for application on crops or groves, including commercial nurseries and home vegetable gardens, used in dairy barns or on poultry farms for the purpose of protecting poultry or livestock, or used directly on poultry or livestock; portable containers or moveable receptacles in which portable containers are placed, used for processing farm products; field and garden seeds, including flower seeds; nursery stock, seedlings, cuttings, or other propagative material purchased for growing stock; seeds, seedlings, cuttings, and plants used to produce food for human consumption; cloth, plastic, and other similar materials used for shade, mulch, or protection from frost or insects on a farm; generators used on poultry farms; and liquefied petroleum gas or other fuel used to heat a structure in which started pullets or broilers are raised; however, such exemption shall not be allowed unless the purchaser or lessee signs a certificate stating that the item to be exempted is for the exclusive use designated herein. Also exempt are cellophane wrappers, glue for tin and glass (apiarists), mailing cases for honey, shipping cases, window cartons, and baling wire and twine used for baling hay, when used by a farmer to contain, produce, or process an agricultural commodity.

(c) Machinery and equipment used in production of electrical or steam energy.—

1. The purchase of machinery and equipment for use at a fixed location which machinery and equipment are necessary in the production of electrical or steam energy resulting from the burning of boiler fuels other than residual oil is exempt from the tax imposed by this chapter. Such electrical or steam energy must be primarily for use in manufacturing, processing, compounding, or producing for sale items of tangible personal property in this state. Use of a de minimis amount of residual fuel to facilitate the burning of nonresidual fuel shall not reduce the exemption otherwise available under this paragraph.

2. In facilities where machinery and equipment are necessary to burn both residual and nonresidual fuels, the exemption shall be prorated. Such proration shall be based upon the production of electrical or steam energy from nonresidual fuels as a percentage of electrical or steam energy from all fuels. If it is determined that 15 percent or less of all electrical or steam

energy generated was produced by burning residual fuel, the full exemption shall apply. Purchasers claiming a partial exemption shall obtain such exemption by refund of taxes paid, or as otherwise provided in the department's rules.

3. The department may adopt rules that provide for implementation of this exemption. Purchasers of machinery and equipment qualifying for the exemption provided in this paragraph shall furnish the department with an affidavit stating that the item or items to be exempted are for the use designated herein. Any person furnishing a false affidavit to the vendor for the purpose of evading payment of any tax imposed under this chapter shall be subject to the penalty set forth in s. 212.085 and as otherwise provided by law. Purchasers with self-accrual authority shall maintain all documentation necessary to prove the exempt status of purchases.

(7) MISCELLANEOUS EXEMPTIONS.—

(eee) Certain repair and labor charges.—

1. Subject to the provisions of subparagraphs 2. and 3., there is exempt from the tax imposed by this chapter all labor charges for the repair of, and parts and materials used in the repair of and incorporated into, industrial machinery and equipment which is used for the manufacture, processing, compounding, ~~or~~ production, or preparation for shipping of items of tangible personal property at a fixed location within this state.

2. This exemption applies only to industries classified under SIC Industry Major Group Numbers 10, 12, 13, 14, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, and 39 and Industry Group Number 212. As used in this subparagraph, "SIC" means those classifications contained in the Standard Industrial Classification Manual, 1987, as published by the Office of Management and Budget, Executive Office of the President.

3. This exemption shall be applied as follows:

a. Beginning July 1, 1999, 25 percent of such charges for repair parts and labor shall be exempt.

b. Beginning July 1, 2000, 50 percent of such charges for repair parts and labor shall be exempt.

c. Beginning July 1, 2001, 75 percent of such charges for repair parts and labor shall be exempt.

d. Beginning July 1, 2002, 100 percent of such charges for repair parts and labor shall be exempt.

(ggg) People-mover systems.—People-mover systems, and parts thereof, which are purchased or manufactured by contractors employed either directly by or as agents for the United States Government, the state, a county, a municipality, a political subdivision of the state, or the public operator of a public-use airport as defined by s. 332.004(14) are exempt from the tax imposed by this chapter when the systems or parts go into or become part

of publicly owned facilities. In the case of contractors who manufacture and install such systems and parts, this exemption extends to the purchase of component parts and all other manufacturing and fabrication costs. The department may provide a form to be used by contractors to provide to suppliers of people-mover systems or parts to certify the contractors' eligibility for the exemption provided under this paragraph. As used in this paragraph, "people-mover systems" includes wheeled passenger vehicles and related control and power distribution systems that are part of a transportation system for use by the general public, regardless of whether such vehicles are operator-controlled or driverless, self-propelled or propelled by external power and control systems, or conducted on roads, rails, guidebeams, or other permanent structures that are an integral part of such transportation system. "Related control and power distribution systems" includes any electrical or electronic control or signaling equipment, but does not include the embedded wiring, conduits, or cabling used to transmit electrical or electronic signals among such control equipment, power distribution equipment, signaling equipment, and wheeled vehicles.

Exemptions provided to any entity by this subsection shall not inure to any transaction otherwise taxable under this chapter when payment is made by a representative or employee of such entity by any means, including, but not limited to, cash, check, or credit card even when that representative or employee is subsequently reimbursed by such entity.

(2) The amendment to s. 212.08(7)(eee)2., Florida Statutes, by this section is remedial in nature and shall have the same force and effect as if SIC Industry Major Group Number 35 had been included from July 1, 1999.

Section 16. Effective July 1, 2000, paragraph (c) of subsection (1) of section 212.11, Florida Statutes, is amended to read:

212.11 Tax returns and regulations.—

(1)

(c) However, the department may require:

1. A quarterly return and payment when the tax remitted by the dealer for the preceding four calendar quarters did not exceed $1,000.

2. A semiannual return and payment when the tax remitted by the dealer for the preceding four calendar quarters did not exceed $500.

3. An annual return and payment when the tax remitted by the dealer for the preceding four calendar quarters did not exceed $100.

4. A quarterly return and monthly payment when the tax remitted by the dealer for the preceding four calendar quarters exceeded $1,000 but did not exceed $12,000.

The department is authorized to allow a dealer filing returns and paying tax under subparagraph 1., subparagraph 2., subparagraph 3., or subparagraph 4. to continue to use the same filing frequency, even though the dealer has

paid tax in a filing period that is greater than the maximum amount allowed for such period. The dealer must submit a written request to the department to be continued on the same filing frequency, and such request must be based on an explanation that the tax amount submitted represents nonrecurring business activity.

Section 17. (1) Paragraph (c) of subsection (6) of section 212.12, Florida Statutes, is amended to read:

212.12 Dealer's credit for collecting tax; penalties for noncompliance; powers of Department of Revenue in dealing with delinquents; brackets applicable to taxable transactions; records required.—

(6)

(c)1. If the records of a dealer are adequate but voluminous in nature and substance, the department may ~~statistically~~ sample such records, except for fixed assets, and project the audit findings derived therefrom over the entire audit period to determine the proportion that taxable retail sales bear to total retail sales or the proportion that taxable purchases bear to total purchases. In order to conduct such a sample, the department must first make a good faith effort to reach an agreement with the dealer, which agreement provides for the means and methods to be used in the sampling process. In the event that no agreement is reached, the dealer is entitled to a review by the executive director.

2. For the purposes of sampling pursuant to subparagraph 1., the department shall project any deficiencies and overpayments derived therefrom over the entire audit period. In determining the dealer's compliance, the department shall reduce any tax deficiency as derived from the sample by the amount of any overpayment derived from the sample. In the event the department determines from the sample results that the dealer has a net tax overpayment, the department shall provide the findings of this overpayment to the Comptroller for repayment of funds paid into the State Treasury through error pursuant to s. 215.26.

(2) It is the intent of the Legislature that this section clarify rather than change existing law. Further, this section shall apply to all tax periods that are still open for assessment or refund when this section takes effect, including tax periods that are the subject of assessment or refund claims that are pending in administrative or judicial proceedings when this section takes effect.

Section 18. Effective July 1, 2000, subsections (3) and (5) of section 213.015, Florida Statutes, are 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:

(3) The right to be represented or advised by counsel or other qualified representatives at any time in administrative interactions with the department, the right to procedural safeguards with respect to recording of interviews during tax determination or collection processes conducted by the department, the right to be treated in a professional manner by department personnel, and the right to have audits, inspections of records, and interviews conducted at a reasonable time and place except in criminal and internal investigations (see ss. 198.06, 199.218, 201.11(1), 203.02, 206.14, 211.125(3), 211.33(3), 212.0305(3), 212.12(5)(a), (6)(a), and (13), 212.13(5), 213.05, 213.21(1)(a) and (c), and 213.34).

(5) The right to obtain simple, nontechnical statements which explain the reason for audit selection and the procedures, remedies, and rights available during audit, appeals, and collection proceedings, including, but not limited to, the rights pursuant to this Taxpayer's Bill of Rights and the right to be provided with a narrative description which explains the basis of audit changes, proposed assessments, assessments, and denials of refunds; identifies any amount of tax, interest, or penalty due; and states the consequences of the taxpayer's failure to comply with the notice.

Section 19. (1) Effective July 1, 2000, subsections (2) and (3) of section 213.21, Florida Statutes, are amended to read:

213.21 Informal conferences; compromises.—

(2)(a) The executive director of the department or his or her designee is authorized to enter into closing agreements with any taxpayer settling or compromising the taxpayer's liability for any tax, interest, or penalty assessed under any of the chapters specified in s. 72.011(1). Such agreements shall be in writing when the amount of tax, penalty, or interest compromised exceeds $30,000 or for lesser amounts when the department deems it appropriate or when requested by the taxpayer. When a written closing agreement has been approved by the department and signed by the executive director or his or her designee and the taxpayer, it shall be final and conclusive; and, except upon a showing of fraud or misrepresentation of material fact or except as to adjustments pursuant to ss. 198.16 and 220.23, no additional assessment may be made by the department against the taxpayer for the tax, interest, or penalty specified in the closing agreement for the time period specified in the closing agreement, and the taxpayer shall not be entitled to institute any judicial or administrative proceeding to recover any tax, interest, or penalty paid pursuant to the closing agreement. The department is authorized to delegate to the executive director the authority to approve any such closing agreement resulting in a tax reduction of $250,000 or less.

(b) Notwithstanding the provisions of paragraph (a), for the purpose of facilitating the settlement and distribution of an estate held by a personal

representative, the executive director of the department may, on behalf of the state, agree upon the amount of taxes at any time due or to become due from such personal representative under the provisions of chapter 198; and payment in accordance with such agreement shall be full satisfaction of the taxes to which the agreement relates.

(c) Notwithstanding paragraph (a), for the purpose of compromising the liability of any taxpayer for tax or interest on the grounds of doubt as to liability based on the taxpayer's reasonable reliance on a written determination issued by the department as described in paragraph (3)(b), the department may compromise the amount of such tax or interest liability resulting from such reasonable reliance.

(3)(a) A taxpayer's liability for any tax or interest specified in s. 72.011(1) may be compromised by the department upon the grounds of doubt as to liability for or collectibility of such tax or interest. A taxpayer's liability for penalties under any of the chapters specified in s. 72.011(1) may be settled or compromised if it is determined by the department that the noncompliance is due to reasonable cause and not to willful negligence, willful neglect, or fraud. A taxpayer who establishes reasonable reliance on the written advice issued by the department to the taxpayer will be deemed to have shown reasonable cause for the noncompliance. In addition, a taxpayer's liability for penalties under any of the chapters specified in s. 72.011(1) in excess of 25 percent of the tax shall be settled or compromised if the department determines that the noncompliance is due to reasonable cause and not to willful negligence, willful neglect, or fraud. The department shall maintain records of all compromises, and the records shall state the basis for the compromise. The records of compromise under this paragraph shall not be subject to disclosure pursuant to s. 119.07(1) and shall be considered confidential information governed by the provisions of s. 213.053.

(b) Doubt as to liability of a taxpayer for tax and interest exists if the taxpayer demonstrates that he or she reasonably relied on a written determination of the department in any of the following circumstances:

1. The audit workpapers clearly show that the same issue was considered in a prior audit of the taxpayer conducted by or on behalf of the department and, after consideration of the issue, the department's auditor determined that no assessment was appropriate in regard to that issue.

2. The same issue was raised in a prior audit of the taxpayer and during the informal protest of the proposed assessment the department issued a notice of decision withdrawing the issue from the assessment.

3. The taxpayer received a technical assistance advisement pursuant to s. 213.22 in regard to the issue.

The circumstances listed in this paragraph are not intended to be the only circumstances in which doubt as to liability exists. Nothing contained in this section shall interfere with the state's ability to structure a remedy to cure a judicially determined constitutional defect in a tax law.

(c) A taxpayer shall not be deemed to have reasonably relied on a written determination of the department under any of the following circumstances:

1. The taxpayer misrepresented material facts or did not fully disclose material facts at the time the written determination was issued.

2. The specific facts and circumstances have changed in such a material manner that the written determination no longer applies.

3. The statutes or regulations on which the determination was based have been materially revised or a published judicial opinion constituting precedent in the taxpayer's jurisdiction has overruled the department's determination on the issue.

4. The department has informed the taxpayer in writing that its previous written determination has been revised and should no longer be relied upon.

(d)~~(b)~~ A taxpayer's liability for the service fee required by s. 215.34(2) may be settled or compromised if it is determined that the dishonored check, draft, or order was returned due to an error committed by the issuing financial institution, and the error is substantiated by the department. The department shall maintain records of all compromises, and the records shall state the basis for the compromise.

(2) The amendments to s. 213.21(2) and (3), Florida Statutes, by this section shall apply only to notices of intent to conduct an audit issued on or after October 1, 2000.

Section 20. Subsection (6) of section 213.235, Florida Statutes, is repealed.

Section 21. Subsection (9) is added to section 213.27, Florida Statutes, to read:

213.27 Contracts with debt collection agencies and certain vendors.—

(9)(a) The department may enter into contracts with public or private vendors to develop and implement a voluntary system for sales and use tax collection and administration. The amount of compensation paid to vendors shall be established by the executive director of the department and shall be based upon a percentage of the sales and use tax collections made through the system or on a per transaction basis; however, if the amount of compensation is based upon a percentage of the sales and use tax collections made through the system, the percentage shall not exceed the negotiated percentage provided in s. 212.12(1). The department shall provide quarterly reports to the Speaker of the House of Representatives, Minority Leader of the House of Representatives, President of the Senate, and Minority Leader of the Senate on the amount of compensation paid pursuant to these contracts. The system shall have the capability to determine the taxability of a transaction, the appropriate tax rate to be applied to a taxable transaction, and the total tax due on a transaction, and shall provide a method for remitting the tax to the department. The department shall be responsible for testing and certifying the accuracy of the system.

(b) A seller of goods or services subject to sales and use tax who utilizes the system for purposes of computation and remittance of sales and use tax shall not be subject to the reporting and remittance requirements of ss. 212.11 and 212.15(1) for those transactions handled through the system and shall not be entitled to the credit provided in s. 212.12(1). A seller of goods or services subject to sales and use tax who utilizes the system for purposes of computation and remittance of sales and use tax shall not be subject to audit for those transactions handled through the system, unless there are indicia that fraud has been committed by the seller.

(c) Disclosure of information necessary under this subsection shall be pursuant to a written agreement between the executive director of the department and the vendor. The vendor shall be bound by the same requirements of confidentiality as the department. Breach of confidentiality is a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

(d) On or before January 1 annually, the department shall provide recommendations to the Speaker of the House of Representatives, Minority Leader of the House of Representatives, President of the Senate, and Minority Leader of the Senate for provisions to be adopted for inclusion within the system that will make sales and use tax collection and administration simplified and uniform.

Section 22. (1) Paragraph (n) of subsection (1) and paragraph (c) of subsection (2) of section 220.03, Florida Statutes, 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, 2000 ~~1999~~, 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, 2000 ~~1999~~. However, if subsection (3) is implemented, the meaning of any term shall be taken at the time the term is applied under this code.

(2) This section shall operate retroactively to January 1, 2000.

Section 23. Subsection (2) of section 220.62, Florida Statutes, is amended to read:

220.62 Definitions.—For purposes of this part:

(2) The term "savings association" means a savings association holding company registered under the Homeowners' Loan Act (HOLA) of 1933, 12 U.S.C. 1467a, as amended, or any savings association, building and loan association, savings and loan association, or mutual savings bank not having capital stock, whether subject to the laws of this or any other jurisdiction.

Section 24. Section 1 of chapter 98-187, Laws of Florida, applies retroactively to the renewal of any promissory note evidencing a term obligation executed on or after January 1, 1990, for which the tax under s. 201.09, Florida Statutes, has not been paid and which was the subject of a pending protest that was initiated prior to January 1, 1998.

Section 25. For purposes of future calculations only, the base year revenue received by a municipality for the calendar year 1997, as provided for in ss. 175.351(1) and 185.35(1), Florida Statutes, respectively, shall be adjusted by the Division of Retirement based on all original 1997 insurance returns as adjusted by all amended 1997 insurance returns received by the Department of Revenue no later than February 28, 2001. The Department of Revenue is authorized to provide, and shall provide, the return data for the excise taxes under chapters 175 and 185, Florida Statutes, to the Division of Retirement. It is the intent of the Legislature that this section shall not impact any judicial proceeding pending on or before March 31, 2000.

Section 26. For the period July 1, 1998, through June 30, 1999, every person who was classified under SIC Industry Group Number 212 and who paid the tax imposed under chapter 212, Florida Statutes, on charges for steam or electrical energy which was used in the manner described in s. 212.08(7)(ii), Florida Statutes, shall be entitled to receive a refund of said taxes pursuant to ss. 213.255 and 215.26, Florida Statutes. For the period July 1, 1998, through June 30, 1999, every person who was classified under SIC Industry Group Number 212 and who did not pay the tax imposed under chapter 212, Florida Statutes, on charges for steam or electrical energy which was used in the manner described in s. 212.08(7)(ii), Florida Statutes, shall not be required to pay the tax, penalty, or interest on those charges. As used in this section, "SIC" means those classifications contained in the Standard Industrial Classification Manual, 1987, as published by the Office of Management and Budget, Executive Office of the President.

Section 27. Notwithstanding the provisions of s. 199.052(10), Florida Statutes, failure to timely file a consolidated return for any one or more years shall not prejudice the taxpayer's right to file a consolidated return if the consolidated return is filed prior to July 31, 2000, and the affiliated group of corporations of which the taxpayer is a member has previously filed consolidated returns for corporate income tax purposes under s. 220.131, Florida Statutes.

Section 28. Effective July 1, 2000, paragraph (a) of subsection (2) of section 210.20, Florida Statutes, is amended to read:

210.20 Employees and assistants; distribution of funds.—

(2) As collections are received by the division from such cigarette taxes, it shall pay the same into a trust fund in the State Treasury designated "Cigarette Tax Collection Trust Fund" which shall be paid and distributed as follows:

(a) The division shall from month to month certify to the Comptroller the amount derived from the cigarette tax imposed by s. 210.02, less the service charges provided for in s. 215.20 and less 0.9 percent of the amount derived from the cigarette tax imposed by s. 210.02, which shall be deposited into the Alcoholic Beverage and Tobacco Trust Fund, specifying the amounts to be transferred from the Cigarette Tax Collection Trust Fund and credited on the basis of ~~5.8 percent of the net collections to the Municipal Financial Assistance Trust Fund, 32.4 percent of the net collections to the Revenue Sharing Trust Fund for Municipalities,~~ 2.9 percent of the net collections to the Revenue Sharing Trust Fund for Counties~~,~~ and 29.3 percent of the net collections for the funding of indigent health care to the Public Medical Assistance Trust Fund.

Section 29. Effective July 1, 2000, paragraph (f) of subsection (6) of section 212.20, Florida Statutes, is amended to read:

212.20 Funds collected, disposition; additional powers of department; operational expense; refund of taxes adjudicated unconstitutionally collected.—

(6) Distribution of all proceeds under this chapter shall be as follows:

(f) The proceeds of all other taxes and fees imposed pursuant to this chapter shall be distributed as follows:

1. In any fiscal year, the greater of $500 million, minus an amount equal to 4.6 percent of the proceeds of the taxes collected pursuant to chapter 201, or 5 percent of all other taxes and fees imposed pursuant to this chapter shall be deposited in monthly installments into the General Revenue Fund.

2. Two-tenths of one percent shall be transferred to the Solid Waste Management Trust Fund.

3. After the distribution under subparagraphs 1. and 2., 9.653 percent of the amount remitted by a sales tax dealer located within a participating county pursuant to s. 218.61 shall be transferred into the Local Government Half-cent Sales Tax Clearing Trust Fund.

4. After the distribution under subparagraphs 1., 2., and 3., 0.054 percent shall be transferred to the Local Government Half-cent Sales Tax Clearing Trust Fund and distributed pursuant to s. 218.65.

5. For proceeds received after July 1, 2000, and after the distributions under subparagraphs 1., 2., 3., and 4., 1.0715 percent of the available proceeds pursuant to this paragraph shall be transferred monthly to the Revenue Sharing Trust Fund for Municipalities pursuant to s. 218.215. If the

total revenue to be distributed pursuant to this subparagraph is at least as great as the amount due from the Revenue Sharing Trust Fund for Municipalities and the Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000, no municipality shall receive less than the amount due from the Revenue Sharing Trust Fund for Municipalities and the Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000. If the total proceeds to be distributed are less than the amount received in combination from the Revenue Sharing Trust Fund for Municipalities and the Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000, each municipality shall receive an amount proportionate to the amount it was due in state fiscal year 1999-2000.

6.~~5.~~ Of the remaining proceeds:

a. One hundred sixty-six thousand six hundred and sixty-seven dollars ~~Beginning July 1, 1992, $166,667~~ shall be distributed monthly by the department to each applicant that has been certified as a "facility for a new professional sports franchise" or a "facility for a retained professional sports franchise" pursuant to s. 288.1162 and $41,667 shall be distributed monthly by the department to each applicant that has been certified as a "new spring training franchise facility" pursuant to s. 288.1162. Distributions shall begin 60 days following such certification and shall continue for 30 years. Nothing contained herein shall be construed to allow an applicant certified pursuant to s. 288.1162 to receive more in distributions than actually expended by the applicant for the public purposes provided for in s. 288.1162(7). However, a certified applicant shall receive distributions up to the maximum amount allowable and undistributed under this section for additional renovations and improvements to the facility for the franchise without additional certification.

b. Beginning 30 days after notice by the Office of Tourism, Trade, and Economic Development to the Department of Revenue that an applicant has been certified as the professional golf hall of fame pursuant to s. 288.1168 and is open to the public, $166,667 shall be distributed monthly, for up to 300 months, to the applicant.

c. Beginning 30 days after notice by the Department of Commerce to the Department of Revenue that the applicant has been certified as the International Game Fish Association World Center facility pursuant to s. 288.1169, and the facility is open to the public, $83,333 shall be distributed monthly, for up to 180 months, to the applicant. This distribution is subject to reduction pursuant to s. 288.1169.

7.~~6.~~ All other proceeds shall remain with the General Revenue Fund.

Section 30. Effective July 1, 2000, subsection (6) of section 288.1169, Florida Statutes, is amended to read:

288.1169 International Game Fish Association World Center facility; department duties.—

(6) The Department of Commerce must recertify every 10 years that the facility is open, that the International Game Fish Association World Center

continues to be the only international administrative headquarters, fishing museum, and Hall of Fame in the United States recognized by the International Game Fish Association, and that the project is meeting the minimum projections for attendance or sales tax revenues as required at the time of original certification. If the facility is not recertified during this 10-year review as meeting the minimum projections, then funding will be abated until certification criteria are met. If the project fails to generate $1 million of annual revenues pursuant to paragraph (2)(e), the distribution of revenues pursuant to s. 212.20(6)(f)6.~~5.~~c. shall be reduced to an amount equal to $83,333 multiplied by a fraction, the numerator of which is the actual revenues generated and the denominator of which is $1 million. Such reduction shall remain in effect until revenues generated by the project in a 12-month period equal or exceed $1 million.

Section 31. Effective July 1, 2000, paragraph (b) of subsection (3) of section 11.45, Florida Statutes, is amended to read:

11.45 Definitions; duties; audits; reports.—

(3)

(b) The Legislative Auditing Committee shall direct the Auditor General to make a financial audit of any municipality whenever petitioned to do so by at least 20 percent of the electors of that municipality. The supervisor of elections of the county in which the municipality is located shall certify whether or not the petition contains the signatures of at least 20 percent of the electors of the municipality. After the completion of the audit, the Auditor General shall determine whether the municipality has the fiscal resources necessary to pay the cost of the audit. The municipality shall pay the cost of the audit within 90 days after the Auditor General's determination that the municipality has the available resources. If the municipality fails to pay the cost of the audit, the Department of Revenue shall, upon certification of the Auditor General, withhold from that portion of the distribution pursuant to s. 212.20(6)(f)5. ~~municipal financial assistance trust fund for municipalities which is derived from the cigarette tax imposed under chapter 210, and~~ which is distributable to such municipality~~,~~ a sum sufficient to pay the cost of the audit and shall deposit that sum into the General Revenue Fund of the state.

Section 32. Effective July 1, 2000, section 200.132, Florida Statutes, is repealed.

Section 33. Except as otherwise provided herein, this act shall take effect upon becoming a law.

Approved by the Governor June 21, 2000.

Filed in Office Secretary of State June 21, 2000.