

1989

Session Law 89-252

Florida Senate & House of Representatives

Follow this and additional works at: <https://ir.law.fsu.edu/staff-analysis>



Part of the Legislation Commons

Recommended Citation

House of Representatives, Florida Senate &, "Session Law 89-252" (1989). *Staff Analysis*. 1045.
<https://ir.law.fsu.edu/staff-analysis/1045>

This Article is brought to you for free and open access by the Florida Legislative Documents at Scholarship Repository. It has been accepted for inclusion in Staff Analysis by an authorized administrator of Scholarship Repository. For more information, please contact efarrell@law.fsu.edu.

B
I
L
L

H
I
S
T
O
R
Y

S 38 GENERAL BILL by Meek (Similar CS/H 91, H 261, Compare S 22)

Documentary Excise Tax: revises repeal date of provision which authorizes certain charter counties to levy discretionary surtax on documents. Effective Date: 10/01/89.

12/19/88 SENATE Prefiled

12/21/88 SENATE Referred to Community Affairs; Finance, Taxation and Claims

04/04/89 SENATE Introduced, referred to Community Affairs; Finance, Taxation and Claims -SJ 11; On Committee agenda—Community Affairs, 04/06/89, 1:15 pm, Room-C-(LL-32)

04/06/89 SENATE Comm. Report: Favorable by Community Affairs -SJ 116

04/07/89 SENATE Now in Finance, Taxation and Claims -SJ 116

04/11/89 SENATE On Committee agenda—Finance, Taxation and Claims, 04/13/89, 9:30 am, Room-1C-(309)

04/13/89 SENATE Comm. Report: Favorable by Finance, Taxation and Claims, placed on Calendar -SJ 124

04/27/89 SENATE Placed on Special Order Calendar -SJ 210; Passed; YEAS 31 NAYS 1 -SJ 233

05/02/89 HOUSE In Messages

05/09/89 HOUSE Received, referred to Appropriations -HJ 418

05/19/89 HOUSE Withdrawn from Appropriations -HJ 548; Placed on Calendar

05/22/89 HOUSE Substituted for CS/HB 91; Read second time -HJ 557

05/23/89 HOUSE Read third time; Passed; YEAS 97 NAYS 20 -HJ 571

05/23/89 Ordered enrolled -SJ 418

06/12/89 Signed by Officers and presented to Governor

06/28/89 Became Law without Governor's Signature; Chapter No. 89-252

NOTES: Above bill history from Division of Legislative Information's *FINAL LEGISLATIVE BILL INFORMATION, 1989 SESSIONS*. Staff Analyses for bills amended beyond final committee action may not be in accordance with the enacted law. Journal page numbers (HJ & SJ) refer to daily Journals and may not be the same as final bound Journals.

REVISED: _____

BILL NO. SB 38DATE: April 12, 1989Page 1

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

| <u>ANALYST</u> | <u>STAFF DIRECTOR</u> | <u>REFERENCE</u> | <u>ACTION</u> |
|-----------------------------|-----------------------|------------------|------------------|
| 1. <u>Bradley</u> | <u>Buck</u> | 1. <u>CA</u> | <u>Favorable</u> |
| 2. <u>Barrett</u> <i>AD</i> | <u>Beggs</u> <i>B</i> | 2. <u>FTC</u> | <u>Favorable</u> |
| 3. _____ | _____ | 3. _____ | _____ |
| 4. _____ | _____ | 4. _____ | _____ |

SUBJECT:

Excise Tax on Documents

BILL NO. AND SPONSOR:

SB 38 by
Senator MeekI. SUMMARY:

A. Present Situation:

The documentary stamp tax is levied at a rate of 55 cents per \$100 of consideration on deeds and other documents whereby realty, or any interest therein, is conveyed to a purchaser, and at a rate of 15 cents per \$100 on the sale or transfer of stocks or corporate shares, bonds, certificates of indebtedness, promissory notes, wage assignments, and retail charge account agreements. Revenues from the tax are allocated as follows: General Revenue Fund (60.8%); Land Acquisition Trust Fund (14.8%); Water Management Lands Trust Fund (9.2%); State Infrastructure Fund (6.0%); and the Conservation and Recreation Lands Trust Fund (9.2%).

Currently, only Dade County is authorized to levy a surtax on the documentary stamp tax. This authorization was provided in 1983 (ch. 83-220, L.O.F., as amended by ch. 84-270, L.O.F.) for the additional levy of 45 cents per \$100 in valuation on the filing of documents related to commercial realty transactions. With these revenues, the Dade County Homeownership Assistance Program provides first and second mortgage loans to low-income and moderate-income families for the construction, rehabilitation, or purchase of housing, not limited to single-family, detached dwellings.

A low income family is defined to be one whose income does not exceed 80 percent of the median income for the area, while a moderate income family is one whose income is in excess of 80 percent but less than 140 percent of the median income for the area. The median income for the Dade County area is currently \$33,100 for a family of four.

Currently there are roughly 900 families participating in the program. Approximately 600 of these have received loans to rehabilitate their own units, at an average loan value of \$11,000. Approximately 10 percent of all loans granted are for first mortgages, which are made for 95 percent of the purchase price of the unit at a 5 percent interest rate. Second mortgages are made for 55 percent of the purchase price at a 3 percent rate of interest. The maximum purchase price of a unit is held at \$82,000. Seventy percent of funds are used for loans on new construction. The program reports a 4 percent default rate. Currently there are 16 families in arrears 60 days or more.

The program receives 8-10,000 applications each year and, after qualifying applicants, must resort to a lottery system to select the recipients. Seventy-five percent of the funds are used for mortgages for low income families. The average family income of participants is \$18,350.

The program has made home ownership possible for approximately 2,000 families. The surtax is scheduled for repeal on October 1, 1993.

B. Effect of Proposed Changes:

The bill amends section 3 of chapter 83-220, L.O.F., to delay the repeal date of the Dade County discretionary surtax on documents. Expiration of authority to levy the surtax is extended from 1993 to 2011.

II. ECONOMIC IMPACT AND FISCAL NOTE:

A. Public:

Authorizing the surtax for an additional 18 years would allow the Metropolitan Dade County Department of Special Housing Programs to provide assistance to a greater number of very low-income, low-income, and moderate-income families aspiring to become homeowners.

B. Government:

The current documentary stamp surtax will generate \$11.98 million for Dade County in FY 1989-90. Similar surtax revenues would be available for Dade County housing programs for an additional 18 years, which would enable the county to pledge surtax revenues for bond programs to maximize the benefit of affordable housing programs. To the extent that surtax-funded housing programs promote residential construction, Dade County would also benefit from increased property taxes over time.

III. COMMENTS:

A similar proposal has been filed as HB 261 by Representative Abrams and has been referred to the Finance and Taxation and Appropriations Committees. The House bill extends the surtax to October 1, 2010.

IV. AMENDMENTS:

None.

STORAGE NAME: H261sa.FT
DATE: May 5, 1989

89-252

HOUSE OF REPRESENTATIVES
COMMITTEE ON FINANCE & TAXATION
STAFF ANALYSIS & ECONOMIC IMPACT STATEMENT

BILL #: CS/HB 's 91 and 261

RELATING TO: Dade County Discretionary Surtax on Documents

SPONSOR(S): Finance & Taxation, Logan and Abrams

EFFECTIVE DATE: October 1, 1989

COMPANION BILL(S): SB 38

OTHER COMMITTEES OF REFERENCE: (1) Appropriations

(2)

I. SUMMARY:

A. PRESENT SITUATION:

The documentary stamp tax is levied on deeds and other conveyances of real estate at the rate of 55 cents per \$100 of consideration. The tax is paid at recordation.

In 1983, Dade County was authorized to levy a surtax on deeds at the rate of 45 cents per \$100. Single family residential property was exempted from the tax. As amended in 1984, the proceeds of the tax are used to provide second mortgage loans to low-income and moderate-income families which make up the difference between the first mortgage the family can qualify for and the cost of the home. Funds can also be used to finance construction and rehabilitation of housing. No more than fifty percent may be utilized to help finance new construction.

The surtax is estimated to generate approximately \$12 million in FY 89-90.

The surtax is scheduled to be repealed on October 1, 1993.

B. EFFECT OF PROPOSED CHANGES:

The repeal of the surtax will be delayed until October 1, 2011.

C. SECTION-BY-SECTION ANALYSIS:

See B. above.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring or First Year Start-Up Effects:

None

2. Recurring or Annualized Continuation Effects:

None

3. Long Run Effects Other Than Normal Growth:

None

4. Appropriations Consequences:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring or First Year Start-Up Effects:

None

2. Recurring or Annualized Continuation Effects:

None

3. Long Run Effects Other Than Normal Growth:

The Dade County surtax will continue in effect for seventeen years beyond the currently scheduled repeal date of October 1, 1993.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

Purchases of non-exempt properties will continue to pay the surtax beyond October 1, 1993.

2. Direct Private Sector Benefits:

Low and moderate income families will continue to benefit from the housing programs supported by the surtax proceeds after October 1, 1993.

3. Effects on Competition, Private Enterprise, and Employment Markets:

Insignificant

D. FISCAL COMMENTS:

None

III. LONG RANGE CONSEQUENCES:

None

IV. COMMENTS:

The bill applies the Housing Goal in s. 187.201(5) of the State Comprehensive Plan by increasing the affordability and availability of housing for low-income and moderate-income persons.

This bill will help to further the Structural and Natural Resources Policy Statement V. of the 1989-90 Legislative Issues Conference by giving Dade County additional financing flexibility to meet the needs of growth.

V. AMENDMENTS:

VI. SIGNATURES:

SUBSTANTIVE COMMITTEE:

Prepared by:


Alan W. Johansen

Staff Director:


José Diez-Arguelles

APPROPRIATIONS:

Prepared by:

Staff Director:
