

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Sales and Use Tax

**Issue:** Tax collection enforcement diversion program

**Bill Number(s):** Proposed language

**Entire Bill**

**Partial Bill:**

**Sponsor(s):**

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

**Date of Analysis:** January 24, 2020

**Section 1: Narrative**

- a. **Current Law:** Under current law, Section 413.4021, F.S. requires 50 percent of the revenues collected from the tax collection enforcement diversion program to be deposited into the special reserve account of the Florida Association of Centers for Independent Living.
- b. **Proposed Change:** Section 413.4021, F.S. is amended to deposit 75 percent of the revenues collected from the tax collection enforcement diversion program into the special reserve account of the Florida Association of Centers for Independent Living (FACIL).

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

- REC - Tax Collection Enforcement Diversion Program, January 23, 2020.

**Section 3: Methodology**

The Revenue Estimating Conference adopts a forecast by fiscal year for the entire amount collected from the tax collection enforcement diversion program. The most recent forecast estimates that FY 2019-20 collections will be 4,079,391. Currently, 50 percent of this amount goes to the General Revenue fund. The currently adopted forecast for the entire amount collected is shown below:

	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Estimated tax collections	4,079,391	3,961,115	3,846,268	3,734,750	3,626,467	3,521,322

**Impact**

General Revenue		990,278	961,566	933,687	906,616	880,330
FACIL		2,970,836	2,884,700	2,801,062	2,719,849	2,640,991
<b>Loss to Sales Tax</b>		<b>(990,278)</b>	<b>(961,566)</b>	<b>(933,687)</b>	<b>(906,616)</b>	<b>(880,330)</b>

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			(1.0)	(1.0)		
2021-22			(1.0)	(1.0)		
2022-23			(0.9)	(0.9)		
2023-24			(0.9)	(0.9)		
2024-25			(0.9)	(0.9)		

**List of affected Trust Funds:** Sales and Use Tax Grouping – General Revenue only

**Section 5: Consensus Estimate (Adopted: 01/24/2020): The Conference adopted the proposed estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(1.0)	(1.0)	0.0	0.0	0.0	0.0	(1.0)	(1.0)
2021-22	(1.0)	(1.0)	0.0	0.0	0.0	0.0	(1.0)	(1.0)
2022-23	(0.9)	(0.9)	0.0	0.0	0.0	0.0	(0.9)	(0.9)
2023-24	(0.9)	(0.9)	0.0	0.0	0.0	0.0	(0.9)	(0.9)
2024-25	(0.9)	(0.9)	0.0	0.0	0.0	0.0	(0.9)	(0.9)

## REVENUE ESTIMATING CONFERENCE

**Tax:** Sales and Use Tax

**Issue:** Camping, Fishing and Hunting Sales Tax Holiday

**Bill Number(s):** HB777

**Entire Bill**

**Partial Bill:** Section 4

**Sponsor(s):** Representative Gregory

**Month/Year Impact Begins:** Collections September 2020, Impact October 2020

**Date of Analysis:** January 15, 2020

### Section 1: Narrative

- a. **Current Law:** Sales tax is collected on the purchase of fishing equipment, camping supplies and firearms and ammunition.
- b. **Proposed Change:** Creates a one day sales tax holiday September 5, 2020. Exempts firearms (defined as rifles, shotguns, spearguns, crossbows, and bows), ammunition for firearms, and fishing supplies (defined as rods, reels, bait and fishing tackle), and camping tents. The language excludes supplies used for commercial fishing purposes and this exemption does not apply to sales within theme parks, entertainment complexes, lodging establishments or airports.

If the items comprise less than 5% of dealer's gross sales, the dealer may opt out of providing the tax exemption.

### Section 2: Description of Data and Sources

BLS Consumer Expenditure Data

2017 American Camper Report

US Fish and Wildlife

ASA Fishing

US BATF and NCIS Firearm Data

NSSF Testimony at Assault Weapons FIEC 2019

FWC License Data

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

The Department of Revenue expressed the need for clarity on the definition of ammunition for firearms as Section 790.001 defines ammunition as consisting of:

- A fixed metallic or nonmetallic hull or casing containing a primer.
- One or more projectiles, one or more bullets, or shot.
- Gunpowder.

This definition appears to exclude spears for spearguns, bolts for crossbows and arrows for bows. The impact assumes that the language will be corrected and include these items under ammunition.

For the impact, estimated the annual purchases of:

Rifles

Shotguns

Ammunition

Spearguns, Crossbows and Bows, Spears, Arrows and Bolts

Rods, Reels, Bait and Fishing Tackle

Camping Tents

The last Florida specific survey of Fishing, Hunting and Wildlife-Associated Recreation was published in 2011. Used the 2016 National Expenditures survey for growth rates.

Assumed fishing "tackle" could refer to anything that could be used to catch fish.

To estimate September sales:

- Used Florida specific background checks for long guns for rifle and shotgun purchases.
- Use FWC sales of fishing and archery licenses for fishing gear and bows/crossbows purchases.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Sales and Use Tax

**Issue:** Camping, Fishing and Hunting Sales Tax Holiday

**Bill Number(s):** HB777

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(\$1.5m)		(\$3.1m)		(\$4.6m)	
2021-22						
2022-23						
2023-24						
2024-25						

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

**Section 5: Consensus Estimate (Adopted: 01/17/2020 – REVISED 01/24/2020):** The Conference adopted an adjusted impact that assumed the proposed September purchases except for fishing gear and spearguns, no impact from opt-out option and the middle for spending behavior (14 days).

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(3.2)	0.0	(Insignificant)	0.0	(0.1)	0.0	(0.3)	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
2024-25	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
2020-21	(0.5)	0.0	(1.0)	0.0	(4.2)	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
2024-25	0.0	0.0	0.0	0.0	0.0	0.0

HB777 - Fishing and Hunting and Camping Holiday, September 5, 2020

**SUMMARY**

	2020 Annual Expenditures	Low	Middle	High	Adopted
Rifles, Shotguns	\$ 281.2	\$ 281.2	\$ 281.2	\$ 281.2	\$ 281.2
Ammunition	\$ 269.4	\$ 269.4	\$ 269.4	\$ 269.4	\$ 269.4
Rods, Reels, Bait, Tackle	\$ 1,042.1	\$ 1,042.1	\$ 1,042.1	\$ 1,042.1	\$ 1,042.1
Spearguns	Included above	Included above			
Crossbows and Bows (including bolts and arrows)	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4
Tents	\$ 18.1	\$ 18.1	\$ 18.1	\$ 18.1	\$ 18.1
<b>Florida Expenditures</b>	<b>\$ 1,612.2</b>	<b>\$ 1,612.2</b>	<b>\$ 1,612.2</b>	<b>\$ 1,612.2</b>	

	September Purchases	September	Adopted
Rifles, Shotguns	Long Gun Background Check	8.1%	8.1%
Ammunition	Long Gun Background Check	8.1%	8.1%
Rods, Reels, Bait, Tackle	FWC Fishing License Sales	6.4%	8.3%
Spearguns	FWC Fishing License Sales	6.4%	0.0%
Crossbows and Bows (including bolts and arrows)	FWC Archery License Sales	17.0%	17.0%
Tents	1/12	8.3%	8.3%

September 2020 Purchases	Low	Middle	High	Adopted
Rifles, Shotguns	\$ 22.8	\$ 22.8	\$ 22.8	\$ 22.77
Ammunition	\$ 21.8	\$ 21.8	\$ 21.8	\$ 21.81
Rods, Reels, Bait, Tackle	\$ 66.6	\$ 66.6	\$ 66.6	\$ 86.84
Spearguns	Included above			\$ -
Crossbows and Bows (including bolts and arrows)	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.24
Tents	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.51
	<b>\$ 112.9</b>	<b>\$ 112.9</b>	<b>\$ 112.9</b>	<b>\$ 133.2</b>

	Low	Middle	High	Adopted
Opt out for Vendors	3.00%	2.50%	2.00%	0.00%

**September 2020 Purchases \$ 109.6 \$ 110.1 \$ 110.7 \$ 133.2**

Convert to 1 Day(/30 days) \$ 3.7 \$ 3.7 \$ 3.7 \$ 4.4

	Low	Middle	High	Adopted
Spending Behavior (Days)	<u>7</u>	<u>14</u>	<u>21</u>	<u>14</u>
	\$ 25.6	\$ 51.4	\$ 77.5	\$ 62.1

**Sales Tax at 6% \$ 1.5 \$ 3.1 \$ 4.6 \$ 3.7**

### **NICS Firearm Background Checks - Florida**

#### **Long Gun**

<b>2019</b>	225,560
<b>2018</b>	241,875
<b>2017</b>	278,618
<b>2016</b>	316,232
<b>2015</b>	277,768
<b>2014</b>	274,733

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6 Year Average	<b>269,131</b>
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### **ANNUAL FIREARMS MANUFACTURING AND EXPORT REPORT (ATF) - US**

	<b>Rifles</b>	<b>Shotguns</b>	<b>Total</b>
<b>2018 Interim</b>	2,846,757	535,994	3,382,751
<b>2017</b>	2,504,092	653,139	3,157,231
<b>2016</b>	4,239,335	848,617	5,087,952
<b>2015</b>	3,691,799	777,273	4,469,072
<b>2014</b>	3,379,549	935,411	4,314,960

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5 Year Average	<b>81.6%</b>	<b>18.4%</b>
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### **Assumed FL Sales of Rifles and Shotguns Based on Manufacturing Breakout and FL**

#### **Background Checks**

	<b>Rifles</b>	<b>Shotguns</b>
<b>2019</b>	184,116	41,444
<b>2018</b>	197,434	44,441
<b>2017</b>	227,426	51,192
<b>2016</b>	258,128	58,104
<b>2015</b>	226,732	51,036
<b>2014</b>	224,254	50,479

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6 Year Average	<b>219,682</b>	<b>49,449</b>
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Average Price (source: NSSF)	\$1,100	\$800
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	<b>Rifles</b>	<b>Shotguns</b>	<b>Total</b>
Total Sales	\$ 241,649,836	\$ 39,559,464	\$ <b>281,209,301</b>

### **Ammunition Sales**

Products Segmentation for Gun and Ammo Store Revenue (source: IBISWorld)

		<b>Total Sales/19.1%</b>
Rifles & Shotguns:	19.10%	\$ 1,472,300,004
		\$1,472,300,004 * 18.30%
Ammunition	18.30%	\$ 269,430,901

**Rods, Reels, Bait and Fishing Tackle; Spearguns**

2011 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation - Florida

Table 19. Expenditures in Florida by State Residents and Nonresidents Combined for Fishing: 2011

EQUIPMENT AND OTHER EXPENDITURES  
PRIMARILY FOR FISHING

	Expenditures	
	<i>(1000s \$)</i>	
Total, all items	\$	4,629,202
Other trip costs, total	\$	1,337,423
Bait	\$	273,639
Fishing equipment, total	\$	600,093
Reels, rods, and rod-making components	\$	279,417
Lines, hooks, sinkers, etc	\$	139,316
Artificial lures and flies	\$	66,180
Creels, stringers, fish bags, landing nets, and gaff hooks	\$	13,269
Minnow seines, traps, and bait containers	\$	9,313
Other fishing equipment (1)	\$	92,598

(1) - Includes electronic fishing devices (depth finders, fish finders, etc.), tackle boxes, ice fishing equipment, and other fishing equipment. Includes spearfishing equipment.

<b>2011</b>	<i>(1000s \$)</i>	
<b>Total Impact (Fishing Equipment + Bait)</b>	\$	873,732
Grow to 2020		
National Expenditures	2011	2016
Fishing Equipment	41.8 billion	46.1 billion
Average annual growth	2.0%	
Grow 2011 to 2020	<b>2020</b>	
<b>Total Impact (Fishing Equipment + Bait)</b>	\$	1,042,132
convert to millions	\$	1,042.1

**CrossBows & Bows, Arrows & Bolts**

2016 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation  
 Table 17: Expenditures for Hunting 2016

EQUIPMENT EXPENDITURES

	Expenditures	
	<i>(1000s \$)</i>	
Hunting equipment, total	\$	7,383,871
Firearms	\$	2,913,826
Bows, arrows, archery equipment	\$	23,201
	<b>2016</b>	<i>(1000s \$)</i>
Bows, arrows, archery equipment	\$	23,201
<b>% bows and crossbows, arrows and bolts</b>		95.0%
Florida Share		6.57%
	\$	1,448.1
convert to millions	\$	1.45
Grow to 2020		
National Expenditures	2011	2016
Hunting Equipment (1000s)	\$ 7,738,324	\$ 7,383,871
Average annual growth	-0.9%	
Grow 2016 to 2020	<b>2020</b>	
Florida Share Bows and Crossbows	\$	1,395
convert to millions	\$	1.39

Source: Outdoor Industry

U.S. Camping Equipment Sales

Tents & Shelters

2011 \$ 196,469,510

2012 \$ 223,384,259

2020 \$ 275,041,816

FL Share 6.57%

2020

FL Tent/Shelter Sales \$ 18,070,247

Camping equipment wholesale sales in the U.S. from 2007 to 2018 (in million U.S. dollars)

Tents/Shelters

Source: SFIA

2011 \$ 282.0

2012 \$ 287.6

2013 \$ 296.4

2014 \$ 335.6

2015 \$ 340.1

2016 \$ 349.6

2017 \$ 326.9

2018 \$ 338.3

2.6% Average Annual Growth



**Residential and Nonresidential Licenses  
Archery Licenses (Annual & 5 Year)**

	Jan	Feb	March	April	May	June	July	August	Sep	Oct	Nov	Dec	Total
2015-2019 average	4,158	4,368	5,327	4,452	5,796	6,300	6,483	6,344	15,010	12,084	11,430	6,567	88,318

17.0%

**Saltwater and Freshwater Fishing Licenses**

	Jan	Feb	March	April	May	June	July	August	Sep	Oct	Nov	Dec	Total
2015-2019 average	89,566	98,634	132,602	129,203	147,628	154,255	183,349	114,083	88,992	79,594	87,464	86,784	1,392,154

6.4%

**NICS Firearm Background Checks - Florida Monthly  
Long Gun Background Checks**

	Jan	Feb	March	April	May	June	July	August	Sep	Oct	Nov	Dec	
2019	18,749	17,833	19,429	15,125	14,214	13,576	13,570	18,910	18,261	19,816	24,497	31,580	
2019-%	8.3%	7.9%	8.6%	6.7%	6.3%	6.0%	6.0%	8.4%	8.1%	8.8%	10.9%	14.0%	100.0%

## REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Discretionary Millage Extension

Bill Number(s): [SB 1034](#)

Entire Bill

Partial Bill:

Sponsor(s): Senator Montford

Month/Year Impact Begins: July 1, 2020

Date of Analysis: January 24, 2020

### Section 1: Narrative

#### a. Current Law:

Section 1011.71 (9), F.S., states: "In addition to the maximum millage levied under this section and the General Appropriations Act, a school district may levy, by local referendum or in a general election, additional millage for school operational purposes up to an amount that, when combined with nonvoted millage levied under this section, does not exceed the 10-mill limit established in s. 9(b), Art. VII of the State Constitution. Any such levy shall be for a maximum of 4 years and shall be counted as part of the 10-mill limit established in s. 9(b), Art. VII of the State Constitution. For the purpose of distributing taxes collected pursuant to this subsection, the term "school operational purposes" includes charter schools sponsored by a school district. Millage elections conducted under the authority granted pursuant to this section are subject to s. 1011.73. Funds generated by such additional millage do not become a part of the calculation of the Florida Education Finance Program total potential funds in 2001-2002 or any subsequent year and must not be incorporated in the calculation of any hold-harmless or other component of the Florida Education Finance Program formula in any year. If an increase in required local effort, when added to existing millage levied under the 10-mill limit, would result in a combined millage in excess of the 10-mill limit, any millage levied pursuant to this subsection shall be considered to be required local effort to the extent that the district millage would otherwise exceed the 10-mill limit. Funds levied under this subsection shall be shared with charter schools based on each charter school's proportionate share of the district's total unweighted full-time equivalent student enrollment and used in a manner consistent with the purposes of the levy. The referendum must contain an explanation of the distribution methodology consistent with the requirements of this subsection.

#### b. Proposed Change:

SB 1034 amends subsection (9) to read: "In addition to the maximum millage levied under this section and the General Appropriations Act, a school district may levy, by local referendum or in a general election, additional millage for school operational purposes up to an amount that, when combined with nonvoted millage levied under this section, does not exceed the 10-mill limit established in s. 9(b), Art. VII of the State Constitution. Any such levy must shall be for a maximum of 10 4 years and must shall be counted as part of the 10-mill limit established in s. 9(b), Art. VII of the State Constitution. For the purpose of distributing taxes collected pursuant to this subsection, the term "school operational purposes" includes charter schools sponsored by a school district. Millage elections conducted under the authority granted pursuant to this section are subject to s. 1011.73. Funds generated by such additional millage do not become a part of the calculation of the Florida Education Finance Program total potential funds and may in 2001-2002 or any subsequent year and must not be incorporated in the calculation of any hold-harmless or other component of the Florida Education Finance Program formula in any year. If an increase in required local effort, when added to existing millage levied under the 10-mill limit, would result in a combined millage in excess of the 10-mill limit, any millage levied pursuant to this subsection must shall be considered to be required local effort to the extent that the district millage would otherwise exceed the 10-mill limit. Funds levied under this subsection shall be shared with charter schools based on each charter school's proportionate share of the district's total unweighted full-time equivalent student enrollment and used in a manner consistent with the purposes of the levy. The referendum must contain an explanation of the distribution methodology consistent with the requirements of this subsection.

"Section 2. Subsection (2) of section 1011.73, Florida Statutes, is amended to read:

"1011.73 District millage elections.—

"(2) MILLAGE AUTHORIZED NOT TO EXCEED 10 4 YEARS.—The district school board, pursuant to resolution adopted at a regular meeting, shall direct the county commissioners to call an election at which the electors within the school district may approve an ad valorem tax millage as authorized under s. 1011. 71 (9). Such election may be held at any time, except that not more than one such election may shall be held during any 12-month period. Any millage so authorized must shall be levied for a period not to exceed 10 in excess of 4 years or until changed by another millage election, whichever is earlier. If any such election is invalidated by a court of competent jurisdiction, such invalidated election must shall be considered not to have been held.

"Section 3. This act shall take effect July 1, 2020."

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Ad Valorem

**Issue:** Discretionary Millage Extension

**Bill Number(s):** [SB 1034](#)

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

Reported DR-422 PreVAB Taxable Values for 2009-2018, from Property Tax Oversight office

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

Because the number of counties that would enact 10-year levies that otherwise wouldn't have levied consecutive 4-year levies cannot be predicted, the impact of this bill is indeterminate.

Please see attached spreadsheet for historical data (2009-2018) of counties that enacted 4-year levies.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			0/**	0/**		
2021-22			0/**	0/**		
2022-23			0/**	0/**		
2023-24			0/**	0/**		
2024-25			0/**	0/**		

**List of affected Trust Funds:** Ad Valorem

**Section 5: Consensus Estimate (Adopted: 01/24/2020): The Conference adopted the proposed estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
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/**
2024-25	0.0	0.0	0.0	0.0	0/**	0/**	0/**	0/**

			2009	
County Number	County School Districts	First Levy Year	Additional Voted Millage	422 Total Taxable Value
11	Alachua	2009	1.0000	13,636,990,894
16	Broward	2019	0.0000	158,679,638,666
18	Charlotte	2019	0.0000	16,777,795,280
20	Clay	2019	0.0000	10,514,446,991
21	Collier	2009	0.2500	72,014,887,024
23	Dade	2019	0.0000	233,996,314,578
29	Franklin	2008	0.5000	2,821,792,714
32	Glades	2009	1.0000	670,404,386
33	Gulf	2009	1.0000	2,048,133,560
34	Hamilton	2013	0.0000	762,691,536
35	Hardee	2009	1.0000	1,704,474,848
36	Hendry	2008	0.7500	2,202,675,484
41	Indian River	2013	0.0000	16,698,857,305
45	Lake	2019	0.0000	20,943,226,804
51	Manatee	2018	0.0000	30,437,276,510
52	Marion	2012	0.0000	19,975,944,997
53	Martin	2018	0.0000	19,768,846,484
54	Monroe	2010	0.0000	23,099,152,179
58	Orange	2011	0.0000	101,512,705,713
60	Palm Beach	2011	0.0000	149,644,571,166
62	Pinellas	2007	0.5000	69,701,377,379
66	Saint Lucie	2019	0.0000	18,644,098,272
68	Sarasota	2005	1.0000	49,204,547,550
72	Taylor	2011	0.0000	1,408,995,584
75	Wakulla	2013	0.0000	1,479,438,873
76	Walton	2005	0.5000	14,032,423,460

2010		2011	
Additional Voted Millage	422 Total Taxable Value	Additional Voted Millage	422 Total Taxable Value
1.0000	13,132,916,152	1.0000	12,721,618,741
0.0000	138,674,912,492	0.0000	135,127,632,334
0.0000	14,637,269,334	0.0000	13,434,882,598
0.0000	9,746,023,591	0.0000	9,242,410,331
0.2500	63,495,289,602	0.2500	60,279,407,990
0.0000	204,220,141,755	0.0000	199,384,494,788
0.5000	2,072,229,155	0.5000	1,955,250,202
1.0000	626,483,974	1.0000	586,766,707
1.0000	1,633,357,394	1.0000	1,515,409,406
0.0000	747,961,963	0.0000	750,207,481
1.0000	1,627,588,106	1.0000	1,564,607,516
0.7500	1,888,910,148	0.7500	1,788,404,937
0.0000	14,990,362,471	0.0000	14,010,422,883
0.0000	18,840,365,871	0.0000	17,388,203,284
0.0000	26,493,981,086	0.0000	25,397,923,940
0.0000	17,902,745,000	0.0000	16,504,937,832
0.0000	18,475,119,241	0.0000	18,111,536,083
0.5000	20,177,392,431	0.5000	19,456,804,642
0.0000	88,902,713,275	1.0000	86,344,868,710
0.0000	134,374,396,636	0.2500	132,447,598,659
0.5000	63,140,081,273	0.5000	60,187,216,301
0.0000	16,686,975,685	0.0000	16,049,153,401
1.0000	44,779,786,941	1.0000	42,016,408,320
0.0000	1,319,808,152	0.2500	1,245,856,838
0.0000	1,342,931,079	0.0000	1,249,959,096
0.5000	11,727,832,601	0.5000	11,209,773,986

2012		2013	
Additional Voted Millage	422 Total Taxable Value	Additional Voted Millage	422 Total Taxable Value
1.0000	12,314,376,169	1.0000	12,447,329,908
0.0000	136,313,968,880	0.0000	141,929,577,245
0.0000	12,817,008,800	0.0000	13,129,584,746
0.0000	9,025,829,366	0.0000	9,193,995,884
0.2500	60,716,592,631	0.2000	63,057,434,288
0.0000	205,614,309,962	0.0000	214,518,525,110
0.5000	1,695,524,357	0.5000	1,710,966,279
0.0000	571,419,577	0.0000	576,577,266
1.0000	1,405,185,599	1.0000	1,400,261,824
0.0000	776,307,882	0.2500	804,822,941
1.0000	1,596,459,478	1.0000	1,558,075,150
0.0000	1,753,011,037	0.0000	1,831,952,113
0.0000	13,493,146,885	0.6000	13,688,603,296
0.0000	16,416,027,053	0.0000	16,530,851,661
0.0000	24,906,652,453	0.0000	25,904,324,704
1.0000	15,415,585,572	0.0000	15,357,966,262
0.0000	17,939,830,558	0.0000	18,250,753,428
0.5000	19,601,045,552	0.5000	20,433,412,764
1.0000	86,293,715,699	1.0000	89,422,647,852
0.2500	132,719,029,220	0.2500	138,310,329,985
0.5000	58,855,527,771	0.5000	60,850,140,819
0.0000	15,824,491,549	0.0000	16,663,510,691
1.0000	41,732,276,694	1.0000	43,658,545,959
0.2500	1,294,571,993	0.2500	1,287,572,506
0.0000	1,218,765,496	0.5000	1,168,881,399
0.5000	11,240,873,699	0.5000	11,915,373,344

2014		2015	
Additional Voted Millage	422 Total Taxable Value	Additional Voted Millage	422 Total Taxable Value
1.0000	12,879,493,858	1.0000	13,216,209,815
0.0000	153,372,086,202	0.0000	164,682,294,771
0.0000	13,901,966,696	0.0000	14,686,470,266
0.0000	9,580,097,212	0.0000	9,939,779,087
0.1200	67,845,251,955	0.1200	74,457,046,336
0.0000	234,838,255,576	0.0000	261,973,066,021
0.5000	1,742,036,153	0.5000	1,802,119,153
0.0000	594,655,346	0.0000	596,334,552
1.0000	1,437,963,137	1.0000	1,478,024,365
0.2500	802,590,521	0.2500	766,132,168
1.0000	1,505,314,327	1.0000	1,602,118,428
0.0000	1,865,769,302	0.0000	1,906,298,492
0.6000	14,298,612,080	0.6000	15,356,494,592
0.0000	17,305,418,618	0.0000	18,223,535,237
0.0000	27,966,982,116	0.0000	30,646,149,336
0.0000	15,891,527,198	1.0000	16,530,103,108
0.0000	18,963,923,409	0.0000	20,153,482,150
0.5000	22,022,582,056	0.5000	23,666,650,085
1.0000	96,405,653,146	1.0000	112,544,421,640
0.2500	149,987,295,798	0.2500	165,149,434,840
0.5000	65,196,359,844	0.5000	69,767,431,159
0.0000	17,270,781,525	0.0000	18,162,911,803
1.0000	46,954,260,103	1.0000	50,364,137,173
0.2500	1,323,035,490	0.2500	1,384,213,073
0.5000	1,167,816,329	0.5000	1,193,149,915
0.5000	13,359,897,363	0.0000	15,145,946,438

2016		2017	
Additional Voted Millage	422 Total Taxable Value	Additional Voted Millage	422 Total Taxable Value
1.0000	13,850,411,186	1.0000	15,261,692,968
0.0000	178,748,503,189	0.0000	193,349,491,049
0.0000	15,755,624,909	0.0000	17,100,341,957
0.0000	10,479,439,330	0.0000	11,151,895,615
0.0000	82,487,630,358	0.0000	88,594,438,038
0.0000	285,251,393,793	0.0000	305,037,943,904
0.5000	1,891,574,213	0.5000	1,944,462,726
0.0000	613,130,250	0.0000	640,427,399
1.0000	1,594,257,591	1.0000	1,807,981,801
0.2500	779,293,894	0.2500	792,503,131
1.0000	1,610,359,688	0.0000	1,627,468,704
0.0000	1,938,181,207	0.0000	2,021,419,001
0.6000	16,383,447,933	0.5000	17,640,351,385
0.0000	19,269,193,798	0.0000	21,104,174,129
0.0000	33,139,858,916	0.0000	36,037,987,841
1.0000	17,253,043,304	1.0000	18,233,764,693
0.0000	21,131,512,488	0.0000	22,396,477,545
0.5000	25,214,922,043	0.5000	27,586,595,798
1.0000	121,297,741,535	1.0000	131,452,878,111
0.2500	178,581,663,463	0.2500	189,994,714,710
0.5000	74,705,000,514	0.5000	80,475,138,515
0.0000	19,892,646,530	0.0000	21,395,053,619
1.0000	54,929,171,659	1.0000	58,905,218,336
0.2500	1,360,129,426	0.2500	1,406,789,748
0.0000	1,218,515,341	0.0000	1,294,227,190
0.5000	16,879,091,860	0.5000	18,465,480,648



2018		2019	
Additional Voted Millage	422 Total Taxable Value	Additional Voted Millage	422 Total Taxable Value
1.0000	16,159,538,402	1.0000	17,271,451,540
0.0000	204,990,002,220	0.5000	216,893,060,233
0.0000	18,429,398,536	1.0000	19,577,496,681
0.0000	11,912,170,200	1.0000	12,696,667,440
0.0000	92,419,089,302	0.0000	97,992,171,680
0.0000	322,135,596,189	0.7500	339,289,871,291
0.5000	2,030,298,132	0.5000	2,217,725,695
0.0000	668,076,734	0.0000	715,153,845
1.0000	1,951,032,377	1.0000	1,747,954,587
0.2500	857,691,587	0.2500	986,979,328
0.0000	1,704,949,867	0.0000	1,748,195,123
0.0000	2,224,851,731	0.0000	2,338,621,834
0.5000	18,785,850,813	0.5000	19,931,951,889
0.0000	23,166,652,372	0.7500	25,132,489,475
1.0000	38,858,532,898	1.0000	41,855,781,271
1.0000	19,525,772,529	1.0000	20,937,197,284
0.5000	23,529,984,985	0.5000	24,201,880,958
0.5625	28,914,341,835	0.5500	30,770,786,175
1.0000	143,103,069,694	1.0000	155,865,971,819
0.2500	200,429,317,726	1.0000	211,246,838,641
0.5000	86,675,214,364	0.5000	93,027,926,230
0.0000	23,210,661,747	1.0000	25,074,769,890
1.0000	62,795,370,358	1.0000	66,325,426,769
0.2500	1,419,195,802	0.2500	1,495,010,303
0.0000	1,369,887,789	0.0000	1,483,815,209
0.5000	20,084,030,795	0.5000	21,896,744,471

County Number	County Name	Resolution start date (signed)	First Levy year	Resolution #
11	Alachua	9/15/2009	2009	Resolution number 09-08
21	Collier	9/17/2009	2009	Resolution number 1
29	Franklin	9/10/2008	2008	Resolution number 06-03
32	Glades	9/15/2009	2009	Resolution number 10-003
33	Gulf	9/8/2009	2009	Resolution number 10-01
35	Hardee	9/15/2009	2009	Resolution number 11.01
36	Hendry	9/8/2008	2008	Resolution FY 2008-09
62	Pinellas	9/10/2007	2007	Resolution FY 2007/08
68	Sarasota	9/7/2005	2005	Resolution FY 2005-06
76	Walton	9/22/2005	2005	Resolution Number 05-13

## REVENUE ESTIMATING CONFERENCE

**Tax:** Article V Fees

**Issue:** Fines and Fees

**Bill Number(s):** HB 903

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Representative Donalds

**Month/Year Impact Begins:** 07/01/2020

**Date of Analysis:** 01/24/2020

### Section 1: Narrative

- a. Current Law:** Section 28.24, F.S. states that the clerk of the Circuit Court shall charge for services rendered in recording documents. Section 28.246, F.S. provides that the clerk of the circuit court shall accept partial payments for court-related fees, service charges, costs, and fines in accordance with the terms of an established payment plan. An individual seeking to defer payment shall apply to the clerk for enrollment in a payment plan. The clerk shall enter into a payment plan with an individual who the court determines is indigent for costs. A monthly payment amount, calculated based upon all fees and anticipated costs, is presumed to correspond to the person's ability to pay if the amount does not exceed 2 percent of the person's annual net income divided by 12. Section 28.42, F.S. instructs the clerks of court to produce and disseminate a manual of filing fees, service charges, costs, and fines imposed pursuant to state law. Section 318.15, F.S. states that if a person fails to comply with the civil penalties provided in s. 318.18 within the time period specified, fails to enter into or comply with the terms of a penalty payment plan with the clerk of the court, fails to attend driver improvement school, or fails to appear at a scheduled hearing, the clerk of the court shall notify the Department of Highway Safety and Motor Vehicles who shall immediately issue an order suspending the driver license and privilege to drive. The clerk shall notify the department of Highway safety and Motor Vehicles of persons who were mailed a notice of violation per section 316.0083 and who failed to enter into or comply with the terms of a payment plan, failed to comply with the order from a local hearing officer, or failed to appear at a scheduled hearing. Upon receipt of notice, the department may not issue a license plate or revalidation sticker upon any vehicle owned or co-owned by that person until the amounts assessed have been paid. Section 322.245, F.S. provides for the suspension of license upon failure of person charged with specified offense under chapter 316, chapter 320, and chapter 322, failure to comply with directives ordered by traffic court, failure to pay child support in non-IV-D cases as provided in chapter 61, or failure to pay any financial obligation in any other criminal case.
- b. Proposed Change:** Section 28.24, F.S. is revised so that the monthly \$5 service charge assessed by the clerks is abolished, leaving only the a one-time charge of either \$25 or \$5 if the person is indigent, receives public assistance, or has a household income that is below 200% of the federal poverty level. Section 28.246, F.S. directs the clerk of the circuit court to accept monthly payments. A person who seeks to defer payment of fees, costs, service charges, or fines imposed by the court shall be enrolled in a monthly payment plan which shall be the greater of \$10 per month or 2% of the person's annual net income divided by 12 and must be inclusive of all amounts assessed by that county's court. The court may convert the outstanding obligation to community service if the person is unable to comply with the terms of the payment plan. If an individual is indigent, receives public assistance, or has a household income that is below 200% of the federal poverty level, the court may declare that the financial obligation has been met if the person has made a certain number of timely payments. Section 28.42, F.S. is revised to direct the Office of State Courts Administrator to develop a uniform payment plan form. Section 318.15, F.S. is revised to remove language which states that if a person fails to comply with the civil penalties provided in s. 318.18 within the time period specified, fails to enter into or comply with the terms of a penalty payment plan with the clerk of the court, fails to attend driver improvement school, or fails to appear at a scheduled hearing, the clerk of the court shall notify the Department of Highway Safety and Motor Vehicles who shall immediately issue an order suspending the driver license and privilege to drive. A person whose driver license was suspended solely for nonpayment prior to July 1, 2020 may have his or her driver license reinstated upon payment of the reinstatement fee. This section is also revised to removing language which directs the Department of Highway safety and Motor Vehicles to not issue a license plate or validation sticker for vehicles owned or co-owned by individuals who were mailed a notice of violation per section 316.0083 and who failed to enter into or comply with the terms of a payment plan, failed to comply with the order from a local hearing officer, or failed to appear at a scheduled hearing. Section 322.245, F.S. is revised to remove language which provides for the suspension of license upon failure of person to pay any financial obligation in any criminal case other than those specified in chapters 316, 320, or 322. A person whose driver license was suspended solely for nonpayment prior to July 1, 2020 may have his or her driver license reinstated upon payment of the reinstatement fee. Sections 34.191, F.S., 320.03, F.S., 27.52, F.S., and 57.082, F.S., are revised to conform to changes made elsewhere in the bill.

## REVENUE ESTIMATING CONFERENCE

**Tax:** Article V Fees

**Issue:** Fines and Fees

**Bill Number(s):** HB 903

### Section 2: Description of Data and Sources

Highway Safety REC held 01/01/2020 and conference history

Article V REC held 12/19/2019 and conference history

Contact with CCOC and HSMV staff

HSMV Driver's License Suspensions and Revocations FY 2015, FY 2016, FY 2017, and FY 2018

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

#### Payment Plan Service Charges (Section 1)

The bill changes the payment plan service charge assessed by clerks from either a \$5 monthly or \$25 one-time fee to just a \$25 one-time fee which can be reduced to \$5 if the person is indigent, receives public assistance, or has a household income that is below 200% of the federal poverty level. The impact from this change is indeterminate. In current administration of this provision, there is a lack of uniformity between clerks with some charging only the \$5 fee, some charging only the \$25 fee, and others charging both fees with different criteria used to determine which fee is charged. The statewide collection of the current \$5 and \$25 fees is unknown. Adding to the uncertainty, for individual cases moving from the \$5 monthly fee to the \$25 one-time fee, the change can be net positive or net negative. For example, a three month payment plan would pay \$25 instead of \$15 while a six month payment plan would pay \$25 instead of \$30. The length of payment plan can vary by individual and jurisdiction. Finally, it is unknown how many payment plans would qualify to pay the \$5 one-time fee instead of the \$25 one-time fee.

#### Converting Outstanding Fees to Community Service (Section 2)

The bill revises section 28.246, F.S. to allow the court to convert an outstanding obligation to community service if the person is unable to comply with the terms of the payment plan. According to CCOC staff, this change is consistent with current administration and practice; therefore, it has no impact.

#### Payment Plans (Section 2)

The bill makes the following changes to payment plans:

- Automatically enrolls an individual into a payment plan upon receipt of a partial payment.
- Standardizes payment plans to be the greater of \$10 per month or 2% of a person's net income divided by 12.
- Requires all cases involving an individual within a county be combined into one payment plan.
- Provides for a 30 day grace period from initiation of a payment plan. If the person is incarcerated, the grace period extends to 90 days after release.
- Allows an individual who is indigent to petition the court to have the financial obligation waived if certain conditions are met.
- Provides for the creation of a statewide standard payment plan form.

While the bill aims to strengthen and standardize the language associated with court related payment plans, with lack of data regarding the current status of various payments plans (i.e. amount being paid, length of the plan, original fine amount, etc...) the impact is indeterminate. Further, the language which allows the court to waive the remaining financial obligation of some indigent individuals would likely have a negative impact on the collection of outstanding balances; however, there is uncertainty with the number of individuals who would qualify, the amount of outstanding balances to be waived, and discretion of the courts to grant the waiver which inhibits the ability to assign a specific number on this impact. When considering all of the changes to payment plans, the negative impacts will likely dominate the positive ones, resulting in a net indeterminate negative impact.

#### Clerk of Court Related Suspensions (Sections 4 and 5)

Driver license suspensions translate into revenue through reinstatement fees. Section 322.21, F.S. requires a person who applies for reinstatement following a DL suspension for "failure to comply" to pay a \$60 reinstatement fee. Additionally, the county tax collectors are required to charge a service fee of \$6.25 when providing services in chapter 322, F.S., including reinstatements. There is also a \$25 delinquency fee which is paid to the clerk of court. For the elimination of suspensions per 318.15, F.S., the forecasted amount comes directly from the latest Highway Safety REC. The first year cash impact is adjusted by the average of the previous four years percentage of sanctions unpaid by July of the following year. The first year's cash impact is also affected by individuals who otherwise would not have paid the reinstatement fee but now would be able to have their license reinstated without having to pay the outstanding obligation. To calculate the impact from partially reducing the suspensions per 322.245, F.S., the calendar year 2015 through 2018 proportion of suspensions which would be eliminated was applied to the total forecast of 322.245, F.S. suspensions per the most recent Highway Safety REC. Similar to the previous suspensions analyzed, the first year's cash impact was discounted for suspensions that were initiated prior to the bill's effective date and individuals who would otherwise not have

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**Tax:** Article V Fees

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reinstated their suspended driver license who now may do so only paying the reinstatement fee. For both suspension types, the local impact is derived from the forecasted state trust fund and GR fees in the latest Highway Safety REC.

In addition to the direct impact from reinstatement fees, there is potentially an impact to fines and fees collected from the courts if there is no longer the threat of driver license suspension for nonpayment. According to CCOC staff, 36% of traffic violations are unpaid upon reaching the due date and thus trigger the threat of license suspension. Without the punitive threat of license suspension, it is possible that unpaid fines could increase. In contrast, there is the possibility that not suspending the driver license of individuals who owe delinquent fines could result in more collections which would have either not occurred or occurred at a later date. Thus, there is a large degree of uncertainty to this secondary, indirect impact. To show the range of possibilities, the court assessed fines and charges which would potentially be impacted by this bill were identified from the most recent Article V REC. These amounts were reduced by 5%, 20%, and 35% resulting in total combined annual impacts to General Revenue, Local Funds, and State Trust Funds ranging from -\$9.7 million to -\$67.6 million (see attached).

Registration Hold for Failure to Pay Red Light Camera Violation (Section 4)

The bill removes language which allows the Department of Highway Safety and Motor Vehicles to place a hold on the license plate or revalidation sticker of all vehicles owned or co-owned by individuals who were issued a red light camera violation and either did not enter into or comply with the terms of a payment plan, comply with the order from a local hearing officer, or appear at a scheduled hearing. It is assumed that removing this provision will have no impact on motor vehicle license base tag and ancillary fees. Similar to the Driver License Suspensions above, there is potentially an indirect impact on red light camera violation collections from removing the punitive threat of placing a hold on motor vehicle registrations. Reducing the GR, state trust, and local revenue forecast from red light cameras and the subsequent uniform traffic citations by 5%, 20%, and 35% yields combined annual reductions ranging from -\$7.5 million to -\$52.3 million.

**Section 4: Proposed Fiscal Impact**

Payment Plan Service Charges (Section 1)

GR/Trust/ Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			+/-	+/-		
2021-22			+/-	+/-		
2022-23			+/-	+/-		
2023-24			+/-	+/-		
2024-25			+/-	+/-		

Payment Plans (Section 2)

GR/Trust/ Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			(**)	(**)		
2021-22			(**)	(**)		
2022-23			(**)	(**)		
2023-24			(**)	(**)		
2024-25			(**)	(**)		

Clerk of Court Related Suspensions: Highway Safety Fees (Sections 4 and 5)

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			(1.8)	(3.1)		
2021-22			(3.1)	(3.1)		
2022-23			(3.1)	(3.1)		
2023-24			(3.2)	(3.2)		
2024-25			(3.2)	(3.2)		

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Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			(5.8)	(7.8)		
2021-22			(7.8)	(7.8)		
2022-23			(7.9)	(7.9)		
2023-24			(7.9)	(7.9)		
2024-25			(8.0)	(8.0)		

Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			(7.6)	(10.1)		
2021-22			(10.2)	(10.2)		
2022-23			(10.3)	(10.3)		
2023-24			(10.3)	(10.3)		
2024-25			(10.4)	(10.4)		

**Clerk of Court Related Suspensions: Article V Fees (Sections 4 and 5)**

GR/Trust/ Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			(**)	(**)		
2021-22			(**)	(**)		
2022-23			(**)	(**)		
2023-24			(**)	(**)		
2024-25			(**)	(**)		

**Registration Hold for Failure to Pay Red Light Camera Violation: Highway Safety Fees (Section 4)**

GR/Trust/ Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			0.0	0.0		
2021-22			0.0	0.0		
2022-23			0.0	0.0		
2023-24			0.0	0.0		
2024-25			0.0	0.0		

**Registration Hold for Failure to Pay Red Light Camera Violation: Article V Fees (Section 4)**

GR/Trust/ Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			(**)	(**)		
2021-22			(**)	(**)		
2022-23			(**)	(**)		
2023-24			(**)	(**)		
2024-25			(**)	(**)		

**List of affected Trust Funds:**

- General Revenue Funds
- Highway Safety Operating Trust Fund
- Local Tax Collectors
- Clerk's Fines and Forfeiture Funds
- State Courts Revenue Trust Fund
- Brain and Spinal Cord Injury Trust Fund
- Emergency Medical Services Trust Fund
- Additional Court Costs Trust Fund

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Article V Fees

**Issue:** Fines and Fees

**Bill Number(s):** HB 903

Grants and Donations Trust Fund

State Attorneys Revenue Trust Fund

Public Defenders Trust Fund

State Radio System Trust Fund

**Section 5: Consensus Estimate (Adopted: 01/24/2020): The Conference adopted the proposed estimates as follows:**

Payment Plan Service Charges (Section 1)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	+/-	+/-	+/-	+/-	+/-	+/-	+/-	+/-
2021-22	+/-	+/-	+/-	+/-	+/-	+/-	+/-	+/-
2022-23	+/-	+/-	+/-	+/-	+/-	+/-	+/-	+/-
2023-24	+/-	+/-	+/-	+/-	+/-	+/-	+/-	+/-
2024-25	+/-	+/-	+/-	+/-	+/-	+/-	+/-	+/-

Payment Plans (Section 2)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2021-22	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2022-23	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2023-24	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2024-25	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)

Clerk of Court Related Suspensions: Highway Safety Fees (Sections 4 and 5)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(2.3)	(3.7)	(5.3)	(7.2)	(15.2)	(21.0)	(22.8)	(31.9)
2021-22	(3.7)	(3.7)	(7.2)	(7.2)	(21.1)	(21.1)	(32.0)	(32.0)
2022-23	(3.7)	(3.7)	(7.3)	(7.3)	(21.3)	(21.3)	(32.3)	(32.3)
2023-24	(3.8)	(3.8)	(7.3)	(7.3)	(21.4)	(21.4)	(32.5)	(32.5)
2024-25	(3.8)	(3.8)	(7.4)	(7.4)	(21.6)	(21.6)	(32.8)	(32.8)

Clerk of Court Related Suspensions: Article V Fees (Sections 4 and 5)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2021-22	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2022-23	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2023-24	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2024-25	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)

Registration Hold for Failure to Pay Red Light Camera Violation: Highway Safety Fees (Section 4)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
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
2024-25	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Article V Fees

**Issue:** Fines and Fees

**Bill Number(s):** HB 903

**Registration Hold for Failure to Pay Red Light Camera Violation: Article V Fees (Section 4)**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2021-22	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2022-23	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2023-24	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)
2024-25	(**)	(**)	(**)	(**)	(**)	(**)	(**)	(**)



	A	B	C	D	E	F	G	H	I	J	K
1	<b>HB 903 DL Suspension Reinstatement Fee Impact</b>										
2											
3	<b>Assumptions Calculations</b>										
4	Failure to Pay Moving or Nonmoving Traffic Fine (318.15 Suspensions)										
5		# of Sanctions Created	# Restored Prior to Becoming Effective	% Restored Before Losing License	# Effective Sanctions	# Restored After Becoming Effective	% Restored After Losing License	# Not Restored as of July Following Year	% Not restored by July of Following Year		
6	CY 2015	1,060,339	504,741	47.6%	555,598	345,866	62.3%	209,732	19.8%		
7	CY 2016	1,022,574	476,772	46.6%	545,802	342,929	62.8%	202,873	19.8%		
8	CY 2017	991,490	454,876	45.9%	536,614	340,654	63.5%	195,960	19.8%		
9	CY 2018	939,712	436,089	46.4%	503,623	330,239	65.6%	173,384	18.5%		
10									19.5%	4 Year Avg.	
11									24.5%	Plus New Payers	
12	Failure to Pay Financial Obligation (322.245 Suspensions)										
13		# of Sanctions Created	# Restored Prior to Becoming Effective	% Restored Before Losing License	# Effective Sanctions	# Restored After Becoming Effective	% Restored After Losing License	# Not Restored as of July Following Year	% Not restored by July of Following Year		
14	CY 2015	318,830	86,535	27.1%	232,295	86,653	37.3%	145,642	45.7%		
15	CY 2016	311,382	91,462	29.4%	219,920	83,890	38.1%	136,030	43.7%		
16	CY 2017	319,974	93,710	29.3%	226,264	139,280	61.6%	86,984	27.2%		
17	CY 2018	322,919	97,591	30.2%	225,328	88,301	39.2%	137,027	42.4%		
18									39.7%	4 Year Avg.	
19									44.7%	Plus New Payers	
20		# of Sanctions Created (Failure to Pay)	% of 322.245 Suspensions								
21	CY 2015	104,550	32.8%								
22	CY 2016	98,585	31.7%								
23	CY 2017	104,681	32.7%								
24	CY 2018	103,209	32.0%								
25			32.3%	4 Year Avg.							
26											
27	<b>Current Forecast - Reinstatement Fees</b>										
28		318.15 Suspensions				322.245 Suspensions					
29		Total	GR	HSOTF	Local	Total	GR	HSOTF	Local (Tax Col.)	Local (Clerk)	
30	SFY 2019	\$ 19,578,623	\$ 2,526,638	\$ 7,420,209	\$ 9,631,777	\$ 3,870,734	\$ 1,590,713	\$ 954,428	\$ 265,119	\$ 1,060,475	
31	SFY 2020	\$ 19,457,164	\$ 2,493,981	\$ 7,391,158	\$ 9,572,024	\$ 4,458,231	\$ 1,832,187	\$ 1,099,253	\$ 305,358	\$ 1,221,433	
32	SFY 2021	\$ 19,611,594	\$ 2,518,933	\$ 7,444,664	\$ 9,647,997	\$ 4,221,430	\$ 1,734,834	\$ 1,040,901	\$ 289,139	\$ 1,156,556	
33	SFY 2022	\$ 19,751,709	\$ 2,541,613	\$ 7,493,168	\$ 9,716,927	\$ 4,273,487	\$ 1,756,227	\$ 1,053,736	\$ 292,705	\$ 1,170,818	
34	SFY 2023	\$ 19,878,734	\$ 2,562,210	\$ 7,537,106	\$ 9,779,418	\$ 4,324,769	\$ 1,777,302	\$ 1,066,381	\$ 296,217	\$ 1,184,868	
35	SFY 2024	\$ 19,993,809	\$ 2,580,897	\$ 7,576,883	\$ 9,836,029	\$ 4,371,844	\$ 1,796,648	\$ 1,077,989	\$ 299,441	\$ 1,197,765	
36	SFY 2025	\$ 20,097,990	\$ 2,597,839	\$ 7,612,870	\$ 9,887,281	\$ 4,419,383	\$ 1,816,185	\$ 1,089,711	\$ 302,697	\$ 1,210,790	
37											
38	<b>New Forecast - Reinstatement Fees</b>										
39		318.15 Suspensions				322.245 Suspensions					
40		Total	GR	HSOTF	Local	Total	GR	HSOTF	Local (Tax Col.)	Local (Clerk)	
41	SFY 2021 (cash)	\$ 4,788,643	\$ 617,978	\$ 1,814,874	\$ 2,355,791	\$ 3,468,446	\$ 1,425,389	\$ 855,233	\$ 237,565	\$ 950,259	
42	SFY 2021 (recurring)	\$ -	\$ -	\$ -	\$ -	\$ 2,858,658	\$ 1,174,791	\$ 704,875	\$ 195,798	\$ 783,194	
43	SFY 2022	\$ -	\$ -	\$ -	\$ -	\$ 2,893,909	\$ 1,189,278	\$ 713,567	\$ 198,213	\$ 792,852	
44	SFY 2023	\$ -	\$ -	\$ -	\$ -	\$ 2,928,636	\$ 1,203,549	\$ 722,130	\$ 200,592	\$ 802,366	
45	SFY 2024	\$ -	\$ -	\$ -	\$ -	\$ 2,960,515	\$ 1,216,650	\$ 729,990	\$ 202,775	\$ 811,100	
46	SFY 2025	\$ -	\$ -	\$ -	\$ -	\$ 2,992,707	\$ 1,229,880	\$ 737,928	\$ 204,980	\$ 819,920	
47											
48	<b>Impact - Reinstatement Fees</b>										
49		318.15 Suspensions				322.245 Suspensions					
50		Total	GR	HSOTF	Local	Total	GR	HSOTF	Local (Tax Col.)	Local (Clerk)	
51	SFY 2021 (cash)	\$ (14,822,951)	\$ (1,900,954)	\$ (5,629,790)	\$ (7,292,206)	\$ (752,984)	\$ (309,446)	\$ (185,667)	\$ (51,574)	\$ (206,297)	
52	SFY 2021 (recurring)	\$ (19,611,594)	\$ (2,518,933)	\$ (7,444,664)	\$ (9,647,997)	\$ (1,362,772)	\$ (560,043)	\$ (336,026)	\$ (93,341)	\$ (373,362)	
53	SFY 2022	\$ (19,751,709)	\$ (2,541,613)	\$ (7,493,168)	\$ (9,716,927)	\$ (1,379,577)	\$ (566,950)	\$ (340,170)	\$ (94,492)	\$ (377,966)	
54	SFY 2023	\$ (19,878,734)	\$ (2,562,210)	\$ (7,537,106)	\$ (9,779,418)	\$ (1,396,132)	\$ (573,753)	\$ (344,252)	\$ (95,626)	\$ (382,502)	
55	SFY 2024	\$ (19,993,809)	\$ (2,580,897)	\$ (7,576,883)	\$ (9,836,029)	\$ (1,411,329)	\$ (579,998)	\$ (347,999)	\$ (96,666)	\$ (386,666)	
56	SFY 2025	\$ (20,097,990)	\$ (2,597,839)	\$ (7,612,870)	\$ (9,887,281)	\$ (1,426,676)	\$ (586,305)	\$ (351,783)	\$ (97,718)	\$ (390,870)	
57											
58	<b>New Forecast - New Driver Licenses Positive Offset</b>										
59		Added DL's 318.15	Added DL's 322.245	Added DL Fees to GR							
60	SFY 2021 (cash)	7,368	848	\$ 394,406							

	A	B	C	D	E	F	G	H	I	J	K
1	<b>HB 903 DL Suspension Article V Fee Impact</b>										
2											
3	<b>Fees with Potential to be Impacted (Current Forecast in Millions)</b>										
4		Traffic Court Allocated Civil Penalties	Traffic Court Violations, Red Light Ticket, Speeding	Clerk's Other 142.01(2) (36%)	10% of Fines to Clerks (66%)	Ch. 2008-111 Fees (56%)					
5	SFY 2021	\$ 24.3	\$ 24.8	\$ 96.7	\$ 12.7	\$ 34.8					
6	SFY 2022	\$ 24.2	\$ 25.0	\$ 96.8	\$ 12.7	\$ 34.9					
7	SFY 2023	\$ 24.2	\$ 25.2	\$ 97.0	\$ 12.6	\$ 34.9					
8	SFY 2024	\$ 24.2	\$ 25.2	\$ 97.2	\$ 12.6	\$ 35.0					
9	SFY 2025	\$ 24.1	\$ 25.2	\$ 97.4	\$ 12.6	\$ 35.1					
10											
11	<b>Fee Reductions (5%)</b>										
12		Traffic Court Allocated Civil Penalties	Traffic Court Violations, Red Light Ticket, Speeding	Clerk's Other 142.01(2) (36%)	10% of Fines to Clerks (66%)	Ch. 2008-111 Fees (56%)					
13	SFY 2021	\$ (1.2)	\$ (1.2)	\$ (4.8)	\$ (0.6)	\$ (1.7)					
14	SFY 2022	\$ (1.2)	\$ (1.3)	\$ (4.8)	\$ (0.6)	\$ (1.7)					
15	SFY 2023	\$ (1.2)	\$ (1.3)	\$ (4.9)	\$ (0.6)	\$ (1.7)					
16	SFY 2024	\$ (1.2)	\$ (1.3)	\$ (4.9)	\$ (0.6)	\$ (1.8)					
17	SFY 2025	\$ (1.2)	\$ (1.3)	\$ (4.9)	\$ (0.6)	\$ (1.8)					
18											
19	<b>Fund Impact from Fee Reductions (5%)</b>										
20		Total	GR	Clerks F&FF	State Courts Revenue Trust Fund	Brain and Spinal Cord Injury TF	Emergency Medical Services TF	Additional Court Costs TF	Grants and Donations TF	State Attorneys Revenue TF	Public Defenders Revenue TF
21	SFY 2021	\$ (9.7)	\$ (2.4)	\$ (5.5)	\$ (0.7)	\$ (0.2)	\$ (0.2)	\$ (0.1)	\$ (0.0)	\$ (0.3)	\$ (0.1)
22	SFY 2022	\$ (9.7)	\$ (2.4)	\$ (5.5)	\$ (0.7)	\$ (0.2)	\$ (0.2)	\$ (0.1)	\$ (0.0)	\$ (0.3)	\$ (0.2)
23	SFY 2023	\$ (9.7)	\$ (2.4)	\$ (5.5)	\$ (0.7)	\$ (0.2)	\$ (0.2)	\$ (0.1)	\$ (0.0)	\$ (0.3)	\$ (0.2)
24	SFY 2024	\$ (9.7)	\$ (2.4)	\$ (5.5)	\$ (0.7)	\$ (0.2)	\$ (0.2)	\$ (0.1)	\$ (0.0)	\$ (0.3)	\$ (0.2)
25	SFY 2025	\$ (9.7)	\$ (2.4)	\$ (5.5)	\$ (0.7)	\$ (0.2)	\$ (0.2)	\$ (0.1)	\$ (0.0)	\$ (0.3)	\$ (0.2)
26											
27	<b>Fee Reductions (20%)</b>										
28		Traffic Court Allocated Civil Penalties	Traffic Court Violations, Red Light Ticket, Speeding	Clerk's Other 142.01(2) (36%)	10% of Fines to Clerks (66%)	Ch. 2008-111 Fees (56%)					
29	SFY 2021	\$ (4.9)	\$ (5.0)	\$ (19.3)	\$ (2.5)	\$ (7.0)					
30	SFY 2022	\$ (4.9)	\$ (5.0)	\$ (19.3)	\$ (2.5)	\$ (7.0)					
31	SFY 2023	\$ (4.9)	\$ (5.0)	\$ (19.3)	\$ (2.5)	\$ (7.0)					
32	SFY 2024	\$ (4.9)	\$ (5.0)	\$ (19.3)	\$ (2.5)	\$ (7.0)					
33	SFY 2025	\$ (4.9)	\$ (5.0)	\$ (19.3)	\$ (2.5)	\$ (7.0)					
34											
35	<b>Fund Impact from Fee Reductions (20%)</b>										
36		Total	GR	Clerks F&FF	State Courts Revenue Trust Fund	Brain and Spinal Cord Injury TF	Emergency Medical Services TF	Additional Court Costs TF	Grants and Donations TF	State Attorneys Revenue TF	Public Defenders Revenue TF
37	SFY 2021	\$ (38.7)	\$ (9.6)	\$ (21.9)	\$ (2.8)	\$ (1.0)	\$ (0.8)	\$ (0.6)	\$ (0.2)	\$ (1.2)	\$ (0.6)
38	SFY 2022	\$ (38.7)	\$ (9.6)	\$ (21.9)	\$ (2.8)	\$ (1.0)	\$ (0.8)	\$ (0.6)	\$ (0.2)	\$ (1.2)	\$ (0.6)
39	SFY 2023	\$ (38.7)	\$ (9.6)	\$ (21.9)	\$ (2.8)	\$ (1.0)	\$ (0.8)	\$ (0.6)	\$ (0.2)	\$ (1.2)	\$ (0.6)
40	SFY 2024	\$ (38.7)	\$ (9.6)	\$ (21.9)	\$ (2.8)	\$ (1.0)	\$ (0.8)	\$ (0.6)	\$ (0.2)	\$ (1.2)	\$ (0.6)
41	SFY 2025	\$ (38.7)	\$ (9.6)	\$ (21.9)	\$ (2.8)	\$ (1.0)	\$ (0.8)	\$ (0.6)	\$ (0.2)	\$ (1.2)	\$ (0.6)
42											
43	<b>Fee Reductions (35%)</b>										
44		Traffic Court Allocated Civil Penalties	Traffic Court Violations, Red Light Ticket, Speeding	Clerk's Other 142.01(2) (36%)	10% of Fines to Clerks (66%)	Ch. 2008-111 Fees (56%)					
45	SFY 2021	\$ (8.5)	\$ (8.7)	\$ (33.8)	\$ (4.4)	\$ (12.2)					
46	SFY 2022	\$ (8.5)	\$ (8.7)	\$ (33.8)	\$ (4.4)	\$ (12.2)					
47	SFY 2023	\$ (8.5)	\$ (8.7)	\$ (33.8)	\$ (4.4)	\$ (12.2)					
48	SFY 2024	\$ (8.5)	\$ (8.7)	\$ (33.8)	\$ (4.4)	\$ (12.2)					
49	SFY 2025	\$ (8.5)	\$ (8.7)	\$ (33.8)	\$ (4.4)	\$ (12.2)					
50											
51	<b>Fund Impact from Fee Reductions (35%)</b>										
52		Total	GR	Clerks F&FF	State Courts Revenue Trust Fund	Brain and Spinal Cord Injury TF	Emergency Medical Services TF	Additional Court Costs TF	Grants and Donations TF	State Attorneys Revenue TF	Public Defenders Revenue TF
53	SFY 2021	\$ (67.6)	\$ (16.9)	\$ (38.3)	\$ (4.9)	\$ (1.7)	\$ (1.4)	\$ (1.0)	\$ (0.3)	\$ (2.1)	\$ (1.0)
54	SFY 2022	\$ (67.6)	\$ (16.9)	\$ (38.3)	\$ (4.9)	\$ (1.7)	\$ (1.4)	\$ (1.0)	\$ (0.3)	\$ (2.1)	\$ (1.0)
55	SFY 2023	\$ (67.6)	\$ (16.9)	\$ (38.3)	\$ (4.9)	\$ (1.7)	\$ (1.4)	\$ (1.0)	\$ (0.3)	\$ (2.1)	\$ (1.0)
56	SFY 2024	\$ (67.6)	\$ (16.9)	\$ (38.3)	\$ (4.9)	\$ (1.7)	\$ (1.4)	\$ (1.0)	\$ (0.3)	\$ (2.1)	\$ (1.0)
57	SFY 2025	\$ (67.6)	\$ (16.9)	\$ (38.3)	\$ (4.9)	\$ (1.7)	\$ (1.4)	\$ (1.0)	\$ (0.3)	\$ (2.1)	\$ (1.0)

	A	B	C	D	E
1	<b>HB 903 Red Light Camera Impact</b>				
2					
3	<b>Red Light Camera and UTC Add-on (Current Forecast in Millions)</b>				
4		RLC Remitted by Local Govt	RLC Remitted by Clerks	RLC Local Portion	UTC Add On
5	SFY 2021	\$ 57.1	\$ 12.8	\$ 63.2	\$ 16.3
6	SFY 2022	\$ 57.7	\$ 12.9	\$ 63.8	\$ 16.5
7	SFY 2023	\$ 58.3	\$ 13.1	\$ 64.5	\$ 16.7
8	SFY 2024	\$ 58.8	\$ 13.2	\$ 65.1	\$ 16.9
9	SFY 2025	\$ 59.4	\$ 13.4	\$ 65.7	\$ 17.1
10					
11	<b>Fee Reductions (5%)</b>				
12		RLC Remitted by Local Govt	RLC Remitted by Clerks	RLC Local Portion	UTC Add On
13	SFY 2021	\$ (2.9)	\$ (0.6)	\$ (3.2)	\$ (0.8)
14	SFY 2022	\$ (2.9)	\$ (0.6)	\$ (3.2)	\$ (0.8)
15	SFY 2023	\$ (2.9)	\$ (0.7)	\$ (3.2)	\$ (0.8)
16	SFY 2024	\$ (2.9)	\$ (0.7)	\$ (3.3)	\$ (0.8)
17	SFY 2025	\$ (3.0)	\$ (0.7)	\$ (3.3)	\$ (0.9)
18					
19	<b>Fund Impact from Fee Reductions (5%)</b>				
20		Total	GR	Trust	Local
21	SFY 2021	\$ (7.5)	\$ (3.1)	\$ (0.7)	\$ (3.7)
22	SFY 2022	\$ (7.6)	\$ (3.1)	\$ (0.7)	\$ (3.8)
23	SFY 2023	\$ (7.6)	\$ (3.1)	\$ (0.7)	\$ (3.8)
24	SFY 2024	\$ (7.7)	\$ (3.2)	\$ (0.7)	\$ (3.8)
25	SFY 2025	\$ (7.8)	\$ (3.2)	\$ (0.7)	\$ (3.9)
26					
27	<b>Fee Reductions (20%)</b>				
28		RLC Remitted by Local Govt	RLC Remitted by Clerks	RLC Local Portion	UTC Add On
29	SFY 2021	\$ (11.4)	\$ (2.6)	\$ (12.6)	\$ (3.3)
30	SFY 2022	\$ (11.4)	\$ (2.6)	\$ (12.6)	\$ (3.3)
31	SFY 2023	\$ (11.4)	\$ (2.6)	\$ (12.6)	\$ (3.3)
32	SFY 2024	\$ (11.4)	\$ (2.6)	\$ (12.6)	\$ (3.3)
33	SFY 2025	\$ (11.4)	\$ (2.6)	\$ (12.6)	\$ (3.3)
34					
35	<b>Fund Impact from Fee Reductions (20%)</b>				
36		Total	GR	Trust	Local
37	SFY 2021	\$ (29.9)	\$ (12.3)	\$ (2.7)	\$ (14.9)
38	SFY 2022	\$ (29.9)	\$ (12.3)	\$ (2.7)	\$ (14.9)
39	SFY 2023	\$ (29.9)	\$ (12.3)	\$ (2.7)	\$ (14.9)
40	SFY 2024	\$ (29.9)	\$ (12.3)	\$ (2.7)	\$ (14.9)
41	SFY 2025	\$ (29.9)	\$ (12.3)	\$ (2.7)	\$ (14.9)
42					
43	<b>Fee Reductions (35%)</b>				
44		RLC Remitted by Local Govt	RLC Remitted by Clerks	RLC Local Portion	UTC Add On
45	SFY 2021	\$ (20.0)	\$ (4.5)	\$ (22.1)	\$ (5.7)
46	SFY 2022	\$ (20.0)	\$ (4.5)	\$ (22.1)	\$ (5.7)
47	SFY 2023	\$ (20.0)	\$ (4.5)	\$ (22.1)	\$ (5.7)
48	SFY 2024	\$ (20.0)	\$ (4.5)	\$ (22.1)	\$ (5.7)
49	SFY 2025	\$ (20.0)	\$ (4.5)	\$ (22.1)	\$ (5.7)
50					
51	<b>Fund Impact from Fee Reductions (35%)</b>				
52		Total	GR	Trust	Local
53	SFY 2021	\$ (52.3)	\$ (21.5)	\$ (4.8)	\$ (26.0)
54	SFY 2022	\$ (52.3)	\$ (21.5)	\$ (4.8)	\$ (26.0)
55	SFY 2023	\$ (52.3)	\$ (21.5)	\$ (4.8)	\$ (26.0)
56	SFY 2024	\$ (52.3)	\$ (21.5)	\$ (4.8)	\$ (26.0)
57	SFY 2025	\$ (52.3)	\$ (21.5)	\$ (4.8)	\$ (26.0)

<b>HB 903 DL Suspension Impact - Analysis of Pending Legislation from Other States</b>	
<b>State</b>	<b>Fiscal Analysis Regarding Unpaid Court Obligations</b>
Virginia	No Fiscal
Mississippi	No Fiscal
Tennessee	"...provisions may alter the timing of revenue collected for unpaid citations, the impact of which cannot be reasonably determined."
California	No Fiscal, Governor's signing statement stated "there does not appear to be a strong connection between suspending someone's driver license and collecting their fine or penalty."
Arkansas	Fiscal considered reinstatement fees, no mention of unpaid fines
Montana	Fiscal only considers General Fund, no impact
Alabama	"the bill could decrease receipts to the State General fund and municipal general funds from fines; decrease receipts to the State General Fund, county general funds, municipal general funds, and other funds to which court costs are deposited by an indeterminate amount..."
Maryland	"...revenues may be foregone entirely if the removal of existing enforcement mechanisms incentivizes nonpayment of citation fines"
New York	No Fiscal
Oregon	"The reduction in court collection will be about 36.5% that will no longer be due, because of the lack of suspension violations."
Washington	"In addition to loss from DWL-3 misdemeanor penalties, it is assumed that there will be additional loss for failure to pay or failure to respond to a traffic infraction or citation."

<b>HB 903 DL Suspension Impact - Data from Other States</b>	
<b>State</b>	<b>Data Provided by Nation Conference of State Legislatures</b>
California	"Since eliminating suspensions and introducing payment flexibility, the State of California has experienced an 8.9% increase in collections on newly issued tickets, from \$840.3 million in 2016–17 to \$922.3 million in 2017–18. The state Judicial Council attributes that increase to the court's 'implement[ation of] several mechanisms to help individuals pay or resolve their court-ordered debt,' including the end of driver's license suspensions."
Texas*	"Comparing the Dallas and Fort Worth Municipal Courts is particularly telling. The Dallas Municipal Court relies heavily upon OmniBase [prevention from renewing licenses unless traffic fines and costs are paid] for enforcement while the Fort Worth Municipal Court reported that it has not used OmniBase at all over the past three years. Yet there is virtually no difference in the revenue per case disposed between the two courts in the most recent year. The Fort Worth Municipal Court collects \$116 per case and the Dallas Municipal Court collects \$113 per case."

\*Analyst Note: The quote (from an advocacy organization) claims that there is "virtually no difference." The Dallas Court collection per case is 2.6% lower.

## REVENUE ESTIMATING CONFERENCE

**Tax:** Corporate Income Tax  
**Issue:** Internship Tax Credits  
**Bill Number(s):** HB 1101/SB1412

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

**Sponsor(s):** Representative Daley/Senator Powell

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

**Date of Analysis:** 1/24/2020

### Section 1: Narrative

**a. Current Law:** There currently exists no tax credit for internships under chapter 220.

**b. Proposed Change:** Creates s. 220.198, F.S.; "Florida Internship Tax Credit Program".

(2) As used in this section, the term "degree-seeking student intern" means a person who is enrolled as a degree seeking student at a state university, a Florida College System institution, a career center operated by a school district under s. 1001.44, or a charter technical career center.

(3) For taxable years beginning on or after January 1, 2021, a taxpayer shall be allowed a credit against the tax imposed under this chapter in the amount of \$2,000 per degree seeking student intern employed by the taxpayer if the degree seeking student intern's state university, Florida College System institution, career center operated by a school district under s. 1001.44, or charter technical career center has provided documentation attesting to his or her enrollment status.

(4) A taxpayer may not claim a tax credit under this section of more than \$10,000 in any taxable year.

(5) The department shall adopt rules governing the manner and form of applications for the tax credit and establishing qualification requirements for the tax credit.

(6) A taxpayer awarded a tax credit under this section may carry forward any unused portion of a tax credit for up to 2 taxable years.

### Section 2: Description of Data and Sources

2017 CIT data

12/2019 FL demographic estimating conference

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

The 2017 CIT data was used to identify businesses with positive tax liability after all other credits. The totals were then pulled for the businesses with under \$10,000 in total liability, and those with over \$10,000 in total liability. For the high estimate it is assumed that those businesses under \$10,000 in liability will have all their liability resolved using the new credits while those above the threshold will have an additional \$10,000 in credits per business. The middle estimate assumes 50% of the businesses will participate. The low estimate was constructed by taking the proportion of businesses with liabilities between \$1000 and \$10,000 and applying that to the high estimate. Assuming businesses would not have enough incentive below the \$1000 threshold or above the \$10,000 threshold to apply for the tax credit.

### Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(97.2m)	(97.2m)	(\$48.6m)	(\$48.6m)	(27.9m)	(27.9m)
2021-22	(98.7m)	(98.7m)	(\$49.3m)	(\$49.3m)	(28.3m)	(28.3m)
2022-23	(100.1m)	(100.1m)	(\$50.1m)	(\$50.1m)	(28.8m)	(28.8m)
2023-24	(101.5m)	(101.5m)	(\$50.7m)	(\$50.7m)	(29.2m)	(29.2m)
2024-25	(102.8m)	(102.8m)	(\$51.4m)	(\$51.4m)	(29.5m)	(29.5m)

**List of affected Trust Funds:** General Revenue

REVENUE ESTIMATING CONFERENCE

Tax: Corporate Income Tax

Issue: Internship Tax Credits

Bill Number(s): HB 1101/SB1412

Section 5: Consensus Estimate (Adopted: 01/24/2020): The Conference adopted half of the low as an at least as number.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	0.0	(14.0)	0.0	0.0	0.0	0.0	0.0	(14.0)
2021-22	(14.2)	(14.2)	0.0	0.0	0.0	0.0	(14.2)	(14.2)
2022-23	(14.4)	(14.4)	0.0	0.0	0.0	0.0	(14.4)	(14.4)
2023-24	(14.6)	(14.6)	0.0	0.0	0.0	0.0	(14.6)	(14.6)
2024-25	(14.8)	(14.8)	0.0	0.0	0.0	0.0	(14.8)	(14.8)

	A	B	C	D	E	F	G
1		Impacts based 2017 CIT Data Micro-Simulation					
2		Less than \$10,000	Greater than or equal to \$10,000	Total Impact			
3		27,948,090	64,500,000	92,448,090			
4							
5	Calculations for Businesses w/ more than \$1k and less than \$10k in Liability						
6		Impact		26,559,809			
7		Percent of total		28.7%			
8							
9							
10	Participation rates			100%	50%	28.7%	
11		Tax Liability After Credits	*FY Pop. Growth Rates	High Impact	Middle Impact	Over \$1K under \$10K	
12	2017-18	20703		92,448,090	46,224,045	26,559,809	
13	2018-19	21071	1.78%	94,093,318	47,046,659	27,032,474	
14	2019-20	21427	1.69%	95,683,358	47,841,679	27,489,283	
15	2020-21	21767	1.58%	<b>97,199,663</b>	<b>48,599,832</b>	<b>27,924,909</b>	
16	2021-22	22098	1.52%	<b>98,677,129</b>	<b>49,338,565</b>	<b>28,349,377</b>	
17	2022-23	22418	1.45%	<b>100,109,109</b>	<b>50,054,554</b>	<b>28,760,776</b>	
18	2023-24	22726	1.37%	<b>101,484,995</b>	<b>50,742,498</b>	<b>29,156,060</b>	
19	2024-25	23022	1.30%	<b>102,806,015</b>	<b>51,403,008</b>	<b>29,535,582</b>	
20	*growth rates from 12/2019 FL demographic						
21							
22		High		Middle		Low	
23	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
24	2020-21	\$ (97.2 M)	\$ (97.2 M)	\$ (48.6 M)	\$ (48.6 M)	\$ (27.9 M)	\$ (27.9 M)
25	2021-22	\$ (98.7 M)	\$ (98.7 M)	\$ (49.3 M)	\$ (49.3 M)	\$ (28.3 M)	\$ (28.3 M)
26	2022-23	\$ (100.1 M)	\$ (100.1 M)	\$ (50.1 M)	\$ (50.1 M)	\$ (28.8 M)	\$ (28.8 M)
27	2023-24	\$ (101.5 M)	\$ (101.5 M)	\$ (50.7 M)	\$ (50.7 M)	\$ (29.2 M)	\$ (29.2 M)
28	2024-25	\$ (102.8 M)	\$ (102.8 M)	\$ (51.4 M)	\$ (51.4 M)	\$ (29.5 M)	\$ (29.5 M)

## REVENUE ESTIMATING CONFERENCE

**Tax:** Corporate Income Tax

**Issue:** Brownfields - Increase Credit Limit

**Bill Number(s):** SB 1152

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Senator Broxson

**Month/Year Impact Begins:** July, 2020

**Date of Analysis:** January 24, 2020

### Section 1: Narrative

#### a. Current Law:

Section 376.30781, F.S., provides Corporate Income Tax credits for rehabilitation of drycleaning-solvent-contaminated sites and brownfield sites in designated brownfield areas pursuant to s. 220.1845, F.S., grants the Department of Environmental Protection (DEP) rulemaking authority and the authority to revoke eligibility under certain circumstances.

Section 220.1845(2)(f), F.S., reads "The total amount of the tax credits which may be granted under this section is \$18.5 million in the 2018-2019 fiscal year and \$10 million each fiscal year thereafter."

Section 376.30781(4), F.S., reads "The Department of Environmental Protection is responsible for allocating the tax credits provided for in s. 220.1845, which may not exceed a total of \$18.5 million in tax credits in fiscal year 2018-2019 and \$10 million in tax credits each fiscal year thereafter."

The portion of section 376.82(1), F.S., relevant to this bill identifies eligibility criteria for participation in the brownfield program.

#### b. Proposed Change:

Sections 1 & 2: the \$10 million total CIT credits each year in sections 220.1845(2)(f) and 376.30781(4), F.S., are increased to \$12 million total CIT credits each year.

Section 3: Perfluoroalkyl and polyfluoroalkyl substances (PFAS) are defined in section 376.79(17), F.S., and the term is used in section 4 of this bill.

Section 4: An exception is added to section 376.82(1), F.S., expanding eligibility to participate in the brownfield program to include sites that are owned by the state or a local government which are impacted by PFAS, regardless of whether the state or local government's contributed to the contamination after July 1, 1997. This can effectively only increase the number of sites and, therefore, the number of CIT credits sought each year.

### Section 2: Description of Data and Sources

Historical tax credit award data and backlog, provided by the Department of Environmental Protection

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

DEP awards Voluntary Cleanup Tax Credits (VCTCs) on a first-come, first-serve basis to eligible applicants. Once the annual allocation of \$10 million in VCTCs has already been awarded, additional applicants are added to the awards backlog.

The following table, provided by DEP, shows the awarded credits based on calendar year expenses since 2009. Applications for 2019 expenses are due on January 31, 2020.



**REVENUE ESTIMATING CONFERENCE**

**Tax:** Corporate Income Tax

**Issue:** Brownfields - Increase Credit Limit

**Bill Number(s):** SB 1152

Tax Credit Awards Based on Calendar Year Expenses		
Year	Tax Credit Award	Number of Applicants
2009	\$5,637,970	55
2010	\$5,326,572	52
2011	\$6,230,166	52
2012	\$6,130,212	68
2013	\$7,495,413	80
2014	\$9,229,751	86
2015	\$11,015,909	99
2016	\$14,356,340	136
2017	\$11,407,898	139
2018	\$15,055,055	135
2019	TBD	TBD

The bill would increase the \$10 million total CIT credits each year to \$12 million. Even without the potentially increased base from section 4 of the bill, and not considering any backlog, the trend suggests that more than \$12 million in CIT credits will be awarded each year. The backlog after the 2018 credits were awarded was \$8,246,384.22.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			(2.0)	(2.0)		
2021-22			(2.0)	(2.0)		
2022-23			(2.0)	(2.0)		
2023-24			(2.0)	(2.0)		
2024-25			(2.0)	(2.0)		

**List of affected Trust Funds:** CIT Group

**Section 5: Consensus Estimate (Adopted: 01/24/2020): The Conference adopted the proposed estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(2.0)	(2.0)	0.0	0.0	0.0	0.0	(2.0)	(2.0)
2021-22	(2.0)	(2.0)	0.0	0.0	0.0	0.0	(2.0)	(2.0)
2022-23	(2.0)	(2.0)	0.0	0.0	0.0	0.0	(2.0)	(2.0)
2023-24	(2.0)	(2.0)	0.0	0.0	0.0	0.0	(2.0)	(2.0)
2024-25	(2.0)	(2.0)	0.0	0.0	0.0	0.0	(2.0)	(2.0)

## REVENUE ESTIMATING CONFERENCE

**Tax:** Corporate Income Tax  
**Issue:** Reclaimed Water Tax Credits  
**Bill Number(s):** SB 1656

- Entire Bill  
 Partial Bill: SB 1656, section 1

**Sponsor(s):** Senator Albritton

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

**Date of Analysis:** January 24, 2020

### Section 1: Narrative

#### a. Current Law:

No current law.

#### b. Proposed Change:

Section 1 identifies potable reuse as one source of water that may assist in meeting future water demand. It lays out definitions and a schedule for rulemaking, which requires legislative approval. Potable reuse is defined as the augmentation of a drinking water supply with advanced treated reclaimed water from a domestic wastewater treatment facility, and consists of direct potable reuse and indirect potable reuse. Finally:

(8) To encourage investment in the development of potable reuse projects by private entities, a potable reuse project developed as a qualifying project pursuant to s. 255.065 is:

(a) Beginning January 1, 2025, eligible for expedited permitting under s. 403.973.

**(b) Granted an annual credit against the tax imposed by chapter 220 in an amount equal to 5 percent of the eligible capital costs generated by a qualifying project for a period not to exceed 20 years after the date that project operations begin. The tax credit applies only to the corporate income tax liability or the premium tax liability generated by or arising out of the qualifying project, and the sum of all tax credits provided pursuant to this section may not exceed 100 percent of the eligible capital costs as defined in s. 220.191(1)(c). Any credit granted pursuant to this paragraph may not be carried forward or backward.**

(c) Granted a 3-year extension of any deadlines imposed under s. 403.064(17).

(d) Consistent with s. 373.707, eligible for priority funding in the same manner as other alternative water supply projects from the Drinking Water State Revolving Fund, under the Water Protection and Sustainability Program, and for water management district cooperative funding.

(9) This section is not intended and may not be construed to supersede s. 373.250(3).

### Section 2: Description of Data and Sources

Potable Reuse Commission, "Advancing Potable Reuse in Florida: Framework for the Implementation of Potable Reuse in Florida" (2020).

Congressional Budget Office, "Future Investment in Drinking Water and Wastewater Infrastructure" (2002), <https://www.cbo.gov/publication/14205>.

Tampa Bay Times, <https://www.tampabay.com/clearwater/once-leading-the-way-in-florida-clearwaters-plan-to-turn-wastewater-to-drinking-water-is-on-hold-20190122/>.

DEP Wastewater Facility Information, <https://floridadep.gov/water/domestic-wastewater/content/wastewater-facility-information>.

EDR, Annual Assessment of Florida's Water Resources and Conservation Lands, 2020 Edition, <http://edr.state.fl.us/Content/natural-resources/index.cfm>.

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

Section 1 creates a statute that does not currently exist. It is unclear how many entities with corporate tax liability will choose to invest in the newly qualified alternative water supply projects, how narrowly the CIT liability "generated by or arising out of the qualifying project" is defined, and what the treatment capacity of any project(s) will be.

Currently, the only facility in the world using "direct potable reuse" is in Namibia. In the U.S., there are small number of "indirect potable reuse" facilities currently in operation and Texas recently implemented direct potable reuse in response to drought conditions. A number of public utilities in Florida have undertaken demonstration or pilot projects using advanced

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Corporate Income Tax

**Issue:** Reclaimed Water Tax Credits

**Bill Number(s):** SB 1656

treatment technology, but most have not progressed beyond that stage. The City of Clearwater designed and holds permits for a facility that could inject highly-treated wastewater into “a lower zone of the aquifer where the city does not pull water from. It would take about 10 years for that water to migrate to the upper zone drinking supply, where it would be pulled up by a city well, treated again and sent to residents' homes...” (Tampa Bay Times). Construction has not started and is not expected to begin within the next two years.

Most domestic wastewater treatment systems are publicly owned. According to a Congressional Budget Office report, approximately 3 percent of seweried American households are served by privately-owned wastewater systems. However, the bill seems to open up the possibility of public-private partnerships between publicly-owned utilities and corporations. For example, if a corporation’s water use permit application is contingent on the corporation funding a project to create an equal amount of water through alternative water supply projects, then that company could offer funding to a nearby wastewater system. The utility would then build a new treatment plant or update the existing plant with “advanced treatment technology,” allowing the advanced treated reclaimed water to offset the corporation’s new withdrawals.

In that scenario, there is a question of how much tax liability is “generated by” or “arises out of” the project. Would it include all profit resulting from a newly-built facility that required the offset water? Or, if a private wastewater utility begins to treat all of its wastewater with the advanced technology, does all of their revenue then arise out of the project? Based on a conversation with DOR staff regarding tax credits, the precise definition of income arising from a project cannot be answered without specifics.

The cost of any project is highly dependent on what technology is used and the project’s flow capacity. Using 1976 EPA data from a survey of wastewater treatment facility construction costs, the table below shows the increase in cost from 1 million gallons per day (mgd) to 5, 20, and 100 mgd capacities. The treatment categories below refer to specific methods and technology used by the facilities in the survey. The treatment technologies and treatment levels in the bill are objectively better than what was used in the 1970s, but economies of scale remain in the wastewater treatment industry.

Treatment Category	Estimated Cost Increase at Design Flow Rate(mgd)				Number of Plants
	1	5	20	100	
1	1	1.973	4.730	16.802	66
2	1	1.991	4.630	14.127	49
3	1	1.707	4.000	15.185	15
4	1	1.643	3.758	12.826	8
5	1	1.657	3.848	13.539	2
6	1	1.786	4.207	14.307	3
Wghted Avg	1	1.924	4.541	15.395	143

Based on DEP’s information on domestic wastewater facilities, the average wastewater treatment plant in the state has a permitted capacity of 1.6 mgd, with a maximum of 143 mgd. The new treatment may be more likely in the larger facilities if they represent areas with greater water demand. Furthermore, the capital investments necessary to build a new or upgrade an existing facility to use this technology are difficult to estimate. Examples of capital investment and mgd flow of recent pilot programs are in the table below.

Year	Location	Capital Cost (\$millions)	mgd	\$m/mgd
2018*	Clearwater	\$35.2	2.67	\$13.18
2017	Daytona Beach	\$3.4	0.2	\$17.00
2017	Jacksonville (JEA)	\$2.0	0.12	\$16.67
2016	Altamonte Springs	\$1.0	0.03	\$33.33
2015	Hillsborough County	\$2.5	2.0	\$ 1.25

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Corporate Income Tax

**Issue:** Reclaimed Water Tax Credits

**Bill Number(s):** SB 1656

Any impact depends on how many corporations with corporate income tax liability will invest in these projects, how much of the total capital cost they will invest, and how much corporate income tax liability is generated by or arises out of the project.

Additionally, the rulemaking schedule included in the bill sets a departmental deadline for December 2022 and requires legislative approval. Whether even the design phase of a facility would begin before the rules were finalized is uncertain. Considering it takes an average of over two years to complete a reclaimed water project, any tax credits received in relation to these projects will likely be outside the forecast window. The low assumes that, due to the time required for rulemaking, design, and construction, no tax credits will be claimed before FY 2025-26. The high allows for the possibility of earlier completion, but without more information the magnitude of the impact cannot be determined.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(**)	(**)			0.0	(**)
2021-22	(**)	(**)			0.0	(**)
2022-23	(**)	(**)			0.0	(**)
2023-24	(**)	(**)			0.0	(**)
2024-25	(**)	(**)			0.0	(**)

**List of affected Trust Funds:** CIT Group

**Section 5: Consensus Estimate (Adopted: 01/24/2020):** The Conference adopted the low estimate except for the last year's cash which they adopted as negative indeterminate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
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	(**)
2024-25	(**)	(**)	0.0	0.0	0.0	0.0	(**)	(**)

## REVENUE ESTIMATING CONFERENCE

**Tax:** Insurance Premium Tax

**Issue:** Florida Rural Job and Business Recovery Act

**Bill Number(s):** SB 848

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Senator Montford

**Month/Year Impact Begins:** 07/01/2020

**Date of Analysis:** 01/17/2020

### Section 1: Narrative

#### a. Current Law:

Florida has a number of programs that provide or facilitate access to capital for Florida businesses through equity investment, loans or loan support:

- The State Board of Administration's Florida Growth Fund I, with \$621.6 million invested in 46 technology and growth companies and 33 private equity funds across 13 Florida counties; the Florida Growth Fund II has made 10 fund commitments and 9 direct investments, totaling \$156.1 million in capital. [As of 6-30-18]
- The Florida Venture Capital Program, capitalized with \$43.5 million in Federal State Small Business Credit Initiative (SSBCI) funds;
- The Small Business Loan Support Program, capitalized with \$47 million in SSBCI funds; and
- The Florida Opportunity Fund, capitalized with \$29.5 million, invests in seed and early stage venture capital funds, and provides direct investments in and loans to Florida-based technology businesses and infrastructure projects;
- The Clean Energy Investment Program within the Florida Opportunity Fund was capitalized with \$36 million for the US Department of Energy to provide funding to businesses to increase the use of energy efficient or renewable energy, equipment and materials in the State.
- The Florida New Markets Development Program, with \$216.34 million in tax credits authorized and allocated to tax credit investors to date.

With the exception of the New Markets Development Program, these "evergreen" programs are designed to preserve and redeploy program capital and returns, providing a revolving funding source for future loans and investments.

The Rural Job Tax Credit program offers tax credits for job creation, ranging from \$1,000 to \$1,500 per qualified employee, taken against either the Florida corporate income tax or the Florida sales and use tax. [Sections 212.098 & 220.1895, F.S.]

Florida also offers a number of programs to facilitate economic development in rural communities of the state. While these programs may indirectly benefit small businesses, the grants are principally to local governments or economic development organizations.

Currently, there is no Florida program that allocates tax credits to investors in Rural Business Investment Companies, Small Business Investment Companies or affiliates of private equity firms that specifically invest in or loan to businesses in non-urban areas.

- #### b. Proposed Change:
- SB 848 creates section 288.062, F.S., the Florida Rural Jobs and Business Recovery Act. The bill would enable Florida insurance companies to earn Insurance Premium tax credits by investing in a Growth Fund (a federally licensed rural or small business investment company or its affiliate) that makes Growth Investments in or loans to qualified Growth Businesses in Growth Zones, defined as all locations outside an urbanized area with a population equal to or greater than 50,000, and urbanized areas in qualified counties impacted by Hurricane Michael in 2018. Insurance companies would receive a tax credit in the amount of their investment, redeemed in equal installments over the first five of the 7-year compliance period. Unused tax credits may be carried forward for up to ten years.

Staff of the U.S. Department of Agriculture report that as of November, 2019, there were five certified Rural Business Investment Companies in the U.S, 3 additional companies with conditional licenses, and 2 companies with applications pending. The Congressional Research Service reported that in 2018, there were 305 licensed Small Business Investment Companies.

## REVENUE ESTIMATING CONFERENCE

**Tax:** Insurance Premium Tax

**Issue:** Florida Rural Job and Business Recovery Act

**Bill Number(s):** SB 848

Growth Investments are defined as “any capital or equity investment in a growth business or any loan to a growth business with a stated maturity at least 1 year after the date of issuance.”

Growth Businesses are defined as a business that at the time of the initial Growth Investment has fewer than 200 employees; has its principal place of business operations in one or more Growth Zones in the state; and is engaged in industries related to agribusiness, mining, oil and gas extraction, utilities, construction, manufacturing, transportation and warehousing, professional, scientific and technical services, healthcare and social assistance, or if not engaged in such industries, upon a determination by the department that the investment will “create new jobs or result in jobs retained.”

### Section 2: Description of Data and Sources

Department of Revenue return data.

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

The program architecture enabled by the Florida Jobs and Business Recovery Act is similar to that of Florida’s Certified Capital Company program (CAPCO, s. 288.99, F.S., repealed in 2010) and to some extent Florida’s New Markets Development Program (NMDP, s. 288.991, F.S.), which uses complex inter-related, multiple-step transaction structures to facilitate loans or equity investments in qualified businesses, with a portion of the equity or the loan principal generated through the provision or sale of tax credits.

Similar legislation has been enacted in at least six states (GA, MI, OH, PA, RI & UT; legislation passed in 2018 in New York was vetoed) and was under consideration in 2019 in at least 6 states (AL, LA, MA, MO, MS, & WA). In the past, similar legislation has been proposed in at least 10 other states (AZ, KS, KY, MN, NJ, NH, NC, NE, SC, & TX).

Under this proposal, the Department of Economic Opportunity (DEO) can accept applications for approval as a Growth Fund after September 1, 2020, and is authorized to issue \$25 million in tax credits – limited to redemptions of \$5 million per year – for up to \$33.3 million in Investment Authority. This term is defined as the amount certified in the Growth Fund certification notice. At least seventy-five percent of the initial Investment Authority must consist of investor contributions from insurance companies, and at least 10 percent must be from equity investments contributed by affiliates of the Growth Fund. This initial Investment Authority must be invested in Growth Investments within two years of certification of the Growth Fund.

Growth Investments in an amount equal to the Investment Authority must be maintained through the sixth year of the compliance period. Exceptions to this requirement are indirectly addressed in the tax credit revocation conditions specified in the bill. Given these exception, it appears that Growth Funds need only maintain an amount equal to its Investment Authority in investments in Growth Businesses for two of the 7 years of the compliance period, and perhaps less if the Growth Fund makes a distribution or payment from the fund and investment funds are “available for investment.” Loans to an individual Growth Business must have a stated maturity of at least one year.

Because Growth Funds are a federally licensed rural or small business investment company or its affiliate, the Investment Authority could include equity investments from Farm Credit System banks and associations, or loans from the Small Business Administration (SBA). Additional funding sources could also include loans from commercial lenders and equity generated from other public subsidies.

Required annual reports on Growth Fund investments provide a “snapshot” of Growth Investments. Reports capture information on investments in their first year and the cumulative amounts of investments through the compliance period. Annual reports are not required to show purpose or use of the Growth Investments (capital investment, operating capital, debt refinancing, etc.), whether the attendant jobs were permanent or temporary, and the duration of investments. Growth Funds are not required to identify other sources of investment funds, private or subsidized, actually used to make Growth Investments. Providing information on redeemed or repaid investments appears to be optional.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Insurance Premium Tax

**Issue:** Florida Rural Job and Business Recovery Act

**Bill Number(s):** SB 848

Given the broad eligibility of Growth Businesses for loans or equity investments, the parameters for maintaining the required threshold for total Growth Investments, the ability to use other funding sources for Growth Investments, and the proliferation of legislation in other states for similar programs, it is likely there will be full participation in the proposed program.

The bill limits the amount of program Investment Authority to a total that will result in no more than \$5 million in tax credits taken in any one year, excluding credits carried forward. Credits are available for redemption over the first five of the 7-year compliance period. The bill includes a sunset date of December 21, 2031.

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			(\$5.0m)	(\$5.0m)		
2021-22			(\$5.0m)	(\$5.0m)		
2022-23			(\$5.0m)	(\$5.0m)		
2023-24			(\$5.0m)	(\$5.0m)		
2024-25			(\$5.0m)	(\$5.0m)		

**List of affected Trust Funds:** Insurance Premium Tax

**Section 5: Consensus Estimate (Adopted: 01/24/2020): The Conference adopted the proposed estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2019-20	(5.0)	(5.0)	0.0	0.0	0.0	0.0	(5.0)	(5.0)
2020-21	(5.0)	(5.0)	0.0	0.0	0.0	0.0	(5.0)	(5.0)
2021-22	(5.0)	(5.0)	0.0	0.0	0.0	0.0	(5.0)	(5.0)
2022-23	(5.0)	(5.0)	0.0	0.0	0.0	0.0	(5.0)	(5.0)
2023-24	(5.0)	(5.0)	0.0	0.0	0.0	0.0	(5.0)	(5.0)

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Highway Safety Fees  
**Issue:** Red Light Camera Repeal  
**Bill Number(s):** HB 6083

- Entire Bill**
- Partial Bill:**

**Sponsor(s):** Rodriguez  
**Month/Year Impact Begins:** 07/01/2020  
**Date of Analysis:** 01/24/2020

**Section 1: Narrative**

- a. Current Law:** Subsection (8) of section 316.008, section 316.0083, and section 316.00831, F.S., provides for the administration of the Mark Wandall Traffic Safety Program (installation and use of traffic detector devices; authorization of the Department of Highway Safety and Motor Vehicles, counties or municipalities to use detectors; and the distribution of penalties). Section 321.50, F.S. provides the authorization to use traffic infraction detectors. Subsections (91) and (36) of section 316.003, F.S., defines “traffic infraction detector” and “local hearing officer.” Section 316.07456, F.S., provides for transitional implementation of detectors. Subsection (3) of section 318.15, F.S. relates to failure to comply with a civil penalty. Section 316.0776, F.S., provides for the installation of traffic infraction detectors. Subsection (5) section 28.37; subsection (58) of 316.003; paragraph (a) of subsection (3) of section 316.306; paragraph (b) of subsection (1) and paragraph (a) of subsection (5) of section 316.640; paragraphs (a) and (c) of subsection (3) of section 316.50; section 318.121; subsection (2) of section 318.14; subsections (15) and (22) of section 318.18; subsection (8) of section 320.03; paragraph (d) of subsection (3) of section 322.27; and subsection (1) of section 655.960, F.S. provides the distribution of proceeds, enforcement by traffic infraction enforcement officers, procedures for disposition of citations, preemption of additional fees or surcharges, compliance, and penalties.
- b. Proposed Change:** Effective July 1, 2023, HB 6083 would repeal provisions in the above mentioned statues relating to installation and use of traffic infraction detectors to enforce specified provisions when drivers fail to stop at a traffic signal, provisions that authorize DHSMV, county, or municipalities to use detectors, and provisions for distribution of penalties collected for specific violations.

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

01/07/2020 HSMV REC revenue and transactions forecast through FY 2024-25  
 Distribution Schedule of Court-Related Filing Fees, Service Charges, Costs, and Fines effective July 2019  
 Telephone and email contact with RLC vendor  
 Red Light Camera by Jurisdiction per the Florida Department of Revenue

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

The repeal of these provisions results in a loss of direct RLC revenue and the subsequent UTC revenue. The loss of the direct RLC revenue to General Revenue and other state trust funds is based on the most recent HSMV REC RLC forecast. The REC forecast is used to estimate the loss of these direct RLC revenue to local governments (based on their portion of the \$158 fine). The loss of the UTC revenue is also derived from the same forecast by applying the fees from the Clerks’ Distribution Schedule to the number of forecasted transactions remitted by the Clerks of Court. There is also an assumed program reduction prior to the law’s effective date due to local governments deciding not to renew their programs in response to the law change. Local government’s renewal dates for FY 2020-21 through FY 2022-23 was obtained from a RLC vendor. This data and the state portion of RLC fines remitted to the Department of Revenue from local governments by jurisdiction was used to calculate a 13.7% possible reduction for FY 2020-21, a 51.2% possible reduction for FY 2021-22, and a 76.4% possible reduction for FY 2022-23. The middle scenario assumes a quarter of the local governments up for renewal decide not to renew their RLC program. The FY 2023-24 cash amounts are adjusted for four months due to the program reductions noted above and observed delay in receipt elimination from past program reductions.

**Section 4: Proposed Fiscal Impact**

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			(2.1)	(61.6)		
2021-22			(8.0)	(62.3)		
2022-23			(12.0)	(63.0)		
2023-24			(58.6)	(63.6)		
2024-25			(64.2)	(64.2)		



**REVENUE ESTIMATING CONFERENCE**

**Tax:** Highway Safety Fees

**Issue:** Red Light Camera Repeal

**Bill Number(s):** HB 6083

Trust	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			(0.5)	(13.4)		
2021-22			(1.7)	(13.6)		
2022-23			(2.6)	(13.7)		
2023-24			(12.7)	(13.8)		
2024-25			(14.0)	(14.0)		

Local	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21			(2.5)	(74.3)		
2021-22			(9.6)	(75.1)		
2022-23			(14.5)	(75.9)		
2023-24			(70.7)	(76.7)		
2024-25			(77.4)	(77.4)		

**List of affected Trust Funds:**

- General Revenue Fund
- Department of Health Emergency Medical Services Trust Fund
- Brain & Spinal Cord Injury Trust Fund
- State Courts Revenue Trust Fund
- State Attorneys Revenue Trust Fund
- Public Defenders Revenue Trust Fund
- State Radio Systems Trust Fund
- Local Trust Funds

**Section 5: Consensus Estimate (Adopted: 01/24/2020): The Conference adopted the proposed estimate.**

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(2.1)	(62.7)	(0.5)	(12.3)	(2.5)	(74.3)	(5.1)	(149.3)
2021-22	(8.1)	(63.4)	(1.6)	(12.5)	(9.6)	(75.1)	(19.3)	(151.0)
2022-23	(12.2)	(64.1)	(2.4)	(12.6)	(14.5)	(75.9)	(29.1)	(152.6)
2023-24	(59.6)	(64.7)	(11.7)	(12.7)	(70.7)	(76.7)	(142.0)	(154.1)
2024-25	(65.3)	(65.3)	(12.9)	(12.9)	(77.4)	(77.4)	(155.6)	(155.6)

## Current Law

### RLC Revenue (01/07/2020 HSMV REC)

	2020-21	2021-22	2022-23	2023-24	2024-25
Remitted by Local Gov. to DOR	57.1	57.7	58.3	58.8	59.4
Remitted by Clerks of Court to DOR (LEO)	12.8	12.9	13.1	13.2	13.4
Total	69.9	70.6	71.4	72.1	72.7

### RLC Transactions

Remitted by Local Gov. to DOR	688,022	695,303	702,321	709,031	715,450
Remitted by Clerks of Court to DOR (LEO)	154,022	155,884	157,682	159,404	161,053
Total	842,044	851,188	860,003	868,435	876,503

GR	58.9	59.6	60.2	60.8	61.3
TRUST	11.0	11.1	11.2	11.3	11.4
LOCAL	63.2	63.8	64.5	65.1	65.7
Subtotal	133.0	134.5	135.9	137.2	138.5

### UTC Add-on

GR	2.7	2.7	2.8	2.8	2.8
TRUST	2.5	2.5	2.5	2.6	2.6
LOCAL	11.2	11.3	11.4	11.6	11.7
Subtotal	16.3	16.5	16.7	16.9	17.1

### RLC and UTC Total

GR	61.6	62.3	63.0	63.6	64.2
TRUST	13.4	13.6	13.7	13.8	14.0
LOCAL	74.3	75.1	75.9	76.7	77.4
Subtotal	149.4	151.0	152.6	154.1	155.6

## REVENUE ESTIMATING CONFERENCE

**Tax:** Sales and Use Tax

**Issue:** Camping, Fishing and Hunting Sales Tax Holiday

**Bill Number(s):** [Proposed Language](#)

**Entire Bill**

**Partial Bill:** Proposed Language

**Sponsor(s):**

**Month/Year Impact Begins:** July 1, 2020, Collections September 2020, Impact October 2020

**Date of Analysis:** January 22, 2020

### Section 1: Narrative

**a. Current Law:** Sales tax is collected on the purchase of fishing equipment, camping supplies and firearms and ammunition.

**b. Proposed Change:** Creates a one day sales tax holiday September 5, 2020. Exempts:

- Firearms having a sale price of \$1500 or less (defined as rifles, shotguns, spearguns, crossbows, and bows)
- Ammunition with a sales price of \$100 or less per package or per item when sold individually.
  - Includes spears for spearguns, bolts for crossbows, and arrows for bows.
- Fishing supplies having a sales price of \$200 or less (defined as rods, reels, bait and fishing tackle)
- Camping tents having a sale price of \$200 or less.

The language excludes supplies used for commercial fishing purposes and this exemption does not apply to sales within theme parks, entertainment complexes, lodging establishments or airports.

If the items comprise less than 5% of dealer's gross sales, the dealer may opt out of providing the tax exemption.

### Section 2: Description of Data and Sources

BLS Consumer Expenditure Data

2017 American Camper Report

US Fish and Wildlife

ASA Fishing

US BATF and NCIS Firearm Data

NSSF Testimony at Assault Weapons FIEC 2019

FWC License Data

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

For the impact, estimated the annual purchases of:

Rifles

Shotguns

Ammunition

Spearguns, Crossbows and Bows, Arrows and Bolts

Rods, Reels, Bait and Fishing Tackle

Camping Tents

The last Florida specific survey of Fishing, Hunting and Wildlife-Associated Recreation was published in 2011. Used the 2016 National Expenditures survey for growth rates.

Assumed fishing "tackle" could refer to anything that could be used to catch fish.

To estimate September sales:

- Used Florida specific background checks for long guns for rifle and shotgun purchases.
- Use FWC sales of fishing and archery licenses for fishing gear and bows/crossbows purchases.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Sales and Use Tax

**Issue:** Camping, Fishing and Hunting Sales Tax Holiday

**Bill Number(s):** [Proposed Language](#)

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(\$1.2m)		(\$2.6m)		(\$4.1m)	
2021-22						
2022-23						
2023-24						
2024-25						

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

**Section 5: Consensus Estimate (Adopted: 01/24/2020):** The Conference adopted an adjusted impact that assumed the middle for sales prices under the cap, the proposed September purchases except for fishing gear and spearguns, no impact from opt-out option and the middle for spending behavior (14 days).

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(2.8)	0.0	(Insignificant)	0.0	(0.1)	0.0	(0.3)	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
2024-25	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
2020-21	(0.5)	0.0	(0.8)	0.0	(3.6)	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
2024-25	0.0	0.0	0.0	0.0	0.0	0.0

Proposed Language - Fishing and Hunting and Camping Holiday, September 5, 2020

**SUMMARY**

		2020 Annual Expenditures
Rifles, Shotguns	\$	281.2
Ammunition	\$	269.4
Rods, Reels, Bait, Tackle	\$	1,042.1
Spearguns		Included above
Crossbows and Bows (including bolts and arrows)	\$	1.4
Tents	\$	18.1
<b>Florida Expenditures</b>	<b>\$</b>	<b>1,612.2</b>

		2020 Annual Expenditures
Rifles, Shotguns	\$	281.2
Ammunition	\$	269.4
Rods, Reels, Bait, Tackle	\$	1,042.1
Spearguns		Included above
Crossbows and Bows (including bolts and arrows)	\$	1.4
Tents	\$	18.1
<b>Florida Expenditures</b>	<b>\$</b>	<b>1,612.2</b>

		September Purchases
Rifles, Shotguns		Long Gun Background Check
Ammunition		Long Gun Background Check
Rods, Reels, Bait, Tackle		FWC Fishing License Sales
Spearguns		FWC Fishing License Sales
Crossbows and Bows (including bolts and arrows)		FWC Archery License Sales
Tents		1/12

Percent Under cap

Sales Price	Percent Under cap			Adopted
	Low	Middle	High	
\$1,500	75.0%	85.0%	90.0%	85.0%
\$100	85.0%	90.0%	95.0%	90.0%
\$200	75.0%	80.0%	85.0%	80.0%
\$1,500		95.0%		
\$1,500	85.0%	90.0%	95.0%	90.0%
\$200	85.0%	90.0%	95.0%	90.0%

Sales Price	Percent Under cap			Adopted
	Low	Middle	High	
\$1,500	\$ 210.9	\$ 239.0	\$ 253.1	\$ 239.0
\$100	\$ 229.0	\$ 242.5	\$ 256.0	\$ 242.5
\$200	\$ 781.6	\$ 833.7	\$ 885.8	\$ 833.7
\$1,500	Included above			
\$1,500	\$ 1.2	\$ 1.3	\$ 1.3	\$ 1.3
\$200	\$ 15.4	\$ 16.3	\$ 17.2	\$ 16.3
	<b>\$ 1,238.1</b>	<b>\$ 1,332.7</b>	<b>\$ 1,413.4</b>	<b>\$ 1,332.7</b>

September	Adopted
8.1%	8.1%
8.1%	8.1%
6.4%	8.3%
6.4%	8.3%
17.0%	17.0%
8.3%	8.3%

<b>September 2020 Purchases</b>	<b>Low</b>	<b>Middle</b>	<b>High</b>	<b>Adopted</b>
Rifles, Shotguns	\$ 17.1	\$ 19.4	\$ 20.5	\$ 19.4
Ammunition	\$ 18.5	\$ 19.6	\$ 20.7	\$ 19.6
Rods, Reels, Bait, Tackle	\$ 50.0	\$ 53.3	\$ 56.6	\$ 69.5
Spearguns	Included above			\$ -
Crossbows and Bows (including bolts and arrows)	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2
Tents	\$ 1.3	\$ 1.4	\$ 1.4	\$ 1.4
	<b>\$ 87.1</b>	<b>\$ 93.8</b>	<b>\$ 99.5</b>	<b>\$ 110.0</b>

	<b>Low</b>	<b>Middle</b>	<b>High</b>	<b>Adopted</b>
Opt out for Vendors	3.00%	2.50%	2.00%	0.00%

**September 2020 Purchases** \$ 84.4 \$ 91.5 \$ 97.5 \$ 110.0

Convert to 1 Day(/30 days) \$ 2.8 \$ 3.0 \$ 3.3 \$ 3.7

	<b>Low</b>	<b>Middle</b>	<b>High</b>	<b>Adopted</b>
Spending Behavior (Days)	<u>7</u>	<u>14</u>	<u>21</u>	<u>14</u>
	\$ 19.7	\$ 42.7	\$ 68.3	\$ 51.3

<b>Sales Tax at 6%</b>	<b>\$ 1.2</b>	<b>\$ 2.6</b>	<b>\$ 4.1</b>	<b>\$ 3.1</b>
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**NICS Firearm Background Checks - Florida****Long Gun**

<b>2019</b>	225,560
<b>2018</b>	241,875
<b>2017</b>	278,618
<b>2016</b>	316,232
<b>2015</b>	277,768
<b>2014</b>	274,733

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6 Year Average	<b>269,131</b>
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**ANNUAL FIREARMS MANUFACTURING AND EXPORT REPORT (ATF) - US**

	<b>Rifles</b>	<b>Shotguns</b>	<b>Total</b>
<b>2018 Interim</b>	2,846,757	535,994	3,382,751
<b>2017</b>	2,504,092	653,139	3,157,231
<b>2016</b>	4,239,335	848,617	5,087,952
<b>2015</b>	3,691,799	777,273	4,469,072
<b>2014</b>	3,379,549	935,411	4,314,960

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5 Year Average	<b>81.6%</b>	<b>18.4%</b>
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**Assumed FL Sales of Rifles and Shotguns Based on Manufacturing Breakout and FL****Background Checks**

	<b>Rifles</b>	<b>Shotguns</b>
<b>2019</b>	184,116	41,444
<b>2018</b>	197,434	44,441
<b>2017</b>	227,426	51,192
<b>2016</b>	258,128	58,104
<b>2015</b>	226,732	51,036
<b>2014</b>	224,254	50,479

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6 Year Average	<b>219,682</b>	<b>49,449</b>
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Average Price (source: NSSF)	\$1,100	\$800
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	<b>Rifles</b>	<b>Shotguns</b>	<b>Total</b>
Total Sales	\$ 241,649,836	\$ 39,559,464	\$ <b>281,209,301</b>

**Ammunition Sales**

Products Segmentation for Gun and Ammo Store Revenue (source: IBISWorld)

		Total Sales/19.1%
Rifles & Shotguns:	19.10%	\$ 1,472,300,004
		\$1,472,300,004 * 18.30%
Ammunition	18.30%	\$ 269,430,901

**Rods, Reels, Bait and Fishing Tackle; Spearguns**

2011 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation - Florida

Table 19. Expenditures in Florida by State Residents and Nonresidents Combined for Fishing: 2011

EQUIPMENT AND OTHER EXPENDITURES  
PRIMARILY FOR FISHING

	Expenditures	
	<i>(1000s \$)</i>	
Total, all items	\$	4,629,202
Other trip costs, total	\$	1,337,423
Bait	\$	273,639
Fishing equipment, total	\$	600,093
Reels, rods, and rod-making components	\$	279,417
Lines, hooks, sinkers, etc	\$	139,316
Artificial lures and flies	\$	66,180
Creels, stringers, fish bags, landing nets, and gaff hooks	\$	13,269
Minnow seines, traps, and bait containers	\$	9,313
Other fishing equipment (1)	\$	92,598

(1) - Includes electronic fishing devices (depth finders, fish finders, etc.), tackle boxes, ice fishing equipment, and other fishing equipment. Includes spearfishing equipment.

<b>2011</b>	<i>(1000s \$)</i>	
<b>Total Impact (Fishing Equipment + Bait)</b>	\$	873,732
Grow to 2020		
National Expenditures	2011	2016
Fishing Equipment	41.8 billion	46.1 billion
Average annual growth	2.0%	
Grow 2011 to 2020	<b>2020</b>	
<b>Total Impact (Fishing Equipment + Bait)</b>	\$	1,042,132
convert to millions	\$	1,042.1



**CrossBows & Bows, Arrows & Bolts**

2016 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation

Table 17: Expenditures for Hunting 2016

EQUIPMENT EXPENDITURES

	Expenditures	
	<i>(1000s \$)</i>	
Hunting equipment, total	\$	7,383,871
Firearms	\$	2,913,826
Bows, arrows, archery equipment	\$	23,201
	<b>2016</b>	<i>(1000s \$)</i>
Bows, arrows, archery equipment	\$	23,201
<b>% bows and crossbows, arrows and bolts</b>		95.0%
Florida Share		6.57%
	\$	1,448.1
convert to millions	\$	1.45
Grow to 2020		
National Expenditures	2011	2016
Hunting Equipment (1000s)	\$ 7,738,324	\$ 7,383,871
Average annual growth	-0.9%	
Grow 2016 to 2020	<b>2020</b>	
Florida Share Bows and Crossbows	\$	1,395
convert to millions	\$	1.39

## Tents

Source: Outdoor Industry

U.S. Camping Equipment Sales

Tents & Shelters

2011 \$ 196,469,510

2012 \$ 223,384,259

2020 \$ 275,041,816

FL Share 6.57%

2020

FL Tent/Shelter Sales \$ **18,070,247**

Camping equipment wholesale sales in the U.S. from 2007 to 2018 (in million U.S. dollars)

Tents/Shelters

Source: SFIA

2011 \$ 282.0

2012 \$ 287.6

2013 \$ 296.4

2014 \$ 335.6

2015 \$ 340.1

2016 \$ 349.6

2017 \$ 326.9

2018 \$ 338.3

2.6% Average Annual Growth

**Residential and Nonresidential Licenses  
Archery Licenses (Annual & 5 Year)**

	Jan	Feb	March	April	May	June	July	August	Sep	Oct	Nov	Dec	Total
2015-2019 average	4,158	4,368	5,327	4,452	5,796	6,300	6,483	6,344	15,010	12,084	11,430	6,567	88,318

17.0%

**Saltwater and Freshwater Fishing Licenses**

	Jan	Feb	March	April	May	June	July	August	Sep	Oct	Nov	Dec	Total
2015-2019	89,566	98,634	132,602	129,203	147,628	154,255	183,349	114,083	88,992	79,594	87,464	86,784	1,392,154

6.4%

NICS Firearm Background Checks - Florida Monthly  
Long Gun Background Checks

	Jan	Feb	March	April	May	June	July	August	Sep	Oct	Nov	Dec
2019	18,749	17,833	19,429	15,125	14,214	13,576	13,570	18,910	18,261	19,816	24,497	31,580

2019-%	8.3%	7.9%	8.6%	6.7%	6.3%	6.0%	6.0%	8.4%	8.1%	8.8%	10.9%	14.0%	100.0%
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## REVENUE ESTIMATING CONFERENCE

**Tax:** Sales and Use Tax

**Issue:** Storm Shutters/Impact Resistant Windows Exemption

**Bill Number(s):** HB 555 – Proposed Language

**Entire Bill**

**Partial Bill:**

**Sponsor(s):**

**Month/Year Impact Begins:** July 1, 2020.

**Date of Analysis:** January 24, 2020

### Section 1: Narrative

- a. Current Law:** Under current law in Ch. 212, the items listed in the bill are subject to the 6% Sales and Use Tax when purchased.
- b. Proposed Change:** The bill provides an exemption from sales tax for hurricane shutters and impact-resistant windows that will be used for residential purposes from July 1, 2020. The bill exempts the first \$100 of each shutter or window purchased. The bill offers the exemption to any purchaser. The bill requires that the equipment be installed by a qualified contractor.

### Section 2: Description of Data and Sources

- U.S. Census Bureau, Building Permits surveys, multiple years.
- Florida Economic Estimating Conference, December 2019.
- Senate Bill 524 impact, Revenue Estimating Conference, 11/22/2019
- DBPR, Florida Building Code 2017 edition.
- Internet prices (Home Depot, Lowes)

### Section 3: Methodology (See attached.)

**Household Purchases:** The adopted impact for SB 524 from 11/22/2019 is used for household purchases. A 10-day holiday impact is calculated using the forecast for Florida households for 2020, along with the percentage of households reporting losses in the major storms occurring in 2004, 2005, 2008, 2016, and 2017 = 4.4%. The percentage of households reporting losses in 2018 (1.0%) was excluded from the calculation because the storm was concentrated in an area of the state with fewer residents. The low estimate assumes 4.4% of all Florida households would participate in the holiday. The high estimate assumes 8.5% of households would participate based on the highest reported losses in 2005. The middle estimate assumes 6.5% of households would participate.

An amount of tax-free expenditures is assumed for each household: High = \$200; Middle = \$140; Low = \$93. Based on the 2018 Consumer Expenditure Survey and median Florida household income, it is estimated that Florida households spend approximately \$2,427 annually (average of approximately \$6.65 per day) for miscellaneous household equipment and home maintenance, repairs, insurance, and other expenses. The high estimate assumes that an amount equivalent to 30 days of expenditures would be spent during the holiday period. The middle and low estimates assume expenditures equivalent to 21 days and 14 days, respectively. The Day-by-Day Matrix is used to adjust the 10-day holiday to an 18-day holiday (114.9% adjustment).

**Impact-Resistant Windows - Households:** The adopted impact for SB 524 from 11/22/2019 is used for household purchases, expect the price is \$100 because only the first \$100 of each window/shutter are exempt. It is assumed a certain number of households will purchase impact-resistant windows during a 10-day holiday period: High = 15,029 (25% of the middle estimate of the number of households that are assumed to purchase a generator); Middle = 9,017 (15% of the middle estimate of the number of households that are assumed to purchase a generator); and Low = 6,012 (10% of the middle estimate of the number of households that are assumed to purchase a generator). A unit is assumed to be the materials necessary to cover one window opening.

**Impact-Resistant Windows – Building Contractors – Single Family and Multi-Family:** The approach from SB 524 from 11/22/2019 is used to determine the number of single-family and multi-family (units) new construction homes. Also, the Florida Building Code requirements for counties with certain wind speeds was used to determine the new construction, for which impact-resistant windows are required versus not required.

**Growth Rates:** The analysis assumes that household purchases remain at the same level each year. Contractor purchases for new single-family home construction grows by the overall population growth rate from the FDEC. Window purchases for multi-family units grows by the growth rate of multi-family housing starts from the FEEC.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Sales and Use Tax

**Issue:** Storm Shutters/Impact Resistant Windows Exemption

**Bill Number(s):** HB 555 – Proposed Language

**Section 4: Proposed Fiscal Impact**

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	\$(26.1)	\$(28.5)	\$(15.9)	\$(17.4)	\$(8.3)	\$(9.0)
2021-22		\$(28.6)		\$(17.4)		\$(9.1)
2022-23		\$(28.6)		\$(17.4)		\$(9.1)
2023-24		\$(28.5)		\$(17.4)		\$(9.1)
2024-25		\$(28.8)		\$(17.6)		\$(9.1)

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

**Section 5: Consensus Estimate (Adopted 01/24/2020: The Conference adopted a modified high estimate for single family homes that assumes 15 windows or shutters and a modified estimate for the multi-family units that assumes 7 windows or shutters per unit and 5% of units that do not have a building code requirement . Cash equals recurring for all years except the first year which equals 11/12ths.**

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(12.6)	(13.8)	(Insignificant)	(Insignificant)	(0.4)	(0.5)	(1.2)	(1.3)
2021-22	(13.8)	(13.8)	(Insignificant)	(Insignificant)	(0.5)	(0.5)	(1.3)	(1.3)
2022-23	(13.9)	(13.9)	(Insignificant)	(Insignificant)	(0.5)	(0.5)	(1.3)	(1.3)
2023-24	(13.9)	(13.9)	(Insignificant)	(Insignificant)	(0.5)	(0.5)	(1.3)	(1.3)
2024-25	(14.0)	(14.0)	(Insignificant)	(Insignificant)	(0.5)	(0.5)	(1.3)	(1.3)

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	(2.1)	(2.3)	(3.7)	(4.0)	(16.3)	(17.8)
2021-22	(2.3)	(2.3)	(4.1)	(4.1)	(17.9)	(17.9)
2022-23	(2.3)	(2.3)	(4.1)	(4.1)	(18.0)	(18.0)
2023-24	(2.3)	(2.3)	(4.1)	(4.1)	(18.0)	(18.0)
2024-25	(2.3)	(2.3)	(4.1)	(4.1)	(18.1)	(18.1)

	A	B	C	D	E	F	G	H	I	J	
3	<b>HB 555 - Proposed Language</b>										
4	<b>2020-21 Sales Tax Exemption - Impact resistant windows and shutters</b>										
5											
6											
7	<b>1. # HOUSEHOLD PURCHASING ASSUMPTIONS:</b>										
8	2004 Indices based on FINAL REPORT (4 hurricanes)										
9	Reported Loss % HHs 3.2%										
10	Total Loss % HHs 2.3%										
11	2005 Indices based on FINAL REPORT (4 hurricanes)										
12	Reported Loss % HHs 8.5%										
13	Total Loss % HHs 5.8%										
14	2008 Index based on Oct 20 2008 Report for Fay (1 storm)										
15	Reported Loss % HHs 2.7%										
16	2016 Index based on Claims Data as of Jan 2018 (2 hurricanes)										
17	Reported Loss % HHs 2.9%										
18	2017 Index based on Claims Data as of Nov 2018 (1 hurricane)										
19	Reported Loss % HHs 4.8%										
22	<b>Average Reported Loss % 4.4%</b>										
23											
24	<b>2. AVAILABLE CASH FOR PURCHASES ASSUMPTIONS:</b>										
									Methodology for HH Income		
	<b>Using Florida After-Tax Income per Household</b>										
	<b>(2017 American Community Survey: Florida)</b>										
		<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>						
		<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>						
25	Median Florida Household After-Tax Income	\$49,832	\$52,323	\$54,939	\$57,796	Florida Median HH income is based on the 2017 American Community Survey reported Florida median HH income in the last 12 months (\$64,003).					
26	Using average annual expenditures from the 2018 Consumer Expenditure Survey, all consumer units:	Fla \$ per HH	Fla \$ per HH	Fla \$ per HH	Fla \$ per HH						
27						This value is grown by the Jul 2019 Florida Economic Estimating Conference growth in Personal Income.					
28	<u>Shares of expenditures:</u>										
29	Food & alcoholic beverage	14.5%	\$7,226	\$7,587	\$7,966	\$8,380	The growth rates are:				
30	Housing (includes * below)	34.40%	\$17,142	\$17,999	\$18,899	\$19,882					
31	Apparel & services	2.9%	\$1,445	\$1,517	\$1,593	\$1,676	2018 5.0%				
32	Transportation	17.20%	\$8,571	\$9,000	\$9,450	\$9,941					
33	Health care	8.90%	\$4,435	\$4,657	\$4,890	\$5,144	2019 5.0%				
34	Entertainment	4.50%	\$2,242	\$2,355	\$2,472	\$2,601					
35	All others	17.60%	\$8,770	\$9,209	\$9,669	\$10,172	2020 5.2%				
36											
37											
38											
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41											
42											
47		100.00%	\$49,832	\$52,323	\$54,939	\$57,796	Ratio of Avg Annual Expenditures to Income Before Taxes, 2018 CES (81.63%) is used to produce after-tax income.				
48											
49											
50	*Maintenance, repairs, insurance & other expenses	2.60%	\$1,296	\$1,360	\$1,428	\$1,503					
51	*Miscellaneous household equipment	1.60%	\$797	\$837	\$879	\$925					
52	HIGH = Assume 8.5% of households purchase exempt items equivalent to approximately 30 days of spending.										
53	MIDDLE = Assume 6.5% of households purchase exempt items equivalent to approximately 21 days of spending.										
54	LOW = Assume 4.4% of households purchase exempt items equivalent to approximately 14 days of spending.										
55											

	A	B	C	D	E	F	G	H	I	J
3	<b>HB 555 - Proposed Language</b>									
4	<b>2020-21 Sales Tax Exemption - Impact resistant windows and shutters</b>									
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**Estimate**

2020-21 FY private housing starts single family - annualized 95,895

**Florida County Single-Family Building Permits by County by Wind Load Zone 2009-2018**

Florida Building Code Requirement to install shutters or impact-resistant windows	10-year Average Annual Permitted Units	% of total
No requirement	20,693	36%
Required	30,899	54%
Required - coastal only	5,158	9%
<b>Total annually</b>	<b>56,750</b>	<b>100%</b>

2020-21 FY private housing starts multi family - annualized 55,491

**Florida County Multi-Family Building Permits by County by Wind Load Zone 2009-2018**

Florida Building Code Requirement to install shutters or impact-resistant windows	10-year Average Annual Permitted Units	% of total
No requirement	77,054	29%
Required	179,543	69%
Required - coastal only	4,893	2%
<b>Total annually</b>	<b>261,490</b>	<b>100%</b>

	<b>Impact-Resistant Windows- Single-Family</b>			
	<b>Adopted</b>	<b>High</b>	<b>Middle</b>	<b>Low</b>
Price per Window	\$ 100	\$ 100	\$ 100	\$ 100
# Windows Purchased	15	20	15	10
# Households Purchasing ( from adopted impact SB 524,11/22/2019)	15,029	15,029	9,017	6,012
TOTAL Household Expenditures (\$M)	\$ 22.5	\$ 30.1	\$ 13.5	\$ 6.0
# New SF Construction Purchasing	69,670	69,670	60,929	52,212
Building Contractors (\$M)	\$ 104.5	\$ 139.3	\$ 91.4	\$ 52.2
<b>Sales Tax</b>	<b>\$ (7.6)</b>	<b>\$ (10.2)</b>	<b>\$ (6.3)</b>	<b>\$ (3.5)</b>

	<b>Impact-Resistant Windows - Multi-Family</b>			
	<b>Adopted</b>	<b>High</b>	<b>Middle</b>	<b>Low</b>
Price per Window	\$ 100	\$ 100	\$ 100	\$ 100
# Windows Purchased	7	15	10	5
# Units Purchasing	188,289	203,700	184,436	184,436
Building Contractors (\$M)	\$ 131.8	\$ 305.5	\$ 184.4	\$ 92.2
<b>Sales Tax for 10-Day Holiday</b>	<b>\$ (7.9)</b>	<b>\$ (18.3)</b>	<b>\$ (11.1)</b>	<b>\$ (5.5)</b>

**Total Estimated Impact \$ (15.5) \$ (28.5) \$ (17.4) \$ (9.0)**

	A	B	C	D	E	F	G	H	I	J
3	<b>HB 555 - Proposed Language</b>									
4	<b>2020-21 Sales Tax Exemption - Impact resistant windows and shutters</b>									
5										
6										
104	<b>Growth Rates - FEEC, FDEC</b>		<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>			
105	Single family - households			0.00	0.00	0.00	0.00			
106	Single family - contractors (population growth)			1.5%	1.4%	1.4%	1.3%			
107	Multi-family (MF starts)			-0.3%	-0.4%	-1.0%	0.7%			
108										
109	<b>Sales Tax collections - millions</b>									
110	ADOPTED	Single family - households	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4			
111		Single family - contractors (population growth)	\$ 6.3	\$ 6.4	\$ 6.5	\$ 6.5	\$ 6.6			
112		Multi-family (MF starts)	\$ 7.9	\$ 7.9	\$ 7.9	\$ 7.8	\$ 7.8			
113		<b>Total</b>	<b>\$ 15.5</b>	<b>\$ 15.6</b>	<b>\$ 15.7</b>	<b>\$ 15.7</b>	<b>\$ 15.8</b>			
114		<b>Sales Tax collections - millions</b>	<b>\$ 14.2</b>							
115										
116	High	Single family - households	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8			
117		Single family - contractors (population growth)	\$ 8.4	\$ 8.5	\$ 8.6	\$ 8.7	\$ 8.8			
118		Multi-family (MF starts)	\$ 18.3	\$ 18.3	\$ 18.2	\$ 18.0	\$ 18.1			
119		<b>Total</b>	<b>\$ 28.5</b>	<b>\$ 28.6</b>	<b>\$ 28.6</b>	<b>\$ 28.5</b>	<b>\$ 28.8</b>			
120										
121	<b>Sales Tax collections - millions</b>									
122	Middle	Single family - households	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8			
123		Single family - contractors (population growth)	\$ 5.5	\$ 5.6	\$ 5.6	\$ 5.7	\$ 5.8			
124		Multi-family (MF starts)	\$ 11.1	\$ 11.0	\$ 11.0	\$ 10.9	\$ 11.0			
125		<b>Total</b>	<b>\$ 17.4</b>	<b>\$ 17.4</b>	<b>\$ 17.4</b>	<b>\$ 17.4</b>	<b>\$ 17.6</b>			
126										
127	<b>Sales Tax collections - millions</b>									
128	Low	Single family - households	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4			
129		Single family - contractors (population growth)	\$ 3.1	\$ 3.2	\$ 3.2	\$ 3.3	\$ 3.3			
130		Multi-family (MF starts)	\$ 5.5	\$ 5.5	\$ 5.5	\$ 5.4	\$ 5.5			
131		<b>Total</b>	<b>\$ 9.0</b>	<b>\$ 9.1</b>	<b>\$ 9.1</b>	<b>\$ 9.1</b>	<b>\$ 9.1</b>			
132										

cash