

## REVENUE ESTIMATING CONFERENCE

**Tax:** Article V

**Issue:** Court Filing Jurisdiction, Chapter 2008-111 Fees, and Clerks Funding

**Bill Number(s):** CS CS HB 337

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Renner

**Month/Year Impact Begins:** 01/01/2020

**Date of Analysis:** 06/12/2019

### Section 1: Narrative

#### a. Current Law:

##### **Court Filing Jurisdiction (sections 1, 9, 10, and 11)**

Section 26.012 states that circuit courts shall have jurisdiction of appeals from county courts except appeals of county court orders or judgments declaring invalid a state statute or a provision of the State Constitution and except orders or judgments of a county court which are certified by to be of great public importance and which are accepted by the district court of appeal for review. Section 34.01, F.S. states that county courts shall have original jurisdiction in all misdemeanor cases not within the jurisdiction of circuit courts, all violations of municipal and county ordinances, all actions of law in which the matter of controversy does not exceed \$15,000, and disputes involving homeowner's associations. The county court filing fees for civil cases greater than \$2,500 and up to \$15,000 are as follows: \$280 to the Clerk's Fine and Forfeiture Funds (F&FF), \$16 to the State Courts Revenue Trust Fund (SCRTF), \$3.50 to the Courts Education Trust fund (CETF) and \$0.50 to the Department of Financial Services Administrative Trust Fund (DFS ATF). The circuit courts have jurisdiction for civil cases whose matter of controversy is above \$15,000. The filing fees for those cases are \$196 to the Clerk's F&FF, \$196 to the SCRTF, \$3.50 to the CETF and \$5.50 to the DFS ATF. Section 34.041, F.S. specifies filing fees due at the time a party files a pleading to initiate a proceeding or files a pleading for relief. Section 44.108, F.S. charges a fee of \$60 per person per session when court ordered mediation services are provided by a circuit court's mediation program for county court cases.

##### **Ch. 2008-111 Fees (sections 5 - 8, 10, 12 - 22, and 24 - 29)**

Chapter 28, F.S. provides for the operations of Clerks of the Court. In addition, there are numerous other provisions of Florida statutes which relate to service charges, fees, and cost charged by the Clerks of the Court. Chapter 2008-111 L.O.F., as passed by the 2008 Legislature, provided for updating many of these fees and service charges (a listing is attached). Several new fees were added and other pre-existing fees were increased. Section 47 of Ch. 2008-111 L.O.F., stated that the Florida Clerks of Court Operations Corporation may not approve increases to the clerk's budgets based on increased revenue generate under this act, effectively directing all additional revenue not otherwise specified to the General Revenue Fund.

##### **Clerks of Court Funding (sections 2 - 4)**

Section 28.35, F.S. creates the Florida Clerks of Court Operations Corporation and lists duties of the corporation. Section 28.36, F.S. describes the budget procedure for the court related functions of the clerks of court. Each proposed budget must be balanced such that total estimated revenues available either equals or exceeds the total anticipated expenditures. Section 28.37, F.S. requires that no later than January 25 of each year, the clerks of the court shall remit to the Department of Revenue for deposit into the General Revenue Fund the cumulative excess of all fines, fees and charges, including transfers from the Clerks of Court Trust Fund, which exceeds the amount needed to meet their authorized budgets. If the official estimate for funds accruing to the clerks of court for the current fiscal year or the next fiscal year is less than the cumulative amount of authorized budgets for the current fiscal year, the Department of Revenue shall retain in the Clerks of Court Trust Fund the amount needed to fully fund the clerks of court budget.

#### b. Proposed Change:

##### **Court Filing Jurisdiction (sections 1, 9, 10, and 11)**

Section 34.01, F.S. is revised so that effective January 1, 2020 the county court jurisdictional threshold is increased from \$15,000 to \$30,000 except for actions within the exclusive jurisdiction of the circuit court. Effective January 1, 2023 the county court jurisdictional threshold is increased from \$30,000 to \$50,000 except for actions within the exclusive jurisdiction of the circuit court. Section 26.012, F.S. is revised so that district courts retain jurisdiction over appeals of county court orders or judgments where the matter in controversy is over \$15,000. This change is repealed January 1, 2023. Section 34.041, F.S. is revised so that the initial filing fees and subsequent counterclaim fees for non-foreclosure cases in which the matter of controversy is over \$15,000 are assessed and distributed in the same manner as current law regardless whether they are filed with the county court or circuit court. Section 44.108, F.S. is revised to prevent a \$60 mediation fee from being charged to additional participants when cases above the \$15,000 threshold move from circuit to county court.

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### **Ch. 2008-111 Fees (sections 5 - 8, 10, 12 - 22, and 24 - 29)**

Numerous statutes (see attached list) referencing the fines, fees, and charges increased by Ch. 2008-111 L.O.F. are revised to specify that those fees are to be deposited into the General Revenue Fund. These changes are remedial and clarifying in nature. They apply retroactively to July 1, 2008.

### **Clerks of Court Funding (sections 2 – 4)**

Section 28.35, F.S. is revised so that the total combined budgets of the clerks of court do not exceed estimated revenues plus the total unspent budgeted funds for court related functions carried forward by the clerks of the court for the previous fiscal year and the balance of funds remaining in the Clerk of Court Trust Fund after the transfer to General Revenue required per section 28.37(3)(b), F.S. Unspent budgeted funds for court related functions means undispersed funds included in the clerks of the court budgets established pursuant to sections 28.35 and 28.36, F.S. Section 28.36, F.S. revises the budget procedure to conform to changes made to section 28.35, F.S. Section 28.37, F.S. is revised so that no later than January 25 of each year, the clerks of the court shall remit to the Department of Revenue for deposit into the General Revenue Fund the cumulative excess of all fines, fees and charges, including transfers from the Clerks of Court Trust Fund, which exceeds the amount needed to meet their authorized budgets. No later than February 1, 2020, the Department of Revenue shall transfer from the Clerk of Courts Trust Fund to the General Revenue Fund the cumulative excess of all fines, fees and charges in excess of \$10 million. No later than February 1, 2021 and February 1, 2022, the Department of Revenue shall transfer from the Clerk of Courts Trust Fund to the General Revenue Fund not less than 50% of the cumulative excess of all fines, fees and charges, provided the remaining balance in the Clerk of Courts Trust Fund may not be more than \$20 million. No Later than February 1, 2023 and each February 1 thereafter, the Department of Revenue shall transfer from the Clerk of Courts Trust Fund to the General Revenue Fund the cumulative excess of all fines, fees and charges.

### **Section 2: Description of Data and Sources**

Article V Revenue Estimating Conference held February 13, 2019 and Conference History

Phone and email contact with staff from the Office of State Courts Administrator (OSCA) and Clerks of Court Operations Corporation

### **Section 3: Methodology (Include Assumptions and Attach Details)**

#### **Court Filing Jurisdiction (sections 1, 9, 10, and 11)**

Changing the jurisdictional limit for county courts would typically impact the Clerk's Fine and Forfeiture Funds (F&FF) and numerous state trust funds because the initial filing fees and subsequent counterclaim fees are different between county court and circuit court; however, the bill revises those fees so that they remain at the same level and distribution regardless of jurisdiction with the exception of foreclosure cases. Foreclosure cases which change jurisdictions pursuant to this bill will pay the same \$400 fee as current law; however, \$195 of that will be distributed to the SCRTF instead of GR. Likewise, the subsequent appellate filing impact is negated because section 26.012, F.S. is revised so that the district court retains jurisdiction for appellate cases originating in county courts whose matter of controversy is over \$15,000. Changes to section 26.012, F.S. are repealed January 1, 2023, at which time there will be an impact from changing appellate filing fees as the shifting case's appellate jurisdiction changes from district court to circuit court. Note that the attached checklist shows where each fee is made revenue neutral in the bill or if it is omitted.

There will be an impact to the General Revenue Fund and SCRTF resulting from shifted foreclosure filings. Currently, the circuit court foreclosure fee for cases between \$0 and \$50,000 is \$400, \$195 of which is distributed into GR. For cases between \$0 and \$15,000, the jurisdiction could be either circuit or county court; however, the plurality of these cases are heard in county court. While the fee that will be paid for these filings after shifting to the county courts will remain \$400, the \$195 portion will instead be distributed into the SCRTF. Likewise, there will be impacts to GR, SCRTF, and Clerk's funds when appellate filings shift from district court to the circuit court effective January 2023. To calculate this impact, the forecast from the most recent Article V REC for the \$195 circuit court filing fee and \$195 foreclosure under \$50,000 filing fee was used to derive filing counts. For the \$195 circuit court filing fee, the derived counts needs to be reduced to eliminate cases which are the exclusive jurisdiction of the circuit court, such as Habeas Corpus and constitutional challenges (assumed 26%). According to research conducted by OSCA staff, it is assumed that for each \$10,000 interval increase to the jurisdictional limit, approximately 7.4% of applicable filings would shift from circuit court to county court. Applying that rule to the new jurisdictional limit each year yielded total filings shifting from circuit court to county court. The Article V REC History was used to calculate a counterclaim percentage of 8.87%, which was applied to the calculated shifted filings to derive counterclaims fees shifting from circuit to county courts (this shift is revenue neutral). To calculate the impact from shifting appellate cases effective January 2023, it is assumed that 3.4% of shifted cases will be appealed. The appellate

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fees in the district court of appeals (which would be lost) are \$100 to the Clerks F&FF, \$250 to the General Revenue Fund, and \$50 to the SCRTF. The appellate fees in the circuit courts (which would be gained) are \$280 to the Clerks F&FF and \$1 to the SCRTF.

**Ch. 2008-111 Fees (sections 5 - 8, 10, 12 - 22, and 24 - 29)**

The current forecast for total, distributed to GR, and retained Ch. 2008-111 fees was derived from the most recent Article V REC. For FY 2019-20, the total collection for the group of fees is forecasted to be \$59.5M. Currently, three counties (Santa Rosa, Lee, and Hillsborough) are retaining this amount rather than remitting to the state. This retained amount, forecasted to be \$4.2M in FY 2019-20, is later distributed to GR as a correction; however, the correction is made in January based on the local fiscal year. In the high scenario, which assumes the three counties begin remittance of Ch. 2008-111 fees to GR starting July 2019, the GR correction for FY 2019-20 would be reduced from \$4.3M to \$3.0M – which will represent the amount retained from October 2018 through June 2019. Thereafter, all Ch. 2008-111 fees would be remitted to GR. The net result is a positive \$2.9M to GR in FY 2019-20 as revenue from the three retained counties transitions to monthly remittance. The low scenario assumes no change to current forecast.

**Clerks of Court Funding (sections 2 – 4)**

The current Article V REC does not account for unspent clerk’s budgets or revenues received in excess of clerk’s budgets (and thus in excess of current forecast) for fiscal year’s 2019-20 through 2023-24. Impacts to the General Revenue fund and clerk’s fine and forfeiture funds are indeterminate because amounts of unspent budget and revenue in excess of forecast are unknown at this time.

**Section 4: Proposed Fiscal Impact**

**Court Filing Jurisdiction (sections 1, 9, 10, and 11) Foreclosure Filings**

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			(0.3)	(2.0)		
2020-21			(0.8)	(1.9)		
2021-22			(0.8)	(1.8)		
2022-23			(1.2)	(1.8)		
2023-24			(1.8)	(1.8)		

Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			0.3	2.0		
2020-21			0.8	1.9		
2021-22			0.8	1.8		
2022-23			1.2	1.8		
2023-24			1.8	1.8		

**Court Filing Jurisdiction (sections 1, 9, 10, and 11) Appellate Filings**

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			0.0	(0.3)		
2020-21			0.0	(0.3)		
2021-22			0.0	(0.3)		
2022-23			(0.1)	(0.3)		
2023-24			(0.3)	(0.3)		

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Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			0.0	(0.1)		
2020-21			0.0	(0.1)		
2021-22			0.0	(0.1)		
2022-23			(*)	(0.1)		
2023-24			(0.1)	(0.1)		

Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			0.0	0.2		
2020-21			0.0	0.2		
2021-22			0.0	0.2		
2022-23			0.1	0.2		
2023-24			0.2	0.2		

**Ch. 2008-111 Fees (sections 5 - 8, 10, 12 - 22, and 24 - 29)**

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	3.0	0.0			0.0	0.0
2020-21	0.0	0.0			0.0	0.0
2021-22	0.0	0.0			0.0	0.0
2022-23	0.0	0.0			0.0	0.0
2023-24	0.0	0.0			0.0	0.0

**Clerks of Court Funding (sections 2 – 4)**

GR Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			(**)/**	(**)/**		
2020-21			(**)/**	(**)/**		
2021-22			(**)/**	(**)/**		
2022-23			(**)/**	(**)/**		
2023-24			(**)/**	(**)/**		

**List of affected Trust Funds:**

- General Revenue Fund
- Clerk’s Fine and Forfeiture Funds
- State Courts Revenue Trust Fund

**Section 5: Consensus Estimate (Adopted: 06/12/2019):** The Conference adopted the middle estimate for Sections 1 and 9-11, Court Filing Jurisdiction. The Conference adopted the high estimate for Sections 5-8, 10, 12-22, and 24-29, Chapter 2008-111 Fees. The Conference adopted a zero impact for Sections 2-4, Clerks of Court Funding, as nothing in the bill affects the current baseline forecast.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	2.7	(2.3)	0.3	1.9	0.0	0.2	3.0	(0.2)
2020-21	(0.8)	(2.2)	0.8	1.8	0.0	0.2	0.0	(0.2)
2021-22	(0.8)	(2.1)	0.8	1.7	0.0	0.2	0.0	(0.2)
2022-23	(1.3)	(2.1)	1.2	1.7	0.1	0.2	0.0	(0.2)
2023-24	(2.1)	(2.1)	1.7	1.7	0.2	0.2	(0.2)	(0.2)



## Filing Fee Checklist

	Fee Amount	Fund Distribution	Different?	Line #'s Where CSCS HB 337 is Revenue Neutral
<b>Nonforeclosure Circuit Court Filing Fee</b>				
	\$ 195.00	SCRTF	Yes	779-789
	\$ 1.00	SCRTF	No	NA
	\$ 5.00	DFS ATF	Yes	779-789
	\$ 0.50	DFS ATF	No	NA
	\$ 3.50	CETF	No	NA
	\$ 195.00	Clerks	Yes	779-789
<b>Nonforeclosure County Court Filing Fee</b>				
	\$ 280.00	Clerks	Yes	716
	\$ 15.00	SCRTF	Yes	716
	\$ 1.00	SCRTF	No	NA
	\$ 3.50	CETF	No	NA
	\$ 0.50	DFS ATF	No	NA
<b>Foreclosure Circuit Court Filing Fee</b>				
	\$ 195.00	GR	Yes	Omitted
	\$ 1.00	SCRTF	No	NA
	\$ 5.00	DFS ATF	Yes	779-789
	\$ 0.50	DFS ATF	No	NA
	\$ 3.50	CETF	No	NA
	\$ 195.00	Clerks	Yes	779-789
<b>Foreclosure County Court Filing Fee (under 15,000)</b>				
	\$ 280.00	Clerks	Yes	716
	\$ 15.00	SCRTF	Yes	716
	\$ 1.00	SCRTF	No	NA
	\$ 3.50	CETF	No	NA
	\$ 0.50	DFS ATF	No	NA
<b>Circuit Appeal to DCA Filing Fee</b>				
	\$ 80.00	Clerks	Yes	72-74 (thru 01/23)
	\$ 20.00	GR (2008-111)	Yes	72-74 (thru 01/23)
	\$ 250.00	GR	Yes	72-74 (thru 01/23)
	\$ 50.00	SCRTF	Yes	72-74 (thru 01/23)
<b>County Court Appeal to Circuit Court Filing Fee</b>				
	\$ 280.00	Clerks	Yes	72-74 (thru 01/23)
	\$ 1.00	SCTRF	Yes	72-74 (thru 01/23)
<b>Circuit Court Counterclaim Filing Fee</b>				
	\$ 395.00	Clerks	Yes	762-766
<b>County Court Counterclaim Filing Fee</b>				
	\$ 295.00	GR	Yes	762-766

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	<b>Current Filings</b>																
2		\$195 Circuit Court Filing Fee	Derived Filings	Adjusted for Applicability		Foreclosure \$195, <\$50k	Foreclosure #, <\$50k										
3	FY 2019-20	\$ 33.8	173,237	128,195		\$ 2.0	10,131										
4	FY 2020-21	\$ 34.6	177,394	131,272		\$ 1.9	9,864										
5	FY 2021-22	\$ 35.4	181,297	134,160		\$ 1.9	9,510										
6	FY 2022-23	\$ 35.8	183,835	136,038		\$ 1.8	9,318										
7	FY 2023-24	\$ 36.3	186,225	137,807		\$ 1.8	9,402										
8																	
9	<b>NonForeclosure Threshold/Filings Calculations (Cash)</b>																
10		Current Threshold	New Threshold	Change	% per \$10,000	% Shifted	Shifted Filings										
11	FY 2019-20	\$ 15,000	\$ 30,000	\$ 15,000	7.4%	11.1%	5,929										
12	FY 2020-21	\$ 15,000	\$ 30,000	\$ 15,000	7.4%	11.1%	14,571										
13	FY 2021-22	\$ 15,000	\$ 30,000	\$ 15,000	7.4%	11.1%	14,892										
14	FY 2022-23	\$ 15,000	\$ 50,000	\$ 35,000	7.4%	25.9%	23,489										
15	FY 2023-24	\$ 15,000	\$ 50,000	\$ 35,000	7.4%	25.9%	35,692										
16	FY 1920 and FY 2122 Shifted Filings adjusted for partial years																
17																	
18	<b>NonForeclosure Threshold/Filings Calculations (Recurring)</b>																
19		Current Threshold	New Threshold	Change	% per \$10,000	% Shifted	Shifted Filings										
20	FY 2019-20	\$ 15,000	\$ 50,000	\$ 35,000	7.4%	25.9%	33,203										
21	FY 2020-21	\$ 15,000	\$ 50,000	\$ 35,000	7.4%	25.9%	33,999										
22	FY 2021-22	\$ 15,000	\$ 50,000	\$ 35,000	7.4%	25.9%	34,747										
23	FY 2022-23	\$ 15,000	\$ 50,000	\$ 35,000	7.4%	25.9%	35,234										
24	FY 2023-24	\$ 15,000	\$ 50,000	\$ 35,000	7.4%	25.9%	35,692										
25																	
26	<b>Foreclosure Threshold/Filings Calculations (Cash and Recurring)</b>																
27		Current Threshold	New Thrshld (Cash)	New Thrshld (Recurring)	Shifted Filings (Cash)	Shifted Filings (Recurring)	<b>Total Filings Shifted (Cash and Recurring)</b>										
28	FY 2019-20	\$ 15,000	\$ 30,000	\$ 50,000	1,755	10,030	7,684	43,232									
29	FY 2020-21	\$ 15,000	\$ 30,000	\$ 50,000	4,101	9,765	18,672	43,764									
30	FY 2021-22	\$ 15,000	\$ 30,000	\$ 50,000	3,954	9,415	18,846	44,162									
31	FY 2022-23	\$ 15,000	\$ 50,000	\$ 50,000	6,104	9,225	29,593	44,459									
32	FY 2023-24	\$ 15,000	\$ 50,000	\$ 50,000	9,308	9,308	45,000	45,000									
33																	
34	<b>Nonforeclosure Filings Impact (Cash)</b>																
35			Current Law					New					Change				
36		Filings	\$195 to SCRTF	\$1 SCRTF	\$5.50ATF	\$3.50 CETF	\$195 to Clerks	\$195 to SCRTF	\$1 SCRTF	\$5.50 ATF	\$3.50 CETF	\$195 to Clerks	SCRTF	ATF	CETF	Clerks	
37	FY 2019-20	5,929	\$ 1.16	\$ 0.01	\$ 0.03	\$ 0.02	\$ 1.16	\$ 1.16	\$ 0.01	\$ 0.03	\$ 0.02	\$ 1.16	\$ -	\$ -	\$ -	\$ -	
38	FY 2020-21	14,571	\$ 2.84	\$ 0.01	\$ 0.08	\$ 0.05	\$ 2.84	\$ 2.84	\$ 0.01	\$ 0.08	\$ 0.05	\$ 2.84	\$ -	\$ -	\$ -	\$ -	
39	FY 2021-22	14,892	\$ 2.90	\$ 0.01	\$ 0.08	\$ 0.05	\$ 2.90	\$ 2.90	\$ 0.01	\$ 0.08	\$ 0.05	\$ 2.90	\$ -	\$ -	\$ -	\$ -	
40	FY 2022-23	23,489	\$ 4.58	\$ 0.02	\$ 0.13	\$ 0.08	\$ 4.58	\$ 4.58	\$ 0.02	\$ 0.13	\$ 0.08	\$ 4.58	\$ -	\$ -	\$ -	\$ -	
41	FY 2023-24	35,692	\$ 6.96	\$ 0.04	\$ 0.20	\$ 0.12	\$ 6.96	\$ 6.96	\$ 0.04	\$ 0.20	\$ 0.12	\$ 6.96	\$ -	\$ -	\$ -	\$ -	
42																	
43	<b>Nonforeclosure Filings Impact (Recurring)</b>																
44			Current Law					New					Change				
45		Filings	\$195 to SCRTF	\$1 SCRTF	\$5.50ATF	\$3.50 CETF	\$195 to Clerks	\$195 to SCRTF	\$1 SCRTF	\$5.50 ATF	\$3.50 CETF	\$195 to Clerks	SCRTF	ATF	CETF	Clerks	
46	FY 2019-20	33,203	\$ 6.47	\$ 0.03	\$ 0.18	\$ 0.12	\$ 6.47	\$ 6.47	\$ 0.03	\$ 0.18	\$ 0.12	\$ 6.47	\$ -	\$ -	\$ -	\$ -	
47	FY 2020-21	33,999	\$ 6.63	\$ 0.03	\$ 0.19	\$ 0.12	\$ 6.63	\$ 6.63	\$ 0.03	\$ 0.19	\$ 0.12	\$ 6.63	\$ -	\$ -	\$ -	\$ -	
48	FY 2021-22	34,747	\$ 6.78	\$ 0.03	\$ 0.19	\$ 0.12	\$ 6.78	\$ 6.78	\$ 0.03	\$ 0.19	\$ 0.12	\$ 6.78	\$ -	\$ -	\$ -	\$ -	
49	FY 2022-23	35,234	\$ 6.87	\$ 0.04	\$ 0.19	\$ 0.12	\$ 6.87	\$ 6.87	\$ 0.04	\$ 0.19	\$ 0.12	\$ 6.87	\$ -	\$ -	\$ -	\$ -	
50	FY 2023-24	35,692	\$ 6.96	\$ 0.04	\$ 0.20	\$ 0.12	\$ 6.96	\$ 6.96	\$ 0.04	\$ 0.20	\$ 0.12	\$ 6.96	\$ -	\$ -	\$ -	\$ -	
51																	

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
52	<b>Foreclosure Filings Impact (Cash)</b>																
53			Current Law					New					Change				
54	Filings	\$195 to GR	\$1 SCRTF	\$5.50ATF	\$3.50 CETF	\$195 to Clerks	\$195 to SCRTF	\$1 SCRTF	\$5.50ATF	\$3.50 CETF	\$195 to Clerks	GR	SCRTF	ATF	CETF	Clerks	
55	FY 2019-20	1,755	\$ 0.34	\$ 0.00	\$ 0.01	\$ 0.01	\$ 0.34	\$ 0.34	\$ 0.00	\$ 0.01	\$ 0.01	\$ 0.34	\$ (0.3)	\$ 0.3	\$ -	\$ -	\$ -
56	FY 2020-21	4,101	\$ 0.80	\$ 0.00	\$ 0.02	\$ 0.01	\$ 0.80	\$ 0.80	\$ 0.00	\$ 0.02	\$ 0.01	\$ 0.80	\$ (0.8)	\$ 0.8	\$ -	\$ -	\$ -
57	FY 2021-22	3,954	\$ 0.77	\$ 0.00	\$ 0.02	\$ 0.01	\$ 0.77	\$ 0.77	\$ 0.00	\$ 0.02	\$ 0.01	\$ 0.77	\$ (0.8)	\$ 0.8	\$ -	\$ -	\$ -
58	FY 2022-23	6,104	\$ 1.19	\$ 0.01	\$ 0.03	\$ 0.02	\$ 1.19	\$ 1.19	\$ 0.01	\$ 0.03	\$ 0.02	\$ 1.19	\$ (1.2)	\$ 1.2	\$ -	\$ -	\$ -
59	FY 2023-24	9,308	\$ 1.82	\$ 0.01	\$ 0.05	\$ 0.03	\$ 1.82	\$ 1.82	\$ 0.01	\$ 0.05	\$ 0.03	\$ 1.82	\$ (1.8)	\$ 1.8	\$ -	\$ -	\$ -
60																	
61	<b>Foreclosure Filings Impact (Recurring)</b>																
62			Current Law					New					Change				
63	Filings	\$195 to GR	\$1 SCRTF	\$5.50ATF	\$3.50 CETF	\$195 to Clerks	\$195 to SCRTF	\$1 SCRTF	\$5.50ATF	\$3.50 CETF	\$195 to Clerks	GR	SCRTF	ATF	CETF	Clerks	
64	FY 2019-20	10,030	\$ 1.96	\$ 0.01	\$ 0.06	\$ 0.04	\$ 1.96	\$ 1.96	\$ 0.01	\$ 0.06	\$ 0.04	\$ 1.96	\$ (2.0)	\$ 2.0	\$ -	\$ -	\$ -
65	FY 2020-21	9,765	\$ 1.90	\$ 0.01	\$ 0.05	\$ 0.03	\$ 1.90	\$ 1.90	\$ 0.01	\$ 0.05	\$ 0.03	\$ 1.90	\$ (1.9)	\$ 1.9	\$ -	\$ -	\$ -
66	FY 2021-22	9,415	\$ 1.84	\$ 0.01	\$ 0.05	\$ 0.03	\$ 1.84	\$ 1.84	\$ 0.01	\$ 0.05	\$ 0.03	\$ 1.84	\$ (1.8)	\$ 1.8	\$ -	\$ -	\$ -
67	FY 2022-23	9,225	\$ 1.80	\$ 0.01	\$ 0.05	\$ 0.03	\$ 1.80	\$ 1.80	\$ 0.01	\$ 0.05	\$ 0.03	\$ 1.80	\$ (1.8)	\$ 1.8	\$ -	\$ -	\$ -
68	FY 2023-24	9,308	\$ 1.82	\$ 0.01	\$ 0.05	\$ 0.03	\$ 1.82	\$ 1.82	\$ 0.01	\$ 0.05	\$ 0.03	\$ 1.82	\$ (1.8)	\$ 1.8	\$ -	\$ -	\$ -
69																	
70	<b>Appellate Impact (Cash)</b>																
71			Current Law (Circuit Ct. Appeal to DCA)				New (County Ct. Appeal to Circuit Ct.)					Change					
72	Filings Shifted	# Appealed*	\$80 to Clerks	\$270 to GR	\$50 to SCRTF	\$80 to Clerks	\$270 to GR	\$50 to SCRTF	\$280 to Clerks	\$1 to SCRTF	GR	SCRTF	Clerks				
73	FY 2019-20	5,929	202	\$ 0.02	\$ 0.05	\$ 0.01	\$ 0.02	\$ 0.05	\$ 0.01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
74	FY 2020-21	14,571	495	\$ 0.04	\$ 0.13	\$ 0.02	\$ 0.04	\$ 0.13	\$ 0.02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
75	FY 2021-22	14,892	506	\$ 0.04	\$ 0.14	\$ 0.03	\$ 0.04	\$ 0.14	\$ 0.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
76	FY 2022-23	23,489	799	\$ 0.06	\$ 0.22	\$ 0.04	\$ 0.04	\$ 0.13	\$ 0.02	\$ 0.09	\$ 0.0003	\$ (0.1)	\$ (0.0)	\$ 0.1			
77	FY 2023-24	35,692	1,214	\$ 0.10	\$ 0.33	\$ 0.06	\$ -	\$ -	\$ -	\$ 0.34	\$ 0.0012	\$ (0.3)	\$ (0.1)	\$ 0.2			
78	*Assumed 3.4% appellate rate																
79																	
80	<b>Appellate Impact (Recurring)</b>																
81			Current Law (Circuit Ct. Appeal to DCA)				New (County Ct. Appeal to Circuit Ct.)					Change					
82	Filings Shifted	# Appealed*	\$80 to Clerks	\$270 to GR	\$50 to SCRTF	\$80 to Clerks	\$270 to GR	\$50 to SCRTF	\$280 to Clerks	\$1 to SCRTF	GR	SCRTF	Clerks				
83	FY 2019-20	33,203	1,129	\$ 0.09	\$ 0.30	\$ 0.06	\$ -	\$ -	\$ -	\$ 0.32	\$ 0.0011	\$ (0.3)	\$ (0.1)	\$ 0.2			
84	FY 2020-21	33,999	1,156	\$ 0.09	\$ 0.31	\$ 0.06	\$ -	\$ -	\$ -	\$ 0.32	\$ 0.0012	\$ (0.3)	\$ (0.1)	\$ 0.2			
85	FY 2021-22	34,747	1,181	\$ 0.09	\$ 0.32	\$ 0.06	\$ -	\$ -	\$ -	\$ 0.33	\$ 0.0012	\$ (0.3)	\$ (0.1)	\$ 0.2			
86	FY 2022-23	35,234	1,198	\$ 0.10	\$ 0.32	\$ 0.06	\$ -	\$ -	\$ -	\$ 0.34	\$ 0.0012	\$ (0.3)	\$ (0.1)	\$ 0.2			
87	FY 2023-24	35,692	1,214	\$ 0.10	\$ 0.33	\$ 0.06	\$ -	\$ -	\$ -	\$ 0.34	\$ 0.0012	\$ (0.3)	\$ (0.1)	\$ 0.2			
88	*Assumed 3.4% appellate rate																
89																	
90	<b>Counterclaim Percentage Calculation</b>																
91		\$195 Circuit Court Filing Fee	Foreclosure \$195, <\$50k	Derived Filings	\$395 Counterclaim (Circuit)	Derived Counterclaims	Counterclaims Rate										
92	FY 1516	\$ 23.6	\$ 2.7	134,798	\$ 5.0	12,536	9.30%										
93	FY 1617	\$ 25.1	\$ 2.5	141,115	\$ 5.1	12,841	9.10%										
94	FY 1718	\$ 28.5	\$ 2.3	158,105	\$ 5.1	12,971	8.20%										
95						AVG	8.87%										
96																	
97	<b>Counterclaim Revenue Calculation</b>																
98		Shifted Filings (Cash)	Shifted Filings (Recurring)	Counterclaims Rate	Shifted Counterclaims (Cash)	Shifted Counterclaims (Recurring)	Current Counterclaim Fees (Cash)	Current Counterclaim Fees (Recurring)	New Counterclaim Fees (Cash)	New Counterclaim Fees (Recurring)	Impact (Cash)	Impact (Recurring)					
99	FY 2019-20	7,684	43,232	8.87%	681	3,834	\$ 0.3	\$ 1.5	\$ 0.3	\$ 1.5	\$ -	\$ -					
100	FY 2020-21	18,672	43,764	8.87%	1,656	3,881	\$ 0.7	\$ 1.5	\$ 0.7	\$ 1.5	\$ -	\$ -					
101	FY 2021-22	18,846	44,162	8.87%	1,671	3,916	\$ 0.7	\$ 1.5	\$ 0.7	\$ 1.5	\$ -	\$ -					
102	FY 2022-23	29,593	44,459	8.87%	2,624	3,943	\$ 1.0	\$ 1.6	\$ 1.0	\$ 1.6	\$ -	\$ -					
103	FY 2023-24	45,000	45,000	8.87%	3,991	3,991	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ -	\$ -					

**Chapter 2008-111 LOF Fees (Deemed by the Legislature) Addressed by HB 337**

	Florida Statutes	Amount to State General Revenue	Description	Section of Bill
1	27.52(1)(b)	\$0.20	PUBLIC DEFENDER APPLICATION FEE	5
2	28.24(1)	\$0.50	EXAMINING, COMPARING, CORRECTING, VERIFYING & CERTIFYING TRANSCRIPTS IN APPELLATE PROCEEDINGS	6
3	28.24(2)	\$0.50	PREPARING, NUMBERING, & INDEXING ORIGINAL RECORD OF APPELLATE PROCEEDINGS	6
4	28.24(3)	\$0.50	CERTIFYING COPIES IN PUBLIC RECORD	6
5	28.24(4)	\$0.50	VERIFYING AN INSTRUMENT PRESENTED FOR CERTIFICATION PREPARED BY SOMEONE OTHER THAN CLERK	6
6	28.24(6)(a)	\$4.50	MICROFILM COPIES 16 MM 100'	6
7	28.24(6)(b)	\$7.50	MICROFILM COPIES 35 MM 100'	6
8	28.24(6)(c)	\$0.50	MICROFICHE	6
9	28.24(8)	\$1.00	WRITING PAPER, OTHER THAN SPECIFICALLY MENTIONED, INCLUDING COPYING, SIGNING AND SEALING	6
10	28.24(10)(b)	\$20.00	EMINENT DOMAIN PER DEPOSIT	6
11	28.24(13)	\$0.50	OATH, ADMINISTERING, ATTESTING AND SEALING	6
12	28.24(14)	\$0.50	VALIDATING CERTIFICATES	6
13	28.24(16)	\$1.00	EXEMPLIFIED CERTIFICATES, INCLUDING SIGNING & SEALING	6
14	28.24(17)	\$1.00	AUTHENTICATED CERTIFICATES, INCLUDING SIGNING & SEALING	6
15	28.24(18)(a)	\$1.00	ISSUING & FILING SUBPOENA FOR A WITNESS	6
16	28.24(18)(b)	\$0.50	SIGNING AND SEALING ONLY	6
17	28.24(19)	\$1.00	APPROVING BOND	6
18	28.24(20)	\$0.50	SEARCHING RECORDS /PER YEAR	6
19	28.24(25)	\$4.50	SEALING ANY COURT FILE OR EXPUNGEMENT OF RECORD	6
20	28.24(26)a	\$0.50	RECEIVING AND DISBURSING ALL RESTITUTION PAYMENTS	6
21	28.2401(1)(a)	\$15.00	OPENING ANY ESTATE - FILING FEE	7
22	28.2401(1)(b)	\$5.00	CAVEAT-FILING FEE	7
23	28.2401(1)(c)	\$15.00	FOREIGN WILLS	7
24	28.2401(1)(d)	\$15.00	DISPOSITION OF PERSONAL PROPERTY	7
25	28.2401(1)(e)	\$25.00	SUMMARY ADMINISTRATION \$1000 or more	7
26	28.2401(1)(f)	\$15.00	SUMMARY ADMINISTRATION less than \$1000	7
27	28.2401(1)(g)	\$30.00	FORMAL ADMINISTRATION, GUARDIANSHIP ANCILLARY, CURATORSHIP, AND CONSERVATORSHIP	7
28	28.2401(1)(h)	\$15.00	VETERAN'S GUARDIANSHIP, GUARDIANSHIP PERSON ONLY	7
29	28.2401(1)(i)	\$15.00	FEE FOR VETERANS' GUARDIANSHIP PURSUANT TO CH 744	7
30	28.2401(1)(j)	\$1.00	EXEMPLIFIED CERTIFICATES	7
31	28.2401(1)(k)	\$15.00	DETERMINATION OF INCOMPETENCY	7
32	28.241(1)(a)1.a.	\$0.50	EACH DEFENDANT OVER 5	8
33	28.241(1)(a)1.c.	\$10.00	GARNISHMENT, ATTACHMENT, REPLEVINS, & DISTRESS	8
34	28.241(1)(a)1.c	\$3.00	SEVERANCE	8
35	28.241(1)(d)	\$10.00	SUMMONS	8
36	28.241(2)	\$20.00	APPEAL FROM CIRCUIT COURT TO DCA	8
37	34.041(1)(a)3	\$20.00	CLAIMS >\$500 <= \$2500	10
38	34.041(1)(a)5	\$10.00	GARNISHMENT, ATTACHMENT, REPLEVINS, & DISTRESS	10
39	34.041(1)(d)	\$10.00	SUMMONS	10
40	45.035(1)	\$10.00	JUDICIAL SALE (Foreclosures)	12
41	45.035(2)(c)	\$5.00	DISBURSEMENT	12
42	55.505(3)	\$4.50	FOREIGN JUDGMENTS	13
43	61.14(6)(b)1.b	\$17.50	NOTICE OF DELINQUENCY FEES	14
44	61.14(6)(d)	\$17.50	if NCP CONTESTS AND JUDGE DENIES MOTION	14
45	61.14(6)(e)	\$17.50	if NCP FAILS TO CONTEST AND FAILS TO PAY	14
46	61.14(6)(f)1	\$17.50	PAYOFF STATEMENT	14

**Chapter 2008-111 LOF Fees (Deemed by the Legislature) Addressed by HB 337**

	Florida Statutes	Amount to State General Revenue	Description	Section of Bill
47	316.193(2)(a)1.a.	over \$500	DUI UNDER .15 -1ST	15
48	316.193(2)(a)1.b.	over \$1000	DUI UNDER .15 -2ND	15
49	316.193(2)(b)2	over \$2500	DUI UNDER .15-3RD MORE THAN 10 YEARS	15
50	316.193(2)(b)3	over \$1000	DUI - UNDER .15- 4th	15
51	316.193(4)(a)1.	over \$1000	DUI OVER .15 - 1ST	15
52	316.193(4)(a)2.	over \$2000	DUI OVER .15 - 2ND	15
53	316.193(4)(a)3	over \$2000	DUI OVER .15 - 3RD OR SUBSEQUENT	15
54	318.14(10)(b)	\$1.00	DISTRIBUTION OF STATUTORY BASE COST: IN MUNICIPALITY	16
55	318.14(10)(b)	\$3.00	DISTRIBUTION OF STATUTORY BASE COST: IN COUNTY	16
56	318.15(1)(b)	\$3.00	FAILURE TO COMPLETE DEFENSIVE DRIVING SCHOOL-OTHER CASES	17
57	318.18(2)(b)1	\$2.50	cited for a violation of s. 320.0605 or s. 320.07 can show proof of having a valid registration at the time of arrest	18
58	318.18(2)(b)2	\$2.50	cited for a violation of s. 322.03, s. 322.065, or s. 322.15 can show a driver license issued to him or her and valid at the time of arrest	18
59	318.18(2)(b)3	\$2.50	cited for a violation of s. 316.646 can show proof of security	18
60	318.18(2)(c)	\$2.50	affidavit of compliance with repair	18
61	318.18(11)(a)	\$1.00	COURT COSTS-PEDESTRIAN	18
62	318.18(11)(a)	\$2.00	COURT COSTS-NONMOVING TRAFFIC	18
63	318.18(11)(a)	\$5.00	COURT COSTS-MOVING TRAFFIC	18
64	318.18(18)	\$12.50	ADDITIONAL COURT COST	18
65	322.245(1)	\$10.00	DELINQUENCY FEE	19
66	322.245(2)	\$15.00	NON IV-D DRIVER LICENSE SUSPENSION	19
67	327.35(2)(a)1.a.	over \$500	BUI - BLOOD ALCOHOL LEVEL LESS THAN 0.15 - 1st	20
68	327.35(2)(a)1.b.	over \$1000	BUI - BLOOD ALCOHOL LEVEL LESS THAN 0.15 - 2nd	20
69	327.35(2)(b)2.	over \$2500	BUI - BLOOD ALCOHOL LEVEL LESS THAN 0.15 - 3rd more than 1010	20
70	327.35(4)(a)1.	over \$1000	BUI-BLOOD ALCOHOL OVER .15 1ST CONVICTION	20
71	327.35(4)(a)2.	over \$2000	BUI-BLOOD ALCOHOL OVER .15 2ND CONVICTION	20
72	327.35(4)(a)3.	over \$2000	BUI-BLOOD ALCOHOL OVER .15 3RD OR SUBSEQUENT CONVICTION	20
73	327.73(4)	\$2.50	DISMISSALS - BOATING-PROOF OF BOATING SAFETY ID CARD	21
74	327.73(9)(a)	\$2.00	BOATING LATE FEE	21
75	327.73(11)(a)1	\$1.00	SWIMMING OR DIVING INFRACTION	21
76	327.73(11)(a)2	\$12.00	BOATING - NON MOVING	21
77	327.73(11)(a)3	\$25.00	BOATING - MOVING	21
78	379.401(1)(i)	\$5.00	DISMISSAL-PROOF-HUNT/FISH	22
79	713.24(1)(b)	\$5.00	TRANSFER OF JUDGMENT LIENS	24
80	713.24(1)(b)	\$2.50	ADDITIONAL TRANSFER OF LIEN	24
81	721.83(3)	\$5.00	EACH TIMESHARE ESTATE JOINED FILING FEE	25
82	744.365(6)(a)	\$10.00	VERIFIED INVENTORY GREATER THAN \$25,000	26
83	744.3678(4)(a)	\$5.00	ESTATES < \$25,000	27
84	744.3678(4)(b)	\$10.00	ESTATES > \$25,000 <= \$100,000	27
85	744.3678(4)(c)	\$20.00	ESTATES > \$100,000 <= \$500,000	27
86	744.3678(4)(d)	\$25.00	ESTATES > \$500,000	27
87	766.104(2)	\$4.50	MALPRACTICE 90 DAY EXTENSION	28
88	938.05(1)(a)	\$25.00	ADDITIONAL COURT COST FELONIES	29
89	938.05(1)(b)	\$10.00	ADDITIONAL COURT COST MISDEMEANORS	29
90	938.05(1)(c)	\$10.00	ADDITIONAL COURT COST CRIMINAL TRAFFIC	29

## Ch. 2008-111 Forecast Detail

(\$ in millions)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Ch. 2008-111 Fees Grand Total</b>								
CURRENT	58.9	58.1	59.9	59.5	59.5	59.5	59.5	59.5
NEW (HIGH)	58.9	58.1	59.9	59.5	59.5	59.5	59.5	59.5
<b>Retained By Counties</b>								
CURRENT	0.0	2.5	4.3	4.2	4.2	4.2	4.2	4.2
NEW (HIGH)	0.0	2.5	4.3	0.0	0.0	0.0	0.0	0.0
<b>Ch. 2008-111 Fees Distributed to GR</b>								
CURRENT	58.9	55.7	55.6	55.3	55.3	55.3	55.3	55.3
NEW (HIGH)	58.9	55.7	55.6	59.5	59.5	59.5	59.5	59.5
<b>Adjusted Transfer Amount*</b>								
CURRENT	0.0	0.0	3.8	4.3	4.2	4.2	4.2	4.2
NEW (HIGH)	0.0	0.0	3.8	3.0	0.0	0.0	0.0	0.0
<b>Total to GR</b>								
CURRENT	58.9	55.7	59.4	59.6	59.5	59.5	59.5	59.5
NEW (HIGH)	58.9	55.7	59.4	62.5	59.5	59.5	59.5	59.5
CHANGE	0.0	0.0	0.0	2.9	0.0	0.0	0.0	0.0

\* Note that the final FY 2018-19 transfer was 3.9M.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Article V Fees/Other Taxes and Fees  
**Issue:** Indigent Criminal Defense Trust Fund  
**Bill Number(s):** SB 2502

- Entire Bill**  
 **Partial Bill:** Sections 61 and 62

**Sponsor(s):** Bradley  
**Month/Year Impact Begins:** 07/01/2019  
**Date of Analysis:** 06/12/2019

**Section 1: Narrative**

- a. Current Law:** Section 318.18 (19)(c), F.S., states that from the \$10 fee charged to all moving and nonmoving violations under chapters 316, 320, and 322, \$1.67 shall be deposited into the Public Defenders Revenue Trust Fund (PDRTF). Section 817.568 (12)(b), F.S., states that from the \$1,001 fee charged when a person pleads guilty or nolo contendere, or is found guilty of fraudulent use of personal information, \$250 shall be deposited into the PDRTF. Chapter 2018-10, L.O.F. directed that for fiscal year 2018-19 only, these amounts are instead to be deposited into the Indigent Criminal Defense Trust Fund (ICDTF).
- b. Proposed Change:** Sections 318.18 and 817.568, F.S. are reenacted notwithstanding the expiration dates per Chapter 2018-10, L.O.F., causing the fees to be deposited into the ICDTF in fiscal year 2019-20 consistent with fiscal year 2018-19.

**Section 2: Description of Data and Sources**

February 2019 Article V REC  
 2018-16 DOR Monthly Batch Reports

**Section 3: Methodology (Include Assumptions and Attach Details)**

The bill shifts two fees from the PDRTF to the ICDTF for FY 2019-20 only. The forecast of \$2.73M for the \$1.67 portion of the \$10 fee per section 318.18(19)(c), F.S., comes directly from the most recent Article V REC. The \$250 fee per section 817.568 (12)(b), F.S., is not implicitly forecasted in any conference. The FY 2018-19 monthly amounts through April were pulled from the monthly DOR batch reports. The final two months of the fiscal year were estimated by taking the average monthly amount, yielding a FY 2018-19 estimate of \$0.02M. When added together, the total amount of revenue being shifted from the PDRTF to the ICDTF for FY 2019-20 is \$2.75M.

**Section 4: Proposed Fiscal Impact**

**Section 61 (Article V)**

PDRTF	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			(2.7)	0.0		
2020-21						
2021-22						
2022-23						
2023-24						

ICDTF	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			2.7	0.0		
2020-21						
2021-22						
2022-23						
2023-24						

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Article V Fees/Other Taxes and Fees  
**Issue:** Indigent Criminal Defense Trust Fund  
**Bill Number(s):** SB 2502

**Section 62 (Other Taxes/Fees)**

PDRTF	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			(*)	0.0		
2020-21						
2021-22						
2022-23						
2023-24						

ICDTF	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			*	0.0		
2020-21						
2021-22						
2022-23						
2023-24						

**List of affected Trust Funds:**

Public Defenders Revenue Trust Fund  
 Indigent Criminal Defense Trust Fund

**Section 5: Consensus Estimate (Adopted: 06/12/2019): The Conference adopted the proposed estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2023-24	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0



	A	B	C	D	E	F	G	H
1		\$250 charge per 817.568			Redirected Fees (millions)			
2			FY 201819			\$1.67 of \$10	\$250 Charge	Total
3		July	\$ 2,243.10		FY 20	\$ 2.73	\$ 0.02	\$ 2.75
4		August	\$ 1,665.11					
5		September	\$ 1,182.31					
6		October	\$ 990.17					
7		November	\$ 1,759.78					
8		December	\$ 2,437.44					
9		January	\$ 1,992.93					
10		February	\$ 2,741.98					
11		March	\$ 2,179.48					
12		April	\$ 3,075.33					
13		May*	\$ 2,026.76					
14		June*	\$ 2,026.76					
15		Total	\$ 24,321.16					
16								
17		*May and June estimated based on the average of July through April						

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Highway Safety Fees

**Issue:** Redirect of Vessel Registration Fees

**Bill Number(s):** CS/CS/SB1666

**Entire Bill**

**Partial Bill:** Section 5

**Sponsor(s):** Senator Benacquisto

**Month/Year Impact Begins:** 07/01/2019

**Date of Analysis:** 06/12/2019

**Section 1: Narrative**

**a. Current Law:** Section 328.72 (15), F.S. states that from the county portion of vessel registration fees, \$1 shall be remitted to the Save the Manatee Trust Fund and \$1 shall be remitted to the Marine Resources Trust Fund.

**b. Proposed Change:** Section 328.72 (15), F.S. is revised so that from the county portion of vessel registrations, in addition to the \$1 distributions to the Save the Manatee Trust Fund and Marine Resources Trust Fund, an amount which varies by class is to be distributed to the Marine Resources Trust Fund to fund derelict vessel removal grants.

**Section 2: Description of Data and Sources**

Highway Safety REC History

02/28/2019 Highway Safety REC

**Section 3: Methodology (Include Assumptions and Attach Details)**

The bill redirects part of the county portion of vessel registration fees to the Marine Resources Conservation Trust Fund. This distribution change will positively impact state trust and negatively impact local funds. The Highway Safety REC history was used to pull the 2017-18 transactions for each of the vessel classes being impacted. Only pleasure vessel transactions were included because commercial vessels are excluded from paying the county portion. The transactions for each vessel class and redirected fee amount were used to show what the impact would be had this provision been in place in fiscal year 2017-18. This amount was then grown by the total vessel growth rates per the most recent Highway Safety REC. The result is a negative impact to local funds and positive impact to state trusts of \$2.0M annually. The first year's cash impact is altered by the half month distribution lag and biennial lag. There will also be a subsequent GR service charge impact.

**Section 4: Proposed Fiscal Impact**

Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			1.7	2.0		
2020-21			2.0	2.0		
2021-22			2.0	2.0		
2022-23			2.0	2.0		
2023-24			2.0	2.0		

Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			(1.7)	(2.0)		
2020-21			(2.0)	(2.0)		
2021-22			(2.0)	(2.0)		
2022-23			(2.0)	(2.0)		
2023-24			(2.0)	(2.0)		

**List of affected Trust Funds:**

Local Trust Funds

Marine Resources Conservation Trust Fund

REVENUE ESTIMATING CONFERENCE

Tax: Highway Safety Fees

Issue: Redirect of Vessel Registration Fees

Bill Number(s): CS/CS/SB1666

Section 5: Consensus Estimate (Adopted: 06/12/2019): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.0	1.7	2.0	(1.7)	(2.0)	0.0	0.0
2020-21	0.0	0.0	2.0	2.0	(2.0)	(2.0)	0.0	0.0
2021-22	0.0	0.0	2.0	2.0	(2.0)	(2.0)	0.0	0.0
2022-23	0.0	0.0	2.0	2.0	(2.0)	(2.0)	0.0	0.0
2023-24	0.0	0.0	2.0	2.0	(2.0)	(2.0)	0.0	0.0

	A	B	C	D	E	F	G	H
1								
2	<b>2017-18 Vessel Registration MRCTF 4 Derelict Vessels Scenario</b>							
3	Class	2017-18 trans.	%	Redirected Fee	Collections			
4	A-2	153,714	21.55%	\$ 0.25	\$ 38,428.50			
5	Class 1	469,218	65.80%	\$ 2.06	\$ 966,589.08			
6	Class 2	75,469	10.58%	\$ 9.26	\$ 698,842.94			
7	Class 3	12,969	1.82%	\$ 16.45	\$ 213,340.05			
8	Class 4	1,623	0.23%	\$ 20.06	\$ 32,557.38			
9	Class 5	147	0.02%	\$ 25.46	\$ 3,742.62			
10	Total	713,140			\$ 1,953,500.57			
11	Note: the scenario above shows what would have been collected had the proposed language been in place during FY 2017/18							
12								
13	<b>Vessel Registration Local to MRCTF Shift Forecast (millions)</b>							
14		Total Vessels	Growth Rate	MRCTF Impact	Local Impact			
15	2017-18*	773,822		\$ 1.95	\$ (1.95)			
16	2018-19*	774,596	0.10%	\$ 1.96	\$ (1.96)			
17	2019-20	775,370	0.10%	\$ 1.96	\$ (1.96)			
18	2020-21	777,697	0.30%	\$ 1.96	\$ (1.96)			
19	2021-22	778,474	0.10%	\$ 1.97	\$ (1.97)			
20	2022-23	780,031	0.20%	\$ 1.97	\$ (1.97)			
21	2023-24	780,577	0.07%	\$ 1.97	\$ (1.97)			
22	The bill is effective 07/2019. FY 2017-18 and 2018-19 values above are for calculation purposes only							

## REVENUE ESTIMATING CONFERENCE

**Tax:** Highway Safety Fees

**Issue:** Vessel Lien Fees

**Bill Number(s):** CS CS CS HB 475

**Entire Bill**

**Partial Bill:** Sections 8 and 19

**Sponsor(s):** Ingoglia

**Month/Year Impact Begins:** 07/01/2023

**Date of Analysis:** 06/12/19

### Section 1: Narrative

#### a. Current Law:

Section 8: Currently, there is no provision in Florida Statutes which requires hull damages vessels to be noted as such on the vessel's title.

Section 19: Section 328.15(6), F.S. states that the department of Highway Safety and Motor Vehicles (HSMV) is entitled to a \$1 fee for the recording of each notice of lien on a vessel. No fee shall be charged for recording satisfaction of a lien. All fees collected shall be deposited into the Marine Resource Conservation Trust Fund (MRCTF).

#### b. Proposed Change:

Section 8: Section 328.045, F.S. is created to require that before the transfer of ownership of a hull damaged vessel and if the damage occurred while that person owned the vessel, the owner shall deliver to HSMV an application for a new certificate of title which includes the brand designation "Hull Damaged." The owner next must indicate on the certificate where the vessel is designated Hull Damaged and deliver it to the transferee. Before an insurer transfers ownership of a hull damaged vessel, the insurer shall deliver to HSMV a new certificate of title that includes the brand designation "Hull Damaged." An owner or insurer who fails to comply with this section is guilty of a noncriminal infraction per 327.73(1), F.S., for which the penalty is \$5,000 for the first offense, \$15,000 for the second offense, and \$25,000 or each subsequent offenses.

Section 19: Section 328.15(6), F.S., which charges a \$1 fee for vessel liens and directs proceeds to the MRCTF, is repealed.

The bill is effective July 1, 2023.

### Section 2: Description of Data and Sources

02/28/2019 Highway Safety REC

Highway Safety REC History

Contact with HSMV staff

Final Bill Analysis for CSCSCS HB 475 prepared 05/14/2019

### Section 3: Methodology (Include Assumptions and Attach Details)

Section 8: Requiring hull damaged vessels to be titled as such before sale will cause more base title fees to be collected. The base title fee is \$1.50 and is deposited into the MRCTF. In addition, tax collectors charge a \$3.75 fee and \$2.25 service charge for a total of \$6.00. The \$1.50 base title is included as part of the VesReg1B line in the Highway Safety REC. The growth rate for the total grouping was applied to the 2018-19 estimated actual to derive a forecast for base vessel titles and tax collector fees. The middle scenario assumes an indeterminate positive impact because the number of vessels which are hull damaged is unknown. Further, the amount of vessels which are hull damaged is largely dependent upon weather events, which are unpredictable. The low and high scenarios assume vessel title increases of 10% and 20%. The cash analysis is adjusted for the distribution lag and July 2023 effective date.

Section 19: Repealing the \$1 lien fee will have a negative impact on the MRCTF. The \$1 fee is included as part of the VesReg1B line in the Highway Safety REC. The growth rate for the total grouping was applied to the 2018-19 estimated actual to derive a forecast for the fee which is being abolished. The cash analysis is adjusted for the distribution lag and July 2023 effective date.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Highway Safety Fees

**Issue:** Vessel Lien Fees

**Bill Number(s):** CS CS CS HB 475

**Section 4: Proposed Fiscal Impact**

Section 8: Hull Damaged Vessel Titles

Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	*	0.0	**	0.0	*
2020-21	0.0	*	0.0	**	0.0	*
2021-22	0.0	*	0.0	**	0.0	*
2022-23	0.0	0.1	0.0	**	0.0	*
2023-24	*	0.1	**	**	*	*

Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.2	0.0	**	0.0	0.1
2020-21	0.0	0.2	0.0	**	0.0	0.1
2021-22	0.0	0.2	0.0	**	0.0	0.1
2022-23	0.0	0.2	0.0	**	0.0	0.1
2023-24	0.2	0.2	**	**	0.1	0.1

Section 19: Title Lien Fees

Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			0.0	(*)		
2020-21			0.0	(*)		
2021-22			0.0	(*)		
2022-23			0.0	(*)		
2023-24			(*)	(*)		

**List of affected Trust Funds:**

Marine Resource Conservation Trust Fund

Local tax Collector Trust Funds

**Section 5: Consensus Estimate (Adopted: 06/12/2019): The Conference adopted the middle estimate for Section 8 and Section 19.**

Section 8 – Hull Damaged Vessel Titles

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.0	0.0	**	0.0	**	0.0	**
2020-21	0.0	0.0	0.0	**	0.0	**	0.0	**
2021-22	0.0	0.0	0.0	**	0.0	**	0.0	**
2022-23	0.0	0.0	0.0	**	0.0	**	0.0	**
2023-24	0.0	0.0	**	**	**	**	**	**

Section 19 – Title Lien Fees

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.0	0.0	(*)	0.0	0.0	0.0	(*)
2020-21	0.0	0.0	0.0	(*)	0.0	0.0	0.0	(*)
2021-22	0.0	0.0	0.0	(*)	0.0	0.0	0.0	(*)
2022-23	0.0	0.0	0.0	(*)	0.0	0.0	0.0	(*)
2023-24	0.0	0.0	(*)	(*)	0.0	0.0	(*)	(*)

	A	B	C	D	E	F	G	H	I
1	<b>VesReg1B Forecast</b>								
2	FY 2018-19	\$ 2,551,343							
3	FY 2019-20	\$ 2,581,959	1.20%						
4	FY 2020-21	\$ 2,602,615	0.80%						
5	FY 2021-22	\$ 2,623,436	0.80%						
6	FY 2022-23	\$ 2,639,177	0.60%						
7	FY 2023-24	\$ 2,655,012	0.60%						
8									
9	<b>Section 8: Vessel Base Title Fees Distributed</b>				Low (10%)			High (20%)	
10		\$1.50 Fee to MRCTF	\$6 to Tax Collector		\$1.50 Fee to MRCTF	\$6 to Tax Collector		\$1.50 Fee to MRCTF	\$6 to Tax Collector
11	FY 2016-17	\$ 280,253	\$ 1,121,010		\$ 28,025	\$ 112,101		\$ 56,051	\$ 224,202
12	FY 2017-18	\$ 271,760	\$ 1,087,038		\$ 27,176	\$ 108,704		\$ 54,352	\$ 217,408
13	FY 2018-19 Thu 01/19	\$ 141,471	\$ 565,884		\$ 14,147	\$ 56,588		\$ 28,294	\$ 113,177
14	FY 2018-19 Estimated	\$ 242,522	\$ 970,087		\$ 24,252	\$ 97,009		\$ 48,504	\$ 194,017
15									
16			Forecasted Impact		Low (10%)			High (20%)	
17			FY 2019-20		\$ 24,543	\$ 98,173		\$ 49,086	\$ 196,346
18			FY 2020-21		\$ 24,740	\$ 98,958		\$ 49,479	\$ 197,916
19			FY 2021-22		\$ 24,937	\$ 99,750		\$ 49,875	\$ 199,500
20			FY 2022-23		\$ 25,087	\$ 100,348		\$ 50,174	\$ 200,697
21			FY 2023-24		\$ 25,238	\$ 100,950		\$ 50,475	\$ 201,901
22									
23	<b>Section 19: Vessel Title Lien Fees Distributed to MRCTF</b>								
24	FY 2016-17	\$ 723							
25	FY 2017-18	\$ 2,127							
26	FY 2018-19 Thu 01/19	\$ 1,930							
27	FY 2018-19 Estimated	\$ 3,309							
28									
29	Forecasted Impact								
30	FY 2019-20	\$ (3,348)							
31	FY 2020-21	\$ (3,375)							
32	FY 2021-22	\$ (3,402)							
33	FY 2022-23	\$ (3,422)							
34	FY 2023-24	\$ (3,443)							

## REVENUE ESTIMATING CONFERENCE

**Tax:** Local Taxes and Fees

**Issue:** Section 5 of the legislation makes a number of changes to the Florida Impact Fee Act (i.e., s. 163.31801, F.S.). Section 14 of the legislation amends s. 553.791(2)(b), F.S., to provide that a local jurisdiction may not charge fees for building inspections if the fee owner or contractor hires a private provider; however, the local jurisdiction may charge a reasonable administrative fee.

**Bill Number(s):** CS/CS/HB 7103

**Entire Bill**

**Partial Bill:** (Sections 5 and 14 only)

**Sponsor(s):** House State Affairs Committee

**Month/Year Impact Begins:** Upon becoming law

**Date of Analysis:** June 12, 2019

### Section 1: Narrative

a. **Current Law:** The Florida Constitution grants local governments broad home rule authority. Specifically, non-charter county governments may exercise those powers of self-government that are provided by general or special law. Those counties operating under a county charter have all powers of self-government not inconsistent with general law or special law approved by the vote of the electors. Likewise, municipalities have those governmental, corporate, and proprietary powers that enable them to conduct municipal government, perform their functions and provide services, and exercise any power for municipal purposes, except as otherwise provided by law.

Given these constitutional and statutory powers, local governments may use a variety of revenue sources to fund services and improvements without express statutory authorization. Impact fees, special assessments, franchise fees, and user fees or service charges are examples of these home rule revenue sources.

Impact fees are enacted by local ordinance. These fees are tailored to pay the cost of additional infrastructure necessitated by new development. As a result, impact fee calculations vary from jurisdiction to jurisdiction and from fee to fee. Impact fees also vary extensively depending on local costs, capacity needs, resources, and the local government's determination to charge the full cost or only part of the cost of the infrastructure improvement through utilization of the impact fee.

Impact fees have their roots in the common law. A number of court decisions have addressed challenges to the legality of impact fees. As developed under case law, an impact fee must have the following characteristics to be legal:<sup>1</sup>

- The fee is levied on new development, the expansion of existing development, or a change in land use that requires additional capacity for public facilities;
- The fee represents a proportionate share of the cost of public facilities needed to serve new development;
- The fee is earmarked and expended for the benefit of those in the new development who have paid the fee;
- The fee is a one-time charge, although collection may be spread over a period of time;
- The fee is earmarked for capital outlay only and is not expended for operating costs; and
- The fee-payers receive credit for the contributions toward the cost of the increased capacity for public facilities

Current law does not specify when a local government must collect impact fees. As a result, the applicable local government makes this decision, and the time of collection varies and may differ, depending on the type of impact fee.

Section 163.31801, F.S., is known as the "Florida Impact Fee Act" and states that an impact fee adopted by ordinance of a county or municipality or by resolution of a special district must, at minimum:

- Require that the calculation of the impact fee be based on the most recent and localized data.
- Provide for accounting and reporting of impact fee collections and expenditures. If a local governmental entity imposes an impact fee to address its infrastructure needs, the entity shall account for the revenues and expenditures of such impact fee in a separate accounting fund.
- Limit administrative charges for the collection of impact fees to actual costs.
- Require that notice be provided no less than 90 days before the effective date of an ordinance or resolution imposing a new or increased impact fee. A county or municipality is not required to wait 90 days to decrease, suspend, or eliminate an impact fee.

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<sup>1</sup> The Florida Senate, Issue Brief 2010-310, 4 (Sept. 2009), available at [http://archive.flsenate.gov/data/Publications/2010/Senate/reports/interim\\_reports/pdf/2010-310ca.pdf](http://archive.flsenate.gov/data/Publications/2010/Senate/reports/interim_reports/pdf/2010-310ca.pdf)



**REVENUE ESTIMATING CONFERENCE**

**Tax:** Local Taxes and Fees

**Issue:** Section 5 of the legislation makes a number of changes to the Florida Impact Fee Act (i.e., s. 163.31801, F.S.). Section 14 of the legislation amends s. 553.791(2)(b), F.S., to provide that a local jurisdiction may not charge fees for building inspections if the fee owner or contractor hires a private provider; however, the local jurisdiction may charge a reasonable administrative fee.

**Bill Number(s):** CS/CS/HB 7103

**b. Proposed Changes:**

Section 5 of the legislation makes the following changes to s. 163.31801, F.S., (i.e., the Florida Impact Fee Act).

1. It specifies that an impact fee adopted by ordinance of a county or municipal government or by resolution of a special district may not require payment of impact fees before the date of issuance of the building permit for the property that is subject to the fee.
2. It requires that an impact fee must be proportional and reasonably connected to, or have a rational nexus with, the need for additional capital facilities and the increased impact generated by the new residential or commercial construction as well as the expenditures of the funds collected and the benefits accruing to the new residential or nonresidential construction.
3. It requires that a local government must specifically earmark funds collected from the impact fees to acquire, construct, or improve capital facilities to benefit new users.
4. It specifies that impact fee revenues cannot be used, in whole or in part, to pay existing debt or for previously approved projects unless the expenditure is reasonably connected to, or has a rational nexus with, the increased impact generated by the new residential or nonresidential construction.
5. It requires a local government to credit against the collection of the impact fee any contribution, whether identified in a proportionate share agreement or other form of exaction, related to public education facilities, including land dedication, site planning and design, or construction. Any contribution must be applied to reduce any education-based impact fees on a dollar-for-dollar basis at fair market value.
6. It provides that if a local government increases its impact fee rates, the holder of any impact fee credits, whether such credits are granted under s. 163.3180, F.S., or s. 380.06, F.S., or otherwise, which were in existence before the increase, is entitled to the full benefit of the intensity or density prepaid by the credit balance as of the date it was first established. This change shall operate prospectively only.
7. It provides that in any action challenging the government's failure to provide the required dollar-for-dollar credits for the payment of impact fees as provided in s. 163.3180(6)(h)2.b., F.S., (i.e., school concurrency), the government has the burden of proving by a preponderance of the evidence that the amount of the credits meets the requirements of state legal precedent and the provisions of this section of law. The court is prohibited from using a deferential standard for the benefit of the government.
8. It provides that a county, municipality, or special district may provide an exception or waiver for an impact fee for the development or construction of affordable housing, as defined in s. 420.9071, F.S. If the local government provides such an exception or waiver, it is not required to use any revenues to offset the impact.
9. It specifies that the provisions of s. 163.31801, F.S., do not apply to water and sewer connection fees.

Section 14 of the legislation amends s. 553.791(2)(b), F.S., to provide that a local jurisdiction may not charge fees for building inspections if the fee owner or contractor hires a private provider; however, the local jurisdiction may charge a reasonable administrative fee.

**Section 2: Description of Data and Sources**

***Impact Fee Revenue Collections Reported in Local Governments' Annual Financial Reports (AFRs)***

Fiscal Year	Counties	Municipalities	Special Districts	Totals
2002-03	\$479,479,595	\$183,843,818	\$21,711,285	\$685,034,698
2003-04	\$560,496,789	\$232,910,041	\$20,337,344	\$813,744,174
2004-05	\$812,732,909	\$308,009,057	\$31,681,665	\$1,152,423,631
2005-06	\$1,060,597,975	\$342,267,200	\$25,405,434	\$1,428,270,609
2006-07	\$736,339,197	\$312,321,512	\$23,433,726	\$1,072,094,435
2007-08	\$484,141,722	\$222,508,702	\$20,311,517	\$726,961,941
2008-09	\$206,819,386	\$139,307,822	\$8,552,553	\$354,679,761
2009-10	\$212,423,990	\$123,304,422	\$7,420,750	\$343,149,162
2010-11	\$185,664,703	\$107,753,843	\$8,213,352	\$301,631,898

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Local Taxes and Fees

**Issue:** Section 5 of the legislation makes a number of changes to the Florida Impact Fee Act (i.e., s. 163.31801, F.S.). Section 14 of the legislation amends s. 553.791(2)(b), F.S., to provide that a local jurisdiction may not charge fees for building inspections if the fee owner or contractor hires a private provider; however, the local jurisdiction may charge a reasonable administrative fee.

**Bill Number(s):** CS/CS/HB 7103

2011-12	\$246,882,772	\$113,956,207	\$8,773,028	\$369,612,007
2012-13	\$305,043,650	\$146,917,768	\$11,288,627	\$463,250,045
2013-14	\$422,384,294	\$167,987,620	\$16,218,908	\$606,590,822
2014-15	\$503,921,835	\$225,734,604	\$17,357,595	\$747,014,034
2015-16	\$557,292,553	\$279,285,751	\$21,012,502	\$857,590,806
2016-17 (preliminary)	\$629,120,806	\$279,765,125	\$21,367,807	\$930,253,738

**Building Inspection Fee Revenue Collections Reported in Local Governments’ Annual Financial Reports (AFRs)**

The Uniform Accounting System Manual’s Uniform Chart of Accounts does not include a unique revenue account for the reporting of building inspection fees. The local reporting of such fees would be included in Revenue Account #329.000 Other Permits, Fees, and Special Assessments. As defined in the Manual, this account is used in those instances when the particular permit, fee, or special assessment is not categorized by any other revenue account code. This account includes, at a minimum, inspection fees, stormwater fees, green utility fees, and vessel registration fees. From the available data, it is not possible to determine building inspection fees’ proportional share of total account revenues.

**Section 3: Methodology (Include Assumptions and Attach Details)**

At its January 24, 2019 meeting, the REC considered SB 144/HB 207, which contained many of the same changes as Section 5 of this legislation (see summary of items #1-4 & 9 under Proposed Changes). For SB 144/HB 207, the REC adopted a negative indeterminate impact for the first year’s cash impact and plus/minus indeterminate as the cash impact for all other years and for all recurring years. The REC reasoned that the plus/minus indeterminate estimate reflects the uncertainty of the magnitude of the net impact resulting from incoming prior year impacts and outgoing current year impacts. Section 5 of this legislation includes new changes not previously considered (see summary of items #5-8 under Proposed Changes). Several local governments contacted by EDR staff indicated that the fiscal impact of these new changes could not be quantified.

At its January 26, 2018 meeting, the REC considered Section 3 of CS/HB 987, which would have prohibited a local government from charging an impact fee for the development or construction of affordable housing, as defined in s. 420.9071, F.S., for the five-year period: SFY 2018-19 through SFY 2022-23. For the five-year period, the REC adopted a fiscal impact of (\$5.4) million increasing to (\$5.9) million. However, in Section 5 of this legislation, the authority for a local government to provide an impact fee exception or waiver for the development or construction of affordable housing is permissive rather than mandatory.

Section 14 of the legislation does prohibit a local jurisdiction from charging fees for building inspections if the fee owner or contractor hires a private provider. However, the local jurisdiction is authorized to charge a reasonable administrative fee, which may partially offset the revenue loss resulting from the prohibition.

Given the uncertainty of the magnitude of the net fiscal impact to local governments resulting from the various changes in Sections 5 & 14 of this legislation, EDR staff is recommending the plus/minus indeterminate impact.

**Section 4: Proposed Fiscal Impact (Millions \$)**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			+/-	+/-		
2020-21			+/-	+/-		
2021-22			+/-	+/-		
2022-23			+/-	+/-		
2023-24			+/-	+/-		

**List of Affected Trust Funds:**

Local funds only.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Local Taxes and Fees

**Issue:** Section 5 of the legislation makes a number of changes to the Florida Impact Fee Act (i.e., s. 163.31801, F.S.). Section 14 of the legislation amends s. 553.791(2)(b), F.S., to provide that a local jurisdiction may not charge fees for building inspections if the fee owner or contractor hires a private provider; however, the local jurisdiction may charge a reasonable administrative fee.

**Bill Number(s):** CS/CS/HB 7103

**Section 5: Consensus Estimate (Adopted: 06/12/2019): The Conference adopted the proposed estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.0	0.0	0.0	+/-	+/-	+/-	+/-
2020-21	0.0	0.0	0.0	0.0	+/-	+/-	+/-	+/-
2021-22	0.0	0.0	0.0	0.0	+/-	+/-	+/-	+/-
2022-23	0.0	0.0	0.0	0.0	+/-	+/-	+/-	+/-
2023-24	0.0	0.0	0.0	0.0	+/-	+/-	+/-	+/-

## REVENUE ESTIMATING CONFERENCE

**Tax:** Transportation; Toll Revenues

**Issue:** Miami-Dade MPO Fees; Miami-Dade Toll Increase Prohibition; Greater Miami Toll Rebate Program

**Bill Number(s):** CS/CS/CS/HB 385

**Entire Bill**

**Partial Bill:** Sections 11 and 14

**Sponsor(s):** Avila; Perez; State Affairs Committee; Ways and Means Committee; Transportation and Infrastructure Subcommittee

**Month/Year Impact Begins:** July 1, 2019

**Date of Analysis:** 6/11/2019

### Section 1: Narrative

- a. Current Law:** Section 11: Metropolitan Planning Organizations (MPOs) are also referred to as transportation planning organizations. They are federally mandated transportation planning organizations that are comprised of representatives from local governments and transportation authorities.

Section 14 (Miami-Dade Toll Increase Prohibition): The Florida Expressway Authority Act authorizes any county, or two or more contiguous counties within a single Department of Transportation (DOT) district to, by resolution adopted by the board of county commissioners, form an expressway authority as an agency of the state. The Miami-Dade County Expressway Authority (MDX) was created in 1994, when the Miami-Dade County Commission adopted ordinance 94-215. MDX is the only expressway authority operating under the Florida Expressway Authority Act. The Act also governs MDX as it relates to tolling, the maximum percentage of revenues that may be used for administrative expenses, the dedication of some of its surplus revenues for transportation projects in Miami-Dade County, the authority to borrow money and refund bonds, mandatory toll decreases for SunPass users, and financial audit requirements.

Section 14 (Greater Miami Toll Rebate Program): In December 2015, the Miami-Dade County Expressway Authority implemented a Dividend Rewards Program which worked like a Rebate Program with a registration prerequisite. If MDX performed well (traffic above projections, better construction pricing, etc.) the revenue would go back to the users. The requirements were for Sunpass users who spent at least \$100 per year to be eligible for up to a 30% rebate once all financial obligations were met. In 2015, MDX reimbursed \$2.2 million to 38,000 qualified customers; in 2016, MDX reimbursed \$5.5 million to 54,000 qualified customers; in 2017, MDX reimbursed \$5.8 million to 74,000 qualified customers. MDX did not issue any reimbursements in 2018 due to the reduction of tolls that took effect in July 1, 2018. The new MDX program for 2019 was revised to increase the minimum toll spent to \$250 per year and up to 15% reimbursement.

- b. Proposed Change:** Section 11: The bill prohibits the Miami-Dade County MPO from assessing any fees for municipalities, counties, or other governmental entities that are members of the MPO.

Section 14 (Miami-Dade Toll Increase Prohibition): The bill repeals part I of Ch. 348, F.S., repealing the Florida Expressway Authority Act. This results in the repeal of the Miami-Dade County Expressway Authority. The bill creates the Greater Miami Expressway Agency, "GMX". The bill provides that GMX may not increase its toll rates until July 1, 2029, including any increase to adjust toll rates pursuant to the Consumer Price Index, except as may be necessary to comply with bond covenants on or after July 1, 2024, as approved by a supermajority vote of GMX's governing body.

Section 14 (Greater Miami Toll Rebate Program): The Greater Miami Toll Rebate Program is created under s. 348.0307, F.S. The Greater Miami Expressway Agency shall develop and implement a monthly rebate program for the month beginning January 1, 2020. Monthly rebates shall be credited to the account of each SunPass holder who incurs \$12.50 or more in tolls on the expressway system each month and whose SunPass is registered to a motor vehicle registered to an address in the county. In developing its rebate program, GMX shall have a goal of rebating 25% of tolls paid by eligible SunPass holders. The rebate program is subject to compliance with bond covenants, consideration of financial feasibility, and consideration of the impact of such a program to the financial feasibility of prioritized projects contained in GMX's 5-year work program on July 1, 2019. Following initiation of the program, GMX, once every 5 years, shall review the amount of the toll rebate and may adjust the amount of the toll rebate.

### Section 2: Description of Data and Sources

House Bill Final Analysis; Data from MDX and Miami-Dade TPO

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Transportation; Toll Revenues

**Issue:** Miami-Dade MPO Fees; Miami-Dade Toll Increase Prohibition; Greater Miami Toll Rebate Program

**Bill Number(s):** CS/CS/CS/HB 385

**Section 3: Methodology** Section 11: Miami Dade Transportation Planning Organization is a MPO that established a participation fee of \$22,222 in 2017. The TPO budget documents for fiscal years 2018, 2019 and 2020 each indicate \$244,442 in annual collections in participation fees from its members. Miami Dade TPO believes that none of its funding sources are impacted by the bill and the participating fee is a voluntary contribution. There are two voting members of the TPO that have not made the contribution. Assuming no change in fees or the number of paying members, the proposed impact is from the loss of the participation fee is either \$0 or \$(244,442) annually.

Section 14 (Miami-Dade Toll Increase Prohibition): CPI Policy was enacted in 2008, but MDX has never implemented a CPI toll adjustment. There were changes made to certain toll rates in 2014 and, in 2017, the Legislature required MDX to reduce the toll charged on all of its toll facilities. Consequently, MDX’s board approved the toll rate reduction, providing a 5.7 to 8 percent reduction in the toll rate, which took effect July 1, 2018. Although toll rates have decreased, additional toll plazas have been added throughout the years. At this time, no future toll increases are planned. Proposed fiscal impact is 0 or negative indeterminate.

Section 14 (Greater Miami Toll Rebate Program): The likelihood of the rebate program’s compliance with bond covenants, its financial feasibility, and its impact to the financial feasibility of prioritized projects contained in GMX’s 5-year work program is unknown at this time, so the middle assumes an indeterminate impact.

The Traffic and Revenue Consultant for the Miami Dade Expressway Authority, CDM Smith, estimated a fiscal impact for the GMX Rebate Program. CDM reports that about 84% of toll transactions are estimated to come by means of SunPass. After applying the nominal local SunPass share, the revenue is multiplied by the 74.7% estimated to be made by transponders with more than \$12.50 in monthly charges. CDM also assumes a 2% shift of Toll-by-Plate customers to SunPass due to the perceived lower toll rates. CDM’s estimates are reported as the high, with the FY 19-20 cash value shown as 5/12 of CDM’s estimate due to the program’s January 1 start date.

**Section 4: Proposed Fiscal Impact**

Section 11:

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			0/(0.24m)	0/(0.24m)		
2020-21			0/(0.24m)	0/(0.24m)		
2021-22			0/(0.24m)	0/(0.24m)		
2022-23			0/(0.24m)	0/(0.24m)		
2023-24			0/(0.24m)	0/(0.24m)		

Section 14 (Miami-Dade Toll Increase Prohibition):

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			0/(**)	0/(**)		
2020-21			0/(**)	0/(**)		
2021-22			0/(**)	0/(**)		
2022-23			0/(**)	0/(**)		
2023-24			0/(**)	0/(**)		

Section 14 (Greater Miami Toll Rebate Program):

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	(\$16.3)	(\$39.1)	(**)	(**)		
2020-21	(\$40.1)	(\$40.1)	(**)	(**)		
2021-22	(\$41.0)	(\$41.0)	(**)	(**)		
2022-23	(\$42.8)	(\$42.8)	(**)	(**)		
2023-24	(\$43.5)	(\$43.5)	(**)	(**)		

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Transportation; Toll Revenues

**Issue:** Miami-Dade MPO Fees; Miami-Dade Toll Increase Prohibition; Greater Miami Toll Rebate Program

**Bill Number(s):** CS/CS/CS/HB 385

**List of affected Trust Funds:**

Section 11: Local funds

Section 14 (Miami-Dade Toll Increase Prohibition): Local Funds

Section 14 (Greater Miami Toll Rebate Program): Local Funds

**Section 5: Consensus Estimate (Adopted 06/12/2019):** The Conference adopted negative indeterminate for Section 11: Miami-Dade MPO, the proposed estimate for Section 14: Miami-Dade Toll Increase Prohibition and the middle estimate for Section 14: Greater Miami Toll Rebate Program.

Section 11: Miami-Dade MPO

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2020-21	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2021-22	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2022-23	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2023-24	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)

Section 14: Miami-Dade Toll Increase Prohibition

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)
2020-21	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)
2021-22	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)
2022-23	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)
2023-24	0.0	0.0	0.0	0.0	0/(**)	0/(**)	0/(**)	0/(**)

Section 14: Greater Miami Toll Rebate Program

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2020-21	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2021-22	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2022-23	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2023-24	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)

## REVENUE ESTIMATING CONFERENCE

**Tax:** Local Taxes and Fees

**Issue:** Amends the definition of a *pass-through provider* to exclude certain persons, and these excluded persons would not be subject to an annual charge, not to exceed \$500 per linear mile, which CST-levying county and municipal governments may currently impose on pass-through providers.

**Bill Number(s):** CS/HB 7123 (codified as Chapter 2019-42, Laws of Florida)

**Entire Bill**

**Partial Bill:** (Section 15 only)

**Sponsor(s):** House Ways and Means Committee

**Month/Year Impact Begins:** May 15, 2019

**Date of Analysis:** June 12, 2019

### Section 1: Narrative

**a. Current Law:** Pursuant to s. 337.401, F.S., the Department of Transportation (DOT) and each local governmental entity that has jurisdiction and control of public roads or publicly owned rail corridors are authorized to prescribe and enforce reasonable rules or regulations with regard to the placement and maintenance of utility facilities across, on, or within the right-of-way limits of any road or publicly owned rail corridors under its jurisdiction. These entities are referred to individually as the *authority*. The authority may authorize any person who is a resident of this state, or any corporation which is organized under the laws of this state or licensed to do business within this state, to use a right-of-way for a utility in accordance with the authority's rules or regulations. A utility may not be installed, located, or relocated within a right-of-way unless authorized by a written permit. The permit must require the permit holder to be responsible for any damage resulting from the permitted use of the right-of-way.

Municipalities and counties must treat providers of communications services in a nondiscriminatory and competitively neutral manner when imposing such rules or regulations. The rules and regulations must be generally applicable to all such providers and may not require such providers to apply for or enter into an individual license, franchise, or other agreement as a condition of using the right-of-way.

Pursuant to s. 202.24(1), F.S., the authority of a public body to require taxes, fees, charges, or other impositions from dealers of communications services for occupying its roads and rights-of-way is specifically preempted by the state, with certain exceptions. Section 202.24(2)(c)7., F.S., provides that permit fees related to placing or maintaining facilities in or on public roads or rights-of-way pursuant to s. 337.401, F.S., are one of several taxes, fees, and charges not preempted.

Section 337.401(6)(a)1., F.S., defines a *pass-through provider* as any person who:

1. Places or maintains a communications facility in the roads or rights-of-way of a municipality or county that levies a Communications Services Tax (CST) pursuant to chapter 202; and,
2. Does not remit CST imposed by that municipality or county.

A communications facility is defined as a facility that may be used to provide communications services. Multiple cables, conduits, strands, or fibers located within the same conduit shall be considered one communications facility for purposes of subsection (6).

Pursuant to s. 337.401(6)(b)-(c), F.S., a municipal or county government that levies a local CST may impose a charge on a pass-through provider, as outlined below.

1. A municipality that levies CST may charge a pass-through provider that places or maintains a communications facility in the municipality's roads or rights-of-way an annual amount not to exceed \$500 per linear mile or portion thereof. A municipality's roads or rights-of-way do not include roads or rights-of-way that extend in or through the municipality but are state, county, or another authority's roads or rights-of-way.
2. A county that levies CST may charge a pass-through provider that places or maintains a communications facility in the county's roads or rights-of-way, including county roads or rights-of-way within a municipality in the county, an annual amount not to exceed \$500 per linear mile or portion thereof. However, a county shall not impose a charge for any linear miles, or portions thereof, of county roads or rights-of-way where a communications facility is placed that extend through any municipality within the county to which the pass-through provider remits a tax imposed pursuant to chapter 202. A county's roads or rights-of-way do not include roads or rights-of-way that extend in or through the county but are state, municipal, or another authority's roads or rights-of-way.

## REVENUE ESTIMATING CONFERENCE

**Tax:** Local Taxes and Fees

**Issue:** Amends the definition of a *pass-through provider* to exclude certain persons, and these excluded persons would not be subject to an annual charge, not to exceed \$500 per linear mile, which CST-levying county and municipal governments may currently impose on pass-through providers.

**Bill Number(s):** CS/HB 7123 (codified as Chapter 2019-42, Laws of Florida)

**b. Proposed Change:** Section 15 amends the definition of *pass-through provider* as defined in s. 337.401, F.S., as follows.

(6)(a) As used in this subsection, the following definitions apply:

1.a. A “pass-through provider” is any person who places or maintains a communications facility in the roads or rights-of way of a municipality or county that levies a tax pursuant to chapter 202 and who does not remit taxes imposed by that municipality or county pursuant to chapter 202.

b. Notwithstanding sub-subparagraph a., a person who does not remit taxes imposed by a municipality or county pursuant to chapter 202, but pursuant to s. 202.16(2) sells communications services for resale to a person who sells such services at retail or who integrates such services into communications services sold at retail in that municipality or county and who remits taxes imposed by that municipality or county pursuant to chapter 202, is not a pass-through provider.

### Section 2: Description of Data and Sources

The REC reviewed identical language during the 2018 legislative session, and the description below summarizes the data sources used at that time. EDR staff contacted representatives of the Florida Association of Counties (FAC) and Florida League of Cities (FLC) to ask if they would solicit data pertaining to the potential fiscal impact from their respective memberships. As of March 2, 2018, only one local government response (i.e., the City of Tampa) had been forwarded to EDR staff, and the City of Tampa reported \$23,000 of pass-through provider fees were collected during the period of January 2017 through January 2018.

At the March 2, 2018 REC, the principals delayed action on this proposed bill language and asked staff to contact additional local governments to determine if such charges are currently being imposed on pass-through providers. EDR and Governor’s OPB staff contacted the following counties (i.e., Miami-Dade, Broward, Palm Beach, Hillsborough, Orange, Pinellas, Lee, Polk, Brevard, Volusia, and Pasco) and municipalities (i.e., Jacksonville, Miami, Orlando, St. Petersburg, Fort Lauderdale, Pembroke Pines, Hollywood, and Miramar).

Prior to the March 5, 2018 REC, only Broward, Lee, Miami-Dade, and Polk counties had responded to the request for information. Broward, Lee, and Polk counties indicated that no such charges were imposed on pass-through providers. Miami-Dade County imposed a charge and estimated the annual loss of revenue at \$25,000. Furthermore, the cities of Orlando and Miramar responded and indicated that no charges were imposed on pass-through providers. At the March 5, 2018 REC, the Conference adopted an estimated annual fiscal impact of (\$0.4) million.

For this 2019 update, EDR staff employed a similar methodology as that used in the 2018 analysis. EDR staff surveyed the 11 counties having a 2018 population greater than 500,000 and the 22 municipalities having a 2018 population greater than 100,000. The response rate to EDR’s data request was very low. Consequently, in the analysis, EDR staff used either the reported 2019 fiscal impact or the reported 2018 fiscal impact if there was no 2019 response. For the majority of local governments surveyed, there are no response in either year.

### Section 3: Methodology (Include Assumptions and Attach Details)

As previously mentioned, local CST-levying county and municipal governments may impose an annual charge, not to exceed \$500 per linear mile, on pass-through providers. The total number of county and municipal governments currently imposing such a charge and the charge amounts imposed by individual local governments are currently unknown. Furthermore, in local government Annual Financial Reports (AFRs), such charges are not reflected in a single discrete revenue account.

Based on communications received from industry and local government representatives, the number of pass-through providers is expected to be reduced by this law change. Because fewer providers would be subject to any locally-imposed, per linear mile charges, total revenue received from such charges are expected to decrease.

See the attached spreadsheet.



**REVENUE ESTIMATING CONFERENCE**

**Tax:** Local Taxes and Fees

**Issue:** Amends the definition of a *pass-through provider* to exclude certain persons, and these excluded persons would not be subject to an annual charge, not to exceed \$500 per linear mile, which CST-levying county and municipal governments may currently impose on pass-through providers.

**Bill Number(s):** CS/HB 7123 (codified as Chapter 2019-42, Laws of Florida)

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	(\$310,403)	(\$310,403)	(\$182,965)	(\$182,965)	(\$55,527)	(\$55,527)
2020-21	(\$310,403)	(\$310,403)	(\$182,965)	(\$182,965)	(\$55,527)	(\$55,527)
2021-22	(\$310,403)	(\$310,403)	(\$182,965)	(\$182,965)	(\$55,527)	(\$55,527)
2022-23	(\$310,403)	(\$310,403)	(\$182,965)	(\$182,965)	(\$55,527)	(\$55,527)
2023-24	(\$310,403)	(\$310,403)	(\$182,965)	(\$182,965)	(\$55,527)	(\$55,527)

**List of Affected Trust Funds:** Local funds only.

**Section 5: Consensus Estimate (Adopted: 06/12/2019): The Conference adopted the high estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.0	0.0	0.0	(0.3)	(0.3)	(0.3)	(0.3)
2020-21	0.0	0.0	0.0	0.0	(0.3)	(0.3)	(0.3)	(0.3)
2021-22	0.0	0.0	0.0	0.0	(0.3)	(0.3)	(0.3)	(0.3)
2022-23	0.0	0.0	0.0	0.0	(0.3)	(0.3)	(0.3)	(0.3)
2023-24	0.0	0.0	0.0	0.0	(0.3)	(0.3)	(0.3)	(0.3)

	A	B	C	D
1	<b>Fiscal Impact Analysis of CS/HB 7123 (Section 15)</b>			
2	<b>Amends the Definition of Pass-Through Providers</b>			
3				
4	<b>County Survey Respondents</b>	<b>2018 Unincorporated Population</b>	<b>Estimated FY2017-18 Fiscal Impact</b>	<b>2018 or 2019 Survey Response</b>
5	Miami-Dade	1,203,732	\$ 25,000	2018 response
6	Broward	15,120	\$ -	2018 response
7	Palm Beach	624,941		no response
8	Hillsborough	964,883		no response
9	Orange	855,307		no response
10	Pinellas	276,490	\$ -	2019 response
11	Lee	355,737	\$ -	2018 response
12	Polk	413,182	\$ -	2019 response
13	Brevard	217,902		no response
14	Volusia	116,678		no response
15	Pasco	470,721	\$ -	2019 response
16	<b>Total Population of County Respondents</b>	<b>2,734,982</b>	<b>\$ 25,000</b>	
17	<i>Total Population of All Counties Surveyed</i>	5,514,693		
18				
19	<b>Municipal Survey Respondents</b>	<b>2018 Population</b>	<b>Estimated FY2017-18 Fiscal Impact</b>	
20	Jacksonville	907,093		no response
21	Miami	481,333		no response
22	Tampa	378,531	\$ 30,000	2019 response
23	Orlando	285,099	\$ -	2018 response
24	St. Petersburg	266,076		no response
25	Hialeah	238,906		no response
26	Tallahassee	192,381	\$ 527	2019 response
27	Port St. Lucie	185,843		no response
28	Fort Lauderdale	182,827		no response
29	Cape Coral	180,204		no response
30	Pembroke Pines	165,352		no response
31	Hollywood	149,028		no response
32	Miramar	137,107	\$ -	2018 response
33	Gainesville	131,217		no response
34	Coral Springs	128,757		no response
35	Clearwater	115,589		no response
36	Miami Gardens	113,628		no response
37	West Palm Beach	112,906		no response
38	Palm Bay	112,703		no response
39	Pompano Beach	110,371		no response
40	Lakeland	105,586		no response
41	Davie	103,171		no response
42	<b>Total Population of Municipal Respondents</b>	<b>993,118</b>	<b>\$ 30,527</b>	
43	<i>Total Population of Municipalities Surveyed</i>	4,783,708		
44				
45	Statewide Unincorporated Population	10,283,598		
46	Statewide Incorporated Population	10,556,970		
47	Total Statewide Population	20,840,568		
48	<b>Per Capita Fee Based on Survey Respondents</b>	<b>\$ 0.0149</b>		
49				
50	Unincorporated Population of Unsurveyed Counties	7,548,616		
51	Incorporated Population of Unsurveyed Municipalities	9,563,852		
52	Total Population of Unsurveyed Local Governments	17,112,468		
53				
54	Fiscal Impact Reported by Surveyed Counties and Municipalities	\$ 55,527		
55	Fiscal Impact Extrapolated to Unsurveyed Counties and Municipalities	\$ 254,876		
56	Total Estimated Fiscal Impact	\$ 310,403		
57	Assumption: All unsurveyed local gov'ts assess the fees to the same extent as the responding local gov'ts.			
58				
59	<b>Proposed Fiscal Impacts</b>			
60	<b>Low: Sum of Impacts Reported by Surveyed Local Gov'ts (see Row 54)</b>	<b>\$ 55,527</b>		
61	<b>Middle: Average of the Low and High Impacts</b>	<b>\$ 182,965</b>		
62	<b>High: Sum of Reported and Extrapolated Impacts (see Row 56)</b>	<b>\$ 310,403</b>		

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Other Taxes and Fees

**Issue:** Temporary Boating Safety Certificates

**Bill Number(s):** CS/CS/CS/SB 1666

**Entire Bill**

**Partial Bill:** Section 1

**Sponsor(s):** Senator Flores

**Month/Year Impact Begins:** 07/01/2019

**Date of Analysis:** 05/21/2019

**Section 1: Narrative**

**a. Current Law:** A person born on or after January 1, 1988 who operates a boat in Florida waters with an engine of 10 horsepower or more must obtain a Florida boating Safety identification card through an approved 8 hour course. The cost of the course ranges from free up to \$30. The card is valid for life unless it was obtained by passing a temporary certificate examination, which is valid for 12 months. An agent administering the temporary certificate examination must collect a \$2 examination fee and remit \$1 to the Commission, while keeping \$1.

**b. Proposed Change:** Reduces the temporary certificate validity from 12 months to 90 days.

**Section 2: Description of Data and Sources**

Discussions with FWC

**Section 3: Methodology (Include Assumptions and Attach Details)**

FWC issued 220,954 temporary certificates in the 2018 calendar year. FWC is not anticipating a large increase in the amount of certificates sold as most who purchase are out of state visitors renting a boat or jet ski on vacation and are unaware of the requirement. The shortened time frame is preferred to encourage regular Florida boaters to take the full boating safety class.

About 75% of certificates are issued to non-residents.

There is a positive impact to state trust if someone who would have received a temporary certificate once in a year is forced to repeat the course in the same year. There is a negative impact to the state if it induces residents (or non-residents) to get the permanent boater safety ID card rather than have to take the temporary certification more than once a year. The impact is estimated to be positive/negative indeterminate to state trust.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			+/-	+/-		
2020-21			+/-	+/-		
2021-22			+/-	+/-		
2022-23			+/-	+/-		
2023-24			+/-	+/-		

**List of affected Trust Funds:**

**Section 5: Consensus Estimate (Adopted: 06/12/2019): The Conference adopted the proposed estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	+/-	+/-	+/-	+/-	0.0	0.0	+/-	+/-
2020-21	+/-	+/-	+/-	+/-	0.0	0.0	+/-	+/-
2021-22	+/-	+/-	+/-	+/-	0.0	0.0	+/-	+/-
2022-23	+/-	+/-	+/-	+/-	0.0	0.0	+/-	+/-
2023-24	+/-	+/-	+/-	+/-	0.0	0.0	+/-	+/-

## REVENUE ESTIMATING CONFERENCE

**Tax:** Licensure Fees

**Issue:** Engineering Business Certificate of Authorization Fee removal.

**Bill Number(s):** CS/CS/HB 827

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Representative Toledo

**Month/Year Impact Begins:** the bill takes effect October 1, 2019.

**Date of Analysis:** June 11, 2019.

### Section 1: Narrative

- a. **Current Law:** Section 471.011(1), F.S., authorizes the board of engineers to “establish fees to be paid for applications, examination, reexamination, licensing and renewal, inactive status application and reactivation of inactive licenses, and recordmaking and recordkeeping. The board may also establish by rule a delinquency fee. The board shall establish fees that are adequate to ensure the continued operation of the board. Fees shall be based on department estimates of the revenue required to implement [chapter 471, F.S.] and the provisions of law with respect to the regulation of engineers.”

Rule 61G15-24.001, Florida Administrative Code, establishes the following fees for a certificate of authorization (COA):

Initial Application: For the initial application for a COA, the business pays:

- An application fee of \$125.
- An initial certificate fee of \$100.
- An unlicensed activity fee of \$5.

Renewal Application: A business must renew its COA every two years. The business pays:

- A renewal fee of \$93.75.
- An unlicensed activity fee of \$5.

Temporary Certificates: When a business receives a temporary COA, the business pays:

- A fee for temporary authorization of \$50.
- An application fee of \$125.
- An unlicensed activity fee of \$5.

Other Fees:

- Status Change Fee: \$125 if a business changes the name of the business or the head engineer’s name on the COA
- Duplicate fee: \$25 to replace or duplicate the COA.
- Delinquent fee: \$25 penalty late fee if a business makes a late payment or is late renewing its COA.

- b. **Proposed Change:** Effective October 1, 2019, section 471.011(4), F.S., is amended to read: “Qualification of a business organization under s. 471.023 shall not require payment of a fee.” Thus, all fees associated with the qualification of a business, or the certificate of authorization of a business, are eliminated.

### Section 2: Description of Data and Sources

Revenue information received from the Department of Business and Professional Regulation (DBPR).

Fee information taken from the Florida Engineers Management Corporation website.

Other information given by phone and email conversation with staff from the DBPR.

### Section 3: Methodology (Include Assumptions and Attach Details)

The forecasted amount was derived from the revenue history of the Certificate of Authorization (COA) provided by DBPR. The COA is renewed every two years on the fiscal year ending in an odd year (i.e, 2018-2019 or 2016-2017). As such, projected revenues were generated for the renewal years separately to the non-renewal years.

Using the historical revenue data, an annual growth rate was generated for the renewal and non-renewal historical years. An average of the growth rates was developed for renewal and non-renewal years. After assuming Fiscal Year 2014-2015 was an outlier,

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Licensure Fees

**Issue:** Engineering Business Certificate of Authorization Fee removal.

**Bill Number(s):** CS/CS/HB 827

it was dropped from the renewal year growth rate average. The average growth rate was then applied to each preceding renewal or non-renewal year’s revenue and a forecasted amount generated.

As the bill takes effect on October 1, 2019-2020, the first three months of the Fiscal Year 2019-2020 will not be impacted by the loss of the COA. Using monthly historical revenue data provided by the DBPR, the first three months of the fiscal year were estimated to provide 21% of the full fiscal years revenue. Thus, the projected loss for 2019-2020 is 21% less than if it the bill took effect in July.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			(\$ 128,407)	(\$ 162,541)		
2020-21			(\$ 731,973)	(\$ 731,973)		
2021-22			(\$ 159,108)	(\$ 159,108)		
2022-23			(\$ 749,537)	(\$ 749,537)		
2023-24			(\$ 155,748)	(\$ 155,748)		

**List of affected Trust Funds:**

The Professional Regulation Trust Fund

**Section 5: Consensus Estimate (Adopted: 06/12/2019): The Conference adopted the cash estimate and used an average for the recurring impact.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	(Insignificant)	(Insignificant)	(0.1)	(0.5)	0.0	0.0	(0.1)	(0.5)
2020-21	(0.1)	(Insignificant)	(0.6)	(0.5)	0.0	0.0	(0.7)	(0.5)
2021-22	(Insignificant)	(Insignificant)	(0.2)	(0.5)	0.0	0.0	(0.2)	(0.5)
2022-23	(0.1)	(Insignificant)	(0.6)	(0.5)	0.0	0.0	(0.7)	(0.5)
2023-24	(Insignificant)	(Insignificant)	(0.2)	(0.5)	0.0	0.0	(0.2)	(0.5)

	A	B	C	D	E	F	G	H	I	J	K
1											
2		History	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	
3		Application	\$ 56,625	\$ 44,125	\$ 52,750	\$ 57,875	\$ 63,000	\$ 59,250	\$ 56,250	\$ 63,750	
4		Initial	\$ 56,500	\$ 44,000	\$ 52,625	\$ 57,500	\$ 63,000	\$ 59,125	\$ 56,025	\$ 51,000	
5		Status Change	\$ 18,950	\$ 17,050	\$ 18,100	\$ 18,225	\$ 20,425	\$ 21,750	\$ 32,550	\$ 26,225	
6		Delinquent	\$ 60,200	\$ 30,200	\$ 46,800	\$ 16,600	\$ 43,600	\$ 13,200	\$ 30,971	\$ 4,550	
7		Renewal	\$ 551,065	\$ 38,370	\$ 593,745	\$ 20,875	\$ 467,688	\$ 12,563	\$ 493,684	\$ 17,063	
8		Unlicensed Activity	\$ 24,320	\$ 3,295	\$ 25,865	\$ 3,150	\$ 27,315	\$ 3,040	\$ 28,590	\$ 3,460	
9		Total	\$ 767,660	\$ 177,040	\$ 789,885	\$ 174,225	\$ 685,028	\$ 168,928	\$ 698,070	\$ 166,048	
10											
11		Growth Rates			2.90%	-1.59%	-13.28%	-3.04%	1.90%	-1.70%	
12											
13		Average Renewal	2.40%	= is the average without the 2014-2015 growth rate							
14		Average Non-Renewal	-2.11%								
15											
16		Impact Projections	18-19	19-20	20-21	21-22	22-23	23-24			
17		Total Projected Revenue	\$ 714,821	\$ 162,541	\$ 731,973	\$ 159,108	\$ 749,537	\$ 155,748			
18		9 Months Revenue (80%)		\$ 128,407							
19											
20		Recurring	\$ 438,681	\$ 447,257	\$ 445,541	\$ 454,323	\$ 452,643	\$ 155,748			
21											
22											
23											

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	<b>OBJECT</b>		<b>201507</b>	<b>201508</b>	<b>201509</b>		<b>201607</b>	<b>201608</b>	<b>201609</b>		<b>201707</b>	<b>201708</b>	<b>201709</b>		<b>201807</b>	<b>201808</b>	<b>201809</b>
2	<b>001101 - APPLICATN</b>		30,980.00	21,400.00	38,130.00		25,285.00	26,830.00	26,430.00		32,445.00	31,980.00	33,965.00		38,155.00	32,240.00	28,750.00
3	<b>001108 - STATUS CHG</b>		1,700.00	1,775.00	2,900.00		2,725.00	2,025.00	2,325.00		2,200.00	4,187.50	2,518.75		2,200.00	2,275.00	1,550.00
4	<b>002101 - APPLIC/LIC</b>		20,200.00	15,125.00	26,025.00		8,725.00	25,400.00	17,175.00		19,900.00	21,000.00	23,500.00		23,775.00	21,200.00	19,700.00
5	<b>002102 - RENEWAL</b>		6,281.25	4,406.25	5,156.25		1,687.50	2,156.25	1,218.75		8,531.25	9,375.00	4,500.00		1,968.75	1,500.00	3,093.75
6	<b>002105 - DELINQUENT</b>		6,500.00	4,800.00	5,500.00		1,900.00	2,400.00	1,300.00		3,468.75	2,500.00	1,250.00		525.00	400.00	850.00
7	<b>002106 - PRTF UNLIC</b>		1,330.00	1,025.00	1,530.00		960.00	970.00	920.00		1,515.00	1,590.00	1,445.00		1,330.00	1,220.00	1,180.00
8	<b>total</b>		66,991.25	48,531.25	79,241.25		41,282.50	59,781.25	49,368.75		68,060.00	70,632.50	67,178.75		67,953.75	58,835.00	55,123.75
9																	
10			<b>FY 15-16</b>				<b>FY 16-17</b>				<b>FY 17-18</b>				<b>FY 18-19</b>		
11	<b>Quarter Total</b>		<b>194,763.75</b>				<b>150,432.50</b>				<b>205,871.25</b>				<b>181,912.50</b>		
12	<b>Year Total</b>		<b>918,630.00</b>				<b>4,796,862.50</b>				<b>971,288.75</b>				<b>4,971,558.75</b>		
13	<b>quarter/year</b>		<b>0.2120</b>				<b>0.0314</b>				<b>0.2120</b>				<b>0.0366</b>		
14	<b>average of 4 years</b>		<b>0.1230</b>														
15																	

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Other Taxes and Fees

**Issue:** Fingerprint Fees on Background Checks for Court Interpreters and Mediators

**Bill Number(s):** CS/HB7081

**Entire Bill**

**Partial Bill:** Sections 1 & 2

**Sponsor(s):** Representative DiCeglie

**Month/Year Impact Begins:** 07/01/2019

**Date of Analysis:** June 7, 2019

**Section 1: Narrative**

- a. **Current Law:** There is currently no fingerprint based national and state criminal history background check for foreign language court interpreters and mediators.
- b. **Proposed Change:** Requires certified court interpreters and mediator applicants to undergo a fingerprint based state and national criminal background check. The fee is \$37.25, of which \$24 goes to the Florida Department of Law Enforcement Operating Trust Fund.

**Section 2: Description of Data and Sources**

Data from the Office of the State Courts Administrator  
Discussions with FDLE

**Section 3: Methodology (Include Assumptions and Attach Details)**

The Office of the State Courts Administrator provided that they estimate approximately 650 background checks will be required this fiscal year based on the three-year average of the past certifications for interpreters and mediators:

FY 2015-16 = 658  
FY 2016-17 = 601  
FT 2017-18 = 687

The positive impact is estimated to be \$15,600 to state trust fund, resulting in a positive insignificant impact to TF and GR Service Charge.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			*	*		
2020-21			*	*		
2021-22			*	*		
2022-23			*	*		
2023-24			*	*		

**List of affected Trust Funds:** FDLE Operating Trust Fund, GR Service Charge

**Section 5: Consensus Estimate (Adopted: 06/12/2019): The Conference adopted the proposed estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	Insignificant	Insignificant	Insignificant	Insignificant	0.0	0.0	Insignificant	Insignificant
2020-21	Insignificant	Insignificant	Insignificant	Insignificant	0.0	0.0	Insignificant	Insignificant
2021-22	Insignificant	Insignificant	Insignificant	Insignificant	0.0	0.0	Insignificant	Insignificant
2022-23	Insignificant	Insignificant	Insignificant	Insignificant	0.0	0.0	Insignificant	Insignificant
2023-24	Insignificant	Insignificant	Insignificant	Insignificant	0.0	0.0	Insignificant	Insignificant



**REVENUE ESTIMATING CONFERENCE**

**Tax:** Other Taxes and Fees  
**Issue:** Transfer to Trust Fund  
**Bill Number(s):** CS/CS/HB 1121

- Entire Bill**  
 **Partial Bill: 9**

**Sponsor(s):** State Affairs Committee and Agriculture & Natural Resources Appropriations Subcommittee and Altman  
**Month/Year Impact Begins:** July 1, 2019  
**Date of Analysis:** June 11, 2019

**Section 1: Narrative**

**a. Current Law:**

The Florida Intergovernmental Relations Foundation (FIRF) is located within the Executive Office of the Governor and created pursuant to s. 288.809, F.S. The FIRF is organized and operated exclusively to solicit, receive, hold, invest, and administer property and to make expenditures to or for the promotion of intergovernmental relations programs. The FIRF facilitates and strengthens Florida’s economic relationships with international partners.

The FIRF is a direct support organization that must be:

- A Florida corporation, not for profit, incorporated under the provisions of Chapter 617, F.S., and approved by the Department of State;
- Organized and operated to solicit, receive, hold, invest and administer property and, subject to the approval of the state protocol officer, to make expenditures to or for the promotion of intergovernmental relations programs; and
- Certified by the state protocol officer, after review, to be operating in a manner consistent with the policies and goals of the state protocol officer.

**b. Proposed Change:**

The bill repeals s. 288.809, F.S., to remove the provision authorizing FIRF, effective October 2019. The bill requires FIRF and the Executive Office of the Governor to satisfy liabilities and transfer any remaining funds to the Florida International Trade and Promotion Trust Fund within the Department of Economic Opportunity by September 15, 2019.

**Section 2: Description of Data and Sources**

House of Representatives Final Bill Analysis for CS/CS/HB 1121  
 Senate Committee on Rules Bill Analysis for CS/SB 7074  
 Conversations with House and Senate staff

**Section 3: Methodology (Include Assumptions and Attach Details)**

The FIRF has been inactive from fiscal year 2015 through fiscal year 2018. The original source of funds for this organization was from private donations and interest accrued from a money market account that was closed in December 2014. No donations have been received from 2015 through 2018. The current bank account balance for the FIRF’s funds is approximately \$8,709.99. The expenditures for the FIRF from July 2014 through June 2018 were approximately \$558.16.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20			*	0		
2020-21						
2021-22						
2022-23						
2023-24						

**List of affected Trust Funds:**

Florida International Trade and Promotion Trust Fund

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Other Taxes and Fees

**Issue:** Transfer to Trust Fund

**Bill Number(s):** CS/CS/HB 1121

**Section 5: Consensus Estimate (Adopted: 06/12/2019):** The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.0	Insignificant	0.0	0.0	0.0	Insignificant	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2023-24	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

## REVENUE ESTIMATING CONFERENCE

**Tax:** Sales and Use Tax/Motor Fuel Tax  
**Issue:** Fencing, Building Materials and Fuel  
**Bill Number(s):** CS/HB 7123 Enrolled

- Entire Bill**  
 **Partial Bill:** Sections 20 and 21

**Sponsor(s):** Rep. Avila

**Month/Year Impact Begins:** July 1, 2019

**Date of Analysis:** June 10, 2019

### Section 1: Narrative

- a. Current Law:** Florida law currently allows a refund of sales and use tax paid on fencing materials used in the repair of farm fences and building materials that become a component part of the repair of a nonresidential farm building damaged as a direct result of the impact of Hurricane Irma located on land classified as agricultural land by the county property appraiser. This refund is available if the materials were purchased during the period of September 10, 2017 through May 31, 2018. Florida law currently allows any person who purchased tax-paid fuel from September 10, 2017 through June 30, 2018 and used the fuel to transport agricultural products to an agricultural processing or storage facility to apply for a refund.
- b. Proposed Change:** The language in CS/HB 7213, Enrolled would apply the same refund provisions as provided for damage by Hurricane Irma to materials purchased to repair fencing and non-residential farm buildings from October 10, 2018 through June 30, 2019 for fences and nonresidential farm buildings damaged by Hurricane Michael with one slight modification. The language in response to Irma provided for a refund of sales tax paid on fencing materials used in the repair of fences and building materials. The language passed as part of CS/HB 7123 Enrolled refund of sales tax paid on fencing materials and building materials used to repair or replace fencing or nonresidential farm buildings damaged by Hurricane Michael.

**c.**

### Section 2: Description of Data and Sources

Department of Revenue Refund Data:

Form DR-26SIAG            Application for Refund - Certain Farming Materials Damaged by Hurricane Irma  
Form DR-26IF             Application for Refund - Fuel Used for Agricultural Shipments  
2018 Ad Valorem Tax Roll Data

### Section 3: Methodology (Include Assumptions and Attach Details)

This estimate was able to use the data from the refunds that were in effect under the current law provisions to estimate the expected refunds under the proposed language. All counties in the state placed into 5 groups; Individual Assistance, Public Assistance, Panhandle, Irma SUT Refund, and Rest of State. The Irma SUT Refund group is based on the counties that had farms with requested refunds for the fencing or building materials. The refund data from the Sales and Use Tax refund for certain building materials does not differentiate between fencing and building materials.

Sales and Use Tax Refunds Based Impact:

The refunds refund amounts were converted into an implied tax base of refunds by dividing by the 6% Sales and Use Tax rate. The implied bases were used to calculate a ratio of requested and approved refunds relative to the value of Improvements and Special Features on Ag Parcels for the Irma SUT Refund group. This ratio was then applied to the value of Improvements and Special Features on Ag Parcels for the Individual Assistance, Public Assistance, and Panhandle county groups. The ratio of requested refunds is used as the high estimate and the ratio of approved refunds is used as the low estimate. Adjustments for percent of value and storm intensity are made to reflect some of the differences between Hurricane Irma and Hurricane Michael. The refund will occur during the 2019-20 fiscal year and the cash is equal to the recurring.

Refund staff indicated that the requested refunds for Irma would not have been administered differently under the repair or replace language. However, it cannot be precluded that some entity determined that they would not apply under the repair language that would have applied under the repair or replace language. To reflect such a possibility, the proposed high is twice the low.

### Section 4: Proposed Fiscal Impact

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Sales and Use Tax/Motor Fuel Tax

**Issue:** Fencing, Building Materials and Fuel

**Bill Number(s):** CS/HB 7123 Enrolled

**Sales and Use Tax Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	\$(0.2 M)				\$(0.1 M)	
2020-21						
2021-22						
2022-23						
2023-24						

**List of affected Trust Funds:**

Sales and Use Tax

**Section 5: Consensus Estimate (Adopted: 06/12/2019): The Conference adopted the low estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	(0.1)	0.0	(Insignificant)	0.0	(Insignificant)	0.0	(0.1)	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2023-24	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	A	B	C	D	E
1	<b>Summary of Refunds for Certain Farming Materials Damaged by Hurricane Irma</b>				
2	<b>Includes both Materials for Fencing and Non-residential Farm Buildings</b>				
3		<b>Refund Amounts</b>	<b>Base Amounts</b>		
4	Amount of Refunds requested	\$ 681,719	\$ 11,361,981		
5	Amount of Refunds Approved	\$ 390,505	\$ 6,508,420		
6	Average Amount Requested	\$ 10,175	\$ 169,582		
7	Average Amount Approved	\$ 5,828	\$ 97,141		
8	Number of Refunds	67			
9					
10	<b>Improvements &amp; Special Features on Ag Parcels from 2018 Tax Roll Data</b>				
11	<b>County Groups</b>		<b>Irma SUT Refund</b>		
12	Imp. & Spec. Feat. Ag Parcels		\$ 1,900,879,192		
13	Number of Farms (2012)		16,281		
14	<b>% refunds Irma SUT Refund</b>				
15	Tax Base of \$ Requested		0.598%		
16	Tax Base of \$ Approved		0.342%		
17	Refunds vs. Number of Farms		0.412%		
18					
19	<b>County Groups</b>	<b>Individual Assistance</b>	<b>Public Assistance</b>	<b>Panhandle</b>	
20	Imp. & Spec. Feat. Ag Parcels	\$ 269,143,810	\$ 184,513,778	\$ 140,209,870	
21	Number of Farms (2012)	3,872	3,991	3,346	
22					
23	<b>SUT Tax Base of Potential Refunds Based on Irma Refunds % of Ag Parcel Improvements and Special Features</b>				
24	County Groups	Individual Assistance	Public Assistance	Panhandle	Total
25	High Estimate	\$ 1,608,733	\$ 1,102,880	\$ 838,066	\$ 3,549,678.80
26	Low Estimate	\$ 921,521	\$ 631,757	\$ 480,065	\$ 2,033,342.60
27					
28	<b>Adjustments for different nature of Storm Impacts</b>				
29	% of Value Affected	100%	50%	5%	
30	Storm Intensity	100%	1%	0%	
31					
32	<b>Adjusted SUT Tax Base of Potential refunds</b>				
33	County Groups	Individual Assistance	Public Assistance	Panhandle	Total
34	High Estimate	\$ 3,217,465.66	\$ 562,468.89	\$ 41,903.29	\$ 3,821,837.84
35	Low Estimate	\$ 1,843,042.81	\$ 322,195.90	\$ 24,003.23	\$ 2,189,241.94
36					
37	<b>Applied 6% Sales Tax Rate</b>				
38	County Groups	Individual Assistance	Public Assistance	Panhandle	Total
39	High Estimate	\$ 193,047.94	\$ 33,748.13	\$ 2,514.20	\$ 229,310.27
40	Low Estimate	\$ 110,582.57	\$ 19,331.75	\$ 1,440.19	\$ 131,354.52
41					
42					
43	<b>Proposed Revenue Impact</b>				
44		<b>High</b>		<b>Low</b>	
45	<b>Year</b>	<b>Cash</b>	<b>Recurring</b>	<b>Cash</b>	<b>Recurring</b>
46	2019-20	\$ (0.2 M)	\$ (0.2 M)	\$ (0.1 M)	\$ (0.1 M)
47	2020-21				
48	2021-22				
49	2022-23				
50	2023-24				

## REVENUE ESTIMATING CONFERENCE

**Tax:** Sales and Use Tax

**Issue:** School Sales Tax Holiday, 5 Days, \$60 Clothing/\$15 Supplies/\$1,000 or Less Computers

**Bill Number(s):** CS/HB 7123 (Ch. 2019-42, L.O.F.)

**Entire Bill**

**Partial Bill:** Section 19

**Sponsor(s):** Appropriations Committee, Ways & Means Committee, and Representative Avila

**Month/Year Impact Begins:** The sales tax holiday will affect August 2019 activity and, subsequently, September collections.

**Date of Analysis:** June 12, 2019

### Section 1: Narrative

#### a. Current Law:

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

#### b. Proposed Change:

Clothing: The bill 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 5-day period beginning on Friday, August 2, and ending on Tuesday, August 6, 2019, as long as the sales price of the item does not exceed \$60. Clothing is defined as “any article of wearing apparel intended to be worn on or about the human body, excluding watches, watchbands, jewelry, umbrellas, and handkerchiefs,” and including all footwear except for “skis, swim fins, roller blades, and skates.”

School Supplies: During this same period, sales of school supplies having a sales 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, staplers and staples used to secure paper products, protractors, compasses, and calculators.”

Computers: Also exempt during the 5-day period are “personal computers or personal computer-related accessories having a sales price of \$1,000 or less per item and purchased for noncommercial home or personal use.” Exempted items include “electronic book readers, laptops, desktops, handhelds, tablets, and tower computers” and related accessories including “keyboards, mice, personal digital assistants, monitors (not including devices with a television tuner), other peripheral devices, modems, routers, and non-recreational software.” The exemption does not apply to “cellular telephones, video game consoles, digital media receivers, or devices that are not primarily designed to process data.” Related accessories do not include “furniture or systems, devices, software, or peripherals that are designed or intended primarily for recreational use.”

The tax exemptions do not apply to sales within a theme park or entertainment complex, within a public lodging establishment, or within an airport.

The bill allows a dealer to “opt out” of the sales tax holiday if “less than five percent of the dealer’s gross sales of tangible personal property in the prior calendar year are comprised of items that would be exempt” under the legislation. If the qualifying dealer chooses not to participate in the tax holiday, the dealer must notify the Department of Revenue in writing and post a copy of that notice in a conspicuous location at the place of business.

### Section 2: Description of Data and Sources

- Clothing and Shoes expenditures forecast, February 2019 National Economic Estimating Conference.
- Consumer Computer expenditures forecast, February 2019 National Economic Estimating Conference.
- U.S. Population (total and 65+), 3rd Quarter estimates, February 2019 National Economic Estimating Conference.
- Florida Population (total and 65+), 3rd Quarter estimates, February 2019 Demographic Estimating Conference.
- Estimates of Florida public school enrollment, February 2019 K-12 Enrollment Estimating Conference.
- Estimates of Florida private school enrollment, Private School Annual Report 2017-2018 (Florida Department of Education). Available at <http://www.fldoe.org/schools/school-choice/private-schools/annual-reports.stml>. Last accessed 1/28/2019.
- Estimates of Florida public and private college/university fall enrollment, Integrated Postsecondary Education Data System (National Center for Education Statistics). Available at [www.nces.ed.gov/ipeds](http://www.nces.ed.gov/ipeds). Estimates include Florida College System institutions, State Universities, career centers, and private institutions eligible to participate in the EASE or ABLE tuition assistance programs. Last accessed 1/28/2019.
- Tax collections by kind code, Florida Department of Revenue.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Sales and Use Tax

**Issue:** School Sales Tax Holiday, 5 Days, \$60 Clothing/\$15 Supplies/\$1,000 or Less Computers

**Bill Number(s):** CS/HB 7123 (Ch. 2019-42, L.O.F.)

- Department of Revenue. 2017 Back-to-School Sales Tax Holiday Tax Information Publication (TIP). Available at: [http://floridarevenue.com/taxes/tips/pdf/tip17a01-05\\_full\\_list.pdf](http://floridarevenue.com/taxes/tips/pdf/tip17a01-05_full_list.pdf). Last accessed 1/29/2019.

**Section 3: Methodology (Include Assumptions and Attach Details)**

Clothing/Shoes/Backpacks: Florida expenditures for clothing and shoes are derived from total national expenditures for clothing and shoes using Florida population (adjusted for ages 65+), and adjusted for an assumed percentage of non-taxed mail order items. The total Florida expenditures are converted to a 10-day amount and assume that 71% of the expenditures would be under the \$60 limit. For backpacks, it is assumed that 20% of students would purchase a backpack, and each backpack is assumed to cost \$25. Both the 71% and 20% assumptions are then decreased by 2.5 percentage points to reflect the dealer opt out provision. Using the base 10-day matrix (which is derived from a matrix developed to estimate the impact for a prior hurricane sales tax holiday) to spread expenditures levels by each day of the forecast period, the level of spending for a 5-day holiday is derived (=64.4% of the 10-day total). The 64.4% factor is applied to the sales tax portion of 10 days of spending to estimate the impact for the 5-day holiday.

School Supplies: For school supplies (excluding staplers), an amount of expenditures is assumed per student, by grade level, for 10 days, which is multiplied by the estimated number of students enrolled in public or private elementary and secondary schools, Florida Colleges, State Universities, public technical colleges/career centers, and private colleges/universities. The estimated total expenditure by students is increased for advantage business spending. It is assumed that 75% of expenditures would be under the \$15 limit. The 75% assumption is then decreased by 2.5 percentage points to reflect the dealer opt out provision.

*Staplers/Staples:* For staplers and staples, it is assumed that 10% of students will purchase an exempt stapler/staples at a price of \$9. The 10% assumption is then decreased by 2.5 percentage points to reflect the dealer opt out provision. The total expenditure by students is increased by a factor of 25% for advantage business spending.

The 64.4% factor is applied to the sales tax portion of 10 days of spending to estimate the impact for the 5-day holiday.

Computers: Florida expenditures are derived from total national expenditures for computers and peripherals using Florida population (adjusted for ages 65+), and adjusted for an assumed percentage of non-taxed online order items. The total Florida expenditures are adjusted for the percentage of expenditures assumed to occur during the third quarter of calendar year 2019 (=21.25%) and for the percentage of total expenditures assumed to be exempt (=54%). The 54% assumption is then decreased by 2.5 percentage points to reflect the dealer opt out provision. It is assumed that 30% of third quarter purchases would be made during the 10-day holiday period. The 64.4% factor is applied to the sales tax portion of 10 days of spending to estimate the impact for the 5-day holiday.

**Section 4: Proposed Fiscal Impact:** The impact is nonrecurring for FY 2019-20 only.

2019-20	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
Clothing/Shoes/Backpacks			(25.5 M)			
School Supplies			(5.5 M)			
Computers			(4.9 M)			
<b>Total</b>			<b>(35.9 M)</b>			

**List of affected Trust Funds:** Sales and Use Tax Grouping

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Sales and Use Tax

**Issue:** School Sales Tax Holiday, 5 Days, \$60 Clothing/\$15 Supplies/\$1,000 or Less Computers

**Bill Number(s):** CS/HB 7123 (Ch. 2019-42, L.O.F.)

**Section 5: Consensus Estimate (Adopted: 06/12/2019): The Conference adopted the proposed estimate.**

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	(31.8)	0.0	(Insignificant)	0.0	(1.1)	0.0	(3.0)	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2023-24	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	(5.8)	0.0	(9.9)	0.0	(41.7)	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	0.0	0.0	0.0	0.0	0.0	0.0
2022-23	0.0	0.0	0.0	0.0	0.0	0.0
2023-24	0.0	0.0	0.0	0.0	0.0	0.0



**CS/HB 7123**

**Sales Tax Holiday - Clothing, School Supplies, Computers**

**5 Days, August 2-6, 2019**

(NONRECURRING)

		2019-20	
Expenditure Type		PROPOSED	
1	Clothing & Shoes - \$60 or Less	\$ (25.5)	
2	School Supplies - \$15 or Less	\$ (5.5)	
3	Personal Computers and Related Accessories - \$1,000 or Less	\$ (4.9)	
3	<b>Total Impact</b>	<b>\$ (35.9)</b>	

*\*Estimates in millions of dollars*

**CS/HB 7123**  
**SALES TAX HOLIDAY - CLOTHING**

**5 Days**  
**\$60 Limit**

<b>2019-20</b>	<b><u>Proposed</u></b>
1 National Personal Expenditure on Clothing and Shoes	410,900.0
2 Florida Share based on Population Forecast	26,455.4
3 Florida Expenditures on Apparel & Shoes (adjusted for 65+)	25,296.7
4 Est. Florida-based Sales of Apparel & Shoes (10% mail order adj.)	22,767.0
5 Sales Tax at 6%	1,366.0
6 Exempted Amount (68.5% = 71% minus 2.5 dealer opt out)	935.7
7 Preliminary 10-day Fiscal Impact in Florida	(25.6)
8 Seasonal Factor set to <b>1 (no seasonal factor)</b>	1.0
9 Behavioral Factor based on New York History and Florida Experience	1.5
10 Adjusted 10-day Fiscal Impact in Florida	(38.5)
11 Backpacks (17.5% = 20% minus 2.5 dealer opt out x \$25/backpack)	(1.1)
12 <b>Total Impact 5 Day (64.4% Adjustment)</b>	<b>(\$25.5)</b>

CS/HB 7123  
SALES TAX HOLIDAY - SCHOOL SUPPLIES (Incl Staplers, Flash Drives)

**5 Days  
\$15 Limit**

2019-20

Row	Grade Level	Expenditures per Student	Number of Students	Total Expenditures
1	PreK	20.00	69,304	1.4
2	KG	20.00	235,840	4.7
3	1	20.00	236,175	4.7
4	2	20.00	236,765	4.7
5	3	25.00	251,811	6.3
6	4	27.00	240,740	6.5
7	5	27.00	246,629	6.7
8	6	32.00	257,723	8.2
9	7	32.00	251,086	8.0
10	8	32.00	254,464	8.1
11	9	35.00	252,576	8.8
12	10	35.00	245,319	8.6
13	11	35.00	231,317	8.1
14	12	35.00	221,615	7.8
15	<b>Total PK-12</b>		<b>3,231,366</b>	<b>92.7</b>
16	<b>Total HigherEd</b>	<b>36.00</b>	<b>1,033,687</b>	<b>37.2</b>
17	<b>Total All Students</b>		<b>4,265,053</b>	<b>129.9</b>
18	<b>Advantage Buying by Business, General Public</b>			
19	<b>25% Factor + 10% for Expanded List</b>			<b>45.5</b>
20	<b>School Supplies</b>		<b>Proposed</b>	
21	<b>Total Sales Tax for 10 Days (72.5% = 75% minus 2.5 dealer opt out)</b>		<b>(8.4)</b>	
22	<b>Staplers/Staples</b>			
23	# Student Purchasers (7.5% = 10% minus 2.5 dealer opt out)		319,879	
24	Price per Stapler/Staples		9.00	
25	Total Expenditures		2.9	
26	Advantage Buying by Business, General Public - 25% Factor		0.7	
27	<b>Total Sales Tax for 10 Days</b>		<b>(0.2)</b>	
28	<b>Total Sales Tax for 10 Days (School Supplies + Staplers/Staples)</b>		<b>(8.6)</b>	
29	<b>Total Impact 5 Day (64.4% Adjustment)</b>		<b>(5.5)</b>	

**CS/HB 7123**  
**SALES TAX HOLIDAY - COMPUTERS**

**5 Days**  
**\$1,000 or Less**

<b>2019-20</b>		<b><u>Proposed</u></b>
1	National Consumer Expenditures on Computers	67,100.0
2	Florida Share based on Population Forecast	4,320.2
3	Florida Expenditures on Computers (adjusted for 65+)	4,131.0
4	Estimated Florida-based Sales of Computers (7% e-commerce adj.)	3,841.8
5	Annual Sales Tax at 6%	230.5
6	CY Q1 Estimate (29.78%)	68.6
7	CY Q2 Estimate (23.50%)	54.2
8	CY Q3 Estimate (21.25%)	49.0
9	CY Q4 Estimate (25.47%)	58.7
10	Exempted Amount (51.5% = 54% minus 2.5 dealer opt out)	25.2
11	Q3 Purchases Made During 10-Day Holiday (55% - 30% - 25%)	7.6
13	<b>Total Impact 5 Day (64.4% Adjustment)</b>	<b>(\$4.9)</b>

## 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.

Weekdays add less to the impact.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	Calibrate to 12-day holiday	Calibrate to 10-day holiday
<b>Example:</b>	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	Wednesday		
14-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%	1.0%	1.0%	102.0%	105.2%
13-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%	1.0%	X	101.0%	104.1%
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%	X	X	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	X	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	X	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	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	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	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	X	X	64.5%	66.5%
5-Day Holiday	X	5.5%	35.0%	20.0%	1.0%	1.0%	X	X	X	X	X	X	X	X	62.5%	64.4%
4-Day Holiday	2.0%	5.5%	35.0%	20.0%	X	X	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	X	X	60.5%	62.4%
2-Day Holiday	X	X	35.0%	20.0%	X	X	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	X	X	35.0%	36.1%

## REVENUE ESTIMATING CONFERENCE

**Tax:** Sales and Use Tax

**Issue:** 0.2% rate reduction for Commercial Rent

**Bill Number(s):** CS/SB 7123 Enrolled

**Entire Bill**

**Partial Bill:** Section 5

**Sponsor(s):** Rep. Avila

**Month/Year Impact Begins:** January 1, 2020

**Date of Analysis:** May 14, 2019

### Section 1: Narrative

- a. Current Law:** Section 212.031 Provides for a tax levied in an amount equal to 5.7% of and on the total rent or license fee charged for the exercise of the taxable privilege of engaging in the business of renting, leasing, letting, or granting a license for the use of any real property unless the property is one of 13 specifically identified types of property.
- b. Proposed Change:** Reduces the tax levied on the taxable privilege of engaging in the business of renting, leasing, letting, or granting a license for the use of any real property from 5.7% to 5.5% effective January 1, 2020.

### Section 2: Description of Data and Sources

DOR Sales Tape for 2013, 2014, 2015, 2016 and 2017 Calendar Years

Monthly sales tax data set for the period 1/1/17 to 12/31/18

DR-15 Line 3.C. (Taxable Commercial Rent) or 4.C. (Tax on Commercial Rent).

DR-15EZ line 3 (Total Taxable Sales) and line 4 (Total Tax Collected)

Instructions for DR-15EZ read in part: "If you only report tax collected for the lease or rental of commercial property, you may file a DR-15EZ return."

Business Investment Growth Rates from March 2019 General Revenue Estimating Conference

Nonresidential Property Growth Rates from March 2019 Ad Valorem Assessment Estimating Conference

### Section 3: Methodology (Include Assumptions and Attach Details)

For 2013, those dealers who either were identified as Kind Code 82 – Lease or Rental of Real Property or as having positive amounts inform DR15 line 3.C. (Taxable Commercial Rent) or 4.C. (Tax on Commercial Rent). Those dealers that indicated Kind Code 82 were further broken into 5 groups:

KindCode 82 - Form DR15 With line 4C > 0

KindCode 82 - Form DR15 with line 4C = 0 multiplied by 50% as directed by REC

Kindcode 82 - Form DR15EZ

Kind Code 82 - No form ID with line 4C > 0

Kind Code 82 - No form ID with line 4C = 0

For all other years, the data file contained form information for all sales tax dealers. As a result, the data for entities registers as Kindcode 82 was broken into three groups:

KindCode 82 - Form DR15 With line 4C > 0

KindCode 82 - Form DR15 with line 4C = 0 multiplied by 50% as directed by REC

Kindcode 82 - Form DR15EZ

Additionally, the amount of taxable commercial rent reported on Form DR-15 line 3c for all sales tax dealers not in kind code 82 was identified for 2013, 2014, 2015, 2016 and 2017.

For those dealers that were Kind Code 82 and filed using form DR-15, taxable sales amounts for commercial rent were used to calculate the state 6% sales tax on commercial rent where the dealer had reported some amount on line 3.C. For those dealers in Kindcode 82 that either filed form DR-15EZ or filed DR-15 but did not report any tax on line 4.C., line 3 (Taxable Sales/Purchases) or line 3.A. (Taxable Sales) multiplied by the state 6% rate to calculate the state 6% sales tax collected on commercial rent.

For those dealers that were not in Kindcode 82 the amount reported on line 3.C. was multiplied by the state 6% rate to calculate the sales tax on commercial rent. **Note – the rate of 6% was used in this part of the analysis as the historic data through 2017 was all taxed at 6%**

## REVENUE ESTIMATING CONFERENCE

**Tax:** Sales and Use Tax

**Issue:** 0.2% rate reduction for Commercial Rent

**Bill Number(s):** CS/SB 7123 Enrolled

For the high estimate, nonresidential real property growth rates from the March 2019 Ad Valorem Assessments Estimating Conference were used to grow the 2017 values into the forecast period. For the low estimate, the observed growth rate from 2017 to 2018 discussed below in the middle methodology of 4.11% was used for all years in the forecast period. For the middle estimate, a dataset that included monthly data for 2017 and 2018 (through November activity) was used. The middle methodology will be discussed more below.

Calendar year amounts were converted to fiscal year amounts. The amount of tax that would have been generated were the tax rate 5.7% was calculated and converted to a fiscal year basis. The difference between the revenues generated at the 5.7% rate and those generated at the proposed 5.5% rate was calculated to determine the impact. As the effective date is January 1, 2020, the 2019-20 impact is assumed to be 5/12 of the annualized 2019-20 amount.

For the high methodology, the data from the DOR 2015, 2016 and 2017 Sales file was not adjusted. For the middle and low estimates, the amounts from the DOR sales file for those years were adjusted.

The reason for the adjustment is that in the processing of the returns, certain amounts reported on the return are recast in an effort to better characterize the data. For dealers in kind code 82 – Lease or Rental of Commercial Real Property that file the DR-15, if they file amounts only on one line and that line is not the commercial rent line, the department recast that return to show the tax remitted as being on the commercial rent line. This is referred to as “As Computed” data. Data that is in the form that was filed by the taxpayer is referred to as “As Filed” data. In order to evaluate the impact of this processing issue, a file consisting of both “As Filed” data and “As Computed” data was created on a monthly basis for Calendar year 2015. This file was analyzed to identify those entities that had reported taxable sales on a single line other than the commercial rent line “as filed” and that had reported sales on the commercial rent line “As Computed”.

Once those amounts that had been recast were identified, they were further examined. In order to evaluate these recast amounts, the department was directed to conduct an analysis of those entities that have a primary kind code of 82 but that have additional kind codes. A data set of those entities with multiple kind codes where 82 was the primary Kind code was generated. This dataset was merged with the dataset of monthly remittances that was used to identify the recast data. Of 57,102 entities with primary Kindcode 82 that filed on the DR-15, 3233 entities had multiple kind codes. The match identified that of the 3233 entities with multiple kind codes, 823 had their return recast as discussed above. The analysis requested was to identify those entities with multiple kind codes and then compare them to entities with the same multiple kind codes but who had not had their data recast. For those that had not been recast, the percent commercial rent represented on the return was calculated. This percent was then applied to entities that had multiple kind codes and had been recast to create an amount that is assumed to be commercial rent. For the middle and low estimates, the entire recast amount was initially assumed not to be commercial rent. The amounts for those recast entities that did not have multiple Kindcode was added to the impact total absent the recast entities’ amounts. Finally, the amount that resulted from the analysis of those entities with multiple kind codes and the percentage from like entities that had not been recast was added to the impact total.

As discussed above, this adjustment was determined using 2015 Calendar year data. For this analysis, the analysis was not replicated to adjust data from the 2017 sales tape. Instead, the 2017 commercial rent amount was reduced for the middle and low estimates to reflect the same percentage adjustment for the middle and low estimate as was made using the 2015 data in the analysis performed in a prior session.

Middle Methodology – for the middle estimate, data was obtained by applied month for calendar year 2017 and 2018. As the tax rate was 5.8% starting January 1, 2017, there was some expectation that the reporting behavior might change once the commercial rent rate was different than the general sales tax rate. This does seem to have been the case.

For 2017 and 2018, the dealers that either were registered as kind code 82 or had amounts on the commercial rent line were broken in the following 4 groups:

Kindcode 82 - Form DR15 With line 4C > 0

Kindcode 82 - Form DR15 with line 4C = 0

Kindcode 82 - Form DR15EZ

Not Kindcode 82 with line 4c > 0

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Sales and Use Tax

**Issue:** 0.2% rate reduction for Commercial Rent

**Bill Number(s):** CS/SB 7123 Enrolled

Total amounts for each of these groups was calculated monthly. It was immediately recognized that the more disaggregated analysis for 2017 produced different amounts for the four groups than the analysis conducted on a monthly basis. In particular, the Kindcode 82 - Form DR15 with line 4C = 0 group and the Kindcode 82 - Form DR15EZ group were both significantly higher than produced in the analysis that had annual data only. For the Kindcode 82 - Form DR15 with line 4C = 0 group, a likely explanation for the differences is that for the annual file, a dealer that reported only an amount in the taxable sales in a single month but reported taxable commercial rent in another month would not be included in this group once those months were combined. For the Kindcode 82 - Form DR15EZ group, a likely explanation is that the dealer filed in certain months on the DR15EZ and certain months on the DR15. If the record got picked up as on the DR 15EZ in the annual file, there would be no impact, but if the dealer got picked up as DR15 in the annual file, the commercial rent that had come in on the taxable sales line for those months the DR15-EZ was used would not have been picked up in the analysis using only calendar year data.

The analyst recommends that the conference use only three of the groups from the analysis using monthly data. Those groups are:  
Kindcode 82 - Form DR15 With line 4C > 0

Kindcode 82 - Form DR15EZ

Not Kindcode 82 with line 4c > 0

Additionally, the amount from these three groups was reduced using the reduction factor for recast rent discussed above.

The amount of commercial rent from these three groups was computed for the period January to December 2017 and compared to the amount of commercial rent from these three groups for the period January to December 2018 to determine the rate of growth. this rate of 4.11% was then applied to the 2017 annual amount for these three groups of \$1,693,326,471 to approximate the amount of commercial rent at 6% for 2018. This amount was then grown by 4.11% for all future periods. At this point the collections at 6% are converted to collections at 5.7% and then converted from calendar year to state fiscal year amounts. Finally, these calendar year amounts are converted to the 5.5% rate and then compared to the 5.7% rate to obtain the middle estimate.

For the cash impact, an analysis has done of the effective tax rate by county by month for 2017 and 2018. The effective rates above 12% were excluded. Average effective rates were reduced by the local option tax in place to provide comparable state rates. The effective rates for December of 2017 and December of 2018 were compared to the other effective rates for 2017 and 2018 by county by month. For almost all counties, the December 2017 effective rate was the lowest for 2017. For numerous counties, the 2018 effective rate was the lowest for 2018. The amount that December 2017 was lower than the average for the other 12 months was approximately 0.1% in terms of rate, which was half of the rate reduction. For the cash, the rate reduction was assumed to be for 5.75 months.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	(\$31.3 M)	(\$65.4 M)	(\$30.9 M)	(\$64.5 M)	(\$30.8 M)	(\$64.4 M)
2020-21	(\$68.6 M)	(\$68.6 M)	(\$67.7 M)	(\$67.7 M)	(\$67.6 M)	(\$67.6 M)
2021-22	(\$71.8 M)	(\$71.8 M)	(\$71.1 M)	(\$71.1 M)	(\$71.0 M)	(\$71.0 M)
2022-23	(\$75.1 M)	(\$75.1 M)	(\$74.7 M)	(\$74.7 M)	(\$74.6 M)	(\$74.6 M)
2023-24	(\$78.5 M)	(\$78.5 M)	(\$78.4 M)	(\$78.4 M)	(\$78.4 M)	(\$78.4 M)

**List of affected Trust Funds:** Sales and Use Tax Group

**Section 5: Consensus Estimate (Adopted: 06/12/019): The Conference adopted the middle estimate.**

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	(27.4)	(57.1)	(Insignificant)	(Insignificant)	(0.9)	(1.9)	(2.6)	(5.5)
2020-21	(60.0)	(60.0)	(Insignificant)	(Insignificant)	(2.0)	(2.0)	(5.7)	(5.7)
2021-22	(63.0)	(63.0)	(Insignificant)	(Insignificant)	(2.1)	(2.1)	(6.0)	(6.0)
2022-23	(66.2)	(66.2)	(Insignificant)	(Insignificant)	(2.2)	(2.2)	(6.3)	(6.3)
2023-24	(69.4)	(69.4)	(Insignificant)	(Insignificant)	(2.3)	(2.3)	(6.7)	(6.7)



**REVENUE ESTIMATING CONFERENCE**

**Tax:** Sales and Use Tax

**Issue:** 0.2% rate reduction for Commercial Rent

**Bill Number(s):** CS/SB 7123 Enrolled

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	0.0	0.0	(3.5)	(7.4)	(30.9)	(64.5)
2020-21	0.0	0.0	(7.7)	(7.7)	(67.7)	(67.7)
2021-22	0.0	0.0	(8.1)	(8.1)	(71.1)	(71.1)
2022-23	0.0	0.0	(8.5)	(8.5)	(74.7)	(74.7)
2023-24	0.0	0.0	(9.0)	(9.0)	(78.4)	(78.4)

	A	B	C	D	E	F	G	H
1	Calendar Year 2017	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts		
2	KindCode 82 - Form DR15 With line 4C > 0		\$17,037,147,659		\$1,022,228,860	57,591		
3	KindCode 82 - Form DR15 with line 4C = 0	\$687,645,007		\$41,258,700		8,795		
4	Kindcode 82 - Form DR15EZ	\$9,051,723,172		\$543,103,390		73,350		
5	Kind Code 82 - No form ID with line 4C > 0			\$0	\$0			
6	Kind Code 82 - No form ID with line 4C = 0			\$0	\$0			
7	Dealers with Commercial rental tax not in kindcode 82	\$29,428,369,853	\$1,856,008,940		\$111,360,536	10,637		
8								
9	Statewide 2017			\$563,732,740.53	\$1,133,589,396	150,373		
10								
11	Calendar Year 2016	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts		
12	KindCode 82 - Form DR15 With line 4C > 0	\$811,758,617	\$15,791,526,687		\$947,491,601	50,842		
13	KindCode 82 - Form DR15 with line 4C = 0	\$287,479,340		\$17,248,760		7,574		
14	Kindcode 82 - Form DR15EZ	\$9,369,223,863		\$562,153,432		81,915		
15	Kind Code 82 - No form ID with line 4C > 0	\$0	\$0	\$0	\$0	0		
16	Kind Code 82 - No form ID with line 4C = 0	\$0	\$0	\$0	\$0	0		
17	Dealers with Commercial rental tax not in kindcode 82	\$28,862,679,930	\$1,788,829,843		\$107,329,791	8,940		
18								
19	Statewide 2016		\$17,580,356,530	\$579,402,192	\$1,054,821,392	149,271		
20								
21	Calendar Year 2015	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts		
22	KindCode 82 - Form DR15 With line 4C > 0	\$608,264,217	\$14,816,872,568		\$889,012,354	48,689		
23	KindCode 82 - Form DR15 with line 4C = 0	\$276,925,549		\$16,615,533		8,078		
24	Kindcode 82 - Form DR15EZ	\$9,703,296,086		\$582,197,765		87,625		
25	Kind Code 82 - No form ID with line 4C > 0	\$0	\$0	\$0	\$0	0		
26	Kind Code 82 - No form ID with line 4C = 0	\$0	\$0	\$0	\$0	0		
27	Dealers with Commercial rental tax not in kindcode 82	\$25,033,351,388	\$1,424,118,566		\$85,447,114	8,606		
28								
29	Statewide 2015			\$598,813,298	\$974,459,468	152,998		
30								

	A	B	C	D	E	F	G	H
31	Calendar Year 2014	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts		
32	KindCode 82 - Form DR15 With line 4C > 0	\$537,440,074	\$13,075,756,344		\$784,545,381	42,923		
33	KindCode 82 - Form DR15 with line 4C = 0	\$369,105,345		\$22,146,321		6,158		
34	Kindcode 82 - Form DR15EZ	\$9,969,543,929		\$598,172,636		90,846		
35	Kind Code 82 - No form ID with line 4C > 0	\$0	\$0	0	\$0	0		
36	Kind Code 82 - No form ID with line 4C = 0	\$0		\$0		0		
37	Dealers with Commercial rental tax not in kindcode 82	\$23,876,968,994	\$1,147,816,198		\$68,868,972	7,699		
38								
39	Statewide 2014			\$620,318,956	\$853,414,352	147,626		
40								
41								
42	Calendar Year 2013	Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Taxable Sales Reported on line 3C- Commercial Rentals	Sales Tax at 6% rate applied to Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ)	Sales Tax at 6% rate applied to line 3C- Commercial Rentals	Number of Accounts		
43	KindCode 82 - Form DR15 With line 4C > 0	\$668,576,684	\$9,187,064,349		\$551,223,861	31,248		
44	KindCode 82 - Form DR15 with line 4C = 0	\$411,980,060		\$24,718,804		2,954		
45	Kindcode 82 - Form DR15EZ	\$10,219,270,436		\$613,156,226		90,719		
46	Kind Code 82 - No form ID with line 4C > 0	\$120,898,245	\$2,626,883,968		\$157,613,038	10,001		
47	Kind Code 82 - No form ID with line 4C = 0	\$84,173,669		\$5,050,420		2,435		
48	Dealers with Commercial rental tax not in kindcode 82	\$20,940,595,250	\$1,166,438,863		\$69,986,332	7,699		
49								
50	Statewide 2013			\$642,925,450	\$778,823,231	145,056		
51								
52								
53	Analysis of Recast Commercial Rent (Low Estimate)		Taxable Amounts					
54			Totals	Amounts to add back				
55	Total Recast Commercial Rent (DR-15 filers only)- 2015		\$4,684,175,711					
56	Total Recast that are only kindcode 82			\$4,481,054,382				
57	Total recast that have multiple kindcodes		\$203,121,329					
58	portion of C41 that is assumed commercial rent by like analysis			\$111,631,023				
59	Total amount (taxable Commercial rent) to add back			\$4,592,685,405				
60	tax amount to add back			\$275,561,124				
61								
62								

Reduction factor for recast Commercial Rent
99.76%

	A	B	C	D	E	F	G	H
63			High Estimate	Middle Estimate	Low Estimate			
64			Sales Tax With Cell D3 reduced by half @ NonResidential Property Growth Rate	Sales Tax from monthly analysis from 2017 (Recommended Amount for 2017)	Sales Tax With Cell D3 reduced by half @ Low Growth Rate - adjusted for recast commercial rent	Implied Business Investment Growth Rate (GR-REC 3/19)	NonResidential Property Growth Rate - 3/2019 Ad Valorem Assessments Estimating Conference	Middle and Low Growth Rates
65	Total Estimated State Sales Tax - Commercial Rent	2013	\$1,408,103,037					
66		2014	\$1,462,660,149					3.87%
67		2015	\$1,564,965,000		\$1,559,475,581			6.99%
68		2016	\$1,625,599,204		\$1,619,897,099			3.87%
69		2017	\$1,697,322,136	\$1,693,326,471	\$1,691,368,450		6.99	4.41%
70		2018	\$1,809,345,397	\$1,796,058,445	\$1,793,981,633	7.60	6.6	6.07%
71		2019	\$1,914,287,431	\$1,886,400,185	\$1,884,218,909	8.20	5.8	5.03%
72		2020	\$2,010,193,231	\$1,981,286,114	\$1,978,995,120	4.10	5.01	5.03%
73		2021	\$2,104,672,313	\$2,080,944,806	\$2,078,538,575	2.70	4.70	5.03%
74		2022	\$2,202,329,108	\$2,185,616,329	\$2,183,089,065	2.60	4.64	5.03%
75		2023	\$2,303,195,781	\$2,295,552,831	\$2,292,898,445	2.40	4.58	5.03%
76		2024	\$2,407,300,230	\$2,411,019,138	\$2,408,231,237	2.30	4.52	5.03%
77								
78								
79	Calendar Year		High Estimate	Middle Estimate	Low Estimate			
80	Estimated Sales tax at 5.7%	2018	\$1,718,878,128	\$1,706,255,523	\$1,704,282,552			
81		2019	\$1,818,573,059	\$1,792,080,176	\$1,790,007,964			
82		2020	\$1,909,683,569	\$1,882,221,808	\$1,880,045,364			
83	Existing Rate	2021	\$1,999,438,697	\$1,976,897,565	\$1,974,611,646			
84	5.70%	2022	\$2,092,212,653	\$2,076,335,513	\$2,073,934,612			
85		2023	\$2,188,035,992	\$2,180,775,189	\$2,178,253,523			
86		2024	\$2,286,935,219	\$2,290,468,181	\$2,287,819,675			
87								
88		Sales Tax @ 5.7%	High Estimate	Middle Estimate	Low Estimate			
89	Calendar Year to Fiscal Year conversion - 5.7%	2018-19	\$1,768,725,593	\$1,749,167,849	\$1,747,145,258			
90		2019-20	\$1,864,128,314	\$1,837,150,992	\$1,835,026,664			
91		2020-21	\$1,954,561,133	\$1,929,559,687	\$1,927,328,505			
92		2021-22	\$2,045,825,675	\$2,026,616,539	\$2,024,273,129			
93		2022-23	\$2,140,124,322	\$2,128,555,351	\$2,126,094,068			
94		2023-24	\$2,237,485,605	\$2,235,621,685	\$2,233,036,599			
95								

	A	B	C	D	E	F	G	H
96								
97		Sales Tax @ 5.5%	High Estimate	Middle Estimate	Low Estimate			
98	Estimated Revenues at 5.5% - State Fiscal Year	2019-20	\$1,798,720,303	\$1,772,689,554	\$1,770,639,764			
99		2020-21	\$1,885,980,041	\$1,861,855,838	\$1,859,702,944			
100	New Rate	2021-22	\$1,974,042,318	\$1,955,507,187	\$1,953,246,002			
101	5.50%	2022-23	\$2,065,032,241	\$2,053,869,198	\$2,051,494,276			
102		2023-24	\$2,158,977,339	\$2,157,178,819	\$2,154,684,438			
103								
104								
105								
106			High Estimate	Middle Estimate	Low Estimate			
107			Sales Tax With Cell D3 reduced by half @ Commercial Property Growth Rate	Sales Tax With Cell D3 reduced by half @ Investment Growth Rate - adjusted for recast commercial rent	Sales Tax With Cell D3 reduced by half @ Low Growth Rate - adjusted for recast commercial rent			
108		2019-20 Cash	-\$31,341,339	-\$30,887,773	-\$30,852,056			
109		2019-20	-\$65,408,011	-\$64,461,438	-\$64,386,900			
110		2020-21	-\$68,581,092	-\$67,703,849	-\$67,625,562			
111		2021-22	-\$71,783,357	-\$71,109,352	-\$71,027,127			
112		2022-23	-\$75,092,081	-\$74,686,153	-\$74,599,792			
113		2023-24	-\$78,508,267	-\$78,442,866	-\$78,352,161			
114								
115								
116								