

## REVENUE ESTIMATING CONFERENCE

**TAX:** Lottery Transfers to Educational Enhancement Trust Fund

**ISSUE:** Revenue Impacts of Authorization for Additional Lottery Sales Equipment

**BILL NUMBER(S):** TBD

**SPONSOR(S):** TBD

**MONTH/YEAR COLLECTION IMPACT BEGINS:** Varies with equipment

**DATE OF ANALYSIS:** November 3, 2011

### SECTION 1: NARRATIVE

#### a. **Current Law:**

The Florida Lottery has approximately 13,200 retailers located around the state. The Legislature has appropriated funds to equip each of these retailers with a standard terminal (GTECH's Altura) and associated printer, cabling and various types of messaging equipment. Currently, 13,500 such terminals are authorized.

In the two most recent Appropriations Acts, the Legislature has authorized the leasing and installation of Instant Ticket Vending Machines (ITVMs). For FY 2009-10, 1,000 ITVMs were authorized; for FY 2010-11, 500 additional ITVMs were authorized.

Current Florida law (Section 24.105, Fla.Stat.) prohibits the use of player-activated machines to sell lottery tickets, but provides an exemption from that prohibition only for machines that dispense instant (Scratch-off) games. In order for the Florida Lottery to have machines dispensing "on-line" game tickets, Chapter 24 would have to be amended. "On-line" games are those for which tickets are sold at lottery terminals, usually for subsequent drawings. Examples include FLORIDA LOTTO, Powerball, Fantasy 5 and Cash 3.

#### b. **Proposed Change:**

The Lottery is requesting funding to support growth in sales and Educational Enhancement Trust Fund (EETF) contributions, both by enhancing the ticket sales capabilities in current, strongly performing retail locations and by making it possible to increase the number of retail businesses selling Lottery tickets. These strategies are reflected in the Lottery's Legislative Budget Request for FY 2012-13.

Specifically, three types of equipment authorizations are being requested:

**350 Additional On-line Terminals.** The Lottery has set ambitious goals for expanding its retailer network, increasing it to 13,700 in the current fiscal year and to 13,835 in Fiscal Year 2012-13. Past analyses by the Lottery and OPPAGA have supported the belief that increasing the number of Florida Lottery retailers will increase the net amount of EETF generated, even after considering the additional lease costs. In order to achieve this goal, the Lottery is requesting an increase in spending authority to lease a total of 350 terminals at a cost of \$819,780. A July 2007 Revenue Impact Conference consideration of a proposal to authorize 500 additional terminals resulted in a finding that the resulting amount raised for the EETF would exceed the cost of the new terminals, so that the net impact on EETF would be positive, but indeterminate. The full-year annual cost of the 350 additional terminals would be \$848,820.

**500 Additional ITVMs.** In August 2009, the Lottery began installation of 1,000 ITVMs throughout the state. By October 2009, all 1000 ITVMs were in place and selling Florida Lottery Scratch-Off tickets. Approximately a year later, an additional 500 ITVMs had been installed, bringing the number of ITVMs in the state to a total of 1,500. In the first full year Fiscal Year 2010-11 retailers with ITVMs had recorded 18% net Scratch-off Game sales growth by location over the preceding year while statewide scratch-off game sales declined slightly. The first two rounds of ITVM placements have focused on major grocery chains and some state-border convenience stores. Additional ITVMs authorized for FY 2012-13 would go primarily to top-producing convenience stores with a portion of the allocation placed in the remaining large grocery chain locations. The full-year annual cost of the 500 additional ITVMs is estimated at \$2,028,000. This cost is subject to contract negotiations and/or competitive bids and therefore could vary. As with all other appropriations, any funds appropriated but unused are reverted to the EETF, not kept by the department.

**350 Full-service Vending Machines.** The availability of self-service machines that dispense both instant and on-line lottery game tickets, in all probability, will be the key factor in the Florida Lottery's ability to persuade larger corporate retailers—in some cases, "big box stores"—to begin selling lottery tickets. In these times, retail customers increasingly prefer self-service options in their purchasing. Perhaps more important to the lottery industry, major corporate retailers place a great emphasis on managing labor costs and thorough inventory accounting. In Florida's experience, at least two large retailer chains had decided to begin offering lottery products only to reverse their decision upon learning that full-service vending machines were not available.

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A very successful convenience store chain from the Northeast is expanding into Florida but insists that it will only sell lottery tickets if provided with FSVMs.

As noted previously, the Lottery is authorized under section 24.105, Florida Statutes, to utilize player-activated terminals or ITVMs to sell instant tickets but not On-line tickets. The Florida Lottery is proposing language during the 2012 Legislative Session to amend this section of Florida Statutes to include authority to offer on-line ticket distribution as well.

### Installation Plan

**On-line Terminals:** The Lottery keeps close track of progress in attracting potential retailers and will manage ordering of the on-line terminals to be able to install them in new retailer locations and train store personnel as soon as these retailers successfully complete the application process.

**ITVMs:** The Lottery has identified 500 existing retailers that will be provided ITVMs once budgetary authorization is provided by the Legislature and manufacturing and delivery of the machines is complete. These locations would comprise top-performing, chain convenience stores with current average Scratch-off Game sales of \$4,000 to \$6,000 per week and a number of strong independent retailers with sales in the same range. Based on the timing of the first two waves of ITVM installations, it is likely that these installations could begin in August and be completed by the end of September.

**FSVMs:** The current plan would be for approximately 100 of these machines to replace existing ITVMs in some of the very top-producing retailer locations, retailers that also have a record of strong On-line Game sales. This would free up 100 ITVMs, at no additional cost, to be placed in the same manner as described in the preceding paragraph. The remaining 250 FSVMs would be used in newly recruited corporate chain retailer locations where these machines best complement their business model and staffing pattern.

### SECTION 2: DESCRIPTION OF DATA AND SOURCES

In almost all cases, the sales data used in this analysis is from the Lottery's Business Objects database and GTECH's Enterprise System. This reflects the actual business activity of the Lottery.

### SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

The methodology and assumptions used in this analysis are made clear in the labeling and notes accompanying each of the attached tables. Every effort was made to use the sales forecasts and cost percentages from the September 2011 Revenue Estimating Conference in these analyses. Detailed analyses were used to generate the impact figures for FY 2012-13. For the remaining years, the annual percentage growth figures by game type and total were used to calculate projections.

### SECTION 4: PROPOSED FISCAL IMPACT

#### A. 350 Additional On-line Terminals

State Impact: All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High	30.1	30.1	30.4	30.8	31.2
Middle	17.6	17.6	17.8	18.0	18.3
Low	5.2	5.2	5.2	5.3	5.3

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**B. 500 Additional ITVMs**

State Impact: All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High	0.8	1.1	1.1	1.1	1.1
Middle	0.4	0.6	0.6	0.6	0.6
Low	0.1	0.1	0.1	0.1	0.1

**C. 350 Full-service Vending Machines**

State Impact: All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High	12.2	31.5	31.5	31.9	32.4
Middle	10.2	26.2	26.2	26.6	26.9
Low	8.1	21.0	21.0	21.3	21.6

**D. TOTAL OF THREE ISSUES**

State Impact: All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High	43.1	62.7	63.0	63.8	64.7
Middle	28.2	44.4	44.6	45.2	45.8
Low	13.4	26.3	26.3	26.7	27.0

**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 11/3/11)** The conference adopted the low estimates for all three issues.

**A. 350 Additional On-line Terminals**

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue State Trust Total State Impact	5.2	5.2	5.2	5.3	5.3
Total Local Impact					
Total Impact	5.2	5.2	5.2	5.3	5.3

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**B. 500 Additional ITVMs**

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue State Trust Total State Impact	0.1	0.1	0.1	0.1	0.1
Total Local Impact					
Total Impact	0.1	0.1	0.1	0.1	0.1

**C. 350 Full-service Vending Machines**

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue State Trust	8.1	21.0	21.0	21.3	21.6
Total Local Impact					
Total Impact	8.1	21.0	21.0	21.3	21.6

**TABLE A**

**Impact Analysis: Additional Lottery Terminals  
3-Nov-11**

	FY 2012-13				FY 2013-14			
	Forecasted Nominal Sales Increase (\$mm)	Sales Considering Sales Shift	Total EETF	EETF with Costs Subtracted	Forecasted Nominal Sales Increase (\$mm)	Sales Considering Sales Shift	Total EETF	EETF with Costs Subtracted
High <i>Based on anticipated weekly sales of "big box" retailers</i>	\$ 145,600,000	\$ 109,200,000	\$ 30,958,200	\$ 30,109,380	\$ 147,176,090	\$ 110,382,067	\$ 31,293,316	\$ 30,444,496
Middle Estimate <i>Halfway between High and Low estimates</i>	\$ 86,923,200	\$ 65,192,400	\$ 18,482,045	\$ 17,633,225	\$ 87,864,126	\$ 65,898,094	\$ 18,682,110	\$ 17,833,290
Low Estimate <i>Based on actual average weekly sales of first 13 weeks of retailers activated in fourth qtr of FY 2010-11</i>	\$ 28,246,400	\$ 21,184,800	\$ 6,005,891	\$ 5,157,071	\$ 28,552,161	\$ 21,414,121	\$ 6,070,903	\$ 5,222,083

<b>ASSUMPTIONS</b>	
Annual Equipment Cost	\$ 848,820
Number of Terminals	350
Monthly Fee Per Machine	\$ 202.10
Avg Weekly Sales Per New Retailers with First Sales in 4th Qtr of FY 2010-11	\$ 1,552
Estimated average weekly sales of "big box" retailers	\$ 8,000
Number of weeks in Full Year	52
Number of Months in Full Year	12
EETF Contribution Rates	
Total (Blended)	28.35%
Scratch-off	19.26%
On-line	40.45%
Sales Shift Factor	25.00%
Sept 2011 REC Forecast FY 2012-13	
Total Sales	4175.6
Scratch-off	2384.4
On-Line	1791.2
REC Forecasted Change in Total Sales in FY 2013	14
	1.08%

<b>BREAK-EVEN ANALYSIS</b>	
Full Year Net Sales Increase Required to Generate EETF Equal to the Annual Cost of Equipment	
Sales	As a % of Forecasted Sales
\$ 2,994,074	0.07%

**TABLE B**

**Scratch-off Sales Impact Analysis of Installing 500 Additional Instant Ticket Vending Machines (ITVMs)**

3-Nov-11

	Baseline Current Annual Scratch-off Sales for 500 Retailers	% Annual Change in Non-ITVM Retailer Scratch-off Sales	% Annual Change in ITVM Retailer Scratch-off Sales	Adjusted Annual % Change in ITVM Retailers	FY 2012-13 Partial Year			FY 2013-14 Full Year		
					Additional Sales for FY 2012-13 Partial Year	EETF	EETF Less Costs	Additional Sales for FY 2013-14 Full Year	EETF	EETF Less Costs
<b>High Estimate</b> <i>120% of Middle Estimate % Change Rate</i>	\$ 117,000,000	6.72%	18.45%	14.08%	\$ 11,718,270	\$ 2,256,939	\$ 813,939	\$ 16,468,920	\$ 3,171,914	\$ 1,143,914
<b>Middle Estimate</b> <i>Based on FY 2010-11 average weekly sales of targeted stores, multiplied by historical Scratch-off Game sales gains experienced by retailers provided with ITVMs</i>	\$ 117,000,000	6.72%	18.45%	11.73%	\$ 9,765,225	\$ 1,880,782	\$ 437,782	\$ 13,724,100	\$ 2,643,262	\$ 615,262
<b>Low Estimate</b> <i>80% of Middle Estimate % Change Rate</i>	\$ 117,000,000	6.72%	18.45%	9.38%	\$ 7,812,180	\$ 1,504,626	\$ 61,626	\$ 10,979,280	\$ 2,114,609	\$ 86,609

<b>ASSUMPTIONS</b>	
Annual Equipment Cost	\$ 2,028,000
Number of ITVMs	500
Monthly Fee Per Machine	\$ 338.00
Baseline Avg Weekly Scratch-off Sales Per Location	\$ 4,500
Number of weeks in Phase-in Year	37
Number of weeks in Full Year	52
Number of Months in Full Year	12
EETF Contribution Rates	
Total (Blended)	28.35%
Scratch-off	19.26%
On-line	40.45%
Sept 2011 REC Forecast FY 2012-13	
Total Sales	4175.6
Scratch-off	2384.4
On-Line	1791.2

<b>BREAK-EVEN ANALYSIS</b>	
Full Year Net Sales Increase Required to Generate EETF Equal to the Annual Cost of Equipment	
	As a % of Forecasted Sales
Sales	
\$ 10,529,595	0.44%

<b>TABLE C</b>
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**Impact Overview: Full-Service Vending Machines  
3-Nov-11**

	FY 2012-13 (Partial Yr.)	FY 2013-14
High Estimate	\$ 12,197,271	\$ 31,486,019
Middle Estimate	\$ 10,164,393	\$ 26,238,349
Low Estimate	\$ 8,131,514	\$ 20,990,679

**Note:** High Estimate calculated using 120% of Middle Estimate Sales increase. Low Estimate Calculated at 80% of Middle Sales Increase.

**TABLE C-1**

**Full-Service Vending Machine Impacts by Category  
3-Nov-11**

	FY 2012-13				FY 2013-14			
	Sales Increase	Nominal EETF	Equipment Costs	Net EETF Considering Costs	Sales Increase	Nominal EETF	Equipment Costs	Net EETF Considering Costs
<b>Upgrades of ITVMs to FSVMs</b>	\$ 3,330,000	\$ 944,055.0	\$ 630,000	\$ 314,055	\$ 4,680,000	\$ 1,326,780	\$ 840,000	\$ 486,780
<b>New Corporate Retailers</b>	\$ 55,500,000	\$ 11,800,688	\$ 2,100,000	\$ 9,700,688	\$ 130,000,000	\$ 27,641,250	\$ 2,100,000	\$ 25,541,250
<b>Retailers Given Displaced ITVMs</b>	\$ 777,000	\$ 149,650	\$ -	\$ 149,650	\$ 1,092,000	\$ 210,319	\$ -	\$ 210,319
<b>TOTALS</b>	\$ 59,607,000	\$ 12,894,393	\$ 2,730,000	\$ 10,164,393	\$ 135,772,000	\$ 29,178,349	\$ 2,940,000	\$ 26,238,349

<b>ASSUMPTIONS</b>	
Annual Equipment Cost	\$ 2,940,000
Number of FSVMs	350
Monthly Fee Per Machine	\$ 700
Phase-in Factor--Year One Sales Increase from Upgrades to FSVMs and Relocated ITVMs (Weeks)	37
Phase-in Factor--Year One Costs of Upgrades to FSVMs (Months)	9
Sept REC Forecasts for Total Ticket Sales	
	FY 2012-13 \$ 4,106,100,000
	FY 2013-14 \$ 4,175,600,000

<b>BREAK-EVEN ANALYSIS</b>		
	FY 2012-13	FY 2013-14
Net Increase in Sales Required in Order for EETF Increment to Match Equipment Costs	\$ 9,629,630	\$ 10,370,370
Required Sales Increase as a Percentage of REC-Forecasted Ticket Sales	0.23%	0.25%

**TABLE C-2**

**Detailed Impact Analysis: Full-Service Vending Machines  
3-Nov-11**

		FY 2012-13			FY 2013-14		
		Sales Increase by Category (Partial Yr.)	Sales Considering Sales Shift	EETF for Category	Sales Increase by Category	Sales Considering Sales Shift	EETF for Category
<b>Upgrades of ITVMs to FSVMs</b>		\$ 3,330,000	\$ 3,330,000.0	\$ 944,055	\$ 4,680,000	\$ 4,680,000	\$ 1,326,780
<i>Number of Retailers Switching from ITVMs to FSVMs</i>	100						
<i>Current Average Weekly On-line Sales of Retailers Switching from ITVMs to FSVMs</i>	\$ 9,000						
<i>Avg % Increase in On-Line Sales from Retailers Switching from ITVMs to FSVMs (as a % of On-Line Sales)</i>	10%						
<i>Sales Shift Factor for This Category</i>	0%						
<i>EETF Contribution Rate for This Category</i>	28.35%						
<i>Phase-in Factor--Year One (Weeks)</i>	37						
<b>New Corporate Retailers</b>		\$ 55,500,000	\$ 41,625,000	\$ 11,800,688	\$ 130,000,000	\$ 97,500,000	\$ 27,641,250
<i>Number of New "Big Box" Retailers Equipped with FSVMs</i>	250						
<i>Average Weekly Sales Over First Year</i>	6000						
<i>Average Weekly Sales Over Second Year</i>	10000						
<i>Sales Shift Factor for This Category</i>	-25%						
<i>EETF Contribution Rate for This Category</i>	28.35%						
<i>Phase-in Factor--Year One (Weeks)</i>	37						
<b>Retailers Given Displaced ITVMs</b>		\$ 777,000	\$ 777,000	\$ 149,650	\$ 1,092,000	\$ 1,092,000	\$ 210,319
<i>Number of Additional Retailers Getting ITVMs Freed-up by FSVM Placement</i>	100						
<i>Avg Weekly Scratch-off Sales of Retailers Prior to Receiving ITVMs</i>	3500						
<i>Net % Increase in Scratch-off Sales from New ITVMs</i>	6.00%						
<i>Sales Shift Factor for This Category</i>	0%						
<i>EETF Contribution Rate for This Category</i>	19.26%						
<i>Phase-in First Year (Weeks)</i>	37						

**REVENUE ESTIMATING CONFERENCE**

**TAX:** Business Tax Receipts

**ISSUE:** Exemption for real estate brokers and sales associations from BTR

**BILL NUMBER(S):** HB 361/SB 770

**SPONSOR(S):** Representative Roberson/Senator Hays

**MONTH/YEAR COLLECTION IMPACT BEGINS:** 07/01/2012

**DATE OF ANALYSIS:** November 7, 2011

**SECTION 1: NARRATIVE**

- a. **Current Law:** Section 205.042, F.S., authorizes municipalities to levy by resolution or ordinance, a local business tax for the privilege of engaging in or managing any business, profession, or occupation

AGO 83-17 – A real estate salesman licensed and regulated by the state pursuant to Ch. 475, F.S., who functions under the direction, control, or management of a licensed real estate broker as required by Ch. 475 and performs or renders services for and to investors and the public, is a person subject to the tax authorized by s. 205.042, F.S.

Business tax receipts renewals are due September 30<sup>th</sup>. Counties and municipalities differ on how they use the revenues they collect for business tax receipts for their budgeting purposes. Counties have indicated they appropriate the collections for the current fiscal year while municipalities appropriate the revenues for the following year’s budget.

- b. **Proposed Change:** the bill provides an exemption for individuals licensed and operating as brokers associates or sales associates under chapter 475. The bill also removes any requirement to apply for an exemption from the tax. Bill allows that a principal or employer is not required to provide personal information for individuals exempt from the tax.

**SECTION 2: DESCRIPTION OF DATA AND SOURCES**

Tax Collectors  
 DBPR license data  
 DFS BTR data  
 Municipal codes  
 FEEC 09/11  
 2010 and 2011 survey

**SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)**

See attached

**SECTION 4: PROPOSED FISCAL IMPACT**

Local Impact: Real Estate brokers/sales associates All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High	\$ (4.1m)	\$ (4.1m)	\$ (4.2m)	\$ (4.3m)	\$ (4.4m)
Middle					
Low	\$ (3.8m)	\$ (3.8m)	\$ (3.8m)	\$ (3.9m)	\$ (4.0m)

**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 11/3/11)** The conference adopted the low estimate.

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue	0	0	0	0	0
State Trust	0	0	0	0	0
Total State Impact	0	0	0	0	0
Total Local Impact	(3.8)	(3.8)	(3.8)	(3.9)	(4.0)
Total Impact	(3.8)	(3.8)	(3.8)	(3.9)	(4.0)

Business taxes collected (Chapter 205)			
County	2009	City	2009
Miami-Dade	\$14,728,471	Tampa	\$10,839,862
Hillsborough	\$2,319,573	Panama City	\$8,369,068
Orange	\$2,140,102	Orlando	\$8,228,033
Palm Beach	\$1,923,147	Miami	\$7,769,634
Polk	\$1,198,241	Hialeah	\$3,958,326
Broward	\$1,043,000	Miami Beach	\$3,341,802
Lee	\$992,251	Pembroke Pines	\$3,316,948
Pinellas	\$737,866	Coral Gables	\$2,921,161
Sarasota	\$610,600	Bradenton	\$2,866,892
Volusia	\$593,640	West Palm Beach	\$2,530,226
Seminole	\$573,470	Sunrise	\$2,161,515
Brevard	\$564,232	Clearwater	\$2,094,321
Pasco	\$558,036	Hollywood	\$2,054,828
Escambia	\$529,838	Pompano Beach	\$1,878,968
Charlotte	\$526,269	Fort Myers	\$1,601,425
Martin	\$482,923	Port St Lucie	\$1,584,424
Osceola	\$420,078	Palm Beach Gardens	\$1,531,977
Okaloosa	\$368,153	Boca Raton	\$1,509,960
Alachua	\$284,242	Boynton Beach	\$1,429,056
Indian River	\$202,522	Miami Gardens	\$1,258,305
Citrus	\$194,717	Key West	\$1,237,103
Santa Rosa	\$143,739	Coral Springs	\$1,207,716
Marion	\$124,385	Miramar	\$1,182,241
St. Lucie	\$96,884	Daytona Beach	\$1,120,986
Leon	\$54,046	Melbourne	\$1,103,658
Putnam	\$43,286	LESS THAN \$1M (246)	\$41,090,480
De Soto	\$35,112	total	\$118,188,915
Madison	\$16,016		
Hendry	\$13,926		
Gadsden	\$9,291		
Dixie	\$6,319		
Flagler	\$5,881		
Gulf	\$3,375		
Manatee	\$775		
<b>Statewide</b>	<b>\$31,544,406</b>		

Top 10 cities	2009 BTR	Real estate associates		Fee		Fiscal Impact
		Broker Associate	Sales Associate	Broker Associate	Sales Associate	
Tampa	\$10,839,862	319	798	\$174	\$116	\$ 147,764
Panama City	\$8,369,068	54	118	\$150	\$150	\$ 25,800
Orlando	\$8,228,033	264	2611	\$110	\$110	\$ 316,969
Miami	\$7,769,634	532	5340	\$9	\$9	\$ 52,848
Hiialeah	\$3,958,326	36	376	\$500	\$100	\$ 55,600
Miami Beach	\$3,341,802	82	811	\$191	\$82	\$ 82,164
Pembroke Pines	\$3,316,948	44	637	\$174	\$85	\$ 61,904
Coral Gables	\$2,921,161	90	464	\$174	\$85	\$ 55,198
Bradenton	\$2,866,892	85	537	\$174	\$85	\$ 60,541
West Palm Beach	\$2,530,226	71	542	\$87	\$29	\$ 21,849
			avg.	\$174	\$85	\$ 880,637

Other cities	2009 BTR	Real estate associates		Fee		Fiscal Impact	% of BTR
		Broker Associate	Sales Associate	Broker Associate	Sales Associate		
Sunrise	\$2,161,515	15	233	\$205	\$134	\$ 34,300	1.6%
Clearwater	\$2,094,321	76	372	\$174	\$85	\$ 44,924	2.1%
Hollywood	\$2,054,828	87	573	\$174	\$85	\$ 63,954	3.1%
Pompano Beach	\$1,878,968	57	380	\$174	\$85	\$ 42,291	2.3%
Fort Myers	\$1,601,425	138	730	\$100	\$100	\$ 86,800	5.4%
Port St Lucie	\$1,584,424	19	147	\$174	\$85	\$ 15,828	1.0%
Palm Beach Gardens	\$1,531,977	64	362	\$174	\$85	\$ 41,980	2.7%
Boca Raton**	\$1,509,960	367	1248	\$105	\$105	\$ 169,575	11.2%
Boynton Beach	\$1,429,056	59	438	\$174	\$85	\$ 47,578	3.3%
Miami Gardens	\$1,258,305	6	36	\$174	\$85	\$ 4,111	0.3%
Key West	\$1,237,103	19	133	\$174	\$85	\$ 14,636	1.2%
Coral Springs	\$1,207,716	53	555	\$174	\$85	\$ 56,493	4.7%
Miramar	\$1,182,241	17	461	\$174	\$85	\$ 42,212	3.6%
Daytona Beach	\$1,120,986	29	121	\$174	\$85	\$ 15,359	1.4%
Melbourne	\$1,103,658	44	271	\$174	\$85	\$ 30,745	2.8%
						avg	3.1%

\*\* updated # of associates 2011

FEEC -total non-farm employment				SUBTOTAL	\$ 710,786
10-11	0.2%	\$ (3.9)		Top 10	\$ 880,637
11-12	0.9%	\$ (3.9)		246 cities	\$ 1,280,051 (3.1% of \$41m)
12-13	1.4%	\$ (4.0)		Counties	\$ 982,672 (3.1% of \$31m)
13-14	1.8%	\$ (4.0)		<b>TOTAL</b>	<b>\$ 3,854,145</b>
14-15	2.1%	\$ (4.1)			
15-16	2.2%	\$ (4.2)			

#### Survey Results

County	2009 BTR	11/12 est	%
Brevard	\$ 564,232	\$7,500-\$10,000	1.55%
Okaloosa	\$ 368,153	\$2500-\$3000	0.75%
Polk	\$ 1,198,241	\$18000-\$30000	2.00%
	avg		1.43%

Removed real estate brokers due to language concerns from HB 311.

Municipality	2009 BTR	10/11	%
Tampa	\$ 10,830,731	\$ 158,694	1.47%
Coral Gables	\$ 3,102,939	\$ 73,140	2.36%
Key West	\$ 1,168,581	\$ 27,000	2.31%
Palm Bay	\$ 615,746	\$ 7,483	1.22%
Dania Beach	\$ 602,364	\$25000-\$50000	6.23%
Bradenton	\$ 233,997	\$ 1,200	0.51%
Edgewater	\$ 99,139	\$ 1,347	1.36%
Inverness	\$ 55,213	\$ 3,281	5.94%
Eustis	\$ 96,412	\$ 1,530	1.59%
		avg	2.67%

FEEC -total non-farm employment		
10-11	0.2%	\$ (3.1)
11-12	0.9%	\$ (3.2)
12-13	1.4%	\$ (3.2)
13-14	1.8%	\$ (3.3)
14-15	2.1%	\$ (3.3)
15-16	2.2%	\$ (3.4)

**REVENUE ESTIMATING CONFERENCE**

**TAX:** Sales and Use Tax/Corporate Income Tax  
**ISSUE:** Enterprise Zone – Charlotte County  
**BILL NUMBER(S):** HB 201  
**SPONSOR(S):** Representative Roberson  
**MONTH/YEAR COLLECTION IMPACT BEGINS:** July 1, 2012  
**DATE OF ANALYSIS:** November, 2011

**SECTION 1: NARRATIVE**

**a. Current Law:** No enterprise zone exists for Charlotte County.

**b. Proposed Change:** Authorizes Citrus County to apply for an enterprise zone which can encompass up to 20 square miles. The application must be submitted by December 31, 2012.

**SECTION 2: DESCRIPTION OF DATA AND SOURCES**

2011 Enterprise Zone Annual Report

**SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)**

Assume 6 months for implementation  
 Assume 2% growth rate  
 Exemption per mile = \$10,902

**SECTION 4: PROPOSED FISCAL IMPACT**

State Impact: All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High					
Middle	(\$ 0.20M)	(\$ 0.22M)	(\$ 0.22 M)	(\$ 0.23 M)	(\$ 0.23 M)
Low					

**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 11/3/11)** The conference adopted the proposed estimate, split 80% Sales Tax and 20% Corporate Income Tax.

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue—Sales Tax	(.2)	(.2)	(.2)	(.2)	(.2)
General Revenue—Corporate Tax	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
State Trust	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
Total State Impact	(.2)	(.2)	(.2)	(.2)	(.2)
Total Local Impact	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
Total Impact	(.2)	(.2)	(.2)	(.2)	(.2)

	A	B	C	D	E	F	G	H	I	
1	<b>Calculation of Rate per mile - 2011 data</b>									
2										
3	Statewide Data - 2009/2010 (excluding Community Contributions)				Enterprise Zone data from 2011 report					
4				Zones	Total number of designated zones				59	
5	Jobs Credit - Sales Tax		\$5,683,252	35	<b>Estimated number of participating Zones</b>				<b>49</b>	
6	Corp Jobs Credits		\$4,348,031		no condos value for 09-10				% of zones participating	83.1%
7	Property Tax Credits		\$1,384,668		Number of Sq. miles in all zones				1,541	
8	Building Materials Refunds		\$54,012,915	47	\$2,373,502	Number of Sq. miles in participating Zones				1,464
9	Business Equipment Refunds		\$1,035,562	34	Average Sq miles of par. Zones				30	
10	Electric Energy Exemption		\$1,138,054	7						
11	Total all zones		\$67,602,482		\$15,963,069					
12	Average per mile		\$46,169		\$10,902					
13										
19										
20	Qualifying jurisdictions		Miles/Zone	Jobs Credit - Sales Tax	Building Materials Refunds	Business Equipment Refunds	Sales Tax-Electric	Corp Jobs Credits	Property Tax Credits	
21										
22	Calhoun	EZ-0701	19.58	\$ 13,949	\$ 22,044					
23	Columbia	EZ-1202	0.75							
24	DeSoto	EZ-1401	19.8	\$ 2,636	\$ 8,015	\$ 9,673				
25	Franklin	EZ-1901	19.92	\$ 94,353						
26	Freeport (Walton County)	EZ-6602	17.51							
27	Gadsden	EZ-2001	19.95	\$ 127,933	\$ 6,935					
28	Glades	EZ-2201	19.94	\$ 51,215	\$ 22,076					
29	Gulf	EZ-2301	19.98	\$ 152,545	\$ 24,646	\$ 3,155				
30	Hamilton	EZ-2401	19.88							
31	Hardee	EZ-2501	18.64	\$ 270,540	\$ 20,947					
32	Hendry	EZ-2601	389.6	\$ 407,445	\$ 37,187	\$ 14,273				
33	Highlands	EZ-2801	19.93	\$ 737,366	\$ 3,508					
34	Holmes	EZ-3001	16.61	\$ 2,900		\$ 781				
35	Immokalee area (Collier County)	EZ-1101	125		\$ 197,487					
36	Jackson	EZ-3201	331.4	\$ 178,464	\$ 68,707	\$ 8,004				
37	Levy	EZ-3801	15.09	\$ 8,375	\$ 5,000	\$ 939				
38	Liberty	EZ-3901	19.92	\$ 1,643	\$ 8,434					
39	Madison	EZ-4001	19.92	\$ 395,234	\$ 16,051					
40	Okeechobee	EZ-4701	19.85	\$ 330,460	\$ 10,000	\$ 12,091	\$ 1,399			
41	Pahokee (Palm Beach County)	EZ-5001	6							
42	Putnam	EZ-5401	18.6	\$ 75,995		\$ 381				
43	South Bay (Palm Beach County)	EZ-5002	10		\$ 597	\$ 18,509	\$ 24,625			
44	Suwannee	EZ-6101	0.75							
45	Taylor	EZ-6201	19.67	\$ 28,674	\$ 9,061	\$ 4,941				
46	Washington	EZ-6701	20	\$ 49,879	\$ 15,114	\$ 1,392				
47	<b>Total</b>		<b>1208.29</b>	<b>\$ 2,929,606</b>	<b>\$475,809</b>	<b>\$74,140</b>	<b>\$26,024</b>	<b>\$ 4,348,031</b>	<b>\$ 1,384,668</b>	
48			% total exemption	34%			* % exemptions	<b>\$1,489,914</b>	<b>\$474,476</b>	
49										
50										
51	HB 201 Enterprise Zone in Charlotte County									
52	<b>Calculation of Rate per mile - 2011 data</b>									
53										
54	Statewide Data - 2009/2010 (excluding Community Contributions)									
55				Zones						
56	Jobs Credit - Sales Tax		\$5,683,252	35						
57	Corp Jobs Credits		\$4,348,031							

	A	B	C	D	E	F	G	H	I
58	Property Tax Credits		\$1,384,668						
59	Building Materials Refunds		\$2,373,502	47					
60	Business Equipment Refunds		\$1,035,562	34					
61	Electric Energy Exemption		\$1,138,054	7					
62	Total all zones		\$15,963,069						
63	Average per mile		\$10,902						
64									
65									
66	20 miles	\$ 218,040							
67									
68	Growth 2%	12-13	13-14	14-15	15-16				
69		\$ 218,040	\$222,401	\$226,849	\$231,386				

**REVENUE ESTIMATING CONFERENCE**

**TAX:** Sales and Use Tax/Corporate Income Tax  
**ISSUE:** Enterprise Zone – Citrus County  
**BILL NUMBER(S):** HB 371  
**SPONSOR(S):** Representative Smith  
**MONTH/YEAR COLLECTION IMPACT BEGINS:** July 1, 2012  
**DATE OF ANALYSIS:** November, 2011

**SECTION 1: NARRATIVE**

**a. Current Law:** No enterprise zone exists for Citrus County.

**b. Proposed Change:** Authorizes Citrus County to apply for an enterprise zone which can encompass up to 10 square miles, pursuant to F.S. 290.0055(4)(b)3. The application must be submitted by December 31, 2012.

**SECTION 2: DESCRIPTION OF DATA AND SOURCES**

2011 Enterprise Zone Annual Report

**SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)**

Assume 6 months for implementation  
 Assume 2% growth rate  
 Exemption per mile = \$10,902

**SECTION 4: PROPOSED FISCAL IMPACT**

State Impact: All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High					
Middle	(\$ 0.05M)	(\$ 0.11M)	(\$ 0.11 M)	(\$ 0.11 M)	(\$ 0.12 M)
Low					

**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 11/3/11)** The conference adopted the proposed estimate, split 80% Sales Tax and 20% Corporate Income Tax.

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue—Sales Tax	(.1)	(.1)	(.1)	(.1)	(.1)
General Revenue—Corporate Tax	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
State Trust	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
Total State Impact	(.1)	(.1)	(.1)	(.1)	(.1)
Total Local Impact	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
Total Impact	(.1)	(.1)	(.1)	(.1)	(.1)

	A	B	C	D	E	F	G	H	I	
1	<b>Calculation of Rate per mile - 2011 data</b>									
2										
3	Statewide Data - 2009/2010 (excluding Community Contributions)			Zones	Enterprise Zone data from 2011 report					
4					Total number of designated zones 59					
5	Jobs Credit - Sales Tax		\$5,683,252	35	<b>Estimated number of participating Zones 49</b>					
6	Corp Jobs Credits		\$4,348,031		no condos value for 09-10 % of zones participating 83.1%					
7	Property Tax Credits		\$1,384,668		Number of Sq. miles in all zones 1,541					
8	Building Materials Refunds		\$54,012,915	47	\$2,373,502	Number of Sq. miles in participating Zones 1,464				
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29	Gulf	EZ-2301	19.98	\$ 152,545	\$ 24,646	\$ 3,155				
30	Hamilton	EZ-2401	19.88							
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62	Total all zones		\$15,963,069						
63	Average per mile		\$10,902						
64									
65									
66	10 miles	\$ 109,020							
67									
68	Growth 2%	12-13	13-14	14-15	15-16				
69		\$ 109,020	\$ 111,201	\$ 113,425	\$ 115,693				