

REVENUE ESTIMATING CONFERENCE

TAX: Pari-Mutuel Tax

ISSUE: Greyhound Live Racing

BILL NUMBER(S): HB641

SPONSOR(S): Representative Young

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2012

DATE OF ANALYSIS: 12/07/2011

SECTION 1: NARRATIVE

a. Current Law:

Greyhound permitholders must run a “full schedule of live racing” to be eligible for intertrack wagering. A “full schedule of live racing” is also one of the requirements to be eligible for an initial slot license and its annual renewal. A cardroom license renewal requires that a permitholder conduct at least 90 percent of the performances conducted in the year the initial cardroom license application was issued or the prior year if the permitholder ran a “full schedule of live performances”.

A “full schedule of live racing” for a greyhound permitholder is the combination of at least 100 live performances, consisting of at least eight races each during the preceding fiscal year.

Each greyhound permitholder that conducts a “full schedule of live races” is eligible for the following tax credits:

- \$500,000 Exemption Tax Credit: applies to the three greyhound permitholders that conducted a full schedule of live racing in 1995, whose area is also the closest permitholder to another state that permits greyhound pari-mutuel racing (Washington County Kennel Club, Pensacola Greyhound, and Jefferson County Kennel Club);
- \$360,000 Exemption Tax Credit: applies to all other greyhound permitholders that are not eligible for the \$500,000 credit;
- Daily License Fee Credit: applies to all greyhound permitholders and is equal to the number of live greyhound races conducted in the previous state fiscal year multiplied by the \$80 daily license fee per live race; and
- Escheated Ticket Credits: applies to all greyhound permitholders and is equal to 100 percent of the actual amount of unclaimed winning tickets remitted to the state in the prior state fiscal year.

With the exception of the escheated tickets credits, greyhound permitholders may transfer once per state fiscal year unused tax credits to other permitholders which act as a “host track” to the said permitholder. “Host track” is defined as a “track or fronton conducting a live or a simulcast race or game that is the subject of an intertrack wager.”

b. Proposed Change:

This bill removes the requirement for a minimum number of performances for greyhound permitholders to conduct intertrack wagering, slot operations, and to operate a cardroom. To be eligible to transfer unused tax credits, greyhound permitholders must conduct at least 100 live performances. For the permitholders that conducted live racing prior to FY 12 -13 and subsequently elect not to run live, the bill requires that their exemption credit be pooled and distributed to those greyhound permitholders conducting live racing. The tax credits are then distributed according to the percentage share of live and intertrack handle of permitholders conducting live racing.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

For 7 permits – Survey provided by Economic Development Research staff during 2011 session

October 2011 Revenue Estimating Conference

April 2011 Revenue Impact Conference for SB1594 CS Amendment (adopted 4/11/11)

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

- Calculated loss in net taxes and fees from 7 permits likely to stop live racing;
- Subtracted the net additional tax credits available for pool to be utilized by operating permitholder eligible for transfer under proposed language;
- Added various % of live handle tax that would be recaptured through intertrack wagering;
- Fiscal Years 2013/14, thru 2015/16, also includes a loss of escheated tickets payments remitted to the Department of Education, State School Fund. Greyhound permitholders that conduct live races that have unclaimed, uncashed, or abandoned monies or tickets a year old that are related to live races are required to remit those amounts to the state, pursuant to Section 550.1647 and 550.1645 (3), F.S. A permitholder that does not conduct live races is not required to remit payment of escheated tickets to the state.

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LOW ESTIMATES

Revised estimate – 7 permits	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Revised Loss to the State				
Less Loss of Net Taxes from permits likely to end live racing	(\$46,999)	(\$37,463)	(\$31,359)	(\$27,160)
Less Net Additional Tax Credits Available for Pool to be utilized by operating permitholders	(\$1,098,817)	(\$1,077,140)	(\$1,063,198)	(\$1,055,948)
Add Live Handle Recapture @ 90%	\$587,810	\$571,111	\$560,404	\$551,998
Revised Loss to the GR	(\$558,006)	(\$543,492)	(\$534,152)	(\$531,110)
Less escheated tickets to DOE		(\$227,251)	(\$227,251)	(\$227,251)
Revised Net Loss to the State	(\$558,006)	(\$770,743)	(\$761,403)	(\$758,361)

MEDIUM ESTIMATES

Revised estimate – 7 permits	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Revised Loss to the State				
Less Loss of Net Taxes from permits likely to end live racing	(\$46,999)	(\$37,463)	(\$31,359)	(\$27,160)
Less Net Additional Tax Credits Available for Pool to be utilized by operating permitholders	(\$1,098,817)	(\$1,077,140)	(\$1,063,198)	(\$1,055,948)
Add Live Handle Recapture @ 60%	\$391,873	\$380,741	\$373,603	\$366,131
Revised Loss to the GR	(\$843,095)	(\$733,862)	(\$720,954)	(\$715,110)
Less escheated tickets to DOE		(\$227,251)	(\$227,251)	(\$227,251)
Revised Net Loss to the State	(\$753,943)	(\$961,113)	(\$948,205)	(\$942,361)

HIGH ESTIMATES

Revised estimate – 7 permits	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Revised Loss to the State				
Less Loss of Net Taxes from permits likely to end live racing	(\$46,999)	(\$37,463)	(\$31,359)	(\$27,160)
Less Net Additional Tax Credits Available for Pool to be utilized by operating permitholders	(\$1,098,817)	(\$1,077,140)	(\$1,063,198)	(\$1,055,948)
Add Live Handle Recapture @ 30%	\$195,937	\$190,370	\$186,801	\$183,999
Revised Loss to the GR	(\$949,879)	(\$924,233)	(\$907,755)	(\$899,109)
Less escheated tickets to DOE		(\$227,251)	(\$227,251)	(\$227,251)
Revised Net Loss to the State	(\$949,879)	(\$1,151,484)	(\$1,135,006)	(\$1,126,360)

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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					
Loss in tax revenue	(\$558,000)		(\$543,000)	(\$534,000)	(\$521,000)
Loss to DOE			(\$227,000)	(\$227,000)	(\$227,000)
Middle					
Loss in tax revenue	(\$754,000)		(\$734,000)	(\$721,000)	(\$715,000)
Loss to DOE			(\$227,000)	(\$227,000)	(\$227,000)
Low					
Loss in tax revenue	(\$950,000)		(\$924,000)	(\$908,000)	(\$899,000)
Loss to DOE			(\$227,000)	(\$227,000)	(\$227,000)

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 12/09/11) The conference adopted the middle estimate.

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue	(.8)	(.8)	(.7)	(.7)	(.7)
State Trust	0	(.2)	(.2)	(.2)	(.2)
Total State Impact	(.8)	(1.0)	(.9)	(.9)	(.9)
Total Local Impact	0	0	0	0	0
Total Impact	(.8)	(1.0)	(.9)	(.9)	(.9)

REVENUE ESTIMATING CONFERENCE

TAX: Sales and Use Tax

ISSUE: Sales Tax Holiday, Three Day Weekend in August, Clothing & Shoes \$75 or less and School Supplies \$15 or less

BILL NUMBER(S): SB 982

SPONSOR(S): Senator Bogdanoff

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2012

DATE OF ANALYSIS: December 9, 2011

SECTION 1: NARRATIVE

a. Current Law:

Under current law in Ch. 212, F.S., clothing and school supplies are subject to the 6% Sales and Use Tax.

b. Proposed Change:

SB 982 exempts sales of “clothing, wallets, or bags, including handbags, backpacks, fanny packs, and diaper bags, but excluding briefcases, suitcases, and other garment bags” from the Sales and Use Tax for a three-day period beginning on Friday, August 10 and ending on Sunday, August 12, 2012, so long as the sales price of the item does not exceed \$75. Clothing is defined as “an article of wearing apparel intended to be worn on or about the human body,” including footwear except for skis, swim fins, roller blades and skates, and excluding “watches, watchbands, jewelry, umbrellas, or handkerchiefs.”

During this same period, sales of school supplies having a sale price of \$15 or less per item are exempt from the Sales and Use Tax. School supplies are defined as “pens, pencils, erasers, crayons, notebooks, notebook filler paper, legal pads, binders, lunch boxes, construction paper, markers, folders, poster board, composition books, poster paper, scissors, cellophane tape, glue or paste, rulers, computer disks, protractors, compasses, and calculators.”

SB 982 contains a \$226,284 non-recurring General Revenue Fund appropriation for the 2011-2012 fiscal year for administration of the tax holiday. Unused funds as of June 30, 2012 will revert and be reappropriated for the same purpose in the 2012-2013 fiscal year.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

- Clothing and Shoes forecast, DEC 2011 U. S. Economic Estimating Conference
- U.S Population (total and 65+), 3rd Quarter estimates, DEC 2011 U. S. Economic Estimating Conference
- Florida Population (total and 65+), 3rd Quarter estimates, DEC 2011 Demographic Estimating Conference
- Estimates of Florida school headcount, public and private, based on OCT 2011 K-12 Enrollment Estimating Conference
- Estimates of Florida college and university headcount, public and private, based on private/public ratio from 2008 Integrated Postsecondary Education Data System (IPEDS) data and headcounts reported by the State University System and the Florida College System

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

See attached sheets. After a base ten-day clothing, shoes and school supplies sales tax holiday is calculated, reductions to obtain the cost of a three-day holiday on Friday, Saturday and Sunday were made using a matrix that weights each day’s impact.

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					
Clothing & Shoes \$75	(26.6 M)	0			
School Supplies \$15	(5.0 M)				
Total	(31.6 M)				
Middle					
Clothing & Shoes \$75	(24.6 M)	0			
School Supplies \$15	(4.6 M)				
Total	(29.2 M)				
Low					
Clothing & Shoes \$75	(22.7 M)	0			
School Supplies \$15	(4.2 M)				
Total	(26.9 M)				

REVENUE ESTIMATING CONFERENCE

TAX: Sales and Use Tax

ISSUE: Sales Tax Holiday, Three Day Weekend in August, Clothing & Shoes \$75 or less and School Supplies \$15 or less

BILL NUMBER(S): SB 982

SPONSOR(S): Senator Bogdanoff

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2012

DATE OF ANALYSIS: December 9, 2011

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 12/9/11) The conference adopted the middle estimate.

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue	(25.9)				
State Trust	(Insignificant)				
Total State Impact	(25.9)				
Revenue Sharing	(.9)				
Local Gov't Half Cent	(2.5)				
Local Option	(2.5)				
Total Local Impact	(5.9)				
Total Impact	(31.8)	0	0	0	0

Clothing and School Supplies Tax Holiday Impacts Back-to-School Daily Factors - based on Hurricane Sales Tax Holiday Analysis

Assume:

Depending upon what SET OF DAYS are included, the most impact will come from the weekend.

As long as an ENTIRE WEEKEND is included, the most impact will occur on Friday, Saturday and Sunday.

Example:	Weekdays add less to the impact.												Calibrate to 12-day holiday	Calibrate to 10-day holiday
	1	2	3	4	5	6	7	8	9	10	11	12		
	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Monday		
12-Day Holiday	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	100.0%	103.1%
11-Day Holiday	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	X	99.0%	102.1%
10-Day Holiday	X	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	X	97.0%	100.0%
9-Day Holiday	X	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	X	X	87.0%	89.7%
8-Day Holiday	X	X	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	X	X	81.5%	84.0%
7-Day Holiday	X	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	X	X	X	X	64.5%	66.5%
6-Day Holiday	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	X	X	X	X	X	X	64.5%	66.5%
5-Day Holiday	2.0%	5.5%	35.0%	20.0%	1.0%	X	X	X	X	X	X	X	63.5%	65.5%
4-Day Holiday	2.0%	5.5%	35.0%	20.0%	X	X	X	X	X	X	X	X	62.5%	64.4%
3-Day Holiday	X	5.5%	35.0%	20.0%	X	X	X	X	X	X	X	X	60.5%	62.4%
2-Day Holiday	X	X	35.0%	20.0%	X	X	X	X	X	X	X	X	55.0%	56.7%
1-Day Holiday	X	X	35.0%	X	X	X	X	X	X	X	X	X	35.0%	36.1%

SALES TAX HOLIDAY FOR CLOTHING & SHOES, \$75
TEN DAYS IN AUG, \$75 LIMIT - (average of \$100 limit and \$50 limit)

2012-13

	<u>Low</u>	<u>Medium</u>	<u>High</u>
1 National Expenditure on Apparel and Shoes	364,200.0	364,200.0	364,200.0
2 Fl. share based on pop forecast of 04/05 (Q3 04)	21,907.8	21,907.8	21,907.8
3 Fl. Exp. on Apparel & Shoes (adjusted)	20,846.6	20,846.6	20,846.6
4 Est. Fl. Based Sales of Apparel & Shoes (mail ord. Adj.)	17,928.1	17,928.1	17,928.1
5 Sales Tax at 6%	1,075.7	1,075.7	1,075.7
6 Exempted Amount (avg \$100 & \$50 % = 75%)	753.0	806.8	860.5
7 Prel. TEN-day fiscal impact in Florida (\$ 50 limit)	(20.6)	(22.1)	(23.6)
8 Seasonal factor set to 1 (no seasonal factor)	1.0	1.0	1.0
9 The behavioral factor based on New York history	1.7	1.7	1.7
10 Adj. TEN-day fiscal impact in Florida (\$ 50 limit)	(35.7)	(38.3)	(40.8)
11 Backpacks (30%, 20%, 10% of Prek-12 + U Stu. (\$25))	(0.6)	(1.2)	(1.8)
12 BASE Impact TEN DAYS	(36.3)	(39.5)	(42.6)
13 Addback for Weekday Expenditures on Mon -Thurs (4.1%)	1.5	1.6	1.7
14 ADJUSTED FOR TWO CONSECUTIVE THREE-DAY WEEKEND HOLIDAYS - HB 737	(34.8)	(37.8)	(40.9)
15 ADJUSTED FOR THREE-DAY HOLIDAY (62.4%) - SB 982	(22.7)	(24.6)	(26.6)

**2012 SCHOOL SUPPLIES SALES TAX HOLIDAY - TEN DAY
SCHOOL SUPPLIES EXPANDED BASE**

**SALES PRICE \$15 OR LESS PER ITEM
INCREASE EXPENDITURES PER GRADE BY 33%**

DEFINITION of School Supplies:

pens, pencils, erasers, crayons, notebooks, notebook filler paper, legal pads, composition books, poster paper, scissors, cellophane tape, glue or paste, rulers, computer disks, protractors, compasses, calculators, binders, lunch boxes, construction paper, markers, folders and poster board

Assumptions	Expenditures		Computer Disks	TOTAL, Expend
	w/Backpack	wo/Backpack	for 6-8, 9-12, Univ, Private	w/out Backpack + Computer Disk increased by 33%
Grades	amt spent per student for \$10 under items			amt spent per student for \$15 under items
PreK	20.00	12.00	-	16.00
K-2	20.00	12.00	-	16.00
3	25.00	15.00	-	20.00
4-5	25.00	15.00	1.00	21.33
6-8	35.00	21.00	1.00	29.33
9-12	40.00	24.00	1.00	33.33
Univ. Students	40.00	24.00	2.00	34.67
Private	30.00	18.00	1.00	25.33

**Expenditures in \$ millions
School Supplies + Computer Disks**

Headcount/ Students by Level	2012-13	
	2012-13	wo/Backpack 2012-13
PreK	91,072	1.5
KG	237,785	3.8
1	233,642	3.7
2	221,330	3.5
3	226,822	4.5
4	216,519	4.6
5	217,462	4.6
6	227,988	6.7
7	226,792	6.7
8	225,015	6.6
9	239,203	8.0
10	224,150	7.5
11	210,788	7.0
12	202,363	6.7
Subtotal Public PK-12	3,000,931	75.5
Subtotal Univ/CC/Private HiEd	1,028,264	35.6
Total	4,029,195	111.1

K-12 Headcount estimate:

* Begin with Fall 2010 actual public school headcount.
* Add headcount from Private School Annual Rpt from the Florida School Choice Office.
* Derive Fall 2011 and Fall 2012 public school headcount by growing Fall 2010 (public plus private) by growth in FTE per Oct 2011 FC EEC.

University/Higher Ed Headcount estimate:

* Fall 2011 Headcount is from SUS and Florida College System.
* Add private colleges based on % of total per IPEDS (2008 latest actual)
* Grow SUS by 1.5%, Fla Colleges by 1.8% (For SUS Fall 10 to Fall 11 actual growth; For Colleges used Oct 2011 FC EEC)

Advantage Buying by Business, General Public

25% Factor + 10% for expanded list 38.9

% for 10-day	School Supplies \$15 limit Impact (\$M)	10 Days	10 Days * 95.9%	(62.4% of 10 Day) 3 Days
		0	2012-13	2012-13
85%	Sales Tax Impact (High - see col B & C% Children + U Students)	-8.0	-7.7	-4.8
75%	Sales Tax Impact (Medium - see col B & C% Children + U Students)	-7.3	-7.0	-4.4
65%	Sales Tax Impact (Low - see col B & C% Children + U Students)	-6.7	-6.4	-4.0

**SB 982 Sales Tax Holiday, (NONRECURRING)
August 10, 11, 12, 2012**

Three days in August (Fri, Sat, Sun) - Based on TEN DAY IMPACT =	62.40% for clothing & shoes and school supplies only
Clothing and shoes, LIMIT =	\$75.00
School supplies, expanded list, LIMIT=	\$15.00

Expenditure Type	FY 2012-2013		
	LOW	MIDDLE	HIGH
Clothing & Shoes - Uses AVERAGE of estimates for \$50 and \$100 limits.	-22.7	-24.6	-26.6
School Supplies - expanded list - 33% increase in expenditures assigned by grade	-4.2	-4.6	-5.0
Total Impact	-26.9	-29.2	-31.6

*Estimates in millions of dollars

REVENUE ESTIMATING CONFERENCE

TAX: Sales and Use Tax

ISSUE: Sales Tax Holiday, Two Consecutive Three Day Weekends in August, Clothing & Shoes \$75 or less and School Supplies \$15 or less

BILL NUMBER(S): HB 737

SPONSOR(S): Representative Porter

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2012

DATE OF ANALYSIS: December 9, 2011

SECTION 1: NARRATIVE

a. Current Law:

Under current law in Ch. 212, F.S., clothing and school supplies are subject to the 6% Sales and Use Tax.

b. Proposed Change:

HB 737 exempts sales of “clothing, wallets, or bags, including handbags, backpacks, fanny packs, and diaper bags, but excluding briefcases, suitcases, and other garment bags” from the Sales and Use Tax for two consecutive three-day weekend periods, Friday, August 10 through Sunday, August 12, 2012 and Friday August 17 through Sunday August 19, so long as the sales price of the item does not exceed \$75. Clothing is defined as “an article of wearing apparel intended to be worn on or about the human body,” including footwear except for skis, swim fins, roller blades and skates, and excluding “watches, watchbands, jewelry, umbrellas, or handkerchiefs.”

During this same period, sales of school supplies having a sale price of \$15 or less per item are exempt from the Sales and Use Tax. School supplies are defined as “pens, pencils, erasers, crayons, notebooks, notebook filler paper, legal pads, binders, lunch boxes, construction paper, markers, folders, poster board, composition books, poster paper, scissors, cellophane tape, glue or paste, rulers, computer disks, protractors, compasses, and calculators.”

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- Estimates of Florida college and university headcount, public and private, based on private/public ratio from 2008 Integrated Postsecondary Education Data System (IPEDS) data and headcounts reported by the State University System and the Florida College System

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

See attached sheets. The base ten-day sales tax holiday expenditure pattern model is assumed for HB 737. The majority of expenditures in the ten-day base expenditure model (95.9%) occur on the consecutive 3 day weekends. Therefore, the proposed impact is adjusted for expenditures made on Monday through Thursday (4.1%) that do not fall within the holiday period.

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 Clothing & Shoes \$75 School Supplies \$15 Total	(40.9 M) (7.7 M) (48.6 M)	0			
Middle Clothing & Shoes \$75 School Supplies \$15 Total	(37.8 M) (7.0 M) (44.9 M)	0			
Low Clothing & Shoes \$75 School Supplies \$15 Total	(34.8 M) (6.4 M) (41.2 M)	0			

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SECTION 5: CONSENSUS ESTIMATE (ADOPTED 12/9/11) The conference adopted the middle estimate.

	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
General Revenue	(39.8)				
State Trust	(Insignificant)				
Total State Impact	(39.8)				
Revenue Sharing	(1.3)				
Local Gov't Half Cent	(3.8)				
Local Option	(3.9)				
Total Local Impact	(9.0)				
Total Impact	(48.8)	0	0	0	0

Clothing and School Supplies Tax Holiday Impacts Back-to-School Daily Factors - based on Hurricane Sales Tax Holiday Analysis

Assume:

Depending upon what SET OF DAYS are included, the most impact will come from the weekend.

As long as an ENTIRE WEEKEND is included, the most impact will occur on Friday, Saturday and Sunday.

Example:	Weekdays add less to the impact.												Calibrate to 12-day holiday	Calibrate to 10-day holiday
	1	2	3	4	5	6	7	8	9	10	11	12		
	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Monday		
12-Day Holiday	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	1.0%	100.0%	103.1%
11-Day Holiday	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	X	99.0%	102.1%
10-Day Holiday	X	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	10.0%	X	97.0%	100.0%
9-Day Holiday	X	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	X	X	87.0%	89.7%
8-Day Holiday	X	X	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	2.5%	20.0%	X	X	81.5%	84.0%
7-Day Holiday	X	5.5%	35.0%	20.0%	1.0%	1.0%	1.0%	1.0%	X	X	X	X	64.5%	66.5%
6-Day Holiday	2.0%	5.5%	35.0%	20.0%	1.0%	1.0%	X	X	X	X	X	X	64.5%	66.5%
5-Day Holiday	2.0%	5.5%	35.0%	20.0%	1.0%	X	X	X	X	X	X	X	63.5%	65.5%
4-Day Holiday	2.0%	5.5%	35.0%	20.0%	X	X	X	X	X	X	X	X	62.5%	64.4%
3-Day Holiday	X	5.5%	35.0%	20.0%	X	X	X	X	X	X	X	X	60.5%	62.4%
2-Day Holiday	X	X	35.0%	20.0%	X	X	X	X	X	X	X	X	55.0%	56.7%
1-Day Holiday	X	X	35.0%	X	X	X	X	X	X	X	X	X	35.0%	36.1%

SALES TAX HOLIDAY FOR CLOTHING & SHOES, \$75
TEN DAYS IN AUG, \$75 LIMIT - (average of \$100 limit and \$50 limit)

2012-13

	<u>Low</u>	<u>Medium</u>	<u>High</u>
1 National Expenditure on Apparel and Shoes	364,200.0	364,200.0	364,200.0
2 Fl. share based on pop forecast of 04/05 (Q3 04)	21,907.8	21,907.8	21,907.8
3 Fl. Exp. on Apparel & Shoes (adjusted)	20,846.6	20,846.6	20,846.6
4 Est. Fl. Based Sales of Apparel & Shoes (mail ord. Adj.)	17,928.1	17,928.1	17,928.1
5 Sales Tax at 6%	1,075.7	1,075.7	1,075.7
6 Exempted Amount (avg \$100 & \$50 % = 75%)	753.0	806.8	860.5
7 Prel. TEN-day fiscal impact in Florida (\$ 50 limit)	(20.6)	(22.1)	(23.6)
8 Seasonal factor set to 1 (no seasonal factor)	1.0	1.0	1.0
9 The behavioral factor based on New York history	1.7	1.7	1.7
10 Adj. TEN-day fiscal impact in Florida (\$ 50 limit)	(35.7)	(38.3)	(40.8)
11 Backpacks (30%, 20%, 10% of Prek-12 + U Stu. (\$25))	(0.6)	(1.2)	(1.8)
12 BASE Impact TEN DAYS	(36.3)	(39.5)	(42.6)
13 Addback for Weekday Expenditures on Mon -Thurs (4.1%)	1.5	1.6	1.7
14 ADJUSTED FOR TWO CONSECUTIVE THREE-DAY WEEKEND HOLIDAYS - HB 737	(34.8)	(37.8)	(40.9)
15 ADJUSTED FOR THREE-DAY HOLIDAY (62.4%) - SB 982	(22.7)	(24.6)	(26.6)

**2012 SCHOOL SUPPLIES SALES TAX HOLIDAY - TEN DAY
SCHOOL SUPPLIES EXPANDED BASE**

**SALES PRICE \$15 OR LESS PER ITEM
INCREASE EXPENDITURES PER GRADE BY 33%**

DEFINITION of School Supplies:

pens, pencils, erasers, crayons, notebooks, notebook filler paper, legal pads, composition books, poster paper, scissors, cellophane tape, glue or paste, rulers, computer disks, protractors, compasses, calculators, binders, lunch boxes, construction paper, markers, folders and poster board

Assumptions	Expenditures		Computer Disks	TOTAL, Expend
	w/Backpack	wo/Backpack	for 6-8, 9-12, Univ. Private	w/out Backpack + Computer Disk increased by 33%
Grades	amt spent per student for \$10 under items			amt spent per student for \$15 under items
PreK	20.00	12.00	-	16.00
K-2	20.00	12.00	-	16.00
3	25.00	15.00	-	20.00
4-5	25.00	15.00	1.00	21.33
6-8	35.00	21.00	1.00	29.33
9-12	40.00	24.00	1.00	33.33
Univ. Students	40.00	24.00	2.00	34.67
Private	30.00	18.00	1.00	25.33

**Expenditures in \$ millions
School Supplies + Computer Disks**

Headcount/ Students by Level	wo/Backpack	
	2012-13	2012-13
PreK	91,072	1.5
KG	237,785	3.8
1	233,642	3.7
2	221,330	3.5
3	226,822	4.5
4	216,519	4.6
5	217,462	4.6
6	227,988	6.7
7	226,792	6.7
8	225,015	6.6
9	239,203	8.0
10	224,150	7.5
11	210,788	7.0
12	202,363	6.7
Subtotal Public PK-12	3,000,931	75.5
Subtotal Univ/CC/Private HiEd	1,028,264	35.6
Total	4,029,195	111.1

K-12 Headcount estimate:

* Begin with Fall 2010 actual public school headcount.
* Add headcount from Private School Annual Rpt from the Florida School Choice Office.
* Derive Fall 2011 and Fall 2012 public school headcount by growing Fall 2010 (public plus private) by growth in FTE per Oct 2011 FC EEC.

University/Higher Ed Headcount estimate:

* Fall 2011 Headcount is from SUS and Florida College System.
* Add private colleges based on % of total per IPEDS (2008 latest actual)
* Grow SUS by 1.5%, Fla Colleges by 1.8% (For SUS Fall 10 to Fall 11 actual growth; For Colleges used Oct 2011 FC EEC)

Advantage Buying by Business, General Public

25% Factor + 10% for expanded list 38.9

% for 10-day	School Supplies \$15 limit Impact (\$M)	10 Days	10 Days * 95.9%	(62.4% of 10 Day) 3 Days
		0	2012-13	2012-13
85%	Sales Tax Impact (High - see col B & C% Children + U Students)	-8.0	-7.7	-4.8
75%	Sales Tax Impact (Medium - see col B & C% Children + U Students)	-7.3	-7.0	-4.4
65%	Sales Tax Impact (Low - see col B & C% Children + U Students)	-6.7	-6.4	-4.0

HB 737 Sales Tax Holiday, (NONRECURRING)
August 10, 11, 12, 2012
August 17, 18, 19, 2012

TWO CONSECUTIVE 3-DAY WEEKENDS in August (Fri, Sat, Sun) Based on TEN DAY Expenditure Pattern Matrix =	95.9 % of TEN day base for clothing & shoes and school supplies only
Clothing and shoes, LIMIT =	\$75.00
School supplies, expanded list, LIMIT=	\$15.00

Expenditure Type	FY 2012-2013		
	LOW	MIDDLE	HIGH
Clothing & Shoes	-34.8	-37.8	-40.9
School Supplies - expanded list	-6.4	-7.0	-7.7
Total Impact	-41.2	-44.9	-48.6

*Estimates in millions of dollars

REVENUE ESTIMATING CONFERENCE

TAX: AD VALOREM

ISSUE: Ad Valorem Taxation – Limitation of Homestead Recapture

BILL NUMBER(S): part of SJR 314

SPONSOR(S): Sen. Simmons

MONTH/YEAR COLLECTION IMPACT BEGINS: January 1, 2012 or January 1, 2013

DATE OF ANALYSIS: Nov 15, 2011

SECTION 1: NARRATIVE

- a. Current Law:** Annual assessment increases on homestead properties are limited to the lower of:
- 3% of prior year assessed value; or
 - Percent change in the Consumer Price Index.

During abnormal periods the just value of the property may exhibit negative growth. In these situations, homesteads that have positive assessment differentials may witness increases in their property’s assessed values and decreases in their property’s just value. This phenomenon in growth rates decreases the size of the assessment differential. If the assessment differential decreases to zero and just value falls below assessed value, the assessed value is then revised to the current just value.

- b. Proposed Change:** Allows the legislature to limit the automatic increase in assessment on homestead property if just value is lower than the preceding January 1 just value.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

Data sources used were the current Ad valorem forecast for just value, assessed value and growth rates for homestead property.

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

Using the 2011 NAL records for properties pertaining to recapture provisions, a baseline estimate of taxable value is established from a model developed by EDR. Next, a modification is made to capture the changes outlined in the legislation pertaining to assessed value exemption. The impact is the difference in taxable values between the baseline and the modification.

Three estimates are provided for 2013 start date.

- The middle estimate is based on the difference between the baseline and the modifications.
- The high and low estimates are based on ±5% adjustment of the taxable value.

SECTION 4: PROPOSED FISCAL IMPACT

Local Impact: All Funds	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High County Taxable Value School Taxable Value			(\$55.86 M) (\$40.40 M)	(\$91.50 M) (\$66.17 M)	(\$114.78 M) (\$82.99 M)
Middle County Taxable Value School Taxable Value			(\$53.20 M) (\$38.47 M)	(\$87.14 M) (\$63.02 M)	(\$109.31 M) (\$79.04 M)
Low County Taxable Value School Taxable Value			(\$50.54 M) (\$36.55 M)	(\$82.78 M) (\$59.86 M)	(\$103.84 M) (\$75.09 M)

REVENUE ESTIMATING CONFERENCE

TAX: AD VALOREM

ISSUE: Ad Valorem Taxation – Limitation of Homestead Recapture

BILL NUMBER(S): part of SJR 314

SPONSOR(S): Sen. Simmons

MONTH/YEAR COLLECTION IMPACT BEGINS: January 1, 2012 or January 1, 2013

DATE OF ANALYSIS: Nov 15, 2011

Homestead Recapture Repeal

2013 Start Date

Estimated County Taxable Value (in millions)

Cumulative Impact

	2013	2014	2015	2016
High	(5,124.72)	(8,394.27)	(10,529.84)	(12,981.30)
Middle	(4,880.68)	(7,994.54)	(10,028.42)	(12,363.14)
Low	(4,636.65)	(7,594.82)	(9,527.00)	(11,744.99)

Estimated Revenue Impact @ 10.9 mils

	2013	2014	2015	2016
High	(55.86)	(91.50)	(114.78)	(141.50)
Middle	(53.20)	(87.14)	(109.31)	(134.76)
Low	(50.54)	(82.78)	(103.84)	(128.02)

Estimated School Taxable Value (in millions)

Cumulative Impact

	2013	2014	2015	2016
High	(5,179.26)	(8,482.87)	(10,639.71)	(13,115.59)
Middle	(4,932.63)	(8,078.92)	(10,133.06)	(12,491.04)
Low	(4,686.00)	(7,674.98)	(9,626.40)	(11,866.49)

Estimated Revenue Impact @ 7.8 mils

	2013	2014	2015	2016
High	(40.40)	(66.17)	(82.99)	(102.30)
Middle	(38.47)	(63.02)	(79.04)	(97.43)
Low	(36.55)	(59.86)	(75.09)	(92.56)

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 12/9/11) The conference adopted an indeterminate negative impact. Should the electorate approve the proposal and the legislature pass the authorizing legislation, the projected impact on school taxes would be -\$38.5m in 2013-14, -\$63.0m in 2014-15, and -\$79.0m in 2015-16, assuming a statewide average millage rate of 7.8 mills. The projected impact on non-school taxes would be -\$53.2m in 2013-14, -\$87.1m in 2014-15, and -\$109.3m in 2015-16, assuming a statewide average millage rate of 10.9 mills.

	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					
Total Local Impact	0	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)
Total Impact	0	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)

REVENUE ESTIMATING CONFERENCE

TAX: AD VALOREM

ISSUE: Ad Valorem Taxation – Limitation of Homestead Recapture

BILL NUMBER(S): part of HJR 381 (2011) update

SPONSOR(S): Rep Dorworth

MONTH/YEAR COLLECTION IMPACT BEGINS: January 1, 2012 or January 1, 2013

DATE OF ANALYSIS: Nov 15, 2011

SECTION 1: NARRATIVE

- a. Current Law:** Annual assessment increases on homestead properties are limited to the lower of:
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- b. Proposed Change:** Allows the legislature to limit the automatic increase in assessment on homestead property if just value is lower than the preceding January 1 just value.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

Data sources used were the current Ad valorem forecast for just value, assessed value and growth rates for homestead property.

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

Using the 2011 NAL records for properties currently receiving the homestead exemption a baseline estimate of taxable value is established from a model developed by EDR. Next, a modification is made to capture the changes outlined in the legislation pertaining to the assessed value exemption. The impact is the difference in taxable values between the baseline and the modification.

Three estimates are provided for 2013 start date.

- The middle estimate is based on the difference between the baseline and the modifications.
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Low County Taxable Value School Taxable Value			(\$50.54 M) (\$36.55 M)	(\$82.78 M) (\$59.86 M)	(\$103.84 M) (\$75.09 M)

REVENUE ESTIMATING CONFERENCE

TAX: AD VALOREM

ISSUE: Ad Valorem Taxation – Limitation of Homestead Recapture

BILL NUMBER(S): part of HJR 381 (2011) update

SPONSOR(S): Rep Dorworth

MONTH/YEAR COLLECTION IMPACT BEGINS: January 1, 2012 or January 1, 2013

DATE OF ANALYSIS: Nov 15, 2011

Homestead Recapture Repeal

2013 Start Date

Estimated County Taxable Value (in millions)

Cumulative Impact

	2013	2014	2015	2016
High	(5,124.72)	(8,394.27)	(10,529.84)	(12,981.30)
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Low	(4,636.65)	(7,594.82)	(9,527.00)	(11,744.99)

Estimated Revenue Impact @ 10.9 mils

	2013	2014	2015	2016
High	(55.86)	(91.50)	(114.78)	(141.50)
Middle	(53.20)	(87.14)	(109.31)	(134.76)
Low	(50.54)	(82.78)	(103.84)	(128.02)

Estimated School Taxable Value (in millions)

Cumulative Impact

	2013	2014	2015	2016
High	(5,179.26)	(8,482.87)	(10,639.71)	(13,115.59)
Middle	(4,932.63)	(8,078.92)	(10,133.06)	(12,491.04)
Low	(4,686.00)	(7,674.98)	(9,626.40)	(11,866.49)

Estimated Revenue Impact @ 7.8 mils

	2013	2014	2015	2016
High	(40.40)	(66.17)	(82.99)	(102.30)
Middle	(38.47)	(63.02)	(79.04)	(97.43)
Low	(36.55)	(59.86)	(75.09)	(92.56)

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 12/9/11) The conference adopted an indeterminate negative impact. Should the electorate approve the proposal and the legislature pass the implementing legislation, the projected impact on school taxes would be -\$38.5m in 2013-14, -\$63.0m in 2014-15, and -\$79.0m in 2015-16, assuming a statewide average millage rate of 7.8 mills. The projected impact on non-school taxes would be -\$53.2m in 2013-14, -\$87.1m in 2014-15, and -\$109.3m in 2015-16, assuming a statewide average millage rate of 10.9 mills.

	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					
Total Local Impact	0	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)
Total Impact	0	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)

REVENUE ESTIMATING CONFERENCE

TAX: AD VALOREM

ISSUE: NON-HOMESTEAD RECAPTURE

BILL NUMBER(S): SJR 314 Non-Homestead Recapture

SPONSOR(S): Sen. Simmons

MONTH/YEAR COLLECTION IMPACT BEGINS: Subject to general law, no earlier than Jan 1, 2013

DATE OF ANALYSIS: 11/28/2011

SECTION 1: NARRATIVE

- a. **Current Law:** Non-homestead properties that do not receive other assessment benefits under the Florida Constitution are limited in annual assessment growth to 10% of the prior assessed value. There is no provision related to assessment increases in years when the just value decreases.
- b. **Proposed Change:**
Reduce the 10% limitation to 7% beginning either Jan 1, 2012 or Jan 1, 2013. the impact start date is dependent upon whether the Joint Resolution is put to voters on the January 2012 Presidential Preference ballot or at the November 2012 general election. Provides that the legislature may provide by general law that, except for changes, additions, reductions, or improvements to property, an assessment may not increase if the just value of the property is less than the just value of the property on the preceding assessment date.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

Data sources used were the current Ad valorem forecast for just value and overall growth rates of nonresidential property. The distribution of just value growth for 2000-2001 was used to determine the relative shares of just value that will grow at a given growth rate and the growth rates for each share. Data for the overall growth of non-homestead property and the share that grew greater than 10% for 1999-2010 were also used to determine the percent of prior year value that would grow greater than 10% for future years. . This impact was based upon the impact adopted 11/10/11.

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

Data for historic percentages of prior year growth were regressed against the overall growth rate for the period 1999 to 2010. The results were used to develop predicted values for the percent of prior year value that would grow greater than 10% for the forecast period.

Once the total growth over 10% was forecast, this amount was distributed over the 2000 to 2001 distribution of growth. This distribution determined both the share of the overall growth above ten percent that would occur at a given growth rate and the ultimate growth rate for that share for the first year. The prior year values were then grown at the assessment limit in the first year for each group of cohorts to determine assessed values. Subsequent growth for each group of cohorts was determined using the estimated growth rate for the property as a whole in the respective year. Turnover was layered in by assuming that ten percent of the prior period differential returned to just value due to turnover in each value range. Once established as a cohort of capped parcels, that group was followed forward for each subsequent year to determine the impact within the group.

Results of the simulation of the recapture effects were compared to simulation results for a 5% limitation beginning in 2013 adopted 11/10/11. Millage rates of 10.9 mills for non-school levies were applied to get the dollar impact. For the low estimate, it was assumed ten percent of the prior year value grew at less than 0%, for the middle it was assumed 20% of the prior year value grew at less than 0%, and for the high it was assumed 30% of the prior year value grew at less than 0%.

SECTION 4: PROPOSED FISCAL IMPACT - IMPACT BEGINNING IN 2013

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			(\$18.8 M)	(\$50.7 M)	(\$64.6 M)
Middle			(\$14.8 M)	(\$47.8 M)	(\$55.7 M)
Low			(\$11.1 M)	(\$45.6 M)	(\$47.8 M)

REVENUE ESTIMATING CONFERENCE

TAX: AD VALOREM

ISSUE: NON-HOMESTEAD RECAPTURE

BILL NUMBER(S): SJR 314 Non-Homestead Recapture

SPONSOR(S): Sen. Simmons

MONTH/YEAR COLLECTION IMPACT BEGINS: Subject to general law, no earlier than Jan 1, 2013

DATE OF ANALYSIS: 11/28/2011

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 12/9/11) The conference adopted an indeterminate negative impact. Should the electorate approve the proposal and the legislature pass the implementing legislation, the projected impact on non-school taxes would be -\$14.8m in 2013-14, -\$47.8m in 2014-15, and -\$55.7m in 2015-16, assuming a statewide average millage rate of 10.9 mills.

	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					
Total Local Impact	0	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)
Total Impact	0	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)

	A	B	C	D	E	F	G	H	I	J	K	L
1												
2												
3												
4		2000	2001	2002	2003	2004	2005	2006	2008	2009	2010	2011
5	Percentage of Prior Year Just Value with Negative Growth	7.80%	6.70%	7.50%	7.10%	4.50%	3.40%	2.30%	31.50%	84.53%	89.98%	70.29%
6	Percentage of prior year growth with zero change	58.00%	49.10%	40.70%	35.80%	28.60%	17.00%	12.20%	20.90%	10.80%	6.79%	16.24%
7	Weighted Average Growth -	4.50%	6.60%	7.97%	9.10%	10.80%	18.30%	25.80%	5.10%	-16.40%	-15.80%	-5.43%
8												
9		2012	2013	2014	2015	2016						
10	Weighted Average Growth - forecast	-0.90%	1.55%	2.02%	2.44%	4.95%						
11												
12												
13	Percent of prior year growth greater than 7% that had negative growth	2010	2011									
14	2008 to 2009 Growth	89.0%	68.0%									
15	2009 to 2010 Growth		65.7%									
16												
17												
18	Percent of prior year growth greater than 5% that had negative growth	2010	2011									
19	2008 to 2009 Growth	89.0%	67.0%									
20	2009 to 2010 Growth		64.3%									
21												

	A	B	C	D	E	F	G	H
1	7% limitation beginning in 2013 - Low Estimate							
2	2013 starting date							
3	7% limitation - with anti-recapture					2013	2014	2015
4	Residential					\$472,193	\$480,087	\$498,537
5	Non-Residential					\$283,215	\$281,839	\$289,240
6	Prior year value					\$755,408,000,000	\$761,926,000,000	\$787,777,000,000
7	% with growth > 7%					15.90%	17.43%	18.80%
8	Estimated New cohort(prior year value)					\$120,079,559,385	\$132,801,559,943	\$148,104,341,532
9	valuation year value for new cohort					\$144,328,388,406	\$159,619,465,815	\$178,012,486,378
10	valuation year assessed value of new cohort					\$128,485,128,542	\$142,097,669,139	\$158,471,645,440
11	Valuation year differential					\$15,843,259,864	\$17,521,796,676	\$19,540,840,938
12								
13								
14								
15	Remaining Differential - 7%	2009	2010	2011	2012	2013	2014	2015
16		2010						
17		2011						
18		2012						
19		2013	\$392,155,775	\$1,074,593,299	\$1,316,774,582	\$5,765,707,975		
20		2014	\$282,002,785	\$879,081,156	\$865,394,010	\$4,096,060,972	\$11,954,433,900	
21		2015	\$183,568,601	\$718,462,315	\$565,802,571	\$3,004,653,905	\$8,498,067,058	\$13,645,170,697
22								
23	7% recapture							
24		2010						
25		2011						
26		2012						
27		2013	\$123,609,258	\$243,043,402	\$717,100,935	\$1,938,491,256		
28		2014	\$110,152,990	\$195,512,142	\$451,380,571	\$1,669,647,003	\$3,891,005,518	
29		2015	\$98,434,184	\$160,618,842	\$299,591,439	\$1,091,407,067	\$3,456,366,842	\$3,895,736,145
30								
31								
32								
33								
34	2013 starting date							
35	7% limitation - Baseline					2013	2014	2015
36	Residential					\$472,193	\$480,087	\$498,537
37	Non-Residential					\$283,215	\$281,839	\$289,240
38	Prior year value					\$755,408,000,000	\$761,926,000,000	\$787,777,000,000
39	% with growth > 7%					15.90%	17.43%	18.80%
40	Estimated New cohort(prior year value)					\$120,079,559,385	\$132,801,559,943	\$148,104,341,532
41	valuation year value for new cohort					\$144,328,388,406	\$159,619,465,815	\$178,012,486,378
42	valuation year assessed value of new cohort					\$128,485,128,542	\$142,097,669,139	\$158,471,645,440
43	Valuation year differential					\$15,843,259,864	\$17,521,796,676	\$19,540,840,938
44								
45								
46								
47	Remaining Differential - 7%	2009	2010	2011	2012	2013	2014	2015
48		2010						
49		2011						
50		2012						
51		2013	\$380,362,306	\$1,056,891,368	\$1,254,602,666	\$4,838,015,878		
52		2014	\$257,665,626	\$849,135,812	\$781,708,940	\$3,228,256,448	\$9,972,626,527	
53		2015	\$145,977,013	\$677,048,244	\$476,180,685	\$2,230,959,229	\$6,634,275,845	\$11,418,732,929
54								
55	7% recapture							
56		2010						
57		2011						
58		2012						
59		2013	\$135,402,727	\$260,745,333	\$779,272,851	\$2,866,183,354		
60		2014	\$122,696,679	\$207,755,556	\$472,893,726	\$1,609,759,430	\$5,870,633,337	
61		2015	\$111,688,614	\$172,087,568	\$305,528,255	\$997,297,219	\$3,338,350,682	\$6,103,063,747
62								
63								
64								
65	total Impact - 7% starting in 2013							
66		Value	at 10.9 mills					
67		2013	\$1,019,359,413	\$11,111,018				
68		2014	\$4,187,399,019	\$45,642,649				
69		2015	\$4,390,821,341	\$47,859,953				

	A	B	C	D	E	F	G	H
1	7% limitation beginning in 2013 - Middle Estimate							
2	2013 starting date							
3	7% limitation - with anti-recapture					2013	2014	2015
4	Residential					\$472,193	\$480,087	\$498,537
5	Non-Residential					\$283,215	\$281,839	\$289,240
6	Prior year value					\$755,408,000,000	\$761,926,000,000	\$787,777,000,000
7	% with growth > 7%					15.90%	17.43%	18.80%
8	Estimated New cohort(prior year value)					\$120,079,559,385	\$132,801,559,943	\$148,104,341,532
9	valuation year value for new cohort					\$144,328,388,406	\$159,619,465,815	\$178,012,486,378
10	valuation year assessed value of new cohort					\$128,485,128,542	\$142,097,669,139	\$158,471,645,440
11	Valuation year differential					\$15,843,259,864	\$17,521,796,676	\$19,540,840,938
12								
13								
14								
15	Remaining Differential - 7%	2009	2010	2011	2012	2013	2014	2015
16		2010						
17		2011						
18		2012						
19		2013	\$403,949,244	\$1,092,661,474	\$1,382,238,242	\$6,010,922,619		
20		2014	\$306,174,835	\$910,195,195	\$958,377,537	\$4,417,567,665	\$12,489,253,060	
21		2015	\$220,661,625	\$761,119,914	\$667,912,430	\$3,348,175,397	\$9,250,273,063	\$14,296,674,577
22								
23	7% recapture							
24		2010						
25		2011						
26		2012						
27		2013	\$111,815,789	\$224,975,226	\$651,637,275	\$1,693,276,612		
28		2014	\$97,774,409	\$182,466,279	\$423,860,705	\$1,593,354,955	\$3,364,013,431	
29		2015	\$85,513,210	\$149,075,282	\$290,465,107	\$1,069,392,268	\$3,238,979,997	\$3,252,888,589
30								
31								
32								
33								
34	2013 starting date							
35	7% limitation - Baseline					2013	2014	2015
36	Residential					\$472,193	\$480,087	\$498,537
37	Non-Residential					\$283,215	\$281,839	\$289,240
38	Prior year value					\$755,408,000,000	\$761,926,000,000	\$787,777,000,000
39	% with growth > 7%					15.90%	17.43%	18.80%
40	Estimated New cohort(prior year value)					\$120,079,559,385	\$132,801,559,943	\$148,104,341,532
41	valuation year value for new cohort					\$144,328,388,406	\$159,619,465,815	\$178,012,486,378
42	valuation year assessed value of new cohort					\$128,485,128,542	\$142,097,669,139	\$158,471,645,440
43	Valuation year differential					\$15,843,259,864	\$17,521,796,676	\$19,540,840,938
44								
45								
46								
47	Remaining Differential - 7%	2009	2010	2011	2012	2013	2014	2015
48		2010						
49		2011						
50		2012						
51		2013	\$380,362,306	\$1,056,891,368	\$1,254,602,666	\$4,838,015,878		
52		2014	\$257,665,626	\$849,135,812	\$781,708,940	\$3,228,256,448	\$9,972,626,527	
53		2015	\$145,977,013	\$677,048,244	\$476,180,685	\$2,230,959,229	\$6,634,275,845	\$11,418,732,929
54								
55	7% recapture							
56		2010						
57		2011						
58		2012						
59		2013	\$135,402,727	\$260,745,333	\$779,272,851	\$2,866,183,354		
60		2014	\$122,696,679	\$207,755,556	\$472,893,726	\$1,609,759,430	\$5,870,633,337	
61		2015	\$111,688,614	\$172,087,568	\$305,528,255	\$997,297,219	\$3,338,350,682	\$6,103,063,747
62								
63								
64								
65	total Impact - 7% starting in 2013							
66		Value	at 10.9 mills					
67		2013	\$1,359,899,363	\$14,822,903				
68		2014	\$4,392,927,426	\$47,882,909				
69		2015	\$5,111,289,363	\$55,713,054				

	A	B	C	D	E	F	G	H
1	7% limitation beginning in 2013 - High Estimate							
2	2013 starting date							
3	7% limitation - with anti-recapture					2013	2014	2015
4	Residential					\$472,193	\$480,087	\$498,537
5	Non-Residential					\$283,215	\$281,839	\$289,240
6	Prior year value					\$755,408,000,000	\$761,926,000,000	\$787,777,000,000
7	% with growth > 7%					15.90%	17.43%	18.80%
8	Estimated New cohort(prior year value)					\$120,079,559,385	\$132,801,559,943	\$148,104,341,532
9	valuation year value for new cohort					\$144,328,388,406	\$159,619,465,815	\$178,012,486,378
10	valuation year assessed value of new cohort					\$128,485,128,542	\$142,097,669,139	\$158,471,645,440
11	Valuation year differential					\$15,843,259,864	\$17,521,796,676	\$19,540,840,938
12								
13								
14								
15	Remaining Differential - 7%	2009	2010	2011	2012	2013	2014	2015
16		2010						
17		2011						
18		2012						
19		2013	\$415,742,713	\$1,111,180,716	\$1,453,375,146	\$6,273,614,160		
20		2014	\$330,181,776	\$942,938,148	\$1,060,513,447	\$4,782,880,309	\$13,097,614,891	
21		2015	\$257,259,552	\$806,165,761	\$788,188,978	\$3,750,973,259	\$10,124,185,998	\$15,001,143,803
22								
23	7% recapture							
24		2010						
25		2011						
26		2012						
27		2013	\$100,022,319	\$206,455,985	\$580,500,371	\$1,430,585,071		
28		2014	\$85,560,937	\$168,242,568	\$392,861,699	\$1,490,733,851	\$2,763,478,673	
29		2015	\$72,922,224	\$136,772,387	\$272,324,470	\$1,031,907,051	\$2,973,428,893	\$2,557,075,686
30								
31								
32								
33								
34	2013 starting date							
35	7% limitation - Baseline					2013	2014	2015
36	Residential					\$472,193	\$480,087	\$498,537
37	Non-Residential					\$283,215	\$281,839	\$289,240
38	Prior year value					\$755,408,000,000	\$761,926,000,000	\$787,777,000,000
39	% with growth > 7%					15.90%	17.43%	18.80%
40	Estimated New cohort(prior year value)					\$120,079,559,385	\$132,801,559,943	\$148,104,341,532
41	valuation year value for new cohort					\$144,328,388,406	\$159,619,465,815	\$178,012,486,378
42	valuation year assessed value of new cohort					\$128,485,128,542	\$142,097,669,139	\$158,471,645,440
43	Valuation year differential					\$15,843,259,864	\$17,521,796,676	\$19,540,840,938
44								
45								
46								
47	Remaining Differential - 7%	2009	2010	2011	2012	2013	2014	2015
48		2010						
49		2011						
50		2012						
51		2013	\$380,362,306	\$1,056,891,368	\$1,254,602,666	\$4,838,015,878		
52		2014	\$257,665,626	\$849,135,812	\$781,708,940	\$3,228,256,448	\$9,972,626,527	
53		2015	\$145,977,013	\$677,048,244	\$476,180,685	\$2,230,959,229	\$6,634,275,845	\$11,418,732,929
54								
55	7% recapture							
56		2010						
57		2011						
58		2012						
59		2013	\$135,402,727	\$260,745,333	\$779,272,851	\$2,866,183,354		
60		2014	\$122,696,679	\$207,755,556	\$472,893,726	\$1,609,759,430	\$5,870,633,337	
61		2015	\$111,688,614	\$172,087,568	\$305,528,255	\$997,297,219	\$3,338,350,682	\$6,103,063,747
62								
63								
64								
65	total Impact - 7% starting in 2013							
66		Value	at 10.9 mills					
67		2013	\$1,724,040,519	\$18,792,042				
68		2014	\$4,655,605,822	\$50,746,103				
69		2015	\$5,925,107,217	\$64,583,669				
70								

REVENUE ESTIMATING CONFERENCE

TAX: AD VALOREM

ISSUE: Non-Homestead Recapture

BILL NUMBER(S): HJR 381

SPONSOR(S): Rep. Dorworth

MONTH/YEAR COLLECTION IMPACT BEGINS: Subject to general law implementation, no earlier than Jan 1, 2013

DATE OF ANALYSIS: 11/28/2011

SECTION 1: NARRATIVE

a. Current Law: Non-homestead properties that do not receive other assessment benefits under the Florida Constitution are limited in annual assessment growth to 10% of the prior assessed value. There is no provision related to assessment increases in years when the just value decreases.

b. Proposed Change:

Reduce the 10% limitation to 5% beginning either Jan 1, 2012 or Jan 1, 2013. the impact start date is dependent upon whether the Joint Resolution is put to voters on the January 2012 Presidential Preference ballot or at the November 2012 general election. Provides that the legislature may provide by general law that, except for changes, additions, reductions, or improvements to property, an assessment may not increase if the just value of the property is less than the just value of the property on the preceding assessment date.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

Data sources used were the current Ad valorem forecast for just value and overall growth rates of nonresidential property. The distribution of just value growth for 2000-2001 was used to determine the relative shares of just value that will grow at a given growth rate and the growth rates for each share. Data for the overall growth of non-homestead property and the share that grew greater than 10% for 1999-2010 were also used to determine the percent of prior year value that would grow greater than 10% for future years. This impact was based upon the impact adopted 11/10/11.

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

Data for historic percentages of prior year growth were regressed against the overall growth rate fro the period 1999 to 2010. The results were used to develop predicted values for the percent of prior year value that would grow greater than 10% for the forecast period.

Once the total growth over 10% was forecast, this amount was distributed over the 2000 to 2001 distribution of growth. This distribution determined both the share of the overall growth above ten percent that would occur at a given growth rate and the ultimate growth rate for that share for the first year. The prior year values were then grown at the assessment limit in the first year for each group of cohorts to determine assessed values. Subsequent growth for each group of cohorts was determined using the estimated growth rate for the property as a whole in the respective year. Turnover was layered in by assuming that ten percent of the prior period differential returned to just value due to turnover in each value range. Once established as a cohort of capped parcels, that group was followed forward for each subsequent year to determine the impact within the group.

Results of the simulation of the recapture effects were compared to simulation results for a 5% limitation beginning in 2013 adopted 11/10/11. Millage rates of 10.9 mills for non-school levies were applied to get the dollar impact. For the low estimate, it was assumed ten percent of the prior year value grew at less than 0%, for the middle it was assumed 20% of the prior year value grew at less than 0%, and for the high it was assumed 30% of the prior year value grew at less than 0%.

SECTION 4:

PROPOSED FISCAL IMPACT - IMPACT BEGINNING IN 2013

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			(\$17.4 M)	(\$42.5 M)	(\$54.64 M)
Middle			(\$14.2M)	(\$33.5 M)	(\$41.2 M)
Low			(\$11 M)	(\$25.6 M)	(\$28.6 M)

REVENUE ESTIMATING CONFERENCE

TAX: AD VALOREM

ISSUE: Non-Homestead Recapture

BILL NUMBER(S): HJR 381

SPONSOR(S): Rep. Dorworth

MONTH/YEAR COLLECTION IMPACT BEGINS: Subject to general law implementation, no earlier than Jan 1, 2013

DATE OF ANALYSIS: 11/28/2011

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 12/9/11) The conference adopted an indeterminate negative impact. Should the electorate approve the proposal and the legislature pass the implementing legislation, the projected impact on non-school taxes would be -\$14.2m in 2013-14, -\$33.5m in 2014-15, and -\$41.2m in 2015-16, assuming a statewide average millage rate of 10.9 mills.

	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					
Total Local Impact	0	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)
Total Impact	0	(Indeterminate)	(Indeterminate)	(Indeterminate)	(Indeterminate)

	A	B	C	D	E	F	G	H	I	J	K	L
1												
2												
3												
4		2000	2001	2002	2003	2004	2005	2006	2008	2009	2010	2011
5	Percentage of Prior Year Just Value with Negative Growth	7.80%	6.70%	7.50%	7.10%	4.50%	3.40%	2.30%	31.50%	84.53%	89.98%	70.29%
6	Percentage of prior year growth with zero change	58.00%	49.10%	40.70%	35.80%	28.60%	17.00%	12.20%	20.90%	10.80%	6.79%	16.24%
7	Weighted Average Growth -	4.50%	6.60%	7.97%	9.10%	10.80%	18.30%	25.80%	5.10%	-16.40%	-15.80%	-5.43%
8												
9		2012	2013	2014	2015	2016						
10	Weighted Average Growth - forecast	-0.90%	1.55%	2.02%	2.44%	4.95%						
11												
12												
13	Percent of prior year growth greater than 7% that had negative growth	2010	2011									
14	2008 to 2009 Growth	89.0%	68.0%									
15	2009 to 2010 Growth		65.7%									
16												
17												
18	Percent of prior year growth greater than 5% that had negative growth	2010	2011									
19	2008 to 2009 Growth	89.0%	67.0%									
20	2009 to 2010 Growth		64.3%									

	A	B	C	D	E	F	G	H
1	5% limitation beginning in 2013							
2	2013 starting date							
3	5% limitation With Anti Recapture					2013	2014	2015
4	Residential					\$472,193	\$480,087	\$498,537
5	Non-Residential					\$283,215	\$281,839	\$289,240
6	Prior year value					\$755,408,000,000	\$761,926,000,000	\$787,777,000,000
7	% with growth > 5%					19.67%	21.57%	23.26%
8	Estimated New cohort(prior year value)					\$148,589,146,490	\$164,331,636,004	\$183,267,641,990
9	valuation year value for new cohort					\$174,401,260,523	\$192,878,451,353	\$215,103,919,305
10	valuation year assessed value of new cohort					\$156,018,603,814	\$172,548,217,804	\$192,431,024,090
11	Valuation year differential					\$18,382,656,708	\$20,330,233,549	\$22,672,895,215
12								
13								
14								
15	Remaining Differential - 5%	2009	2010	2011	2012	2013	2014	2015
16	2010							
17	2011							
18	2012							
19	2013	\$422,481,839	\$1,121,942,363	\$1,496,316,793	\$6,429,971,388			
20	2014	\$343,825,898	\$962,235,497	\$1,124,973,348	\$5,013,400,218	\$15,545,964,781		
21	2015	\$277,951,700	\$832,939,436	\$866,566,450	\$4,017,356,654	\$12,182,660,421	\$17,805,404,532	
22								
23	5% recapture							
24	2010							
25	2011							
26	2012							
27	2013	\$93,283,194	\$195,694,338	\$537,558,724	\$1,274,227,844			
28	2014	\$78,655,941	\$159,706,866	\$371,343,444	\$1,416,571,170	\$2,859,938,744		
29	2015	\$65,874,198	\$129,296,061	\$258,406,898	\$996,043,564	\$3,363,304,361	\$2,568,041,829	
30								
31								
32								
33	5% limitation beginning in 2013							
34	2013 starting date							
35	5% limitation					\$2,013	\$2,014	\$2,015
36	Residential					\$472,193	\$480,087	\$498,537
37	Non-Residential					\$283,215	\$281,839	\$289,240
38	Prior year value					\$755,408,000,000	\$761,926,000,000	\$787,777,000,000
39	% with growth > 5%					\$0	\$0	\$0
40	Estimated New cohort(prior year value)					\$148,589,146,490	\$164,331,636,004	\$183,267,641,990
41	valuation year value for new cohort					\$174,401,260,523	\$192,878,451,353	\$215,103,919,305
42	valuation year assessed value of new cohort					\$156,018,603,814	\$172,548,217,804	\$192,431,024,090
43	Valuation year differential					\$18,382,656,708	\$20,330,233,549	\$22,672,895,215
44								
45								
46								
47	Remaining Differential - 5%	2009	2010	2011	2012	2013	\$2,014	\$2,015
48	2010							
49	2011							
50	2012							
51	2013	\$414,057,932	\$1,108,504,472	\$1,442,777,829	\$5,490,623,204			
52	2014	\$326,762,322	\$938,159,569	\$1,044,886,339	\$4,078,479,971	\$13,206,567,476		
53	2015	\$252,061,458	\$799,601,134	\$769,327,036	\$3,128,787,845	\$9,786,292,495	\$15,184,635,459	
54								
55	5% recapture							
56	2010							
57	2011							
58	2012							
59	2013	\$101,707,101	\$209,132,229	\$591,097,688	\$2,213,576,027			
60	2014	\$87,295,610	\$170,344,903	\$397,891,490	\$1,412,143,233	\$5,176,089,233		
61	2015	\$74,700,864	\$138,558,435	\$275,559,303	\$949,692,126	\$3,420,274,980	\$5,145,598,090	
62								
63								
64								
65								
66								
67	Impact	Value	at 10.9 mills					
68	2013	\$1,014,748,945.18	\$11,060,764					
69	2014	\$2,357,548,304.18	\$25,697,277					
70	2015	\$2,623,416,887.85	\$28,595,244					

	A	B	C	D	E	F	G	H
1	5% limitation beginning in 2013							
2	2013 starting date							
3	5% limitation With Anti Recapture					2013	2014	2015
4	Residential					\$472,193	\$480,087	\$498,537
5	Non-Residential					\$283,215	\$281,839	\$289,240
6	Prior year value					\$755,408,000,000	\$761,926,000,000	\$787,777,000,000
7	% with growth > 5%					19.67%	21.57%	23.26%
8	Estimated New cohort(prior year value)					\$148,589,146,490	\$164,331,636,004	\$183,267,641,990
9	valuation year value for new cohort					\$174,401,260,523	\$192,878,451,353	\$215,103,919,305
10	valuation year assessed value of new cohort					\$156,018,603,814	\$172,548,217,804	\$192,431,024,090
11	Valuation year differential					\$18,382,656,708	\$20,330,233,549	\$22,672,895,215
12								
13								
14								
15	Remaining Differential - 5%	2009	2010	2011	2012	2013	2014	2015
16	2010							
17	2011							
18	2012							
19	2013	\$430,905,745	\$1,135,530,243	\$1,551,288,495	\$6,639,370,522			
20	2014	\$360,805,235	\$987,718,202	\$1,213,135,520	\$5,323,709,990	\$16,115,143,672		
21	2015	\$303,592,121	\$868,117,427	\$974,072,072	\$4,402,652,635	\$13,122,196,564	\$18,494,864,604	
22								
23	5% recapture							
24	2010							
25	2011							
26	2012							
27	2013	\$84,859,288	\$182,106,458	\$482,587,022	\$1,064,828,710			
28	2014	\$70,100,510	\$147,812,041	\$338,152,976	\$1,315,660,532	\$2,296,246,120		
29	2015	\$57,213,114	\$119,600,775	\$239,063,448	\$921,057,355	\$2,992,947,108	\$1,890,575,969	
30								
31								
32								
33	5% limitation beginning in 2013							
34	2013 starting date - Baselin from adopted estiamte							
35	5% limitation					\$2,013	\$2,014	\$2,015
36	Residential					\$472,193	\$480,087	\$498,537
37	Non-Residential					\$283,215	\$281,839	\$289,240
38	Prior year value					\$755,408,000,000	\$761,926,000,000	\$787,777,000,000
39	% with growth > 5%					19.67%	21.57%	23.26%
40	Estimated New cohort(prior year value)					\$148,589,146,490	\$164,331,636,004	\$183,267,641,990
41	valuation year value for new cohort					\$174,401,260,523	\$192,878,451,353	\$215,103,919,305
42	valuation year assessed value of new cohort					\$156,018,603,814	\$172,548,217,804	\$192,431,024,090
43	Valuation year differential					\$18,382,656,708	\$20,330,233,549	\$22,672,895,215
44								
45								
46								
47	Remaining Differential - 5%	2009	2010	2011	2012	2013	2014	2015
48	2010						\$2,014	\$2,015
49	2011							
50	2012							
51	2013	\$414,057,932	\$1,108,504,472	\$1,442,777,829	\$5,490,623,204			
52	2014	\$326,762,322	\$938,159,569	\$1,044,886,339	\$4,078,479,971	\$13,206,567,476		
53	2015	\$252,061,468	\$799,601,134	\$769,327,036	\$3,128,787,845	\$9,786,292,495	\$15,184,635,459	
54								
55	5% recapture							
56	2010							
57	2011							
58	2012							
59	2013	\$101,707,101	\$209,132,229	\$591,097,688	\$2,213,576,027			
60	2014	\$87,295,610	\$170,344,903	\$397,891,490	\$1,412,143,233	\$5,176,089,233		
61	2015	\$74,700,864	\$138,558,435	\$275,559,303	\$949,692,126	\$3,420,274,980	\$5,145,598,090	
62								
63								
64								
65								
66								
67	Impact	Value	at 10.9 mills					
68	2013	\$1,301,131,568.69	\$14,182,334					
69	2014	\$3,075,792,290.65	\$33,526,136					
70	2015	\$3,783,926,028.45	\$41,244,794					

	A	B	C	D	E	F	G	H
1	5% limitation High Impact							
2	2013 starting date							
3	5% limitation With Anti Recapture					2013	2014	2015
4	Residential					\$472,193	\$480,087	\$498,537
5	Non-Residential					\$283,215	\$281,839	\$289,240
6	Prior year value					\$755,408,000,000	\$761,926,000,000	\$787,777,000,000
7	% with growth > 5%					19.67%	21.57%	23.26%
8	Estimated New cohort(prior year value)					\$148,589,146,490	\$164,331,636,004	\$183,267,641,990
9	valuation year value for new cohort					\$174,401,260,523	\$192,878,451,353	\$215,103,919,305
10	valuation year assessed value of new cohort					\$156,018,603,814	\$172,548,217,804	\$192,431,024,090
11	Valuation year differential					\$18,382,656,708	\$20,330,233,549	\$22,672,895,215
12								
13								
14								
15	Remaining Differential - 5%	2009	2010	2011	2012	2013	2014	2015
16	2010							
17	2011							
18	2012							
19	2013	\$439,329,652	\$1,149,304,378	\$1,609,100,393	\$6,852,454,004			
20	2014	\$377,700,333	\$1,014,069,201	\$1,308,665,782	\$5,677,789,297	\$16,747,347,971		
21	2015	\$328,983,986	\$905,308,679	\$1,098,225,687	\$4,843,783,774	\$14,174,095,322	\$19,192,072,794	
22								
23	5% recapture							
24	2010							
25	2011							
26	2012							
27	2013	\$76,435,381	\$168,332,323	\$424,775,124	\$851,745,227			
28	2014	\$61,629,319	\$135,235,177	\$300,434,610	\$1,174,664,708	\$1,671,888,212		
29	2015	\$48,716,347	\$108,760,522	\$210,440,096	\$834,005,522	\$2,573,252,649	\$1,216,958,337	
30								
31								
32								
33	5% limitation beginning in 2013							
34	2013 starting date							
35	5% limitation					\$2,013	\$2,014	\$2,015
36	Residential					\$472,193	\$480,087	\$498,537
37	Non-Residential					\$283,215	\$281,839	\$289,240
38	Prior year value					\$755,408,000,000	\$761,926,000,000	\$787,777,000,000
39	% with growth > 5%					\$0	\$0	\$0
40	Estimated New cohort(prior year value)					\$148,589,146,490	\$164,331,636,004	\$183,267,641,990
41	valuation year value for new cohort					\$174,401,260,523	\$192,878,451,353	\$215,103,919,305
42	valuation year assessed value of new cohort					\$156,018,603,814	\$172,548,217,804	\$192,431,024,090
43	Valuation year differential					\$18,382,656,708	\$20,330,233,549	\$22,672,895,215
44								
45								
46								
47	Remaining Differential - 5%	2009	2010	2011	2012	2013	2014	2015
48	2010						\$2,014	\$2,015
49	2011							
50	2012							
51	2013	\$414,057,932	\$1,108,504,472	\$1,442,777,829	\$5,490,623,204			
52	2014	\$326,762,322	\$938,159,569	\$1,044,886,339	\$4,078,479,971	\$13,206,567,476		
53	2015	\$252,061,468	\$799,601,134	\$769,327,036	\$3,128,787,845	\$9,786,292,495	\$15,184,635,459	
54								
55	5% recapture							
56	2010							
57	2011							
58	2012							
59	2013	\$101,707,101	\$209,132,229	\$591,097,688	\$2,213,576,027			
60	2014	\$87,295,610	\$170,344,903	\$397,891,490	\$1,412,143,233	\$5,176,089,233		
61	2015	\$74,700,864	\$138,558,435	\$275,559,303	\$949,692,126	\$3,420,274,980	\$5,145,598,090	
62								
63								
64								
65								
66								
67	Impact	Value	at 10.9 mills					
68	2013	\$1,594,224,989.82	\$17,377,052					
69	2014	\$3,899,912,442.91	\$42,509,046					
70	2015	\$5,012,250,324.38	\$54,633,529					

REVENUE ESTIMATING CONFERENCE

TAX: Various

ISSUE: Destination Resorts with Gambling Facilities

BILL NUMBER(S): SB 710

SPONSOR(S): Bogdanoff

MONTH/YEAR COLLECTION IMPACT BEGINS: Bill has an overall effective date of July 1, 2012; collections would be delayed beyond this date.

DATE OF ANALYSIS: December 9, 2011

SECTION 1: NARRATIVE

- a. **Current Law:** On April 7, 2010, the Governor and the Seminole Tribe of Florida executed a Compact agreement that was subsequently ratified by the Legislature (Chapter 2010-29, Laws of Florida) and approved by the United States Secretary of the Interior. The Compact allows the play of covered games in seven Seminole tribal gaming facilities. The covered games include slot machines at all seven facilities and banked card games at five of the seven facilities. Expressly excluded are roulette, craps, roulette-style games and craps-style games. The Tribe is granted exclusive rights to offer the covered games while recognizing the current authorization for slots at the pari-mutuel-based facilities in Miami-Dade and Broward counties. The Compact has a life of 20 years, with the exception of the authorization for banked card games which only lasts five years (until FY 2015-16). Revenues are deposited in the General Revenue Fund.

Chapter 2005-362, Laws of Florida, provided for the regulation of slot machines at pari-mutuel facilities located in Broward and Miami-Dade counties. Today, five facilities operate slots: Gulfstream Park, Mardi Gras Gaming Center, Isle Casino at Pompano, Flagler Magic City, and Calder Casino. Each of these facilities runs a cardroom in addition to the slots facilities. Miami Jai-Alai is anticipated to begin operations on January 1, 2012, and Hialeah is expected to commence operations on January 1, 2013. The current tax rate on slot machine revenues is 35%. Tax collections are deposited in the Educational Enhancement Trust Fund.

- b. **Proposed Change:** The proposed legislation would create a mechanism to authorize the operation of no more than three destination resorts that contain gambling facilities. See attached documents for the provisions of the bill that affect state and local revenues.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

Revenue Estimating Conference Forecast for Slot Machine Revenues, September 2011

Revenue Estimating Conference Forecast for Indian Gaming Revenues, September 2011

Department of Revenue data for Just Values (commercial) - 2011 NAL

Casino City's Indian Gaming Industry Report ~ 2011 Edition

Compact Agreement between the Governor and Seminole Tribe of Florida, April 7, 2010

Multiple editions of the Southwest Contractor, Top Projects Nevada (2004, 2005, 2006, 2007, 2008 and 2009)

TM Davis & Associates web-based documents

2003: PKF Consulting, Guide to Cost Allocations for Developers

Various reports and documents on Massachusetts' proposals for Destination Resort Casinos (2008 through 2011)

Bernstein Research note dated October 24, 2011

Commodity-by-industry input-output matrix obtained from the Bureau of Economic Analysis (2002)

Percent Distribution of Value Put in Place Each Month from Start to Completion for State and Local Construction table, obtained from U.S. Census Bureau

Las Vegas Visitor Profile Study 2010 published by the Las Vegas Convention and Visitors Authority

2010 Florida Visitor Study published by VISIT FLORIDA

2011 State of the States: The AGA Survey of Casino Entertainment published by the American Gaming Association

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

The proposed legislation gives some discretion and rule-making authority to the new State Gaming Commission, as well as authorizes an Invitation-To-Negotiate process. For these reasons, it is challenging to estimate precisely the composition of the destination resorts in terms of entertainment amenities, where they will be located, when they will open, what types of games they will offer, how large their gaming facilities will be, and what their construction schedule will be. The estimates developed on the attached worksheets and totaled below should be viewed as conservative projections, assuming implementation progresses as envisioned.

REVENUE ESTIMATING CONFERENCE

TAX: Various

ISSUE: Destination Resorts with Gambling Facilities

BILL NUMBER(S): SB 710

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MONTH/YEAR COLLECTION IMPACT BEGINS: Bill has an overall effective date of July 1, 2012; collections would be delayed beyond this date.

DATE OF ANALYSIS: December 9, 2011

SECTION 4: PROPOSED FISCAL IMPACT

Total Impact: (State Trust, GR and Local Trust)	FY 2012-13 Cash	FY 2012-13 Annualized	FY 2013-14 Cash	FY 2014-15 Cash	FY 2015-16 Cash
High	155.0		60.6	102.9	137.2
Middle	154.0		60.6	102.9	76.6
Low	153.0		33.3	81.8	59.5

<i>Component 1 of Total State Trust Impact:</i>	<i>FY 2012-13 Cash</i>	<i>FY 2012-13 Annualized</i>	<i>FY 2013-14 Cash</i>	<i>FY 2014-15 Cash</i>	<i>FY 2015-16 Cash</i>
<i>High</i>	<i>155.0</i>		<i>6.0</i>	<i>6.0</i>	<i>(-72.2)</i>
<i>Middle</i>	<i>154.0</i>		<i>6.0</i>	<i>6.0</i>	<i>(-51.6)</i>
<i>Low</i>	<i>153.0</i>		<i>6.0</i>	<i>6.0</i>	<i>(-33.4)</i>

<i>Component 2 of Total Local Impact:</i>	<i>FY 2012-13 Cash</i>	<i>FY 2012-13 Annualized</i>	<i>FY 2013-14 Cash</i>	<i>FY 2014-15 Cash</i>	<i>FY 2015-16 Cash</i>
<i>High</i>	<i>0.0</i>		<i>6.2</i>	<i>11.0</i>	<i>1.6</i>
<i>Middle</i>	<i>0.0</i>		<i>6.2</i>	<i>11.0</i>	<i>(-0.1)</i>
<i>Low</i>	<i>0.0</i>		<i>3.1</i>	<i>8.6</i>	<i>2.8</i>

<i>Component 3 of Total General Revenue Impact:</i>	<i>FY 2012-13 Cash</i>	<i>FY 2012-13 Annualized</i>	<i>FY 2013-14 Cash</i>	<i>FY 2014-15 Cash</i>	<i>FY 2015-16 Cash</i>
<i>High</i>	<i>0.0</i>		<i>48.4</i>	<i>85.9</i>	<i>207.8</i>
<i>Middle</i>	<i>0.0</i>		<i>48.4</i>	<i>85.9</i>	<i>128.3</i>
<i>Low</i>	<i>0.0</i>		<i>24.2</i>	<i>67.1</i>	<i>90.1</i>

REVENUE ESTIMATING CONFERENCE

TAX: Various

ISSUE: Destination Resorts with Gambling Facilities

BILL NUMBER(S): SB 710

SPONSOR(S): Bogdanoff

MONTH/YEAR COLLECTION IMPACT BEGINS: Bill has an overall effective date of July 1, 2012; collections would be delayed beyond this date.

DATE OF ANALYSIS: December 9, 2011

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 12/9/11) The conference adopted an indeterminate positive estimate. While reasonable estimates can be made of the revenue impact associated with the establishment of three destination resorts, numerous assumptions must be incorporated. These assumptions magnify over time and exponentially increase the risk to the estimates being achieved in specific fiscal years. They include the ultimate number of awarded licensees, the business models used by the facilities, their general locations, and the precise timing of events until the commencement of gaming operations. Assuming that three licenses are awarded with at least one of the facilities located outside Miami-Dade and Broward counties and that the timeline used in the analysis can be met in all aspects, increased state and local revenues would achieve at least the following levels: \$155 million in FY 2012-13; \$60.6 million in FY 2013-14; \$102.9 million in FY 2014-15; and \$137.2 million in FY 2015-16.

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

DESTINATION RESORT ACT --- SB 710

Key Definitions ---

(4) “Destination resort” or “resort” means a freestanding, land-based structure in which limited gaming may be conducted. A destination resort is a mixed-use development consisting of a combination of various tourism amenities and facilities, including, but not limited to, hotels, villas, restaurants, limited gaming facilities, convention facilities, attractions, entertainment facilities, service centers, and shopping centers. [Page 41, same as 2011]

(8) “Gross receipts” means the total of cash or cash equivalents received or retained as winnings by a resort licensee and the compensation received for conducting any game in which the resort licensee is not party to a wager, less cash taken in fraudulent acts perpetrated against the resort licensee for which the resort licensee is not reimbursed. [Page 42, same as 2011]

- The term does not include promotional credits or “free play” as provided by the resort licensee as a means of marketing the limited gaming facility.
- The term does not include the amount of any credit extended until collected.

Oversight ---

Elimination of the DBPR’s Division of Pari-mutuel Wagering and the creation of the Department of Gaming Control headed by the State Gaming Commission.

- A. Generally, may impose administrative fines of not more than \$10,000 for each count or separate offense, except as otherwise provided. The payments will be credited to the General Revenue Fund. The Destination Resort Act provides that fines for violation of that act may not exceed \$250,000 per violation.
- B. The new Department must contract with the Department of Revenue to perform the tax collection and financial audit services for any taxes required to be collected.
- C. The Commission has special emergency rulemaking power.

Mechanism ---

The Commission shall use an Invitation to Negotiate process. [Page 56] The commission will select from competing applicants the applicant that “best serves the interests of the residents of Florida, based on the potential for economic development presented by the applicant’s proposed investment in infrastructure, such as hotels and other nongaming entertainment facilities, and the applicant’s ability to maximize revenue for the state.” Up to three successful applicants are given licenses which allow them to operate and maintain a destination resort having a limited gaming facility.

Location ---

The commission shall authorize limited gaming at three destination resorts. The Commission “**may** specify in its invitation to negotiate the county in which the facility would be located.” The application must contain documentation that shows the applicants have received “conceptual approval” for the destination resort proposal from the municipality and county in which the

resort will be located, as well as include a map of the location. The Commission may award a resort license for a county only if a majority of the electors in a countywide referendum have approved the conduct of “slot machine gaming” or a majority of the electors voting in a countywide referendum have passed a referendum allowing for limited gaming, and proof that this has occurred is provided in the application. [Pages 55, 56, 62 and 64]

Limited Gaming ---

(20) “Limited gaming,” “game,” or “gaming,” as the context requires, means the games authorized under this part in a limited gaming facility, including, but not limited to, those commonly known as baccarat, twenty-one, poker, craps, slot machines, video gaming of chance, roulette wheels, Klondike tables, punch-board, faro layout, numbers ticket, push car, jar ticket, pull tab, or their common variants, or any other game of chance or wagering device that is authorized by the commission. [Page 44, essentially the same as 2011]

Miscellaneous ---

- Age: 21 to engage in gaming
- Hours: 24 hours per day, every day of the year
- Payout: 85 percent for each slot machine
- Wagers: minimum and maximum wagers on all games set by resort licensee
- Credit Instruments: allowed

Timing ---

Quarters refer to Calendar Years.

- The State Gaming Commission Nominating Committee must submit recommendations for the initial appointments to the State Gaming Commission to the Governor within 60 days after becoming law. The Governor then has 60 days to select among the nominees. [120 days or 4 months before the State Gaming Commission is in place. Assuming the bill becomes law on April 1, 2012, this would be July 29, 2012]
- The initial meeting of the commission must be held within thirty days of July 1, 2012. [First Commission meeting is assumed to be July 30, 2012.]
- The Invitation to Negotiate must be issued no later than 90 days after the date of the Commission’s first meeting. [Approximately October 26, 2012 --- a little more than one quarter later than 2011 bill, but much quicker pace]
- Proposals in response to the Invitation to Negotiate must be received within 90 days after issuance. [Assume receipt by January 24, 2013 --- roughly equivalent to the date assumed for the 2011 bill]
- The Commission shall award or deny a destination resort license within 90 days after the deadline for the submission of a reply. [Assume April 24, 2013 --- which is slightly more than two quarters earlier than assumed for the 2011 bill]
- Construction Phase of 8 quarters or 2 years. [Assume begins Q3 of 2013 which is the beginning of FY 2013-14 and ends the last day of Q2 of 2015 which is the end of FY 2014-15; language directs the Commission to give preference to applicants who can begin construction no later than 12 months after the award of the resort license]

- Operations commence immediately after construction phase ends. [Assume begin Q3 of 2015, the start of FY 2015-16]

State Revenues (assuming the required timeline can be met) ---

- A. Nonrefundable Application Fee of \$1 million to the Commission to defray costs (nonrecurring) --- [Assume Q1 of 2013 which is in FY 2012-13; benefit to State Trust; limited participation due to significant financial barriers to entry --- direct cost of the application and licensing fees buttressed by the \$2 billion requirement for new development and construction]

LOW: 3 x \$1 = \$3 million (3 applications)
MIDDLE: 4 x \$1 = \$4 million (4 applications)
HIGH: 5 x \$1 = \$5 million (5 applications)

(e) The applicant must demonstrate that it has adequate capitalization to develop, construct, maintain, and operate the proposed resort having a limited gaming facility... [Page 57 --- Assume this is a binding criteria.]

- B. One-Time Licensing Fee of \$50 million (nonrecurring) --- [Assume availability in Q2 of 2013 which is in FY 2012-13; assignment unknown but assume State Trust based on renewal placement]

LOW: 3 x \$50 = \$150 million (MAX)
MIDDLE: 3 x \$50 = \$150 million (MAX)
HIGH: 3 x \$50 = \$150 million (MAX)

(b) The application for a destination resort license must be submitted with a one-time licensing fee of \$50 million. If the commission denies the application, the commission must refund the licensing fee within 30 days after the denial of the application. If the applicant withdraws the application after the application deadline established by the commission, the commission must refund 80 percent of the licensing fee within 30 days after the application is withdrawn. [Page 67]

- C. Annual Renewal License Fee of \$2 million --- [Assume begins Q2 of 2014 which is in FY 2013-14; benefit to State Trust (Destination Resort Trust Fund)]

LOW: 3 x \$2 = \$6 million (MAX)
MIDDLE: 3 x \$2 = \$6 million (MAX)
HIGH: 3 x \$2 = \$6 million (MAX)

- D. Gross Receipts Tax --- [Assume construction phase of 24 months which indicates no earlier than Q3 of 2015, placing first receipts in FY 2015-16; tax rate is 10% of the gross receipts] NOTE: First Year estimates reflect 12 months of activity.

LOW: Original Estimate
 $3 \times \$326.7759 = \980.3277 million in Total Gross Receipts
 $\$980.3277$ million $\times 10\% =$ **\$98.0** million in Total Taxes
 $3 \times$ [Avg gaming revenue per Indian Gaming Facility in FL 2009 \times
5% growth per year (2010, 2011, 2012, 2013, and 2014)]

Adjusted Estimate Using Tourism Detail from Analysis
Worksheet = **\$128.7** million

MIDDLE: Original Estimate
 $3 \times \$501.5668 = \$1,504.7$ million in Total Gross Receipts
 $\$1,504.7 \times 10\% =$ **\$150.5** million in Total Taxes
 $3 \times$ maximum revenue for high competition

Adjusted Estimate Using Tourism Detail from Analysis
Worksheet = **\$189.2** million

HIGH: Original Estimate
 $3 \times \$699.8960 = \$2,099.6881$ million in Total Gross Receipts
 $\$2,099.6881 \times 10\% =$ **\$210.0** million in Total Taxes
 $3 \times$ maximum revenue for low competition

Adjusted Estimate Using Tourism Detail from Analysis
Worksheet = **\$255.3** million

(k) Limited gaming may not be conducted by a resort licensee until the resort is completed according to the proposal approved by the commission. [Assume that the \$2 billion can be staged over the five years in the proposal, so that the resort licensee can begin at a phase prior to having all \$2 billion in construction for all ancillary facilities completed.] [Page 75]

(b) The area in which the conduct of limited gaming is authorized may constitute no more than 10 percent of the resort development's total square footage. The resort development's total square footage is the aggregate of the total square footage of the limited gaming facility, the hotel or hotels, convention space, retail facilities, nongaming entertainment facilities, service centers, and office space or administrative areas. [Page 57]

A portion of the original data was pulled from the *Casino City's Indian Gaming Industry Report ~ 2011 Edition*. They define gaming revenue as follows: "Gaming revenue is defined as all revenue earned from Class II and Class III gaming. It is measured on a calendar-year basis and equals the total amount wagered minus prizes and payouts. It also excludes gaming promotional allowances to the extent possible (if gaming promotional allowances were included in gross gaming revenue yet not identifiable, they could not be subtracted out).

Gaming revenue as defined in this report is sometimes also referred to as net win, gross gaming revenue, or adjusted gross gaming revenue.”

Distribution of Gross Receipts Tax ---

(a) The gross receipts tax shall be deposited into the Destination Resort Trust Fund and shall be used to fund the operating costs of the department pursuant to appropriations by the Legislature. [Page 77]

(b) On June 30 of each year, all unappropriated funds in excess of \$5 million shall be deposited into the General Revenue Fund. [Page 77]

[Originally, assume that license fees plus \$5 million are sufficient to fund the operations of the department, so 100% minus \$5 million of annual gross receipts collections are deposited into the General Revenue Fund at midnight on June 30th of each collection year, making them available for expenditure on July 1st of the subsequent fiscal year. The first distribution to the General Revenue Fund would not be available for expenditure purposes until FY 2016-17]

CHANGE: Based on discussions with the sponsors, now assume that the language is changed to allow all collections—minus the \$5 million—to be deposited into the General Revenue Fund on a real-time basis, thereby eliminating any lag.

- E. Compact Loss --- The REC has adopted a forecast of expected revenues from the Indian Gaming Compact. The forecast contains a decrease in projected Compact payments beginning in FY 2015-16 that is related to the anticipated loss of table games. [Assume Compact payments continue until the first destination resort begins operations and then cease entirely as at least one destination resort is authorized outside of Miami-Dade or Broward counties. Timeframe will permit a referendum(s) to be held prior to application deadline.]

FY 2011-12	\$150.0 million	---	\$145.5 GR	---	NO Impact
FY 2012-13	\$226.1 million	---	\$221.2 GR	---	NO Impact
FY 2013-14	\$233.0 million	---	\$226.0 GR	---	NO Impact
FY 2014-15	\$233.9 million	---	\$226.9 GR	---	NO Impact
FY 2015-16	\$110.6 million	---	\$104.3 GR	---	100% Loss
FY 2016-17	\$ 99.4 million	---	\$ 96.4 GR	---	100% Loss
FY 2017-18	\$ 99.4 million	---	\$ 96.4 GR	---	100% Loss

100.342 Notice of special election or referendum.—In any special election or referendum not otherwise provided for there shall be at least **30 days’ notice** of the election or referendum by publication in a newspaper of general circulation in the county, district, or municipality, as the case may be. The publication shall be made at least twice, once in the fifth week and once in the third week prior to the week in which the election or referendum is to be held. If there is no newspaper of general circulation in the county, district, or municipality, the notice shall be posted in no less than five places within the territorial limits of the county, district, or municipality. [emphasis added]

Page 39 of the Compact states:

A. If, after February 1, 2010, Florida law is amended by action of the Florida Legislature or an amendment to the Florida Constitution to allow (1) the operation of Class III gaming or other casino-style gaming at any location under the jurisdiction of the State that was not in operation as of February 1, 2010, or (2) new forms of Class III gaming or other casino-style gaming that were not in operation as of February 1, 2010, the Payments due to the State pursuant to Part XI, Sections B. and D. of this Compact shall cease when the newly authorized gaming begins to be offered for public or private use. The cessation of payments due to the State pursuant to Part XI, Sections B. and D. of this Compact shall continue until such gaming is no longer operated, in which event the Payments shall resume. If the expansion of new Class III gaming or other casino-

And, Page 40 states:

For purposes of this provision, Class III gaming or other casino-style gaming includes, but is not limited to, the following: slot machines, electronically-assisted bingo or electronically-assisted pull-tab games, table games, and video lottery terminals (VLTs) or any similar games, whether or not such games are determined through the use of a random number generator.

F. Compulsive or Addictive Gambling Prevention Regulatory Fee (annual) --- [Assume begins Q3 of 2015, the start of FY 2015-16, with the commencement of operations; State Trust]

LOW: 3 x \$250,000 = \$750,000 (MAX)
MIDDLE: 3 x \$250,000 = \$750,000 (MAX)
HIGH: 3 x \$250,000 = \$750,000 (MAX)

G. License to Sell or Serve Alcoholic Beverages for Consumption on the Premises (annual) --- Resort licensees must pay an annual license fee of \$50,000 for a special state alcoholic beverage license and may serve alcohol 24 hours per day, every day of the year. [Assume begins Q3 of 2015, the start of FY 2015-16, with the commencement of operations; State Trust]

LOW: 3 x \$50,000 = \$150,000 (MAX)
MIDDLE: 3 x \$50,000 = \$150,000 (MAX)
HIGH: 3 x \$50,000 = \$150,000 (MAX)

- H. Supplier’s License (annual) --- The Commission must establish a scale of fees based on the type of service but may not exceed \$25,000 per year; indeterminate positive number to State Trust; could begin FY 2013-14 with construction.
- I. Occupational License (4-Year) --- May not exceed \$250 per employee; indeterminate positive number to State Trust; could begin FY 2013-14 with construction.
- J. Gambling Business License (annual) --- The bill appears to require any person who allows gambling to occur on their property to get a gaming license from the department – could potentially include fraternity houses when they engage in poker nights, bingo halls, Internet cafes, arcade amusement centers, lottery retailers, etc. The department shall fix the fee in an amount sufficient to meet the costs of carrying out its licensing, enforcement, and administrative responsibilities, but in an amount not to exceed \$5,000. The impact is positive indeterminate (unknown universe and unknown fee level) to State Trust (proceeds to the Destination Resort Trust Fund). Assume effective July 1, 2012.
- K. Sales Tax associated with \$2 billion Construction Requirement (nonrecurring) --- [Assume—but for the bill—there will be no construction of destination resorts. Also assume that the \$2 billion requirement is a binding criteria on all applicants, and that each licensee has the full five years to comply with the dollar requirement. And assume that the section below excludes the cost of the property upon which the destination resort is built, *as well as furnishings and gaming equipment.*]

CHANGE: Based on discussions with the sponsors, now assume that the \$2 billion Construction Requirement is inclusive of furnishings and gaming equipment.

(h) The applicant must demonstrate that it will expend at least \$2 billion in new development and construction of the proposed destination resort following the award of a license, excluding any purchase price and costs associated with the acquisition of real property on which to develop the destination resort. Such expenditure must in aggregate be completed within 5 years after the award of any such license. [Page 58]

	<i>CY Q</i>	<i>High</i>	<i>Middle</i>	<i>Low</i>
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14	Q3	54.6	54.6	27.3
FY 2014-15		96.9	96.9	75.8
FY 2015-16		54.9	40.8	68.9
		<u>206.4</u>	<u>192.3</u>	<u>171.9</u>

- L. Sales Tax associated with Tourism (annual) --- Previous work developed by EDR to analyze the proposed \$3 billion resort expansion originally anticipated by the Seminole Tribe as part of the Compact negotiations suggested that there would be significant churning of existing tourist and convention activity associated with any new expansion.

However, the *net sales tax gain* (new collections minus churning elsewhere in the state) is driven positive by three factors: (1) Florida residents who would have travelled outside the state for a gambling experience who now choose to remain in-state; (2) new tourists who would have selected a domestic location outside the state for a gambling experience who now choose Florida; and (3) new international tourists (particularly Latin American and Asian) who would not have come at all to Florida—or the United States—who now come to gamble. All of these factors lead to an infusion of new taxable activity. In support of (2) and (3) above, the Bernstein Research note dated October 24, 2011, indicates that Florida “...has the potential to pull 15% of the business from Las Vegas.” There is significant uncertainty to any sales tax projection for tourism because the ultimate business plans and locations are currently unknown.

CHANGE: EDR has developed a detailed tourism breakdown and generated sales tax projections based on that model. [Assumes collections do not begin until the commencement of gaming operations in Q3 of 2015, the start of FY 2015-16.]

	<i>CY Q</i>	<i>High</i>	<i>Middle</i>	<i>Low</i>
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14		0.0	0.0	0.0
FY 2014-15		0.0	0.0	0.0
FY 2015-16	Q3	14.8	13.8	10.9

- M. Slots Tax Losses Associated with Cannibalization (annual) --- There will be slots tax losses associated with the increased gambling opportunities that cannibalize from existing activity. Fundamentally, the state loss is attributable to the lower tax rate that will be assessed at the destination resorts (10% at the destination resorts instead of 35% for existing slots activity). However, the calculation takes the form of an offset that should be applied against the gain from the new Gross Receipts Tax to derive a net increase once cannibalization has been taken into account. While the market for the new destination resorts is different and geared more to tourists than to local activity, the Bernstein Research note dated October 24, 2011, indicates that approximately 30% of the play in Singapore is from locals. However, there are no alternative gaming opportunities in that location. Further, it seems most reasonable to assume that the greatest loss due to cannibalization will be against the most comparable competitor---the Indian gaming facilities. Because this analysis assumes that all Compact payments will cease, the Compact loss has already been addressed—albeit for another reason. It should also be noted that there are steps that the destination resorts can take to discourage the volume of purely local play (location, dress codes, cover charges, parking charges, etc.), but it is currently unclear to what extent this will occur—or even if this chilling effect would be a desired outcome by the resorts.

LOW: Original Estimate
 $(\$2099.9688 * 0.35) * .03 = \10.3 million offset from Slots

Adjusted Estimate Using Tourism Detail from Analysis Worksheet = \$29.1 million

MIDDLE: Original Estimate
 $(\$150.4700 * 0.35) * .03 = \15.8 million offset from Slots

Adjusted Estimate Using Tourism Detail from Analysis Worksheet = \$44.6 million

HIGH: Original Estimate
 $(\$98.03278 * 0.35) * .03 = \22.0 million offset from Slots

Adjusted Estimate Using Tourism Detail from Analysis Worksheet = \$62.0 million

N. Secondary Effect on Slots from Indian Gaming Shift (annual) --- There will likely be a secondary impact on Pari-Mutuel Slots facilities associated with a change in business strategy by the Indian Gaming Facilities as they lose part of their customer base to the new Destination Resorts. Since their competition with the Destination Resorts is largely over tourists, the Indian Gaming Facilities can turn to the local market to offset some of their losses. In this regard they would have a new tax advantage over the Pari-Mutuel Slots facilities. EDR has developed a detailed tourism breakdown and generated projections of these secondary effects based on that model.

<u>Cash</u>	<u>CY Q</u>	<u>High</u>	<u>Middle</u>	<u>Low</u>
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14		0.0	0.0	0.0
FY 2014-15		0.0	0.0	0.0
FY 2015-16	Q3	-22.1	-18.9	-16.2

The separate impacts from 'M' and 'N' should be added together to see the total effect on the tax collections from the Pari-Mutuel Slots facilities.

COMBINED NOTE FOR 'M' AND 'N'

For the purposes of this analysis, it is assumed that roughly 31% of the gaming activity at the new destination resorts comes at the expense of existing activity at the Indian Gaming Facilities and the Pari-Mutuel Slots facilities. Of this amount, roughly 66% is from Indian Gaming Facilities and 34% is from the Pari-Mutuel Slots facilities.

In terms of their respective industries, the effect for Indian Gaming Facilities is roughly 18.4% of their FY 2012-13 gaming activity --- and the effect for Pari-Mutuel Slots facilities is roughly 41.4% of its FY 2012-13 gaming activity.

All statistics are based on the estimates for the MIDDLE.

- O. Property Tax Associated with \$2 billion Construction Project (annual) ---There will be increased property taxes associated with a \$2 billion project for the host communities; indeterminate positive number to Local since sites are unknown; would probably first affect the 2016 tax roll. Generally, multi-phased projects are added to the rolls in stages, after each certificate of occupancy is given. However, a property appraiser can place a property improvement on the roll if it is substantially complete in his/her judgment even without a certificate of occupancy. If the improvement does not meet the criteria of being "substantially complete" on January 1 it is not placed on the roll until the following year. See s. 192.042, F.S., s. 193.011, F.S., and s. 193.1554, F.S.
- P. Documentary Tax Associated with Land Purchase (nonrecurring) --- There may be increased documentary stamp taxes associated with the land purchase; however, the impact is positive indeterminate since the sites and footprints are unknown; it is also known that some of the land has already been purchased by the prospective applicants.
- Q. Service charge implications are not mentioned in the bill, but all trust funds benefiting from the implementation of destination resorts are assumed to be exempt to that extent.
- R. Surety Bond --- [Indeterminate amount prior to the license being delivered; zero impact]

DESTINATION RESORTS --- SB 710

A. Nonrefundable Application Fee of \$1 million
Benefit: State Trust

	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13	Q1	5.0	4.0	3.0
FY 2013-14		0.0	0.0	0.0
FY 2014-15		0.0	0.0	0.0
FY 2015-16		0.0	0.0	0.0

Low: 3 x \$1 = \$3 million (3 applications)
Middle: 4 x \$1 = \$4 million (4 applications)
High: 5 x \$1 = \$5 million (5 applications)

Nonrecurring Total (State Trust, GR and Local)

TOTAL	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		155.0	154.0	153.0
FY 2013-14		54.6	54.6	27.3
FY 2014-15		96.9	96.9	75.8
FY 2015-16		54.9	40.8	68.9

Recurring Total (State Trust, GR and Local)

TOTAL	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14		6.0	6.0	6.0
FY 2014-15		6.0	6.0	6.0
FY 2015-16		82.3	35.8	-9.4

B. One-Time Licensing Fee of \$50 million
Benefit: State Trust

	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13	Q2	150.0	150.0	150.0
FY 2013-14		0.0	0.0	0.0
FY 2014-15		0.0	0.0	0.0
FY 2015-16		0.0	0.0	0.0

Low: 3 x \$50 = \$150 million (MAX)
Middle: 3 x \$50 = \$150 million (MAX)
High: 3 x \$50 = \$150 million (MAX)

Total (State Trust, GR and Local Trust)

TOTAL	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		155.0	154.0	153.0
FY 2013-14		60.6	60.6	33.3
FY 2014-15		102.9	102.9	81.8
FY 2015-16		137.2	76.6	59.5
4-YR Total		455.7	394.1	327.5

Total State Trust: A, B, C, D, F, G, H, I, J, K, L, M, N

TOTAL	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		155.0	154.0	153.0
FY 2013-14		6.0	6.0	6.0
FY 2014-15		6.0	6.0	6.0
FY 2015-16		-72.2	-51.6	-33.4

Total Local: E, K, L

TOTAL	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14		6.2	6.2	3.1
FY 2014-15		11.0	11.0	8.6
FY 2015-16		1.6	-0.1	2.8

C. Annual Renewal License Fee of \$2 million
Benefit: State Trust

	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14	Q2	6.0	6.0	6.0
FY 2014-15	Q2	6.0	6.0	6.0
FY 2015-16	Q2	6.0	6.0	6.0

Low: 3 x \$2 = \$6 million (MAX)
Middle: 3 x \$2 = \$6 million (MAX)
High: 3 x \$2 = \$6 million (MAX)

Total General Revenue: D, E, K, L

TOTAL	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14		48.4	48.4	24.2
FY 2014-15		85.9	85.9	67.1
FY 2015-16		207.8	128.3	90.1

D. Gross Receipts Tax
Benefit: Assume \$5 million to State Trust; the remainder to GR

Cash Total	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14		0.0	0.0	0.0
FY 2014-15		0.0	0.0	0.0
FY 2015-16	Q3	255.3	189.2	128.7

NOTE: Full year collections.

GR	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14		0.0	0.0	0.0
FY 2014-15		0.0	0.0	0.0
FY 2015-16		250.3	184.2	123.7

Trust	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14		0.0	0.0	0.0
FY 2014-15		0.0	0.0	0.0
FY 2015-16		5.0	5.0	5.0

E. Compact Loss
Impact: General Revenue and Local Trust

Cash	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14		0.0	0.0	0.0
FY 2014-15		0.0	0.0	0.0
FY 2015-16	Q3	-110.6	-110.6	-110.6

Recurring	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14		0.0	0.0	0.0
FY 2014-15		0.0	0.0	0.0
FY 2015-16		-110.6	-110.6	-110.6

Distribution:			
General Revenue	-104.3	-104.3	-104.3
Local Gov't	-6.3	-6.3	-6.3
	-110.6	-110.6	-110.6

F. Compulsive or Addictive Gambling Prevention Regulatory Fee (annual)
Benefit: State Trust

	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14		0.0	0.0	0.0
FY 2014-15		0.0	0.0	0.0
FY 2015-16	Q3	0.8	0.8	0.8

G. License to Sell or Serve Alcoholic Beverages for Consumption on the Premises (annual)

Benefit: State Trust				
	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14		0.0	0.0	0.0
FY 2014-15		0.0	0.0	0.0
FY 2015-16	Q3	0.2	0.2	0.2

H. Supplier's License (annual)

Benefit: State Trust				
	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14	Q3	**	**	**
FY 2014-15		**	**	**
FY 2015-16		**	**	**

I. Occupational License (annual)

Benefit: State Trust				
	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14	Q3	**	**	**
FY 2014-15		**	**	**
FY 2015-16		**	**	**

J. Gambling Business License (annual)

Benefit: State Trust				
Cash	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13	Q3	**	**	**
FY 2013-14		**	**	**
FY 2014-15		**	**	**
FY 2015-16		**	**	**

K. Sales Tax associated with \$2 billion Construction Requirement (inclusive of furnishings and equipment)

Benefit: Sales Tax (General Revenue, State Trust and Local)

	CY Q	High	Middle	Low	Distribution:	GR	State TF	Local	Total
FY 2011-12		0.0	0.0	0.0	HIGH				
FY 2012-13		0.0	0.0	0.0		48.4	0.0	6.2	54.6
FY 2013-14	Q3	54.6	54.6	27.3		85.9	0.0	11.0	96.9
FY 2014-15		96.9	96.9	75.8		48.7	0.0	6.2	54.9
FY 2015-16		54.9	40.8	68.9	MIDDLE				
		206.4	192.3	171.9		48.4	0.0	6.2	54.6
						85.9	0.0	11.0	96.9
						36.2	0.0	4.6	40.8

High --- Assumes 3-year construction period for \$2 B * 3

Middle --- Assumes 5-year construction period for \$2 B * 3

Low --- Assumes 5-year for \$2 B with 6-month lag * 3

GR	0.88639
State Trust	0.00008
Local	0.11353

Distribution:	GR	State TF	Local	Total
LOW				
	24.2	0.0	3.1	27.3
	67.1	0.0	8.6	75.8
	61.0	0.0	7.8	68.9

Local Option: Positive Indeterminate (county location unknown)

L. Sales Tax associated with Tourism

Benefit: Sales Tax (General Revenue, State Trust and Local)

	CY Q	High	Middle	Low	Distribution:	GR	State TF	Local	Total
FY 2011-12		0.0	0.0	0.0	HIGH				
FY 2012-13		0.0	0.0	0.0		0.0	0.0	0.0	0.0
FY 2013-14		0.0	0.0	0.0		0.0	0.0	0.0	0.0
FY 2014-15		0.0	0.0	0.0		13.1	0.0	1.7	14.8
FY 2015-16	Q3	14.8	13.8	10.9	MIDDLE				
						0.0	0.0	0.0	0.0
						0.0	0.0	0.0	0.0
						12.2	0.0	1.6	13.8
GR	0.88639				LOW				
State Trust	0.00008					0.0	0.0	0.0	0.0
Local	0.11353					0.0	0.0	0.0	0.0
						9.7	0.0	1.2	10.9

M. Direct Slots Tax Loss associated with Cannibalization for Destination Resorts

Impact: State Trust (Educational Enhancement Trust Fund)

Cash	CY Q	High	Middle	Low
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14		0.0	0.0	0.0
FY 2014-15		0.0	0.0	0.0
FY 2015-16	Q3	-62.0	-44.6	-29.1

N. Pari-Mutuels Secondary Displacement: Indian Gaming Facilities change marketing strategy to gain more of the local market
Impact: State Trust (Educational Enhancement Trust Fund)

<u>Cash</u>	<i>CY Q</i>	<i>High</i>	<i>Middle</i>	<i>Low</i>
FY 2011-12		0.0	0.0	0.0
FY 2012-13		0.0	0.0	0.0
FY 2013-14		0.0	0.0	0.0
FY 2014-15		0.0	0.0	0.0
FY 2015-16	Q3	-22.1	-18.9	-16.2

Four classes of patrons:

- 1 New Visitors induced to visit Florida due to Destination Resorts
 - a. Domestic / National
 - b. International
- 2 Current Visitors who will visit the Destination Resorts
- 3 Floridians who will visit the Destination Resorts in lieu of leaving the state
- 4 Local Residents who will visit the Destination Resorts

New Rooms	Occupied at .519	
12,300	7,269	Day
4,489,500	2,653,295	Year

Occupancy Implied By New Visitors Immediately Below:

2,579,203	3,868,805	5,158,407
57.4%	86.2%	114.9%

	2010 Current	0.01 New at +1%	0.015 New at +1.5%	0.02 New at +2%
2010 Tourist Counts and Local Visitors				
TOTAL FOR NEW VISITORS ("But for the existence...")	BASE: 82,315,000			
Domestic / National Percentage:	0.865 71,202,475	712,025	1,068,037	1,424,050
Canadian	0.037 3,045,655	30,457	45,685	60,913
Overseas / International Percentage:	0.098 8,066,870	80,669	121,003	161,337
NOTES: No substitution of current spending		823,150	1,234,725	1,646,300
EXPENSE: One Day Taxable Expense of \$150.70 times 4.7 nights	PP: \$ 708.29	583,028,914	874,543,370	1,166,057,827
SALES TAX EFFECT: new expenditures not otherwise expected	RATE: \$ 0.06	34,981,735	52,472,602	69,963,470
GAMBLING EXPENDITURE: Nevada Per Trip Expenditure (on top*)	PP: \$ 466.20	383,752,530	575,628,795	767,505,060

*assumes expanded budget by gambling expenditure

	2010 Current	0.06 Curr At 6%	0.1 Curr At 10%	0.145 Curr At 14.5%
WITHOUT CHILDREN FOR CURRENT VISITORS ("Incidental...")				
Domestic / National Percentage:	0.780 64,205,700	3,852,342	6,420,570	9,309,827
Canadian	0.720 2,192,872	131,572	219,287	317,966
Overseas / International Percentage:	0.843 6,800,371	408,022	680,037	986,054
NOTES: 100% Substitution of Entertainment & Misc for Gambling		4,391,937	7,319,894	10,613,847
EXPENSE: -\$26.60 Taxable Expenses times 4.7 nights	PP: \$ (125.02)	(549,079,911)	(915,133,186)	(1,326,943,119)
SALES TAX EFFECT: diverted from current expenditures	0.77 \$ 0.06	(25,367,492)	(42,279,153)	(61,304,772)
INDIAN GAMING EFFECT (not tax adjusted)	0.23	(126,288,380)	(210,480,633)	(305,196,917)
GAMBLING EXPENDITURE: \$26.60 times 4.7 nights	PP: \$ 125.02	549,079,911	915,133,186	1,326,943,119

	2010 Current	0.06 Curr At 6%	0.1 Curr At 10%	0.145 Curr At 14.5%
TOTAL HOUSEHOLDS FOR FL RESIDENT TRAVELERS	BASE: 7,420,802			
Percentage Taking Pleasure Trips (1 per Household)	0.172 1,276,378			
#1 In Florida (multiplied by 2 adults per household)	0.383 488,853	58,662	97,771	141,767
#2 Outside Florida (multiplied by 2 adults per household)	0.617 787,525	94,503	157,505	228,382
NOTES: 0% Substitution for Outside FL; 100% Ent & Misc for In-FL		153,165	255,276	370,150
EXPENSE #1: -\$26.60 times 4.7 nights	PP: \$ (125.02)	(7,333,965)	(12,223,274)	(17,723,748)
EXPENSE #2: One Day Taxable Expense of \$150.70 times 4.7 nights	PP: \$ 708.29	66,935,546	111,559,244	161,760,903
EXPENSE TOTAL:		59,601,582	99,335,969	144,037,156
SALES TAX EFFECT: net new expenditures not otherwise expected	RATE: \$ 0.06	3,576,095	5,960,158	8,642,229
GAMBLING EXPENDITURE: Blended Rate to Reflect Mix (on top*)	PP: \$ 335.53	51,391,274	85,652,123	124,195,578

*assumes expanded budget by gambling expenditure

	2010 Current	0.24 Curr At 24%	0.25 Curr At 25%	0.265 Curr At 26.5%
FLORIDA RESIDENTS (21+) FOR LOCAL VISITS (Region 1)				
Local Residents Who Will Visit	BASE: 5,098,055	1,223,533	1,274,514	1,350,985
Number of Visits Per Year (9.9 Total Visits to Nearby Casinos)	SCALAR: 3.3	4,037,660	4,205,895	4,458,249
GAMBLING EXPENDITURE:	PP: \$ 75.00	302,824,467	315,442,153	334,368,682
FULL INDIAN GAMING EFFECT (not tax-adjusted)	0.600 0.471 0.345	(181,694,680)	(148,573,254)	(115,357,195)
PARI-MUTUEL SLOTS TAX EFFECT	0.275 0.404 0.530	(29,146,855)	(44,603,520)	(62,025,391)
SALES DISPLACEMENT (not tax-adjusted)	0.125 0.125 0.125	(37,853,058)	(39,430,269)	(41,796,085)
SALES TAX EFFECT: diverted from other expenditures	RATE: \$ 0.06	(2,271,184)	(2,365,816)	(2,507,765)

	LOW	MIDDLE	HIGH
Total Casino Visitors (Unduplicated)	6,591,785	10,084,409	13,981,281
Net Sales Tax Adjustment Related To Tourism at Destination Resorts	10,919,154	13,787,791	14,793,162
Gambling Expenditure at Destination Resorts	1,287,048,182	1,891,856,257	2,553,012,440
Gambling Tax Collections on Gross Receipts	128,704,818	189,185,626	255,301,244
Direct Pari-Mutuel Slots Tax Effect from Destination Resorts	(29,146,855)	(44,603,520)	(62,025,391)
Full Indian Gaming Loss in Activity	(307,983,060)	(359,053,887)	(420,554,113)
Percentage of FY 2012-13 Indian Gaming Activity	15.8%	18.4%	21.6%
Secondary Effect on Slots Pari-Mutuels from Indian Gaming Marketing Shift	0.15 (46,197,459)	(53,858,083)	(63,083,117)
Secondary Pari-Mutuel Slots Tax Effect	0.35 (16,169,111)	(18,850,329)	(22,079,091)
Combined Pari-Mutuel Slots Effect	(129,474,187)	(181,296,713)	(240,298,519)
Percentage of FY 2012-13 Pari-Mutuel Slots Activity	29.6%	41.4%	54.9%
Combined Pari-Mutuel Slots Tax Effect	(45,315,966)	(63,453,850)	(84,104,481)
Cannibalization of gaming spend from Indian Gaming Facilities	(307,983,060)	(359,053,887)	(420,554,113)
Cannibalization of gaming spend from Pari-Mutuel Slots	(129,474,187)	(181,296,713)	(240,298,519)
TOTAL AMOUNT OF GAMING SPEND FROM EXISTING BUSINESS	(437,457,247)	(540,350,600)	(660,852,631)
Percentage of Gambling Expenditure at Destination Resorts	34%	29%	26%
SPLIT: Indian-Gaming	70.4%	66.4%	63.6%
Pari-Mutuel Slots	29.6%	33.6%	36.4%

Estimated Size of Major Gaming Activities in Florida*

1 Indian Gaming	1,700,000,000	2010
2 Pari-Mutuel Casinos (Slots)	364,857,143	2010-11
3 Other Pari-Mutuel Activity	927,269,472	2010-11
4 Florida Lottery	4,022,500,000	2010-11
	7,014,626,615	

*Does not include bingo, charitable games, internet cafes, and the like.

Mileage between Tallahassee and Miami --- 480 miles.

Census 2010 - 21 years and older		2010 Spending	Per Capita	Machines	Pers Per Mach	Per Machine
Indiana	4,578,226	2,790,000,000	609.41	22,958	199	121,526
Iowa	2,178,618	1,370,000,000	628.84	17,509	124	78,245
Louisiana	3,210,884	2,370,000,000	738.11	21,111	152	112,264
Pennsylvania	9,331,047	2,490,000,000	266.85	26,907	347	92,541
Florida	14,030,290	329,120,000	23.46	5,364	2,616	61,357

Spending (Per Capita)		Machines	Spending (Per Mach)
Florida	14,030,290	10,355,960,321	738.11
Florida	14,030,290	7,868,225,000	560.80
Florida	14,030,290	3,743,998,085	266.85
Florida		8,049,267,415	573.71

FL Capacity:	Spending (Per Capita)	Per Capita	Machines	Spending (Per Mach)
2,064,857,143	8,291,103,178	Max	Max	Max
	5,984,410,272	3 Regions	3 Regions	3 Regions
	5,803,367,857	Simple Avg	Simple Average	Simple Average
	1,679,140,942	Low	Low	Low

2010-11 Remaining Capacity:	Spending (Per Capita)	Per Capita	Machines	Spending (Per Mach)
5,439,505,562	Group Avg	Group Avg	Group Avg	Group Avg

	2010 Visitors	Ratio	Tribal Fac	2009 Gmng Rev	2009 Mach	Per Mach
Indiana	26,540,000	5.80	-	-	-	-
Iowa	21,970,000	10.08	1	118,900,000	2,085	57,026
Louisiana	34,030,000	10.60	3	423,400,000	6,350	66,677
Florida	82,315,000	5.87	8	2,048,300,000	11,760	174,175

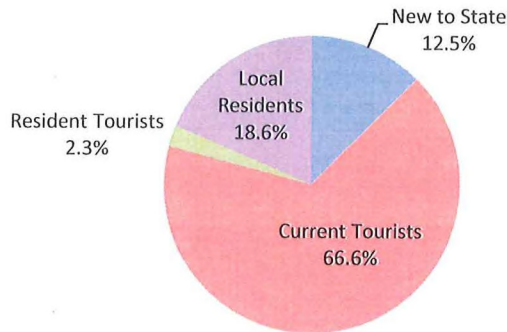
	Florida	Nevada
Casino Fac	13	259
Gmblng Spend	2,064,857,143	10,405,000,000
Prim Act Gmblng	2.0%	80.0%
Trip Gmblng \$		466.20
# Casinos Per Trip		6.4
Visitors	82,315,000	49,990,000
Hotels	4,436	315
Hotel Rooms	405,348	180,845
Bed Night Capacity	147,952,020	58,708,425
Implied Occupancy	55.6%	85.1%

Visitors to Destination Resorts (Unduplicated)

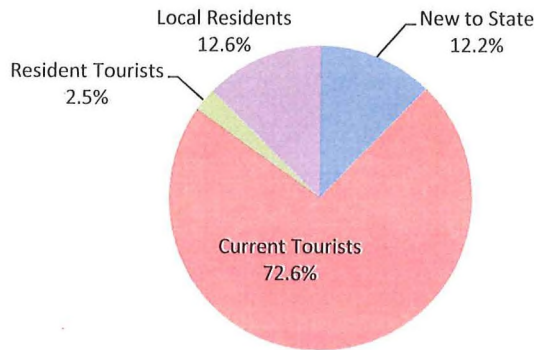
	<i>Low</i>	<i>Middle</i>	<i>High</i>
New to State	823,150	1,234,725	1,646,300
Current Tourists	4,391,937	7,319,894	10,613,847
Resident Tourists	153,165	255,276	370,150
Local Residents	1,223,533	1,274,514	1,350,985
	<hr/> 6,591,785	<hr/> 10,084,409	<hr/> 13,981,281

New to State	12.5%	12.2%	11.8%
Current Tourists	66.6%	72.6%	75.9%
Resident Tourists	2.3%	2.5%	2.6%
Local Residents	18.6%	12.6%	9.7%

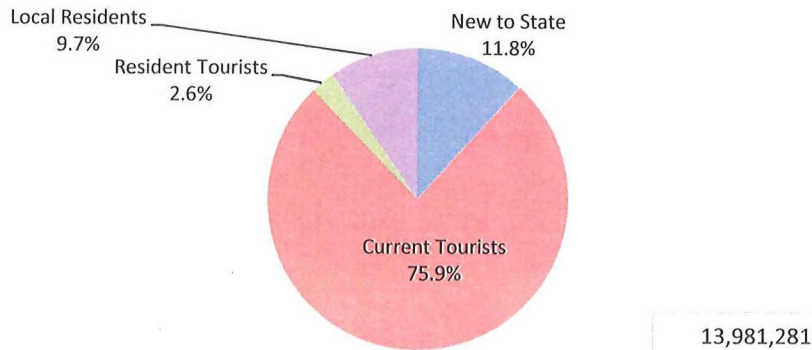
Visitors to Destination Resorts (Low Unduplicated)



Visitors to Destination Resorts (Middle Unduplicated)



Visitors to Destination Resorts (High Unduplicated)



Facility Costs	(millions)	Months	Document
1 South Coast Casino and Resort	\$ 374.0	19	Southwest Contractor, 2004 Top Projects Nevada
2 Caesars Palace Augustus Tower	\$ 214.0	24	Southwest Contractor, 2004 Top Projects Nevada
3 Tahiti Village Resort	\$ 135.0	20	Southwest Contractor, 2004 Top Projects Nevada
4 Residences at MGM Grand	\$ 130.0	19	Southwest Contractor, 2004 Top Projects Nevada
5 Cosmopolitan Resort & Casino*	\$ 1,300.0	48	Southwest Contractor, 2005 Top Projects Nevada
6 Trump International Hotel & Tower	\$ 364.0	19	Southwest Contractor, 2005 Top Projects Nevada
7 Residences at MGM Grand - Towers B,C	\$ 246.6	25	Southwest Contractor, 2005 Top Projects Nevada
8 Red Rock Casino, Resort and Spa	\$ 925.0	25	Southwest Contractor, 2006 Top Projects Nevada
9 Echelon**	\$ 4,800.0	36	Southwest Contractor, 2007 Top Projects Nevada
10 Fontainebleau Hotel Casino***	\$ 2,900.0	33	Southwest Contractor, 2007 Top Projects Nevada
11 M Resort	\$ 1,000.0	24	Southwest Contractor, 2007 Top Projects Nevada
12 Planet Hollywood Towers	\$ 750.0	20	Southwest Contractor, 2007 Top Projects Nevada
13 Aliante Station Casino	\$ 675.0	14	Southwest Contractor, 2007 Top Projects Nevada
14 Eastside Cannery Casino & Hotel	\$ 250.0	16	Southwest Contractor, 2007 Top Projects Nevada
15 Cache Creek Casino Resort	\$ 350.0	36	TM Davis & Associates
16 Aulani, a Disney Resort & Spa	\$ 800.0	33	Various
17 Wynn Macau	\$ 1,000.0	27	Various
18 Sands Macau Casino Resort	\$ 265.0	20	Various
19 MGM Grand Macau	\$ 975.0	24	Various
20 Hard Rock Hotel Expansion	\$ 582.2	26	Southwest Contractor, 2008 Top Projects Nevada
Average	\$ 901.8	25	
Without Echelon and Fontainebleau	\$ 574.2	24	

* New resort and casino featuring two hotel and condominium towers with approximately 3,000 rooms, casino, convention and conference space, exclusive and brand name retail boutiques, fine dining restaurants, entertainment facilities, spa, salon, fitness center, nightclubs 2,000-seat theater, 5-acre pool, and a below-grade parking structure. Plans were subsequently changed due to the recession

** Echelon will contain five distinct hotels with a total of 5,000 rooms: Hotel Echelon, The Enclave, Shangri-La Las Vegas, Mondrian Las Vegas and Delano Las Vegas. Echelon will contain over 140,000 sq ft in casino space, over 30 dining and nightlife choices, two theaters and 750,000 sq ft of meeting space. High Street will feature 300,000 sq ft of retail shopping promenade. Outside areas will contain over 200,000 sq ft of pools and gardens. While the 87-acre property will maintain seven vehicular arrival points, ample parking will be provided through 9,000 spaces.
Boyd Gaming delayed the construction of the Echelon project in June 2008 because of the economic slowdown and difficult market conditions. The project was to restart in late 2009, however, it was postponed for the second time due to Boyd's decrease in profits. The company expects to begin the work in three to five years from 2010.

*** Occupying the former South Strip site of the El Rancho, Fontainebleau is quickly rising to its 63 stories skyward. The destination resort will contain 3,889 rooms, suites, condo-hotel units and penthouses inside the 725-ft tower, along with a 100,000-sq-ft casino, 60,000-sqft spa, retail, a massive rooftop swimming deck and a 3,200-seat theater. The 25-acre site will also be home to a 390,000-sq-ft conference and events center.
6/10/09 Fontainebleau files for bankruptcy while desperately seeking funding to complete the project. In bankruptcy court in Miami on November 23, 2009, corporate raider and financier Carl Icahn offered \$156 M in cash and financing. In October 2010, owner Carl Icahn auctioned off the furnishings intended for the building. All construction work has stopped on the project, which is about 70 percent complete, and there are no specific plans for the building at this time. As of February 9, 2011, there were still no plans for completion.

Miscellaneous --- Cost Per Room	Per Room	Total	
Luxury Resort Cost Per Room			2003: PKF Consulting, Guide to Cost Allocations for Developers#
<i>Highest</i>	\$ 596,000	235,420,000	Average 395 rooms
<i>Average</i>	\$ 375,500	148,322,500	Average 395 rooms
<i>Lowest</i>	\$ 231,000	91,245,000	Average 395 rooms

NOTE:

"The biggest variance from low to high costs fall in the luxury and resort category due to the extra time it takes for site acquisition regulatory approvals, mitigation and higher quality construction. Development costs for four and five-star properties reflect th higher barriers to entry and higher quality improvements."

1 Current Estimate: Table Games sunset in FY 2015-16

Penalty: Lose all of Broward County Revenues (49.3% of total)
Lose table game revenues (16.2% of total) for non-Broward facilities

	Revenue Share with Table Games	Loss From Broward 0.4933	Remainder	% of remainder from table games	\$ loss from table games	Net remaining revenues	GR	Local
2010-11	140.4	0.0	140.4			140.4	139.65	0.8
2011-12	150.0	0.0	150.0			150.0	145.5	4.5
2012-13	226.1	0.0	226.1			226.1	221.2	4.9
2013-14	233.0	0.0	233.0			233.0	226.0	7.0
2014-15	233.9	0.0	233.9			233.9	226.9	7.0
2015-16	234.0	-105.8	128.2	0.162	17.6	110.6	104.3	6.3
2016-17	234.0	-115.4	118.6	0.162	19.2	99.4	96.4	3.0
2017-18	234.0	-115.4	118.6	0.162	19.2	99.4	96.4	3.0
2018-19	234.0	-115.4	118.6	0.162	19.2	99.4	96.4	3.0
2019-20	234.0	-115.4	118.6	0.162	19.2	99.4	96.4	3.0
2020-21	234.0	-115.4	118.6	0.162	19.2	99.4	96.4	3.0

2 Senate Bill 710: New Casino-Style Gaming authorized by Legislature outside Broward or Miami-Dade

Penalty: Lose all remaining Compact Payments

	Revenue Share with Table Games	Loss From Broward 0.4933	Remainder	% of remainder from table games	\$ loss from table games	Net remaining revenues	SB 710 Loss
2010-11	140.4	0.0	140.4			140.4	
2011-12	150.0	0.0	150.0			150.0	
2012-13	226.1	0.0	226.1			226.1	
2013-14	233.0	0.0	233.0			233.0	
2014-15	233.9	0.0	233.9			233.9	
2015-16	234.0	-105.8	128.2	0.162	17.6	110.6	-110.6
2016-17	234.0	-115.4	118.6	0.162	19.2	99.4	-99.4
2017-18	234.0	-115.4	118.6	0.162	19.2	99.4	-99.4
2018-19	234.0	-115.4	118.6	0.162	19.2	99.4	-99.4
2019-20	234.0	-115.4	118.6	0.162	19.2	99.4	-99.4
2020-21	234.0	-115.4	118.6	0.162	19.2	99.4	-99.4

3 Potential Amendment to Senate Bill 710: Additional Casino-Style Gaming authorized by Legislature in Broward or Miami-Dade only

Penalty: Lose all of Broward County Revenues (49.3% of total) --- But already removed due to loss of table game exclusivity
However, table games will continue in practice since authorized elsewhere

	Revenue Share with Table Games	Loss From Broward 0.4933	Remainder	\$ loss from table games	Net remaining revenues	Preliminary SB 710 Gain	Loss from Competition?	Gain from New Games?	Net?
2010-11	140.4	0.0	140.4		140.4				
2011-12	150.0	0.0	150.0		150.0				
2012-13	226.1	0.0	226.1		226.1				
2013-14	233.0	0.0	233.0		233.0				
2014-15	233.9	0.0	233.9		233.9				
2015-16	234.0	-105.8	128.2	0.0	128.2	17.6	?	?	?
2016-17	234.0	-115.4	118.6	0.0	118.6	19.2	?	?	?
2017-18	234.0	-115.4	118.6	0.0	118.6	19.2	?	?	?
2018-19	234.0	-115.4	118.6	0.0	118.6	19.2	?	?	?
2019-20	234.0	-115.4	118.6	0.0	118.6	19.2	?	?	?
2020-21	234.0	-115.4	118.6	0.0	118.6	19.2	?	?	?

Construction Related Sales Tax Revenue: Taxable Purchases by NAICS Sector and Other Operating Costs

Value of Project: 2,000,000,000
 Construction 66.1%
 Purchases 33.9%

Estimated Construction Value: \$1.32 billion

Taxable Purchases of Commodities by Sector	% of total Const. Value	Taxable Sales	Sales Tax Revenue
Construction	0.07%	926,560	55,594
Manufacturing	24.61%	325,292,649	19,517,559
Natural Resources	0.77%	10,238,103	614,286
Other Industries	1.52%	20,137,674	1,208,260
Trade	7.81%	103,297,893	6,197,874
Transportation	0.02%	329,973	19,798
Real Estate and Rental & Leasing	1.34%	17,694,708	1,061,682
Arts, Entertainment & Recreation	0.02%	262,675	15,760
Accommodation & Food Services	0.27%	3,545,418	212,725
Scrap & Secondhand Goods	0.04%	552,165	33,130
Total	36.5%	482,277,817	28,936,669
Total: All Other Nontaxable Purchases	14.1%	186,206,451	
Other Operating Costs	% of total Const. Value	Costs	
Compensation of employees	38.19%	504,773,642	
Gross operating surplus	10.75%	142,042,558	
Taxes on production and imports, less subsidies	0.50%	6,600,595	
Total	49.4%	653,416,796	
Grand Total Construction	100.0%	1,321,900,936	28,936,669

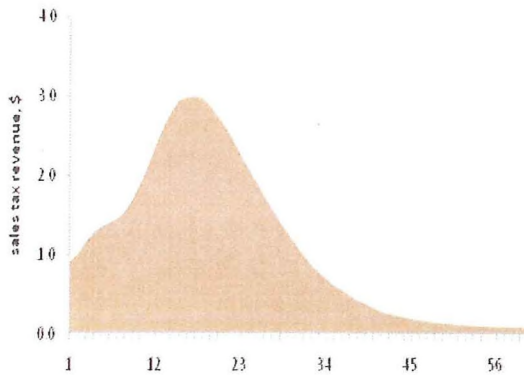
Estimated Purchase Value: \$.68 billion

Taxable Purchases of Capital Equipment (purchasers' prices)	% of Total Initial Purchases	Taxable Sales	Sales Tax Revenue
Computers and peripheral equipment	6.01%	40,748,362	2,444,902
Office and accounting equipment	0.98%	6,660,538	399,632
Software	3.59%	24,352,184	1,461,131
Communication equipment	3.26%	22,088,386	1,325,303
Nonmedical instruments and related equipment	0.10%	686,991	41,219
Photocopy and related equipment	0.74%	5,031,389	301,883
Fabricated metal products	1.89%	12,784,570	767,074
Special industry machinery, n.e.c.	1.47%	9,990,807	599,448
Electrical transmission, distribution, & industrial apparatus	0.71%	4,841,649	290,499
Autos	6.10%	41,343,754	2,480,625
Furniture and fixtures	28.46%	193,018,212	11,581,093
Service industry machinery	22.89%	155,227,181	9,313,631
Electrical equipment, n.e.c.	1.33%	8,989,764	539,386
Other nonresidential equipment	14.34%	97,205,911	5,832,355
Light trucks	4.71%	31,941,796	1,916,508
Trucks, other than light, buses and trailers	1.49%	10,088,949	605,337
Total	98.07%	665,000,442	39,900,026
Total: Nontaxable Purchases of Capital Equipment (purchasers' prices)	1.93%	13,098,622	
Grand Total Purchases	100.00%	678,099,064	39,900,026
Grand Total Construction and Purchases			68,836,695

Total Monthly Sales Tax Revenue Estimate
Assume 30-day month

Month	Year				
	1	2	3	4	5
1	907,374	2,620,177	1,908,919	491,341	144,742
2	1,002,460	2,816,399	1,742,710	427,696	135,291
3	1,155,463	2,951,776	1,581,137	391,214	127,058
4	1,274,589	2,985,985	1,425,602	337,620	119,889
5	1,346,489	2,999,452	1,277,900	289,576	113,647
6	1,401,106	2,971,360	1,138,546	263,958	108,211
7	1,450,097	2,868,906	1,009,067	238,770	103,477
8	1,539,711	2,744,426	885,341	217,479	99,354
9	1,680,844	2,602,706	789,935	198,681	95,762
10	1,895,826	2,435,683	700,628	182,324	92,633
11	2,149,642	2,250,996	616,066	168,041	89,906
12	2,394,795	2,073,431	561,359	155,592	87,529
total	18,198,396	32,321,299	13,637,210	3,362,291	1,317,500
% of total	26.4%	47.0%	19.8%	4.9%	1.9%

Total Monthly Collections



Description of Estimate

1. An estimate of taxable commodity-related construction inputs (by sector and in producer prices) is derived using a commodity-by-industry input-output matrix obtained from the Bureau of Economic Analysis (2002).
2. An estimate of taxable purchases of capital equipment (by sector and in purchasers' prices) is derived using a capital purchase-by-industry input-output matrix obtained from the Bureau of Economic Analysis (1997).
3. The ratio of construction to capital purchases is derived from the input-output matrix in 2. It is estimated that 66% of the total project value is spent on construction and 34% is spent on capital purchases.
4. It is assumed the construction project will encompass various types of construction industries. The industries are weighted as follows: 10% nonresidential commercial and health care structures, 5% nonresidential manufacturing structures, 35% other nonresidential structures, 20% residential permanent site single- and multi-family structures, and 30% other residential structures.
5. It is assumed capital purchases for the project reflect the purchase patterns of several related leisure industries. The industries are weighted as follows: 15% performing arts, spectator sports, museums, zoos, and parks, 15% amusements, gambling, and recreation, 50% accommodation, and 20% food services and drinking places.
6. The revenue collection distribution for construction is estimated using data found in the , *Percent Distribution of Value Put in Place Each Month from Start to Completion for State and Local Construction*. This table, obtained from U.S. Census Bureau, identifies how long various construction-related projects take to complete by value of the construction project. There are various industry-related tables that can be used, however, due to the size of this construction project and the fact that all tables cap-out at \$10.0 million, it is assumed that this distribution best represents the time-to-completion for a \$2.0 billion project. The duration of a \$10.0 million project is 48 months. For this estimate, the tail of the distribution is extended 12 additional months. This provides a distribution of 5 years. Daily estimates are developed using a spline of the monthly data. Months are defined as 30 days.
7. The revenue collection distribution for purchases is estimated by assuming a log-normal distribution with the standard deviation parameter set to 0.4. It is assumed that purchases will be made shortly after construction commences and the majority of purchases will be compressed into the first several years in order to meet policy requirements.