

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the General Government Appropriations Committee

BILL: CS/SB 1426

INTRODUCER: Community Affairs Committee and Senator Baker

SUBJECT: Mobile Home Sales Tax Reimbursement/Tornadoes

DATE: April 8, 2008

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Molloy	Yeatman	CA	<b>Fav/CS</b>
2.	ODonnell	Johansen	FT	<b>Favorable</b>
3.	Blizzard	DeLoach	GA	<b>Favorable</b>
4.				
5.				
6.				

**Please see Section VIII. for Additional Information:**

- |                              |                                     |   |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes        |
| B. AMENDMENTS.....           | <input type="checkbox"/>            | Technical amendments were recommended   |
|                              | <input type="checkbox"/>            | Amendments were recommended             |
|                              | <input type="checkbox"/>            | Significant amendments were recommended |

**I. Summary:**

The bill extends to October 1, 2008, the deadline for a Florida resident mobile home owner to apply for reimbursement of sales tax paid on a mobile home purchased to replace one that was damaged by a tornado on December 25, 2006, or February 2, 2007. The damaged mobile home must have been the applicant's permanent residence. The property appraiser's deadline to submit a list of owners entitled to reimbursement to the Department of Revenue (department) and other consequential deadlines are also extended. The department's use of unexpended funds certified forward on July 1, 2008, pursuant to section 40, chapter 2007-106, Laws of Florida, is authorized to pay sales tax reimbursements that become due under the extended deadlines.

The bill amends section 39, chapter 2007-106, Laws of Florida, and creates an unnumbered section of Florida law.

**II. Present Situation:**

On December 25, 2006, tornadoes damaged property in several Florida counties. The Federal Emergency Management Agency (FEMA) declared a disaster in Volusia County, enabling affected residents to qualify for individual assistance from FEMA. On February 2, 2007, six

counties were impacted by devastating tornadoes, resulting in extensive property damage. FEMA declared disasters in Sumter, Seminole, Lake and Volusia counties, enabling the affected residents to qualify for individual and public assistance.<sup>1</sup>

In 2007, the Legislature enacted ch. 2007-106, L.O.F., to provide, in part, a mechanism for Florida residents to apply for reimbursement of sales tax paid on mobile homes purchased to replace mobile homes damaged by a tornado. Owners of mobile homes which received major damage<sup>2</sup> could apply to the property appraiser where the damaged mobile home was located by submitting an invoice for the replacement mobile home and documentation of the damage sustained on the mobile home being replaced. Documentation could include insurance information, information supplied by FEMA or the American Red Cross, or other identifying information. Once the application was received, the property appraiser was directed to determine if the applicant was eligible for reimbursement of sales tax. Reimbursement was to be paid in an amount equal to the state sales tax paid on the purchase price of the replacement home, as determined by the tax table of the Department of Revenue. The maximum reimbursement amount was \$1,500. Property appraisers in the affected areas were required to electronically submit the list of applicants to the Department of Revenue by November 1, 2007, using an application provided by the department.

In cases where an applicant was determined ineligible to receive the reimbursement, the property appraiser was to provide written notification to the applicant of the determination of ineligibility. All notifications were to be made on or before November 1, 2007. Applicants determined to be ineligible could file a petition for review with the value adjustment board. The property appraiser was required to notify the department by December 1, 2007, of the total amount of reimbursements denied.

The Legislature appropriated \$309,000 to the Department of Revenue for purposes of paying out reimbursements. The department was directed to determine the total amount of all reimbursements and if the total exceeded the appropriation, reductions in reimbursement amounts were authorized so that the total disbursement did not exceed the appropriated funds. Also, the department was directed to set aside an amount equal to the total amount of claims which were denied by the property appraisers, or \$309,000, whichever was less, for the purpose of paying claims granted by the value adjustment board.

### **Reimbursements in 2007**

The Department of Revenue reports that \$69,908 in reimbursements have been paid to date and that \$1,500 has been retained for petitions filed with the value adjustment board. Pursuant to the requirements of s. 40, chapter 2007-106, Laws of Florida, the unexpended balance will be certified forward on July 1, 2008, by the Executive Office of the Governor.

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<sup>1</sup> See "Professional Staff Analysis and Economic Impact Statement for CS/SB 2482", prepared by the Finance and Tax Committee on April 19, 2007.

<sup>2</sup> "Major damage" means a mobile home that is more than 50-percent destroyed or that cannot be inhabited

**III. Effect of Proposed Changes:**

- The deadline for an applicant to apply for reimbursement of sales tax on a mobile home purchased to replace one that received major damage from the tornadoes is extended from October 1, 2007 to October 1, 2008.
- The deadline for a property appraiser to submit a list of approved applicants to the Department of Revenue is extended from November 1, 2007 to November 1, 2008.
- The deadline for a property appraiser to notify applicants in writing that they are ineligible for reimbursement is extended from November 1, 2007 to November 1, 2008.
- The deadline for a property appraiser to notify the Department of Revenue of the total amount of reimbursements denied is extended from December 1, 2007 to December 1, 2008.
- The department is authorized to spend those unexpended funds appropriated in the 2007-2008 fiscal year and required to be certified forward for the purpose of paying sales tax reimbursements.

**IV. Constitutional Issues:****A. Municipality/County Mandates Restrictions:**

The committee substitute does not require cities and counties to expend funds or limit their authority to raise revenues as specified by s. 18, Art. VII, of the State Constitution.

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

None.

**C. Trust Funds Restrictions:**

None.

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

Florida residents who purchase new mobile homes to replace those lost to tornado damage on December 25, 2006 and February 2, 2007, will have additional time to apply for reimbursement of sales tax paid.

**C. Government Sector Impact:**

The committee substitute does not create a fiscal impact to the Department of Revenue as sufficient funds were appropriated in Fiscal Year 2007-2008, and the unexpended balance will be carried forward on July 1, 2008.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:**

- A. **Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS by Community Affairs on March 13, 2008:**

The committee substitute provides that, notwithstanding certain statutory provisions applying to the appropriation of unexpended balances, unexpended funds appropriated in the 2007-2008 fiscal year and certified forward as required by section 40, chapter 2007-106, Laws of Florida, may be spent by the department for the purposes of paying sales tax reimbursements.

- B. **Amendments:**

None.