

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Aquaculture

Bill Number(s): [CS/HB 7071](#)—Section 2

Entire Bill

Partial Bill:

Sponsor(s): Representative Payne

Month/Year Impact Begins: January 1, 2023

Date of Analysis: June 3, 2022

Section 1: Narrative

a. Current Law:

Section 1. No current law

Section 2.

Section 3. Paragraph (a) of subsection (1) of section 597.003, Florida Statutes, currently reads:

597.003 Powers and duties of Department of Agriculture and Consumer Services.—

(1) The department is hereby designated as the lead agency in encouraging development of aquaculture in the state and shall have and exercise the following functions, powers, and duties with regard to aquaculture:

(a) Issue or deny any aquaculture certificates that identify aquaculture producers and aquaculture products, and collect all related fees. The department may revoke an aquaculture certificate of registration issued pursuant to s. 597.004 upon a finding that aquaculture is not the primary purpose of the certified entity's operation.

b. Proposed Change:

Section 2. Effective January 1, 2023, section 193.4613, Florida Statutes, is created to read:

193.4613 Agricultural lands used in production of aquaculture; assessment.—

(1) For purposes of this section, the terms “aquaculture” and “aquaculture products” have the same meaning as in s. 597.0015.

(2) (a) When proper application for agricultural assessment has been made and granted pursuant to s. 193.461, and the property owner requests assessment pursuant to this section, the assessment of land used in the production of aquaculture products shall be based solely on its agricultural use, consistent with the use factors specified in s. 193.461 (6) (a), and assessed pursuant to paragraph (c).

(b) Notwithstanding any provision relating to annual assessment found in 192.042, the property appraiser shall rely on 5-year moving average data when utilizing the income methodology approach in an assessment of property used for agricultural purposes.

(c) For purposes of the income methodology approach to the assessment of land used in the production of aquaculture products, structures and equipment located on the property used for producing aquaculture products are considered a part of the average yield per acre and have no separately assessable contributory value.

(d) If a request for assessment under this section is granted, the property must be assessed as provided in this section for 10 years unless the ownership or use of the property changes. The property appraiser may not require annual application. The property appraiser may require the property owner to annually submit audited financial statements.

(e) In years in which proper application for agricultural assessment has not been made, the land shall be assessed under the provisions of s. 193.011.

Section 3. Section 193.4613, Florida Statutes, as created by this act, first applies to the 2023 ad valorem tax roll and applies to assessments made on or after January 1, 2023.

Section 2: Description of Data and Sources

Aquaculture market research

Previous aquaculture impact analysis

2021F Real Property and Tangible Personal Property tax rolls for NAICS code group 1125

REVENUE ESTIMATING CONFERENCE

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Bill Number(s): [CS/HB 7071](#)—Section 2

Section 3: Methodology (Include Assumptions and Attach Details)

The changes proposed by the bill have no impact on the Property Appraisers’ current process of creating an agricultural assessment based on the income methodology. Also, the changes proposed by the bill do not change how Property Appraisers assess non-agricultural property. The impact is broken down into three components.

The first component is Tangible Personal Property. Accounts were identified by North American Industrial Classification System (NAICS) code 1125. The total value for both Furniture Fixtures & Equipment (FFE) and Leasehold Improvements could be subject to the changes made by the bill. The starting point for the valuation of either equipment or structures in the case would most likely be the cost of replacement. The language does not appear to exclude any structure or equipment that is not used in the production of aquaculture products, but may be interpreted to exclude post-harvest structures and equipment. Agricultural production stops at the point of harvest. The estimate uses an array of assumptions to remove the portion of structures or equipment that is used for post-harvest activities. The millage rates are applied, and the cash and recurring impact values are equal in each year.

The second component is based on new investment in aquaculture. In 2020, aquaculture as a whole had \$8.7m in taxable value (TV) on the TPP tax roll. Market research indicated that a specific large entity planned to invest between \$337m and \$585m over the next three years, which would be additional TV for the state. In 2021, that entity had added \$55.7m to the TPP roll, accounting for 71% of the state’s \$75m aquaculture TV. The low estimate assumes that the entity will invest the same amount (\$55.7) each year (2022 and 2023). The middle estimate assumes that they will ramp up their spending to reach their low total target of \$337m (investing \$140m in both 2022 and 2023). The high estimate assumes they will ramp up their spending even more to reach their high total target of \$586m (investing \$265m in both 2022 and 2023). The low, middle, and high estimates assume that the percent of this investment used for production is 85%, 90%, and 95%, respectively. These additions to the tax roll are then discounted to account for TPP’s schedule of depreciation. These values are added to the 2021 TV in future years and the 2021P millage rates are applied. The recurring impact is equal to the fifth-year cash value for this piece.

The third component is the Real Property. The accounts found in the TPP data were matched back to parcels from the 2021F Real Property roll. The non-residential and certain residential value was used as the value that would be impacted by this change. The just value was used for the school impact and the assessed value was used for the non-school impact. The millage rates are applied, and the impact is held constant throughout the estimate window. The cash and recurring values are equal in each year.

The impact for this bill assumes that the structures and equipment would have no separate value outside of the agricultural yield per acre income valuation. This would, effectively, drop the roll value for all structures and equipment used in aquaculture production to zero.

Section 4: Proposed Fiscal Impact

Year	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	\$ -	\$ (7.5 M)	\$ -	\$ (3.5 M)	\$ -	\$ (1.3 M)
2023-24	\$ (8.4 M)	\$ (7.5 M)	\$ (4.2 M)	\$ (3.5 M)	\$ (1.7 M)	\$ (1.3 M)
2024-25	\$ (8.1 M)	\$ (7.5 M)	\$ (4.0 M)	\$ (3.5 M)	\$ (1.5 M)	\$ (1.3 M)
2025-26	\$ (7.8 M)	\$ (7.5 M)	\$ (3.8 M)	\$ (3.5 M)	\$ (1.4 M)	\$ (1.3 M)
2026-27	\$ (7.5 M)	\$ (7.5 M)	\$ (3.5 M)	\$ (3.5 M)	\$ (1.3 M)	\$ (1.3 M)

List of affected Trust Funds:

Ad Valorem

REVENUE ESTIMATING CONFERENCE

Tax: Ad Valorem

Issue: Aquaculture

Bill Number(s): [CS/HB 7071](#)—Section 2

Section 5: Consensus Estimate (Adopted: 06/03/2022): The Conference adopted the High Estimate.

	School		Non-School		Total Local/Other	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	(2.8)	0.0	(4.7)	0.0	(7.5)
2023-24	(3.1)	(2.8)	(5.3)	(4.7)	(8.4)	(7.5)
2024-25	(3.0)	(2.8)	(5.1)	(4.7)	(8.1)	(7.5)
2025-26	(2.9)	(2.8)	(4.9)	(4.7)	(7.8)	(7.5)
2026-27	(2.8)	(2.8)	(4.7)	(4.7)	(7.5)	(7.5)

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	0.0	0.0	0.0	0.0	(7.5)	0.0	(7.5)
2023-24	0.0	0.0	0.0	0.0	(8.4)	(7.5)	(8.4)	(7.5)
2024-25	0.0	0.0	0.0	0.0	(8.1)	(7.5)	(8.1)	(7.5)
2025-26	0.0	0.0	0.0	0.0	(7.8)	(7.5)	(7.8)	(7.5)
2026-27	0.0	0.0	0.0	0.0	(7.5)	(7.5)	(7.5)	(7.5)

	A	B	C	D	E	F	G
1	Summary of All Impacts						
2							
3	School Impact						
4		High		Middle		Low	
5	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
6	2022-23	\$ -	\$ (2.0 M)	\$ -	\$ (1.2 M)	\$ -	\$ (0.7 M)
7	2023-24	\$ (3.1 M)	\$ (3.1 M)	\$ (1.6 M)	\$ (1.6 M)	\$ (0.6 M)	\$ (0.6 M)
8	2024-25	\$ (3.0 M)	\$ (3.0 M)	\$ (1.5 M)	\$ (1.5 M)	\$ (0.6 M)	\$ (0.6 M)
9	2025-26	\$ (2.9 M)	\$ (2.9 M)	\$ (1.4 M)	\$ (1.4 M)	\$ (0.5 M)	\$ (0.5 M)
10	2026-27	\$ (2.7 M)	\$ (2.7 M)	\$ (1.3 M)	\$ (1.3 M)	\$ (0.5 M)	\$ (0.5 M)
11							
12	Non-School Impact						
13		High		Middle		Low	
14	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
15	2022-23	\$ -	\$ (3.4 M)	\$ -	\$ (2.1 M)	\$ -	\$ (1.3 M)
16	2023-24	\$ (5.3 M)	\$ (5.3 M)	\$ (2.7 M)	\$ (2.7 M)	\$ (1.1 M)	\$ (1.1 M)
17	2024-25	\$ (5.1 M)	\$ (5.1 M)	\$ (2.5 M)	\$ (2.5 M)	\$ (1.0 M)	\$ (1.0 M)
18	2025-26	\$ (4.9 M)	\$ (4.9 M)	\$ (2.4 M)	\$ (2.4 M)	\$ (0.9 M)	\$ (0.9 M)
19	2026-27	\$ (4.7 M)	\$ (4.7 M)	\$ (2.2 M)	\$ (2.2 M)	\$ (0.8 M)	\$ (0.8 M)
20							
21	Total Impact						
22		High		Middle		Low	
23	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
24	2022-23	\$ -	\$ (7.5 M)	\$ -	\$ (3.5 M)	\$ -	\$ (1.3 M)
25	2023-24	\$ (8.4 M)	\$ (7.5 M)	\$ (4.2 M)	\$ (3.5 M)	\$ (1.7 M)	\$ (1.3 M)
26	2024-25	\$ (8.1 M)	\$ (7.5 M)	\$ (4.0 M)	\$ (3.5 M)	\$ (1.5 M)	\$ (1.3 M)
27	2025-26	\$ (7.8 M)	\$ (7.5 M)	\$ (3.8 M)	\$ (3.5 M)	\$ (1.4 M)	\$ (1.3 M)
28	2026-27	\$ (7.5 M)	\$ (7.5 M)	\$ (3.5 M)	\$ (3.5 M)	\$ (1.3 M)	\$ (1.3 M)

	A	B	C	D	E	F	G
1	New Aquaculture Structures and Equipment TPP Projection						
2							
3	Aquaculture investment	585,000,000	336,600,000	\$ 167,889,630			
5	<i>Replacement Cost New Year 1</i>	\$ 55,963,210	\$ 55,963,210	\$ 55,963,210			
6	<i>Replacement Cost New Year 2</i>	264,518,395	140,318,395	55,963,210			
7	<i>Replacement Cost New Year 3</i>	264,518,395	140,318,395	55,963,210			
8							
9		High	Middle	Low			
10	% Used in Production	95%	90%	85%			
11	<i>Used in Production Year 2021</i>	-	-	-			
12	<i>Used in Production Year 2022</i>	251,292,475	126,286,556	47,568,729			
13	<i>Used in Production Year 2023</i>	251,292,475	126,286,556	47,568,729			
14							
15	Tax Val by Roll year	High	Middle	Low			
16	2022	251,292,475	126,286,556	47,568,729			
17	2023	502,584,951	252,573,111	95,137,457			
18	2024	502,584,951	252,573,111	95,137,457			
19	2025	502,584,951	252,573,111	95,137,457			
20	2026	502,584,951	252,573,111	95,137,457			
21							
22	TPP Depreciation schedule	Depreciable life					
23	Effective age	20	15	10			
24	1	97%	95%	92%			
25	2	93%	90%	84%			
26	3	90%	85%	76%			
27	4	86%	79%	67%			
28	5	82%	73%	58%			
29	6	78%	68%	49%			
30	7	74%	62%	39%			
31							
32							
33	2021 Millage Rates						
34	Nonschool	10.8009					
35	School	6.2797					
36							

	A	B	C	D	E	F	G
37	School Impact						
38		High		Middle		Low	
39	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
40	2022-23	\$ (1.5 M)	\$ (2.7 M)	\$ (0.8 M)	\$ (1.2 M)	\$ (0.3 M)	\$ (0.4 M)
41	2023-24	\$ (3.0 M)	\$ (2.7 M)	\$ (1.5 M)	\$ (1.2 M)	\$ (0.5 M)	\$ (0.4 M)
42	2024-25	\$ (2.9 M)	\$ (2.7 M)	\$ (1.4 M)	\$ (1.2 M)	\$ (0.5 M)	\$ (0.4 M)
43	2025-26	\$ (2.8 M)	\$ (2.7 M)	\$ (1.3 M)	\$ (1.2 M)	\$ (0.4 M)	\$ (0.4 M)
44	2026-27	\$ (2.7 M)	\$ (2.7 M)	\$ (1.2 M)	\$ (1.2 M)	\$ (0.4 M)	\$ (0.4 M)
45							
46	Non-School Impact						
47		High		Middle		Low	
48	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
49	2022-23	\$ (2.6 M)	\$ (4.6 M)	\$ (1.3 M)	\$ (2.1 M)	\$ (1.9 M)	\$ (1.9 M)
50	2023-24	\$ (5.2 M)	\$ (4.6 M)	\$ (2.5 M)	\$ (2.1 M)	\$ (1.9 M)	\$ (1.9 M)
51	2024-25	\$ (5.0 M)	\$ (4.6 M)	\$ (2.4 M)	\$ (2.1 M)	\$ (1.9 M)	\$ (1.9 M)
52	2025-26	\$ (4.8 M)	\$ (4.6 M)	\$ (2.2 M)	\$ (2.1 M)	\$ (1.9 M)	\$ (1.9 M)
53	2026-27	\$ (4.6 M)	\$ (4.6 M)	\$ (2.1 M)	\$ (2.1 M)	\$ (1.9 M)	\$ (1.9 M)
54							
55	Total Impact						
56		High		Middle		Low	
57	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
58	2022-23	\$ (4.2 M)	\$ (7.2 M)	\$ (2.0 M)	\$ (3.3 M)	\$ (2.2 M)	\$ (2.3 M)
59	2023-24	\$ (8.2 M)	\$ (7.2 M)	\$ (4.0 M)	\$ (3.3 M)	\$ (2.5 M)	\$ (2.3 M)
60	2024-25	\$ (7.9 M)	\$ (7.2 M)	\$ (3.8 M)	\$ (3.3 M)	\$ (2.4 M)	\$ (2.3 M)
61	2025-26	\$ (7.6 M)	\$ (7.2 M)	\$ (3.5 M)	\$ (3.3 M)	\$ (2.4 M)	\$ (2.3 M)
62	2026-27	\$ (7.2 M)	\$ (7.2 M)	\$ (3.3 M)	\$ (3.3 M)	\$ (2.3 M)	\$ (2.3 M)
63							

	A	B	C	D	E	F	G
1	NAICS Code Group 1125 TPP impact						
2							
3	112511	Finfish Farming and Fish Hatcheries					
4	112512	Shellfish Farming					
5	112519	Other Aquaculture - Alligator, algae, frog, seaweed, or turtle					
6							
7	NAICS Codes	Total Just Value	JV Leasehold Improvements	JV Furniture Fixture & Equipment	Tax Value	Number of Accounts	Inclusion Factor
8	112511	\$ 60,003,712	\$ 58,223	\$ 59,945,489	\$ 59,127,885	82	100%
9	112512	\$ 988,722	\$ 149,113	\$ 839,609	\$ 681,688	51	100%
10	112519	\$ 17,165,097	\$ 159,308	\$ 17,005,789	\$ 15,536,407	168	100%
11	Total	\$ 78,157,531	\$ 366,644	\$ 77,790,887	\$ 75,345,980	301	
18							
19	Total 2021 Taxable Value of FFE and Leasehold Improvements				\$ 75,345,980		
20							
21	Additional Impact for New Aquaculture Investment						
22		Percent Used in Production					
23			High	Middle	Low		
24		%	95%	90%	85%		
25							
26	Additional Depreciated Tax Val for New Aquaculture Expected Investments						
27		Tax Val by Roll year	High	Middle	Low		
28		2022	243,753,701	119,972,228	43,763,230		
29		2023	477,455,703	233,630,128	83,720,962		
30		2024	459,865,230	221,001,472	76,109,966		
31		2025	442,274,756	207,109,951	68,023,282		
32		2026	422,171,358	191,955,564	59,460,911		
33		2027	402,067,960	178,064,043	50,898,539		
34							
35							
36	2021 Millage Rates						
37	Nonschool	10.8009					
38	School	6.2797					
39							

	A	B	C	D	E	F	G
40	School Impact						
41		High		Middle		Low	
42	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
43	2022-23	\$ -	\$ (2.0 M)	\$ -	\$ (1.2 M)	\$ -	\$ (0.7 M)
44	2023-24	\$ (3.0 M)	\$ (3.0 M)	\$ (1.5 M)	\$ (1.5 M)	\$ (0.5 M)	\$ (0.5 M)
45	2024-25	\$ (2.9 M)	\$ (2.9 M)	\$ (1.4 M)	\$ (1.4 M)	\$ (0.5 M)	\$ (0.5 M)
46	2025-26	\$ (2.8 M)	\$ (2.8 M)	\$ (1.3 M)	\$ (1.3 M)	\$ (0.4 M)	\$ (0.4 M)
47	2026-27	\$ (2.7 M)	\$ (2.7 M)	\$ (1.2 M)	\$ (1.2 M)	\$ (0.4 M)	\$ (0.4 M)
48							
49	Non-School Impact						
50		High		Middle		Low	
51	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
52	2022-23	\$ -	\$ (3.4 M)	\$ -	\$ (2.1 M)	\$ -	\$ (1.3 M)
53	2023-24	\$ (5.2 M)	\$ (5.2 M)	\$ (2.5 M)	\$ (2.5 M)	\$ (0.9 M)	\$ (0.9 M)
54	2024-25	\$ (5.0 M)	\$ (5.0 M)	\$ (2.4 M)	\$ (2.4 M)	\$ (0.8 M)	\$ (0.8 M)
55	2025-26	\$ (4.8 M)	\$ (4.8 M)	\$ (2.2 M)	\$ (2.2 M)	\$ (0.7 M)	\$ (0.7 M)
56	2026-27	\$ (4.6 M)	\$ (4.6 M)	\$ (2.1 M)	\$ (2.1 M)	\$ (0.6 M)	\$ (0.6 M)
57							
58	Total Impact						
59		High		Middle		Low	
60	Year	Cash	Recurring	Cash	Recurring	Cash	Recurring
61	2022-23	\$ -	\$ (7.2 M)	\$ -	\$ (3.3 M)	\$ -	\$ (1.0 M)
62	2023-24	\$ (8.2 M)	\$ (7.2 M)	\$ (4.0 M)	\$ (3.3 M)	\$ (1.4 M)	\$ (1.0 M)
63	2024-25	\$ (7.9 M)	\$ (7.2 M)	\$ (3.8 M)	\$ (3.3 M)	\$ (1.3 M)	\$ (1.0 M)
64	2025-26	\$ (7.6 M)	\$ (7.2 M)	\$ (3.5 M)	\$ (3.3 M)	\$ (1.2 M)	\$ (1.0 M)
65	2026-27	\$ (7.2 M)	\$ (7.2 M)	\$ (3.3 M)	\$ (3.3 M)	\$ (1.0 M)	\$ (1.0 M)

	A	B	C
1	Real Property NAICS Code 1125 Group Impact		
2			
3	Commercial Property for Aquaculture (matched from TPP)		
4	JV_RESD_NON_RESD	\$ 14,753,908	School Value
5	AV_RESD_NON_RESD	\$ 14,143,027	Non-School Value
6			
7	2021 Millage Rates		
8	Nonschool	10.8009	
9	School	6.2797	
10			
11	School Impact		
12		Middle	
13	Year	Cash	Recurring
14	2022-23	\$ -	\$ (0.09 M)
15	2023-24	\$ (0.09 M)	\$ (0.09 M)
16	2024-25	\$ (0.09 M)	\$ (0.09 M)
17	2025-26	\$ (0.09 M)	\$ (0.09 M)
18	2026-27	\$ (0.09 M)	\$ (0.09 M)
19			
20	Non-School Impact		
21		Middle	
22	Year	Cash	Recurring
23	2022-23	\$ -	\$ (0.15 M)
24	2023-24	\$ (0.15 M)	\$ (0.15 M)
25	2024-25	\$ (0.15 M)	\$ (0.15 M)
26	2025-26	\$ (0.15 M)	\$ (0.15 M)
27	2026-27	\$ (0.15 M)	\$ (0.15 M)
28			
29	Total Impact		
30		Middle	
31	Year	Cash	Recurring
32	2022-23	\$ -	\$ (0.25 M)
33	2023-24	\$ (0.25 M)	\$ (0.25 M)
34	2024-25	\$ (0.25 M)	\$ (0.25 M)
35	2025-26	\$ (0.25 M)	\$ (0.25 M)
36	2026-27	\$ (0.25 M)	\$ (0.25 M)

REVENUE ESTIMATING CONFERENCE

Tax: Corporate Filing Fees
Issue: Service of Process
Bill Number(s): CS/CS/SB 1062

- Entire Bill**
 Partial Bill: Section 11

Sponsor(s): Senator Bradley
Month/Year Impact Begins: January 2, 2023
Date of Analysis: 05/09/2022

Section 1: Narrative

- a. Current Law:** “Service of Process” is the action of delivery of a notice of pending legal action to an individual or entity. In some circumstances, when an attempt to deliver with the registered agent of a legal entity is unsuccessful, substituted service of process may be made on the Secretary of State. Section 48.161, Florida Statutes, authorizes a substituted service of process on a nonresident or person who conceals their whereabouts by leaving a copy or transmitting by certified mail with the Secretary of State, along with a fee of \$8.75.
- b. Proposed Change:** This bill adds chapter 48 (service on legal entities) to the list of chapters in which they can allow electronic filing for substituted service and removes the \$8.75 fee.

Section 2: Description of Data and Sources

Three years of fee data from the Secretary of State, Division of Corporations

Section 3: Methodology (Include Assumptions and Attach Details)

Fees collected:
 FY 2018-19 = \$52,809
 FY 2019-20 = \$54,336
 FY 2020-21 = \$55,346

Based on the three years of history, the impact is recommended to be negative \$0.1 million, except for the first year’s cash. With a January 2023 start date, the impact is recommended to be negative insignificant.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23			(*)	(\$.1m)		
2023-24			(\$.1m)	(\$.1m)		
2024-25			(\$.1m)	(\$.1m)		
2025-26			(\$.1m)	(\$.1m)		
2026-27			(\$.1m)	(\$.1m)		

List of affected Trust Funds: General Revenue

Section 5: Consensus Estimate (Adopted: 06/03/2022): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(*)	(0.1)	0.0	0.0	0.0	0.0	(*)	(0.1)
2023-24	(0.1)	(0.1)	0.0	0.0	0.0	0.0	(0.1)	(0.1)
2024-25	(0.1)	(0.1)	0.0	0.0	0.0	0.0	(0.1)	(0.1)
2025-26	(0.1)	(0.1)	0.0	0.0	0.0	0.0	(0.1)	(0.1)
2026-27	(0.1)	(0.1)	0.0	0.0	0.0	0.0	(0.1)	(0.1)

REVENUE ESTIMATING CONFERENCE

Tax: Local Taxes and Fees
Issue: Building Regulation
Bill Number(s): CS/CS/HB 423

- Entire Bill**
 Partial Bill: Section 4

Sponsor(s): LaMarca CoSponsors: McClain, Salzman, Tant, Commerce Committee, Regulatory Reform Committee

Month/Year Impact Begins: July 1, 2022

Date of Analysis: May 23, 2022

Section 1: Narrative

a. Current Law:

Current law defines “private provider” as person licensed as a building official, engineer, or as an architect. Licensed building inspectors and plans examiners may perform inspections for additions and alterations that are limited to 1,000 square feet or less in residential buildings.

When a property owner or a contractor elects to use a private provider, he or she must notify the building official, on a form adopted by the Florida Building Commission, at the time of the permit application or no less than two business days before the first or next scheduled inspection. **If an owner or contractor opts to use a private provider, the local government must calculate the cost savings to its building department and reduce the building permit fees accordingly.** A building official may audit a private provider to ensure the private provider and their duly authorized agent has reviewed the building plans and is performing the required inspections. A private provider who approves building plans must sign a sworn affidavit that the plans comply with the Building Code and the private provider or their duly authorized representative is authorized to review the plans. A building official may deny a building permit or a request for a certificate of completion if the building construction or plans do not comply with the Building Code. A building official may also issue a stop work order at any time if he or she determines any condition of the construction poses an immediate threat to public safety and welfare.

Upon completion of all required inspections, a private provider must give the building official a record of all the inspections, a request for a certificate of occupancy or certificate of completion, and a sworn statement indicating compliance with the Building Code. Upon receipt of the request and approval of all other governmental approvals, the building official has two business days to issue the certificate of occupancy or certificate of completion or provide the permit applicant a notice of deficiencies. If the local building official does not provide a notice of the deficiencies within two business days, the request for a certificate of occupancy or certificate of completion is deemed granted, and the local building official must issue the certificate of occupancy or certificate of completion the next business day.

b. Proposed Change:

The bill amends the definition of “duly authorized representative” to require individuals with a provisional certificate be under the direct supervision of a building code administrator. **The bill restricts the “reasonable administrative fee” that the local government can charge. The charge must be based on the labor cost and/or the clerical and supervisory assistance required by the local jurisdiction.** The bill requires the local jurisdiction to provide equal access to all permitting and inspection documents and reports to the private provider, owner, and contractor if an owner or contractor. The bill also changes the timeframe for the issuance of notice of deficiency and certificate of completion by the local government.

Section 2: Description of Data and Sources

Survey to municipal and county building departments
Conversations with House staff

Section 3: Methodology (Include Assumptions and Attach Details)

The table below shows county and municipal fiscal year 2019-20 revenues for permits, fees and special assessments in descending order. To determine any impact on the revenues, a survey was sent to county and municipal governments for their feedback on the impact from the bill. Most local governments indicated in their responses that already provide discounts when private providers are used by contractors. Apart from two, all of the survey responses received indicated that local governments do not expect an impact from the bill. Of the two that anticipated a reduction in their revenues, City of Bradenton Beach estimated a loss of \$76,011 and City of Springfield estimated a loss of \$45,000. As a result the two impacts exceeding \$50,000, the proposed impact is negative indeterminate.

REVENUE ESTIMATING CONFERENCE

Tax: Local Taxes and Fees
Issue: Building Regulation
Bill Number(s): CS/CS/HB 423

Municipal Government	Permits, Fees, and Special Assessments			County Government	Permits, Fees, and Special Assessments		
	Total	Per Capita	% of Total		Total	Per Capita	% of Total
Orlando	\$ 137,783,858	\$ 61	1.7%	Miami-Dade	\$ 233,895,720	\$ 83	1.9%
Miami	\$ 129,214,570	\$ 132	6.4%	Orange	\$ 229,379,621	\$ 162	6.8%
Cape Coral	\$ 99,323,276	\$ 71	2.1%	Sarasota	\$ 163,779,076	\$ 373	13.1%
Fort Lauderdale	\$ 93,982,816	\$ 804	23.5%	Pasco	\$ 133,526,750	\$ 246	8.5%
Tampa	\$ 82,674,984	\$ 114	3.6%	Osceola	\$ 127,232,757	\$ 329	10.2%
Jacksonville	\$ 71,555,005	\$ 369	15.3%	Palm Beach	\$ 117,763,728	\$ 80	3.3%
Miramar	\$ 56,264,209	\$ 91	4.4%	Hillsborough	\$ 116,395,938	\$ 79	3.0%
Hollywood	\$ 55,733,947	\$ 68	5.5%	Charlotte	\$ 105,821,953	\$ 563	13.0%
Port St. Lucie	\$ 53,931,825	\$ 107	8.5%	Collier	\$ 90,910,925	\$ 235	6.9%
Weston	\$ 50,495,769	\$ 124	5.1%	Brevard	\$ 88,396,065	\$ 146	9.3%
Pembroke Pines	\$ 43,411,424	\$ 249	6.7%	Polk	\$ 83,019,769	\$ 116	7.2%
Pompano Beach	\$ 40,331,598	\$ 390	10.3%	Marion	\$ 67,533,011	\$ 183	11.8%
Coral Springs	\$ 39,373,311	\$ 131	7.2%	Lee	\$ 54,499,407	\$ 73	2.9%
Miami Beach	\$ 38,125,158	\$ 131	7.3%	Hernando	\$ 49,642,145	\$ 258	13.7%
Fort Myers	\$ 37,308,026	\$ 1,212	10.6%	Manatee	\$ 43,969,000	\$ 110	3.6%
Hialeah	\$ 36,509,379	\$ 178	7.2%	St. Johns	\$ 39,581,916	\$ 151	6.2%
Davie	\$ 32,994,161	\$ 60	1.4%	Escambia	\$ 35,614,114	\$ 110	7.0%
St. Cloud	\$ 30,366,525	\$ 35	11.2%	Volusia	\$ 35,459,882	\$ 64	4.1%
Boca Raton	\$ 30,271,951	\$ 261	5.7%	Indian River	\$ 35,155,650	\$ 221	10.0%
Sunrise	\$ 29,347,767	\$ -	0.0%	St. Lucie	\$ 34,864,846	\$ 108	7.4%
St. Petersburg	\$ 28,310,442	\$ 120	27.9%	Lake	\$ 34,117,199	\$ 93	7.9%
Municipal Totals	\$ 2,500,242,645	\$ 56	1.4%	County Totals	\$ 2,256,256,564	\$ 109	4.3%

Section 4: Proposed Fiscal Impact

List of affected Trust Funds: Local Funds Only

Total	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-2023			(**)	(**)		
2023-2024			(**)	(**)		
2024-2025			(**)	(**)		
2025-2026			(**)	(**)		
2026-2027			(**)	(**)		

Section 5: Consensus Estimate (06/03/2022): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-2023	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2023-2024	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2024-2025	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2025-2026	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)
2026-2027	0.0	0.0	0.0	0.0	(**)	(**)	(**)	(**)

REVENUE ESTIMATING CONFERENCE

Tax: Local Taxes and Fees

Issue: Local Tax Referenda Requirements

Bill Number(s): CS/CS/HB 777

Entire Bill

Partial Bill

Sponsor(s): State Affairs Committee, Public Integrity and Elections Committee, and Representative W. Robinson

Month/Year Impact Begins: October 1, 2022

Date of Analysis: June 1, 2022

Section 1: Narrative

a. Current Law:

Definition of General Election

Section 97.021(17), F.S., defines **general election** as “an election held on the first Tuesday after the first Monday in November in the even-numbered years, for the purpose of filling national, state, county, and district offices and for voting on constitutional amendments not otherwise provided for by law.”

Tourist Development Taxes

Section 125.0104, F.S., authorizes five separate tourist development taxes (TDTs) that county governments may levy. Depending on a county’s eligibility to levy, the tax rate applied to transient rental transactions may vary from a minimum of 3 percent to a maximum of 6 percent. The levies are by vote of the county’s governing body or referendum approval. The tax proceeds are used generally for capital construction of tourist-related facilities, tourist promotion, and beach and shoreline maintenance; however, the authorized uses vary according to the particular levy. The five TDTs are as follows below; however, only two of the five must or may be adopted pursuant to referendum.

1. 1 or 2 Percent Tax [s. 125.0104(3)(c), F.S.] – adopted pursuant to referendum approval by the registered voters within the county or subcounty special district.
2. Additional 1 Percent Tax [s. 125.0104(3)(d), F.S.] – adopted pursuant to an extraordinary vote of the county’s governing body or by referendum approval by the registered voters within the county or subcounty special district.
3. Professional Sports Franchise Facility Tax [s. 125.0104(3)(l), F.S.] – adopted pursuant to majority vote of the county’s governing body.
4. High Tourism Impact Tax [s. 125.0104(3)(m), F.S.] – adopted pursuant to extraordinary vote of the county’s governing body.
5. Additional Professional Sports Franchise Facility Tax [s. 125.0104(3)(n), F.S.] – adopted pursuant to majority plus one vote of the county’s governing body.

Tourist Impact Tax

Section 125.0108, F.S., authorizes any county creating a land authority pursuant to s. 380.0663(1), F.S., may levy a 1 percent tax subject to referendum approval on transient rental facilities within the county area designated as an area of critical state concern pursuant to ch. 380, F.S. If the area(s) of critical state concern are greater than 50 percent of the county’s total land area, the tax may be levied countywide. The tax proceeds are used to purchase property in the area of critical state concern and offset the loss of ad valorem taxes due to those land purchases.

Ad Valorem Tax Levied to Fund Children’s Services Councils

Section 125.901, F.S., authorizes any county to create by ordinance an independent special district, as defined in ss. 189.012 and 200.001(8)(e), F.S., to provide funding for children’s services throughout the county. The boundaries of such district shall be coterminous with the county’s boundaries. The county’s governing body shall obtain approval, by a majority vote of those electors voting on the question, to annually levy ad valorem taxes which shall not exceed the maximum millage rate authorized by this section. Any district created pursuant to the provisions of this subsection shall be required to levy and fix millage subject to the provisions of s. 200.065, F.S. Once the millage is approved by the electorate, the district shall not be required to seek approval of the electorate in future years to levy the previously approved millage.

REVENUE ESTIMATING CONFERENCE

Tax: Local Taxes and Fees

Issue: Local Tax Referenda Requirements

Bill Number(s): CS/CS/HB 777

Ad Valorem Tax Levied Temporarily for County Purposes

Section 200.091, F.S., provides that the millage authorized to be levied in s. 200.071, F.S., for county purposes, including dependent districts, may be increased for periods not exceeding 2 years, provided such levy has been approved by majority vote of the qualified electors in the county or district voting in an election called for such purpose. Such an election may be called by the county's or district's governing body on its own motion and shall be called upon submission of a petition specifying the amount of millage sought to be levied and the purpose for which the proceeds will be expended and containing the signatures of at least 10 percent of the persons qualified to vote in such election, signed within 60 days prior to the date the petition is filed.

Ad Valorem Tax Levied Temporarily for Municipal Purposes

Section 200.101, F.S., authorizes the qualified electors of a municipality, by a majority vote of those voting, to approve an increase of millage above those limits imposed by s. 200.081, F.S., in a referendum called for such purpose by the municipality's governing body. The period of such increase may not exceed 2 years. Such referendum also may be initiated by submission of a petition to the municipality's governing body containing the signatures of 10 percent of those persons eligible to vote in such referendum, which signatures were affixed to the petition within 60 days prior to its submission.

Local Option Fuel Tax – Ninth-Cent Fuel Tax

Section 336.021(1)(a), F.S., authorizes any county, by extraordinary vote of the membership of its governing body or subject to a referendum, to levy the 1-cent tax upon every gallon of motor fuel and diesel fuel, imposed by ss. 206.41(1)(d) and 206.87(1)(b), F.S. Since January 1, 1994, this tax has been imposed on diesel fuel in every county as the result of statewide equalization. County and municipal governments may use the moneys received under this paragraph only for transportation expenditures as defined in s. 336.025(7), F.S.

Local Option Fuel Taxes – 1 to 6 Cents Fuel Tax and 1 to 5 Cents Fuel Tax

Section 336.025(1)(a), F.S., authorizes any county to levy, as provided in s. 206.41(1)(e), F.S., a 1-cent, 2-cent, 3-cent, 4-cent, or 5-cent local option fuel tax upon every gallon of motor fuel sold in a county and taxed under the provisions of part I of chapter 206. This tax may be levied by an ordinance adopted by a majority plus one vote of the county's governing body or upon approval by referendum. County and municipal governments shall use the proceeds to fund specified transportation expenditures.

Section 336.025(1)(b), F.S., authorizes any county to levy, as provided in ss. 206.41(1)(e) and 206.87(1)(c), F.S., a 1-cent, 2-cent, 3-cent, 4-cent, 5-cent, or 6-cent local option fuel tax upon every gallon of motor fuel and diesel fuel sold in a county and taxed under the provisions of part I or part II of chapter 206. This tax may be levied by an ordinance adopted by a majority vote of the county's governing body or upon approval by referendum. As the result of statewide equalization, the tax is imposed on diesel fuel at the maximum rate of 6 cents in all counties. County and municipal governments shall use the proceeds for transportation expenditures needed to meet the requirements of the capital improvements element of an adopted local government comprehensive plan or expenditures needed to meet immediate local transportation problems and other transportation-related expenditures that are critical for building comprehensive roadway networks by local governments.

School District Millage Elections

Section 1011.73(1), F.S., authorizes a district school board, pursuant to resolution adopted at a regular meeting, to direct the county commission to call for an election, at which the electors with the district, may approve an ad valorem tax millage as authorized in Art. VII, s. 9 of the State Constitution. Any authorized millage shall be levied for a period not in excess of 2 years or until changed by another millage election, whichever is the earlier.

Section 1011.73(2), F.S., authorizes a district school board, pursuant to resolution adopted at a regular meeting, to direct the county commission to call for an election, at which the electors with the district, may approve an ad valorem tax millage as authorized in s. 1011.71(9), F.S. Any authorized millage shall be levied for a period not in excess of 4 years or until changed by another millage election, whichever is the earlier.

Such elections may be held at any time, except that no more than one election shall be held during any 12-month period. The district school board may propose a single millage or two millages, with one for operating expenses and another for a local capital improvement reserve fund. When two millage figures are proposed, each millage must be voted on separately.

REVENUE ESTIMATING CONFERENCE

Tax: Local Taxes and Fees

Issue: Local Tax Referenda Requirements

Bill Number(s): CS/CS/HB 777

Presently, the referenda approving the described local taxes are held at elections called by the applicable local governing body. Such elections may be special elections or may be held in conjunction with other local elections, primary elections, or general elections.

b. Proposed Change:

The bill requires referenda approving the described local taxes to be held at a general election only. Because the legislation's effective date is October 1, 2022, any applicable referenda scheduled prior to that date will not be impacted.

Section 2: Description of Data and Sources

According to the Florida Department of State's Division of Elections website, the primary election for 2022 will be held on August 23rd for the purpose of nominating party nominees to be voted for in the general election to fill a national, state, county, or district office. The general election will be held on November 8th. Furthermore, special elections may be called at any time during the year, and local elections may also be held throughout the year.¹

EDR staff also reviewed 2022 final legislative reports/summaries prepared by the Florida Association of Counties, Florida League of Cities, and Florida School Boards Association. Although these associations had voiced concern with or been generally opposed to the general election limitation due to concerns around the timeline for implementing future voter-approved levies, they did not express any concerns about local revenue losses.

Section 3: Methodology (Include Assumptions and Attach Details)

Following the 2019 Regular Legislative Session, the REC considered CS/CS/HB 5 – Section 1 that would have required a referendum to adopt or amend a local discretionary sales surtax to be held at a general election as defined in s. 97.021, F.S. On June 5, 2019, the REC adopted an estimate of zero cash/zero recurring. The Conference reasoned that the requirement did not directly impact current baseline revenue forecasts because they were based on current law / current administration and did not contain assumptions regarding future surtax enactments. That legislation was approved by the Governor and later codified as Chapter 2019-64, L.O.F.

While CS/CS/HB 777 will limit the current flexibility that counties, municipalities, and school districts have for scheduling a referendum, it does not limit the authority of these local entities to raise revenues. The legislation does not increase or decrease local revenues; it only shifts the timing of revenues collected from local levies that may be approved by voters in the future. Consequently, a proposed fiscal impact of zero is recommended.

Furthermore, it appears that the Additional 1 Percent Tax, which can be adopted locally pursuant to an extraordinary vote of the county's governing body or by referendum approval, may not be subject to the general election limitation proposed in this bill. This particular Tourist Development Tax, authorized pursuant to s. 125.0104(3)(d), F.S., is not cross-referenced in the changes proposed in lines 26-42.

Section 4: Proposed Fiscal Impact (Millions)

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23			0	0		
2023-24			0	0		
2024-25			0	0		
2025-26			0	0		
2026-27			0	0		

List of Affected Trust Funds: Local funds

¹ <https://dos.myflorida.com/elections/for-voters/election-dates/>

REVENUE ESTIMATING CONFERENCE

Tax: Local Taxes and Fees

Issue: Local Tax Referenda Requirements

Bill Number(s): CS/CS/HB 777

Section 5: Consensus Estimate (Adopted: 06/03/2022): The Conference adopted the proposed estimate. The Conference does not account for future changes in the enactment of these taxes in its baseline.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
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
2025-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees
Issue: Department of Health
Bill Number(s): CS/CS/SB 768

- Entire Bill
Partial Bill:

Sponsor(s): Appropriations and Health Policy and Sen. Rodriguez
Month/Year Impact Begins: July 1, 2022
Date of Analysis: April 29, 2022

Section 1: Narrative

- a. Current Law: The Department of Health (department) oversees licensure and standards for Florida’s health professions, including collecting applications and fees and coordinating criminal background checks when necessary. Prospective midwives apply to the department for licensure and pay fees. Orthotists, prosthetists, and pedorthists submit fingerprints for state and federal background checks. Counselors and therapists must pass examination before granted licensure.
b. Proposed Change: The bill, in general, reorganizes statutes regulating health professions and codifies current administration by the Department of Health.

Sections 14 and 15 (regulation of Florida’s midwifery profession) of the bill require applicants to submit a fee at the time of application. Further, section 15 adds language to require a fee, no greater than \$50 at the time of application, for a temporary certificate. The changes made by these sections appear new; however, the requirements and fee amount are reorganized. For example, compare lines 1067-1068 with 1071-1072 and 1110-1113 with 1171-1172.

Section 17 (regulation of orthotics, prosthetics, and pedorthics) repeals a requirement for the department to submit an applicant’s fingerprints to state and federal criminal history check with the Florida Department of Law Enforcement. The department has foregone this process prior to changes made by the bill and instead, current practice requires an applicant to use a third-party Live Scan provider for criminal background check information.

Section 22 (regulation of clinical social workers, marriage and family therapists, and mental health counselors) repeals a requirement that the department collect the cost of examination from applicants. The department has foregone purchasing and administering the examinations. Applicants coordinate examination with an approved vendor and submit the result to the department.

Section 2: Description of Data and Sources

Conversation with representatives at the Department of Health
Agency bill analysis for SB 768
Staff bill analyses for SB 768

Section 3: Methodology (Include Assumptions and Attach Details)

Discussions with the Department of Health confirmed the amendments made by the bill codify current administration and result in no change in revenue.

Section 4: Proposed Fiscal Impact

Table with 7 columns: Year, High (Cash, Recurring), Middle (Cash, Recurring), Low (Cash, Recurring). Rows for years 2022-23 through 2026-27, all showing 0 revenue impact.

List of affected Trust Funds:

None

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees
Issue: Department of Health
Bill Number(s): CS/CS/SB 768

Section 5: Consensus Estimate (Adopted: 06/03/2022): The Conference adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
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
2025-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Birth Certificate Fee Waivers

Bill Number(s): [CS/CS/HB 1577](#)

Entire Bill

Partial Bill:

Sponsor(s): Health & Human Services Committee and Children, Families & Seniors Subcommittee, Woodson and others

Month/Year Impact Begins: July 1st, 2022

Date of Analysis: June 3rd, 2022

Section 1: Narrative

a. Current Law:

Certified Unaccompanied Homeless Youth

Under Florida law, certain individuals may certify unaccompanied homeless youth. Section 743.067, F.S., allows a youth who is an unaccompanied homeless youth to become certified as such if he or she is 16 years of age or older and is:

- (a) Found by a school district's liaison for homeless children and youths to be an unaccompanied homeless youth eligible for services pursuant to the McKinney-Vento Homeless Assistance Act, 42 U.S.C. ss. 11431-11435; or
- (b) Believed to qualify as an unaccompanied homeless youth, as that term is defined in the McKinney-Vento Homeless Assistance Act, by:
 1. The director of an emergency shelter program funded by the United States Department of Housing and Urban Development, or the director's designee;
 2. The director of a runaway or homeless youth basic center or transitional living program funded by the United States Department of Health and Human Services, or the director's designee; or
 3. A continuum of care lead agency, or its designee.

A standardized form is used when one of the individuals listed above certifies an unaccompanied homeless youth.

Once certified, an unaccompanied homeless youth may use the certification form to:

1. Obtain, at no charge, an identification card issued by the Department of Highway Safety and Motor Vehicles.
2. Petition the circuit court to have the disability of nonage removed.
3. Consent to medical, dental, psychological, substance abuse, and surgical diagnosis and treatment, including preventive care for himself or herself (or for a child, if the unaccompanied homeless youth is unmarried, is the parent of the child, and has actual custody of the child).

A health care provider may accept the written certification form as proof of the minor's status as a certified unaccompanied homeless youth and may keep a copy of the certificate in the youth's medical file.

Under current law, a certified unaccompanied homeless youth only receives a copy of the completed certification form as proof of certification for available benefits.

Birth Certificates

The Florida Department of Health (DOH), Office of Vital Statistics, maintains all vital records for Florida. Certified copies of an original birth certificate or a new or amended certificate may be issued by DOH upon request and payment of a fee by a person who is named as the child on the birth certificate, if that person is of legal age, is a certified unaccompanied homeless youth, or is a minor with the disability of nonage removed.

DOH charges a \$20 fee for each certified copy of a Florida birth record and \$16 for additional copies, when requested at the same time. All fees are paid by the person requesting the record, are due and payable at time services are requested, and are nonrefundable, unless no vital record is found.

Current law requires DOH to waive all fees for a certified copy of a birth certificate issued for an inmate to acquire a state identification card before release pursuant to s. 994.605(7), F.S., and for a juvenile offender in the custody or under the supervision of the Department of Juvenile Justice and receives services under s. 985.461, F.S. Current law does not allow DOH to waive fees when a certified homeless youth or former foster youth requests a copy of the youth's birth certificate.

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Birth Certificate Fee Waivers

Bill Number(s): [CS/CS/HB 1577](#)

b. Proposed Change:

The bill amends s. 382.0255, F.S., to waive the fees associated with obtaining a copy of a birth certificate for certified unaccompanied homeless youth and young adults who aged out of foster care.

Section 2: Description of Data and Sources

Data received from the Bureau of Vital Statistics

Data received from the Department of Children and Families

Data received from the Department of Education

Section 3: Methodology

In 2021, there were 6,926 unaccompanied homeless youths. Of those youths, 3,399 were eligible to be certified, though data on how many had the certification is unavailable. Additionally, 737 young adults aged out of foster care and the forecast assumes that, on any given year, there are around 2,948 (737*(4)) young adults, ages 18-21, in the state who aged out of the foster care system.

The Bureau of Vital Statistics received 729,744 birth certificate requests in 2021. The population estimate for that year was 21,898,945. To have a better understanding of the percentage of the population which requests copies of birth certificates on a given year, the forecast divides the number of birth certificate requests by the population estimates, which results in 3.33%. The forecast then assumes that the cohort affected by this bill will request copies of birth certificates at a higher rate than the rest of the population, which leads to an impact of -\$35,706, or insignificant negative.

2021	
Unaccompanied Homeless Youths	6,926
Eligible to be certified Homeless Unaccompanied Youth	3,399
Assumed percentage of cohort that will request certified copy	20%
	679.80
Children who aged out of Foster Care	737
Assumed percentage of cohort that will request certified copy	90%
	663.30
Young Adults ages 19-21 who aged out of Foster Care System*	2,211
Assumed percentage of cohort that will request certified copy	20%
	442.20
Total Requests for Birth Certificates	1,785
Certified Copy of Birth Certificate Fee	\$20
	\$ 35,706.00
*Estimate	

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Birth Certificate Fee Waivers

Bill Number(s): [CS/CS/HB 1577](#)

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23			(*)	(*)		
2023-24			(*)	(*)		
2024-25			(*)	(*)		
2025-26			(*)	(*)		
2026-27			(*)	(*)		

List of affected Trust Funds:

Planning and Evaluation Trust Fund

Section 5: Consensus Estimate (Adopted: 06/03/20220): The Committee adopted the proposed estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)
2023-24	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)
2024-25	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)
2025-26	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)
2026-27	(*)	(*)	(*)	(*)	0.0	0.0	(*)	(*)

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Mental Health and Substance Use Disorders; Peer Specialists

Bill Number(s): CS/SB 282

Entire Bill

Partial Bill:

Sponsor(s): Rouson

Month/Year Impact Begins: July 2022

Date of Analysis: May 23, 2022

Section 1: Narrative

- a. **Current Law:** A peer specialist is a person who has been in recovery from a Substance Abuse Disorder (SUD) or mental illness for at least 2 years who uses his or her personal experience to provide services in behavioral health settings to support others in their recovery, or a person who has at least 2 years of experience as a family member or caregiver of an individual who has a SUD or mental illness. Peer specialist certification is administered by the Florida Certification Board with oversight by the Department of Children and Families (DCF).

As of May 2022, there are 831 individuals with active Certified Recovery Peer Specialist (CRPS) credentials and 292 individuals with pending applications for certification. The fees relating to CRPS certification through FCB are as follows:

- Certification Fee: \$100
- Examination Fee: \$65
- Reinstatement Fee: \$150
- Renewal Fee: \$75
- Upgrade Fee: \$50

All fees are retained by the FCB, a private entity.

Section 397.4073, F.S., requires peer specialists who have direct contact with individuals receiving services to undergo a level 2 background screening as provided under s. 408.809 and ch. 435. Applicant peer specialists are required to pay the costs associated with such screenings. A level 2 background screening includes, but is not limited to, fingerprinting for statewide criminal history records checks through the FDLE and national criminal history checks through the Federal Bureau of Investigation (FBI), and may include local criminal records checks through local law enforcement agencies. Certain offenses disqualify an individual from being certified as a peer specialist. The fees associated with background screening are an \$8 state fee and a \$13.25 federal fee, with a total fee of \$21.25 charged to an applicant. The \$8 state fee is transferred to the FDLE Operating Trust Fund, and 8% of the \$8 as a service charge is transferred into the General Revenue Fund.

b. **Proposed Change:**

The bill replaces the requirement to conduct criminal background screening of peer specialists pursuant to section 408.809 and Chapter 435, F.S., with compliance with section 397.417(5), F.S., and removes seven categories of criminal offenses which no longer disqualify applicants from becoming certified.

Section 2: Description of Data and Sources

Florida Certification Board Fee Schedule; Effective January 2020

FDLE Criminal History Record Check Fee Schedule, Effective January 1, 2019

2022 Agency Legislative Bill Analysis, DCF, CS/SB 282 Mental Health and Substance Use Disorders, 02/02/2022

2022 Agency Legislative Bill Analysis, FDLE, SB 282 Mental Health and Substance Use Disorders, 10/08/2021

Section 3: Methodology (Include Assumptions and Attach Details)

Reducing the criminal disqualifying offenses would widen the pool of potential peer specialists. As of May 2022, there are 831 individuals with active CRPS credentials and 292 individuals with pending applications for certification. The DCF expects there will be an increase in the number of persons seeking certification but has not determined an estimate on the number of new applicants. Assuming that an additional 831 individuals apply to become peer specialists and undergo background screenings in each subsequent fiscal year, revenue collected by the state would total \$6,648 per year. This amount does not reach the significance threshold of \$50,000. In order to reach the significant threshold, 6,250 individuals would need to apply to become peer specialists in a given year.

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Mental Health and Substance Use Disorders; Peer Specialists

Bill Number(s): CS/SB 282

Section 4: Proposed Fiscal Impact

Background Screenings

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23			*	*		
2023-24			*	*		
2024-25			*	*		
2025-26			*	*		
2026-27			*	*		

List of affected Trust Funds: FDLE Operating Trust Fund

Section 5: Consensus Estimate (Adopted: 06/03/2022): The Conference adopted the middle estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	*	*	*	*	0.0	0.0	*	*
2023-24	*	*	*	*	0.0	0.0	*	*
2024-25	*	*	*	*	0.0	0.0	*	*
2025-26	*	*	*	*	0.0	0.0	*	*
2026-27	*	*	*	*	0.0	0.0	*	*

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Licensure of Payment Instrument Sellers

Bill Number(s): CS/HB 273

Entire Bill

Partial Bill:

Sponsor(s): Representative Aloupis

Month/Year Impact Begins: January 1, 2023

Date of Analysis: May 23, 2022

Section 1: Narrative

a. Current Law:

The Office of Financial Regulation licenses and regulates financial services industries operating in Florida, including money service businesses (MSBs) regulated under chapter 560, F.S. Money transmitters and payment instrument sellers are two types of MSBs, both of which are required to hold a license under Part II of ch. 560, F.S., pursuant to s. 560.204, F.S. A “money services business” is defined as “any person ... who acts as a *payment instrument seller*, foreign currency exchanger, check casher, or *money transmitter*.”¹² (emphasis added)

Money transmitter is defined in statute as “a corporation, limited liability company, limited liability partnership, or foreign entity qualified to do business in this state which receives currency, *monetary value*, or *payment instruments* for the purpose of transmitting the same by any means...”³ (emphasis added)

Monetary value is defined as “a medium of exchange, whether or not redeemable in currency.”⁴

Payment instrument is defined as “a check, draft, warrant, money order, travelers check, electronic instrument, or other instrument, payment of money, or monetary value whether or not negotiable. The term does not include an instrument that is redeemable by the issuer in merchandise or service, a credit card voucher, or a letter of credit.”⁵

Under these current statutory definitions, virtual currency (e.g. bitcoin) is not expressly within the terms of ch. 560, F.S. However, in a 2019 case, the Third District Court of Appeals held that the sale of virtual currency requires licensure as an MSB for both third-party facilitators and for individuals in a two-party transaction (a direct sale).⁶ Subsequent to that opinion, the Office of Financial Regulation has advised through Declaratory Statements and general industry guidance that both third-party transmitters and those involved in direct sales of virtual currency should be licensed as an MSB under part II of chapter 560, F.S.

Pursuant to s. 560.143, F.S., an initial application for a Part II (MSB) License costs \$375. A biennial renewal is \$750.

b. Proposed Change:

The bill amends the definition of money transmitter to clarify that it only applies to third-party intermediaries (not to direct sales) and adds an explicit reference to virtual currency. The bill also adds a definition of virtual currency. As such, two types of businesses are affected:

- (1) Businesses which serve as intermediaries for solely virtual currency which heretofore have not registered as an MSB and now have a clear statutory requirement to do so; and
- (2) Any business which is not an intermediary, but which registered pursuant to the case that held that direct sales of virtual currency required registration, will not be required to renew their registration.

¹ State v. Espinoza, 264 So. 3d 1055, 1063 (Fla. Dist. Ct. App. 2019)

² Section 560.103(22), F.S.

³ Section 560.103(23), F.S.

⁴ Section 560.103(21), F.S.

⁵ Section 560.103(29), F.S.

⁶ State v. Espinoza, 264 So. 3d 1055, 1059-60 (Fla. Dist. Ct. App. 2019)

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Licensure of Payment Instrument Sellers

Bill Number(s): CS/HB 273

Section 2: Description of Data and Sources

Discussions with House Staff

Discussions with OFR Staff

Report of Businesses Licensed as Money Transmitters on the OFR Website –

“Money Services Businesses and Check Cashers” (<https://www.flofr.gov/sitePages/DownloadRegistrationData.htm>)

Section 3: Methodology (Include Assumptions and Attach Details)

The possible impact of this change affects two types of businesses: those registered in response to guidance from OFR based on case law, that no longer will need to retain their license (those that only make direct sales of virtual currency); and those that did not register under case law and agency guidance, but that will register pursuant to this statutory clarification.

A strict reading of the statutory change would lead to only a potential negative insignificant impact, for the few businesses that registered under the case law even though they only engage in direct sales, and now can allow their licenses to expire. Under this interpretation, any business that engages in third-party transactions should have already registered under case law and existing agency application of that law, and the statutory change does not affect that obligation. The low reflects this impact.

A more broad reading would also account for behavioral changes resulting in higher compliance by the businesses that did not register under case law and agency administration, but will now register based on the statutory clarification. Based on information publically available on the OFR website, there are currently 294 businesses in Florida that hold a Part II (MSB) license. A review of the listed businesses indicates that a significant portion of these businesses are known financial entities engaged in payment services and money transmission (e.g., American Express, Western Union, Amazon Payment Services, Google, Paypal, Mastercard, Apple Pay, AMSCOT, etc.) which are properly licensed and will continue to be licensed, regardless of this statutory change.

Based on information from House staff working with OFR on this issue, OFR issued 14 declaratory statements applying the case law between July 2021 and the end of March 2022 (these cases were held from the time of the 2019 *Espinoza* case until Summer 2021 to see if additional judicial or statutory guidance was forthcoming). Of those 14 declaratory statements, all 14 indicated the petitioner should register as an MSB. As of the most recent monthly report available from OFR, it appears that four of the 14 have registered. Of those four, it appears that two potentially would not need to retain their license under the statutory change. OFR also indicated that they provided general guidance to the industry in the last quarter of 2021, and believe fewer than 30 businesses registered in response to that general guidance. They indicated roughly half of those businesses would likely be able to discontinue their license under the statutory change.

It is unclear, and based on discussions with OFR staff, it is unknown, exactly how many additional businesses may become licensed now that the statute has been clarified. It is also unknown how many of the 294 licensed businesses will let their license expire based on the statutory change. OFR staff indicated they believe that additional new licensees and lapsed licensees under the bill are likely to offset, causing no meaningful impact to revenue.

Assuming at most an increase of 10% in registrations due to the statutory change, and no discontinuations of existing licenses, an additional 30 businesses may register in the first year after the statutory change (sometime in calendar year 2023). With a first year fee of \$375, and renewal fees every two years thereafter of \$750, the potential added fees reflected in the high estimate (shown as a positive insignificant) are:

	Cash	Recurring
2022-23	\$5,625	\$5,625
2023-24	\$5,625	\$5,625
2024-25	\$11,250	\$11,250
2025-26	\$11,250	\$11,250
2026-27	\$11,250	\$11,250

REVENUE ESTIMATING CONFERENCE

Tax: Other Taxes and Fees

Issue: Licensure of Payment Instrument Sellers

Bill Number(s): CS/HB 273

The middle impact is +/-, to account for the possibility that there could be a small net negative (if more businesses let their license expire than apply for a new license), no impact (if the registrations and expirations completely offset), or small net positive (if more new licenses are acquired than those which expire).

Both the middle and the high require the Conference to assume that the impact of the bill includes behavioral changes resulting in higher compliance in response to the bill (businesses choosing to comply with the law now that the statute has been clarified); the low reflects only the legal change made by the bill (some licensed businesses no longer need to be licensed).

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	*	*	+/-	+/-	(*)	(*)
2023-24	*	*	+/-	+/-	(*)	(*)
2024-25	*	*	+/-	+/-	(*)	(*)
2025-26	*	*	+/-	+/-	(*)	(*)
2026-27	*	*	+/-	+/-	(*)	(*)

List of affected Trust Funds: Regulatory Trust Fund (s. 560.144, F.S.)

Section 5: Consensus Estimate (Adopted: 06/03/2022): The Conference adopted the middle estimate with the distinction that the net negative or net positive impact is insignificant.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	+/-ins.	+/-ins.	+/-ins.	+/-ins.	0.0	0.0	+/-ins.	+/-ins.
2023-24	+/-ins.	+/-ins.	+/-ins.	+/-ins.	0.0	0.0	+/-ins.	+/-ins.
2024-25	+/-ins.	+/-ins.	+/-ins.	+/-ins.	0.0	0.0	+/-ins.	+/-ins.
2025-26	+/-ins.	+/-ins.	+/-ins.	+/-ins.	0.0	0.0	+/-ins.	+/-ins.
2026-27	+/-ins.	+/-ins.	+/-ins.	+/-ins.	0.0	0.0	+/-ins.	+/-ins.

REVENUE ESTIMATING CONFERENCE

Tax: Pari-mutuel Taxes

Issue: Removes requirement to move excess funds from PMWTF to GR

Bill Number(s): SB 2510

Entire Bill

Partial Bill: Section 5

Sponsor(s): Appropriations

Month/Year Impact Begins: July 1, 2022

Date of Analysis: June 3, 2022

Section 1: Narrative

- a. **Current Law:** Section 550.135(2), F.S., requires that all unappropriated funds in excess of \$1.5 million in the Pari-mutuel Wagering (PMW) Trust Fund be deposited into the General Revenue Fund (GR). In addition, s. 550.135(3), F.S., requires that any unappropriated funds at June 30 in excess of those necessary for incurred obligations and subsequent year cash flow for slot machine regulation operations be deposited into GR.
- b. **Proposed Change:** Section 5 of SB 2510 amends ss. 550.135(2) & (3), F.S., to delete the requirements that funds in excess of \$1.5 million and the funds not needed for slot machine regulation operations remaining in the PMW Trust Fund at the end of a fiscal year be deposited into GR.

Section 2: Description of Data and Sources

Department of Business and Professional Regulation (DBPR) January 2022 GR Statement
 General Revenue Fund Revenue Estimating Conference Workpapers — Table 21 Pari-mutuel Taxes

Section 3: Methodology (Include Assumptions and Attach Details)

For the Pari-mutuel Taxes portion at the January GR Revenue Estimating Conference, DBPR staff submitted calculations showing increased expenditures for Florida Gaming Control Commission operations and a corresponding reduction to the transfers to GR from slot machine revenue, ranging from \$9 million to \$10.4 million. Since this reflected a change in current administration by the department, the GR portion of Pari-mutuel Taxes forecast for Fiscal Years 2022-23 through 2026-27 adopted at the January 21, 2022, GR Estimating Conference accounted for the GR reduction. Therefore, there is no future fiscal impact.

Section 4: Proposed Fiscal Impact

GR	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23			\$0	\$0		
2023-24			\$0	\$0		
2024-25			\$0	\$0		
2025-26			\$0	\$0		
2026-27			\$0	\$0		

List of Affected Trust Funds:

PMW Trust Fund

Section 5: Consensus Estimate (Adopted: 06/03/2022): The Conference adopted the proposed impact; the GR portion of Pari-mutuel Taxes forecast adopted at the January 21, 2022, GR Estimating Conference accounted for this reduction.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
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
2025-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE DISTRIBUTION
Prepared for Revenue Estimating Conference
Jan-22

	Actual	Projected	Projected	Projected	Projected	Projected	Projected
	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Fees, Charges, Commissions and Sales (Category 000100)							
Pari-Mutuel Wagering (Daily License Fees & Finger Print Fees)	1,515,100	1,309,924	1,267,067	1,254,930	1,244,441	1,228,128	1,203,767
Cardroom (Table Fees)	782,000	782,000	782,000	782,000	782,000	782,000	782,000
Total Fees, Charges, Commissions and Sales (Category 000100)	2,297,100	2,091,924	2,049,067	2,036,930	2,026,441	2,010,128	1,985,767
Licenses and Permits (Category 000200)							
Pari-Mutuel Wagering (Occupational Licenses)	335,431	335,431	335,431	335,431	335,431	335,431	335,431
Cardroom (Occupational Licenses)	180,762	140,000	140,000	180,762	140,000	140,000	180,762
Total Licenses and Permits (Category 000200)	516,193	475,431	475,431	516,193	475,431	475,431	516,193
Taxes (Category 000300)							
Pari-Mutuel Wagering (Tax on Handle and Admissions)	4,517,786	3,833,030	3,689,998	3,649,492	3,614,484	3,560,044	3,478,739
Cardroom (Tax on Gross Receipts)	7,219,261	8,821,383	8,953,704	9,043,241	9,133,674	9,225,010	9,317,261
Total Taxes (Category 000300)	11,737,046	12,654,413	12,643,702	12,692,733	12,748,158	12,785,055	12,795,999
Fines, Forfeits, Judgements and Settlements (Category 001200 and 001202)							
	47,500	50,000	50,000	50,000	50,000	50,000	50,000
Interest and Dividends, Net (Category 000500)							
	61,454	61,454	61,454	61,454	61,454	61,454	61,454
Transfers In (Category 001500)							
	0	0	0	0	0	0	0
Miscellaneous Receipts (Category 001800 and 000400 and 030008)							
	184,785	166,783	166,783	166,783	166,783	166,783	166,783
Total Receipts	14,844,077	15,500,005	15,446,437	15,524,093	15,528,267	15,548,851	15,576,196
Salary and Benefits (Category 010000)							
	4,364,391	4,240,360	4,240,360	4,240,360	4,240,360	4,240,360	4,240,360
OPS (Category 030000)							
	1,471,934	1,453,917	1,453,917	1,453,917	1,453,917	1,453,917	1,453,917
Expenses (Category 040000)							
	645,658	653,747	653,747	653,747	653,747	653,747	653,747
OCO (Category 060000)							
	13,032	13,032	13,032	13,032	13,032	13,032	13,032
Acquisition- Motor Vehicles (Category 100021)							
	22,000	40,002	40,002	40,002	40,002	40,002	40,002
Contracted Services (Category 100777)							
	27,317	27,317	27,317	27,317	27,317	27,317	27,317
Operation of Motor Vehicles (Category 102289)							
	58,280	62,000	62,000	62,000	62,000	62,000	62,000
Risk Management (Category 103241)							
	70,507	113,905	113,905	113,905	113,905	113,905	113,905
Office Equipment (Category 105281)							
	10,063	10,063	10,063	10,063	10,063	10,063	10,063
Reg/Pari-Mutuel Ind (EQU) (Category 105505)							
	0	0	0	0	0	0	0
Tax Collection (EQU) (Category 105510)							
	0	0	0	0	0	0	0
Racing Animal Medical Research (Category 105511)							
	90,000	100,000	100,000	100,000	100,000	100,000	100,000
Lab Contract (Category 105515)							
	2,266,000	1,916,000	1,916,000	1,916,000	1,916,000	1,916,000	1,916,000
Transfer to DMS (Category 107040)							
	39,754	36,550	36,550	36,550	36,550	36,550	36,550
Data Processing/Compliance Audit System (Category 109062)							
	246,476	296,476	296,476	296,476	296,476	296,476	296,476
Total Operating Expenditures	9,325,412	8,963,369	8,963,369	8,963,369	8,963,369	8,963,369	8,963,369
Refunds (Category 220020)							
	48,000	48,000	48,000	48,000	48,000	48,000	48,000
Fingerprinting - PMW (Category 310175)							
	400,600	350,000	350,000	350,000	350,000	350,000	350,000
Service Charge to GR - PMW (Category 310322) ^(A)							
	1,484,408	1,550,001	1,544,644	1,552,409	1,552,827	1,554,885	1,557,620
Transfer to Admin. Trust Fund - Service Operations (Category 185078)							
	16,993	16,993	0	0	0	0	0
Administrative Overhead - PMW (Category 185080)							
	1,190,715	1,251,707	0	0	0	0	0
Transfer Cardroom Tax (Category 311367)							
	1,654,901	1,889,742	2,205,346	2,238,426	2,260,810	2,283,418	2,306,253
Total Non-Operating Expenditures	4,795,617	5,106,443	4,147,990	4,188,835	4,211,637	4,236,304	4,261,872
Total Expenditures	14,121,029	14,069,812	13,111,359	13,152,204	13,175,006	13,199,673	13,225,241
Net Pari-Mutuel/Cardroom Revenue **	723,048	1,430,194	2,335,078	2,371,889	2,353,261	2,349,178	2,350,954
Plus: Cardroom General Revenue Receipts (portion monthly transferred)	7,219,261	8,821,383	8,953,704	9,043,241	9,133,674	9,225,010	9,317,261
Excess Slot Revenue		11,427,967	11,427,967	11,517,574	11,427,967	11,517,574	11,427,967
Additional expenditures Gaming Control Commission (LE and Admin)			-11,984,403	-8,860,158	-8,860,158	-8,860,158	-8,860,158
**In accordance with Section 550.135 (2), F.S., \$1.5 million balance is held in the PMW Trust Fund, plus any funds needed to ensure positive cash flow for PMW/SLOTS/COMMISSION		7,862,775	2,335,078	3,848,555	3,829,927	3,825,844	3,827,620
Gross General Revenue Funding ESTIMATE		13,816,770	8,953,704	10,223,992	10,224,817	10,405,761	10,408,404
Less: Transfers YTD (Category 170000)		5,000,000					
Net Year Total Left For Distribution To General Revenue Fund ESTIMATE (includes monthly transferred/deposited cardroom gross receipts)	0	8,816,770	8,953,704	10,223,992	10,224,817	10,405,761	10,408,404
Gross Distribution to General Revenue Actual (included cardroom to GR)	17,219,261						
State School Fund (Escheated Tickets)	219,821	230,705	0	0	0	0	0

** Fiscal Year 2021/2022 - due to new Florida Gaming Control Commission being formed; with the exception of the monthly GR cardroom payments, GR fines, and the \$5 million transferred in September, no additional \$ is anticipated to be transferred to GR.

**Future years, assumes that the amount needed for a positive cash flow will be in excess of the \$1.5 million, based on overall expenditures.

TABLE 21
PARI-MUTUEL TAXES (\$ Millions)

Includes taxes on handle, attendance, license fees, cardrooms, intertrack wagering, and slot machine licenses.

	Total Collections	% chg	General Revenue	% chg
2001-02	35.1	1.2	18.6	12.0
2002-03	32.4	-7.7	17.1	-7.9
2003-04	32.1	-1.2	23.7	38.5
2004-05	32.0	5.0	18.4	-22.5
2005-06	33.6	-6.5	16.0	-13.0
2006-07	33.9	8.0	32.0	100.0
2007-08	33.8	-0.3	26.9	-15.9
2008-09	29.2	-13.6	20.0	-25.7
2009-10	26.6	-8.9	27.7	38.5
2010-11	26.0	-2.3	30.8	11.2
2011-12	26.9	3.5	24.5	-20.5
2012-13	25.1	-6.7	23.4	-4.5
2013-14	27.2	8.4	25.3	8.1
2014-15	26.2	-3.7	26.8	5.9
2015-16	26.3	0.4	23.8	-11.2
2016-17	26.1	-0.8	22.8	-4.2
2017-18	26.8	2.7	28.9	26.8
2018-19	26.9	0.4	22.2	-23.2
2019-20	20.9	-22.3	19.6	-11.7
2020-21	21.8	4.2	17.2	-12.2
<hr/>				
2021-22 OLD	22.3	2.4	19.4	12.8
2021-22 EDR	24.3	11.6	13.8	-19.8
2021-22 EOG	24.3	11.6	13.8	-19.8
2021-22 DPT	#N/A	#N/A	#N/A	#N/A
2021-22 NEW	24.3	11.6	13.8	-19.8
<hr/>				
2022-23 OLD	22.6	1.3	19.7	1.5
2022-23 EDR	24.4	0.4	9.0	-34.8
2022-23 EOG	24.4	0.4	9.0	-34.8
2022-23 DPT	#N/A	#N/A	#N/A	#N/A
2022-23 NEW	24.4	0.4	9.0	-34.8
<hr/>				
2023-24 OLD	22.9	1.3	19.9	1.0
2023-24 EDR	24.6	0.8	10.2	13.3
2023-24 EOG	24.6	0.8	10.2	13.3
2023-24 DPT	#N/A	#N/A	#N/A	#N/A
2023-24 NEW	24.6	0.8	10.2	13.3
<hr/>				
2024-25 OLD	23.0	0.4	19.9	0.0
2024-25 EDR	24.7	0.4	10.2	0.0
2024-25 EOG	24.7	0.4	10.2	0.0
2024-25 DPT	#N/A	#N/A	#N/A	#N/A
2024-25 NEW	24.7	0.4	10.2	0.0
<hr/>				
2025-26 OLD	23.2	0.9	20.2	1.5
2025-26 EDR	24.8	0.4	10.4	2.0
2025-26 EOG	24.8	0.4	10.4	2.0
2025-26 DPT	#N/A	#N/A	#N/A	#N/A
2025-26 NEW	24.8	0.4	10.4	2.0
<hr/>				
2026-27 OLD	23.4	0.9	20.2	0.0
2026-27 EDR	24.9	0.4	10.4	0.0
2026-27 EOG	24.9	0.4	10.4	0.0
2026-27 DPT	#N/A	#N/A	#N/A	#N/A
2026-27 NEW	24.9	0.4	10.4	0.0

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Sales Tax Exemption for Baby/Toddler Clothing and Shoes

Bill Number(s): CS/HB 7071, Section 51

Entire Bill

Partial Bill:

Sponsor(s): Representative Payne

Month/Year Impact Begins: July 1, 2022

Date of Analysis: 6/3/2022

Section 1: Narrative

- a. Current Law:** Currently there is no sales tax exemption for baby and toddler clothing and shoes.
- b. Proposed Change:** The bill exempts from sales tax the retail sale of baby and toddler clothing, apparel, and shoes, primarily intended for children age 5 or younger. The terms "clothing" and "apparel" exclude watches, watchbands, jewelry, umbrellas, and handkerchiefs. The exemption is in effect from July 1, 2022 to June 30, 2023.

Section 2: Description of Data and Sources

Impact for Proposed Language, Sales Tax Exemption for Baby/Toddler Clothing and Shoes, Revenue Estimating Impact Conference, 2/18/2022 http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2022/_pdf/page402-405.pdf

Bureau of Labor Statistics, Consumer Expenditure Survey, Table 1800. Region of residence: Annual means, standard errors, coefficients of variation, and quarterly percents reporting, Consumer Expenditure Interview Survey, 2019; Florida: Quintiles of income before taxes, 2018-2019.

FDEC December 2021 & BEBR Population Projections by Single Age.

FEEC December 2021.

Section 3: Methodology (Include Assumptions and Attach Details)

This analysis uses consumer expenditures data from the Consumer Expenditure Survey (CES). Income before taxes from the CES is increased to the impact year by the growth rate of personal income from the FEEC. Annual expenditures per consumer units are derived by assuming their share of income before taxes remains constant. The number of consumer units from the CES is increased to the impact year by the growth of households from the FDEC. Detailed category data from the national survey is adjusted to Florida by assuming that Florida consumers spend the same share of their expenditures on baby and toddler clothing and shoes.

The CES' expenditure categories are for children under 2 and for children 2 to 15 years of age. A reduction to the latter category is made to exclude children's clothing for ages outside of the bill's impact using FDEC Population projections by single age.

HB 7071, Section 51 exempts from sales tax the retail sale of "baby and toddler clothing, apparel, and shoes, primarily intended for children age 5 or younger." The prior version of the bill (the proposed language) reviewed at the Revenue Estimating Conference dated 2/18/2022 exempted the retail sale of "baby and toddler clothing up to and including size 5T and baby and toddler shoes up to and including size 13T." The methodology adopted by the REC for the proposed language used data for expenditures for children 5 or younger rather than expenditures by clothing or shoe size since the former was available in a data source but the latter was not available in any data source accessible to the analyst. In the 2/18/2022 REC, the above two definitions of clothing & shoe sizes were considered interchangeable for the purpose of the impact. This analysis of HB 7071 proposes to deem the two definitions interchangeable in terms of estimating the sales tax impact as well.

In addition, the mention of the word "apparel" after "clothing" in HB 7071 instead of later in the definition is not considered to change the scope of the impact. Furthermore, the explicit exclusion of "watches, watchbands, jewelry, umbrellas, and handkerchiefs" from "clothing" and "apparel" in HB 7071 does not change the impact as adopted at the 2/18/2022 REC since watches and jewelry are in a separate expenditure category of apparel, distinct from the clothing category and they were not included in the clothing expenditures estimate in the 2/18/2022 REC impact of the proposed language. Therefore, this analysis proposes the same impact as adopted on 2/18/2022.

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Sales Tax Exemption for Baby/Toddler Clothing and Shoes

Bill Number(s): CS/HB 7071, Section 51

Section 4: Proposed Fiscal Impact The impact begins July 1, 2022 and ends June 30, 2023 and it affects FY2022-23 and FY 2023-24.

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23			(65.1)			
2023-24			(5.9)			
2024-25						
2025-26						
2026-27						

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

Section 5: Consensus Estimate (Adopted: 06/03/2022): The Conference adopted the proposed estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(57.7)	0.0	(Insignificant)	0.0	(1.9)	0.0	(5.5)	0.0
2023-24	(5.2)	0.0	(Insignificant)	0.0	(0.2)	0.0	(0.5)	0.0
2024-25	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	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
2022-23	(9.6)	0.0	(17.0)	0.0	(74.7)	0.0
2023-24	(0.9)	0.0	(1.6)	0.0	(6.8)	0.0
2024-25	0.0	0.0	0.0	0.0	0.0	0.0
2025-26	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0

HB 7071, Section 51
Baby/Toddler Clothes and Shoes

1 YEAR
FY 2022-23

1. Consumer expenditure data from the Consumer Expenditure Survey

Children's Apparel and Footwear Consumer Expenditures

	<i>BLS Data</i>		<i>BLS Data</i>	
	CY 2019		CYs 2018 & 2019	
	US		FL	
Number of consumer units (Households)	132,242,000		8,987,884	
Income before taxes	\$82,852		\$70,109	
Income after taxes	\$71,487			
Average annual expenditures	\$60,182		\$56,535	

2. Grow consumer units & expenditures to impact year

FY Ending in:	2020	2021	2022	2023
FDEC Household Growth Rate	1.4%	1.6%	1.7%	1.6%
Number of consumer units (Households)	9,111,245	9,252,916	9,413,620	9,560,527

FY Ending in:	2020	2021	2022	2023
FEEC Personal Income Growth Rate	5.6%	5.6%	5.6%	5.6%
Income before taxes	74,063	78,240	82,652	87,313
Average annual expenditures	59,723	63,091	66,649	70,408

3. Apply US expenditure share to FL

FY 2022-23

	<i>BLS Data</i>	<i>BLS Data</i>	<i>EDR Estimate Using BLS Shares</i>	<i>EDR Estimate Using BLS Shares</i>
	Average Expenditures per Consumer Unit	% of Annual Expenditures	Average Expenditures per Consumer Unit	Total Expenditures
	US	US	FL	FL
Consumer units			9,560,527	
Average annual expenditures			70,408	\$673,139,430,369
Apparel and services				
Children under 2	\$51.91	0.09%	\$60.73	\$580,620,067
Boys, 2 to 15	\$72.97	0.12%	\$85.37	\$816,178,892
Girls, 2 to 15	\$77.25	0.13%	\$90.38	\$864,051,245
Footwear				
Boys' footwear	\$23.36	0.04%	\$27.33	\$261,284,623
Girls' footwear	\$19.32	0.03%	\$22.60	\$216,096,700
Total, Apparel and Footwear				\$2,738,231,526

Source: Bureau of Labor Statistics, Consumer Expenditure Survey, Table 1800. Region of residence: Annual means, standard errors, coefficients of variation, and quarterly percents reporting, Consumer Expenditure Interview Survey, 2019; Florida: Quintiles of income before taxes, 2018-2019.

Note: There was no separate category for baby footwear.

4. Reduce expenditures for included ages

Reduction for baby and toddler items only	High	Middle	Low
Annual expenditures, Children under 2 (\$ m)	580.6	580.6	580.6
Annual expenditures, all other (\$ m)	2,157.6	2,157.6	2,157.6
Reduction to all other to include only ages 2, 3, 4, & 5 out of the 14 ages included in the category using population by age from the FDEC	35%	28%	21%
Reduced expenditures, all other	759.6	602.7	447.1
Total expenditures, select age groups (\$ m)	1,340.2	1,183.3	1,027.7
Sales tax impact (\$ m)	(\$80.4)	(\$71.0)	(\$61.7)

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Back to School Sales Tax Holiday - 14 Days, \$100 Clothing/\$50 Supplies/\$1,500 or less Computers

Bill Number(s): CS/HB 7071, Section 43

Entire Bill

Partial Bill:

Sponsor(s): Representative Payne

Month/Year Impact Begins: The sales tax holiday will affect July and August 2022 activity and, subsequently, August and September collections.

Date of Analysis: 6/3/2022

Section 1: Narrative

a. Current Law:

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

b. Proposed Change:

Duration: The sales tax holiday is proposed for a 14-day period beginning on July 25 through August 7, 2022.

Clothing: The bill exempts sales of “clothing, wallets, or bags, including handbags, backpacks, fanny packs, and diaper bags, but excluding briefcases, suitcases, and other garment bags” from the Sales and Use Tax as long as the sales price of the item does not exceed \$100. Clothing is defined as “any article of wearing apparel intended to be worn on or about the human body, excluding watches, watchbands, jewelry, umbrellas, and handkerchiefs,” and including all footwear except for “skis, swim fins, roller blades, and skates.”

School Supplies: During this same period, sales of school supplies having a sales price of \$50 or less per item are exempt from the Sales and Use Tax. School supplies are defined as “pens, pencils, erasers, crayons, notebooks, notebook filler paper, legal pads, binders, lunch boxes, construction paper, markers, folders, poster board, composition books, poster paper, scissors, cellophane tape, glue or paste, rulers, computer disks, staplers and staples used to secure paper products, protractors, compasses, and calculators.”

Learning aids and jigsaw puzzles: Also exempt are learning aids and jigsaw puzzles having a sales price of \$30 or less. The term “learning aids” means “flashcards or other learning cards, matching or other memory games, puzzle books and search-and-find books, interactive or electronic books and toys intended to teach reading or math skills, and stacking or nesting blocks or sets.”

Computers: Also exempt are personal computers or personal computer-related accessories purchased for noncommercial home or personal use, selling for less than \$1,500 per item. Exempted items include “electronic book readers, laptops, desktops, handhelds, tablets, and tower computers” and related accessories including “keyboards, mice, personal digital assistants, monitors (not including devices with a television tuner), other peripheral devices, modems, routers, and nonrecreational software, regardless of whether the accessories are used in association with a personal computer base unit.” The exemption does not apply to “cellular telephones, video game consoles, digital media receivers, or devices that are not primarily designed to process data.” Related accessories do not include “furniture or systems, devices, software, monitors with a television tuner, or peripherals designed or intended primarily for recreational use.”

The tax exemptions do not apply to sales within a theme park or entertainment complex, as defined in 509.013(9), Florida Statutes, within a public lodging establishment, as defined in 509.013(4), Florida Statutes or within an airport, as defined in 330.27(2), Florida Statutes.

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

Section 2: Description of Data and Sources

- Impact for Proposed Language, School Sales Tax Holiday, 14 Days, \$100 Clothing/\$50 Supplies/\$1,500 or Less Computers, Revenue Estimating Impact Conference, 2/18/2022, <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2022/pdf/page406-413.pdf>

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Back to School Sales Tax Holiday - 14 Days, \$100 Clothing/\$50 Supplies/\$1,500 or less Computers

Bill Number(s): CS/HB 7071, Section 43

- Impact for SB 500, School Sales Tax Holiday, 10 Days, \$60 Clothing/\$15 Supplies/\$1,500 or Less Computers, Revenue Estimating Impact Conference, 12/3/2021,
- Clothing and Shoes expenditures forecast, December 2021 National Economic Estimating Conference.
- Consumer Computer expenditures forecast, December 2021 National Economic Estimating Conference.
- U.S. Population (total and 65+), 3rd Quarter estimates, December 2021 National Economic Estimating Conference.
- Florida Population (total and 65+), 3rd Quarter estimates, December 2021 Demographic Estimating Conference.
- Estimates of Florida public school enrollment, January 2022 K-12 Enrollment Estimating Conference.
- Estimates of Florida private school enrollment, Private School Annual Report 2020-2021 (Florida Department of Education). Available at <http://www.fldoe.org/schools/school-choice/private-schools/annual-reports.stml>.
- Estimates of Florida public and private college/university fall enrollment, Integrated Postsecondary Education Data System (National Center for Education Statistics). Available at www.nces.ed.gov/ipeds. Estimates include Florida College System institutions, State Universities, career centers, and private institutions eligible to participate in the EASE or ABLE tuition assistance programs. Last accessed 12/1/2021.
- Tax collections by kind code, FY 2019-20, FY 2020-21, Form 10, Florida Department of Revenue.
- Department of Revenue. 2021 Back-to-School Sales Tax Holiday Tax Information Publication (TIP). Available at: https://revenue.floridarevenue.com/LawLibraryDocuments/2020/06/TIP-123084_TIP_20A01-04_FINAL_RLL.pdf.
- National Conference of State Legislatures, Back to School, Back to Sales Tax Holidays, Jackson Brainerd, August 31, 2021, <https://www.ncsl.org/research/fiscal-policy/back-to-school-back-to-sales-tax-holidays.aspx>.

Section 3: Methodology (Include Assumptions and Attach Details)

NOTE: The methodology below offers some incremental modifications to the one used in prior Back-to-School Sales Tax Holidays. Impacts in this analysis are not directly comparable to prior estimates.

Clothing/Shoes/Backpacks: Florida expenditures for clothing and shoes are derived from total national expenditures for clothing and shoes using Florida population (adjusted for ages 65+). The total Florida annual expenditures are converted to a 1-day amount and assume that 70% of the expenditures would be under the \$100 limit. Backpacks are assumed to be included in clothing. Backpacks are included in the clothing total. An advantage buying factor of 1.25 is also applied.

School Supplies: For school supplies (including staplers), an amount of expenditures is assumed per student, by grade level. The per student expenditure is multiplied by the estimated number of students enrolled in public or private elementary and secondary schools, Florida Colleges, State Universities, public technical colleges/career centers, and private colleges/universities. The estimated total expenditure by students is increased for advantage business spending by 20% and an additional 10% is added for the extended list. It is assumed that 90% of expenditures would be under the \$50 limit.

Learning Aids & Jigsaw Puzzles: Florida expenditures for games, toys, and hobbies are derived from total national expenditures for games, toys, and hobbies using Florida population. It is assumed that learning aids and jigsaw puzzles as defined represent 10% of the category. The total Florida annual expenditures are converted to a 1-day amount and assume that 40% of the expenditures in the category would be under the \$30 limit. An advantage buying factor of 1.25 to account for additional purchasing is used.

Computers: Florida expenditures are derived from total national expenditures for computers and peripherals using Florida population. In addition to hardware expenditures, expenditures for computer software and accessories and for calculators are added. Since only certain modes of software sales are subject to sales tax (if the software is purchased in a Florida store), only a share of expenditures on software are included. The total Florida expenditures are adjusted for the percentage of total expenditures assumed to be exempt (=75%). An advantage buy factor of 30% is added for additional purchases by the general public. Purchases for commercial use are not exempt.

While all price parameters of the bill remain the same as in the proposed language impact from the February 18, 2022 REC, HB 7071, Section 43 adds theme parks or entertainment complexes to the list of locations, within which the tax exemptions will not be granted to consumers. The proposed language, analyzed on 2/18/2022, assumed that theme parks and entertainment complexes will give consumers the exemption, as reflected by the base adjustment for tourists used to estimate the exempted amount of sales tax collections on clothing & shoes expenditures by tourists visiting Florida theme parks and entertainment

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Back to School Sales Tax Holiday - 14 Days, \$100 Clothing/\$50 Supplies/\$1,500 or less Computers

Bill Number(s): CS/HB 7071, Section 43

complexes. Under HB 7071, Section 43, theme parks and entertainment complexes will not give consumers the sales tax exemption. Therefore, the base adjustment for tourists must be reduced to zero to account for this provision.

Section 4: Proposed Fiscal Impact: The impact is nonrecurring for FY 2022-23 only.

		2022-23
Expenditure Type		PROPOSED
1	Clothing & Shoes - \$100 or Less	\$ (64.1)
2	School Supplies - \$50 or Less	\$ (10.2)
3	Learning Aids and Jigsaw Puzzles - \$30 or Less	\$ (0.7)
4	Personal Computers and Related Accessories - \$1,500 or Less	\$ (12.3)
5	Total Impact	\$ (87.3)

**Estimates in millions of dollars*

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23			(87.3)			
2023-24						
2024-25						
2025-26						
2026-27						

List of affected Trust Funds: Sales and Use Tax Grouping

Section 5: Consensus Estimate (Adopted: 06/03/2022): The Conference adopted the proposed estimate.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(77.3)	0.0	(Insignificant)	0.0	(2.6)	0.0	(7.4)	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
2025-26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	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
2022-23	(12.8)	0.0	(22.8)	0.0	(100.1)	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
2025-26	0.0	0.0	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	0.0	0.0	0.0	0.0

	B	C	D	F	G	H
2						
3		HB 7071, Section 43				
4		Sales Tax Holiday - Clothing, School Supplies, Computers				
5						
6		14 Days, July 25 - August 7, 2022				(NONRECURRING)
7						
9		2022-23				
10		Expenditure Type			PROPOSED	
11	1	Clothing & Shoes - \$100 or Less			\$ (64.1)	
12	2	School Supplies - \$50 or Less			\$ (10.2)	
13	3	Learning Aids and Jigsaw Puzzles - \$30 or Less			\$ (0.7)	
14	4	Personal Computers and Related Accessories - \$1,500 or Less			\$ (12.3)	
15	5	Total Impact			\$ (87.3)	
16		<i>*Estimates in millions of dollars</i>				
17						

	A	B	E	F	G
2		HB 7071, Section 43	14 Days, July 25 - August 7, 2022		
3		SALES TAX HOLIDAY - CLOTHING	\$100 Limit		
4					
5					
6		2022-23			Adopted
7	1	National Personal Expenditure on Clothing and Shoes (Mln. \$)			496,148.7
8					
9	2	Florida Share based on Population Forecast (Mln. \$)			33,296.1
10					
11	3	Florida Expenditures on Apparel & Shoes (adjusted for 65+)			31,855.8
12					
13					
14					
15	4	Sales Tax at 6%			1,911.3
16					
17	5	Exempted Amount			1,337.9
18		Assumption	70%		70.0%
19					
20	6	Preliminary Per Day Fiscal Impact in Florida	1		(3.7)
21					
22	7	Number of Days in the Holiday	14		(51.3)
23					
24	8a	Advantage Buying			1.25
25	8b	Base Adjustment for Tourists			-
26	8c	Total Adjustment			1.25
27					
28	9	Adjusted Fiscal Impact in Florida			(64.1)
29					
30					
31	10	Total Impact			(\$64.1)
32					
33					

	A	B	C	D	E	F
1						
2		HB 7071, Section 43		14 Days, July 25 - August 7, 2022		
3		SALES TAX HOLIDAY - SCHOOL SUPPLIES (Incl Staplers, Flash Drives)				\$15 Limit
19						
20		2022-23				
22	Row	Grade Level	Expenditures per Student	Number of Students		Total Expenditures
23	1	PreK	22.00	56,761		1.2
24	2	KG	22.00	255,841		5.6
25	3	1	22.00	231,220		5.1
26	4	2	22.00	237,986		5.2
27	5	3	27.00	246,191		6.6
28	6	4	29.00	231,051		6.7
29	7	5	29.00	250,598		7.3
30	8	6	34.00	243,697		8.3
31	9	7	34.00	253,392		8.6
32	10	8	34.00	261,406		8.9
33	11	9	37.00	261,825		9.7
34	12	10	37.00	254,211		9.4
35	13	11	37.00	235,244		8.7
36	14	12	37.00	223,210		8.3
37	15	Total PK-12		3,242,632		99.7
38	16	Total HigherEd	38.00	1,095,264		41.6
39	17	Total All Students		4,337,896		141.3
40						
41	18	Advantage Buying by Business, General Public				
42	19	20% Factor to move to 14 days + 10% for Expanded List				42.4
43						20% + 10%
44	20	School Supplies				Adopted
45	21	Total Sales Tax				(10.2)
46		Assumption: share of items under price limit	90%			90.0%
47						
48	22	Total Impact				(\$10.2)

	A	B	E	F	G
2		HB 7071, Section 43			14 Days, July 25 - August 7, 2022
3		SALES TAX HOLIDAY - LEARNING TOYS & JIGSAW PUZZLES			\$30 Limit
4					
5					
6		2022-23			Adopted
7	1	National Personal Expenditure on Games, Toys, and Hobbies (Mln. \$)			94,478.2
8		Assumed Share for Learning Toys & Jigsaw Puzzles	10%		9,447.8
9	2	Florida Share based on Population Forecast (Mln. \$)			634.0
10					
11	3				
12					
13					
14					
15	4	Sales Tax at 6%			38.0
16					
17	5	Exempted Amount			15.2
18		Assumption of Items under Price Limit	40%		40.0%
19					
20	6	Preliminary Per Day Fiscal Impact in Florida	1		(0.04)
21					
22	7	Number of Days in the Holiday	14		(0.6)
23					
24	8	Advantage Buying			1.25
25					
26	9	Adjusted Fiscal Impact in Florida			(0.7)
27					
28					
29	10	Total Impact			(\$0.7)
30					
31					

	A	B	C	D	E
2		HB 7071, Section 43			14 Days, July 25 - August 7, 2022
3		SALES TAX HOLIDAY - COMPUTERS			\$1,500 or Less
4					
5					
6		2022-23			Adopted
7		National Information Processing Equipment - Annual Expenditures			
8	1	Computers & Peripheral Equipment			74,974.5
9	2	Computer Software & Accessories	5%		6,892.8
11	3	Total			81,867.3
12		<i>IBIS World Industry Report 44312, Computer Stores in the US, estimates that 61.5% of computer store revenues come from sales of come from sales of software.</i>			
14					
15	4	Florida Share based on Population Forecast			5,494.0
16					
17					
18					
19					
20					
21	5	Annual Sales Tax at 6%			329.6
22					
28	6	Exempted Amount based on Purchase Price			247.2
29		\$1500 or Less			75.0%
30					
31					
32	7	Preliminary Per Day Fiscal Impact in Florida			0.68
33					
35	8	14-Day Holiday	14		9.5
37					
38	9	Advantage Buying by the General Public			30.0%
39					12.3
40					
41	10	Total Impact			(\$12.3)
42					
43		Computers Exemption Key			
44		First \$1500	80%		
45		First \$1000	75%		
46		First \$750	50%		
47		\$1500 or Less	75%		
48		\$1000 or Less	55%		
49		\$750 or Less	45%		
50					
51					
52					

REVENUE ESTIMATING CONFERENCE

Tax: Tuition and Fees

Issue: Educational Opportunities for Disabled Veterans

Bill Number(s): CS/HB 45

Entire Bill

Partial Bill:

Sponsor(s): Representatives Morales; Benjamin

Month/Year Impact Begins: The bill takes effect July 1, 2022

Date of Analysis: June 3, 2022

Section 1: Narrative

a. Current Law:

Under current federal law, veterans with a service-connected disability that have either been discharged or released are eligible to receive a waiver covering up to 100% of tuition and fees at public institutions:

- 38 U.S.C. § 3311(b)(2): *An individual who—*
 - (A) *commencing on or after September 11, 2001, serves at least 30 continuous days on active duty in the Armed Forces; and*
 - (B) *after completion of service described in subparagraph (A), is discharged or released from active duty in the Armed Forces for a service-connected disability.*
- 38 U.S.C. §3313(c)(1): *In the case of an individual entitled to educational assistance under this chapter by reason of paragraph (1), (2), (8), (9), (10), or (11) of section 3311(b), amounts as follows:*
 - (A) *An amount equal to the following:*
 - (i) *In the case of a program of education pursued at a public institution of higher learning, the actual net cost for in-State tuition and fees assessed by the institution for the program of education after the application of—*
 - (I) *any waiver of, or reduction in, tuition and fees; and*
 - (II) *any scholarship, or other Federal, State, institutional, or employer-based aid or assistance (other than loans and any funds provided under section 401(b) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b))) that is provided directly to the institution and specifically designated for the sole purpose of defraying tuition and fees.*

Below is a table displaying current federal percentages of benefits payable to eligible veterans:

Member Serves	Percentage of Maximum Benefit
At least 36 months or received a Purple Heart	100%
At least 30 continuous days on active duty and must be discharged due to service-connected disability	100%
At least 30 months, but less than 36 months	90%
At least 24 months, but less than 30 months	80%
At least 18 months, but less than 24 months	70%
At least 6 months, but less than 18 months	60%
At least 90 days, but less than 6 months	50%

Source: U.S. Department of Veterans Affairs

There are also state laws that may currently assist with educational benefits for veterans:

- Section 1009.26(8), F.S.: *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 shall waive tuition for undergraduate college credit programs and career certificate programs for each recipient of a Purple Heart or another combat decoration superior in precedence who:*
 - (a) *Is enrolled as a full-time, part-time, or summer-school student in a program that terminates in an associate or a baccalaureate degree, a college credit certificate, or a career certificate.*
- Section 1009.26(19), F.S.: *The State University Free Seat Program is created to encourage veterans, active duty members of the United States Armed Forces, active drilling members of the Florida National Guard, and nontraditional students to enroll in an online baccalaureate degree program at a state university.*
 - (a) *A state university shall waive the tuition and fees for one online course for a student who is a resident for tuition purposes under s. 1009.21, has not previously earned a bachelor’s degree, and is enrolled in an online baccalaureate degree program, provided the student meets one of the following eligibility requirements:*
 - 1. *Is a veteran as defined in s. 1.01(14);*
 - (b) *For all other courses in the program, a state university may not charge a student described in paragraph (a) more than 75 percent of the tuition rate as specified in s. 1009.24(4) and 75 percent of the tuition differential pursuant to s. 1009.24(16), if the student remains enrolled at least part-time in the program during each academic year.*

REVENUE ESTIMATING CONFERENCE

Tax: Tuition and Fees

Issue: Educational Opportunities for Disabled Veterans

Bill Number(s): CS/HB 45

b. Proposed Change:

The bill defines a disabled veteran as a resident that is determined by the U.S. Department of Veterans Affairs (VA) to have a service-connected 100-percent total and permanent disability rating for compensation.

In order for a disabled veteran to be eligible under the bill, they must be enrolled in a program of education approved for educational assistance under 38 U.S.C. s 3313 and not qualify for the 100-percent eligibility tier under federal law. The bill also specifies that a student must attend a state university, college, career center operated by a school district, or charter technical career center.

For those that meet all requirements, disabled veterans are eligible to receive a supplemental disbursement equal to the difference between the portion of tuition and fees paid under federal law and the full amount of tuition and fees needed to attend a given institution.

Each educational institution shall report the number and value of all fee waivers granted annually. The Board of Governors and the State Board of Education shall adopt rules to administer the program.

Section 2: Description of Data and Sources

- Post-9/11 GI Bill Eligibility for Veterans, U.S. Department of Veterans Affairs, <https://www.va.gov/resources/how-we-determine-your-percentage-of-post-911-gi-bill-benefits/>.
- "H.R.2642 - 110th Congress (2007-2008): Supplemental Appropriations Act, 2008." *Congress.gov*, Library of Congress, 30 June 2008, <https://www.congress.gov/bill/110th-congress/house-bill/2642>.
- "S.3447 - 111th Congress (2009-2010): Post-9/11 Veterans Educational Assistance Improvements Act of 2010." *Congress.gov*, Library of Congress, 4 January 2011, <https://www.congress.gov/bill/111th-congress/senate-bill/3447>.
- "H.R.3218 - 115th Congress (2017-2018): Harry W. Colmery Veterans Educational Assistance Act of 2017." *Congress.gov*, Library of Congress, 16 August 2017, <https://www.congress.gov/bill/115th-congress/house-bill/3218>.
- Table 7L: VETPOP2018 LIVING VETERANS BY STATE, PERIOD OF SERVICE, GENDER, The Office of Predictive Analytics, U.S. Department of Veterans Affairs, https://www.va.gov/vetdata/docs/Demographics/New_Vetpop_Model/7L_VetPop2018_POS_State.xlsx.
- Veterans Using Education Benefits in Florida, by Fiscal Year, Considering Compensation Disability Rating, Education Service Data Analytics, U.S. Department of Veterans Affairs.
- Degrees Sought in Florida by 100% Disabled Veterans Not Receiving Full Tuition Support, Education Service Data Analytics, U.S. Department of Veterans Affairs.
- Bright Futures Scholarship Program Estimates, August 2021 Education Estimating Conference on Student Financial Aid.
- State University Tuition and Fees Report, 2021-22, Board of Governors, University Budgets.
- State College Tuition and Fees Report, 2020-21, Florida Department of Education.

Section 3: Methodology (Include Assumptions and Attach Details)

The first step in estimation was to determine the number of Florida resident post 9/11 veterans currently in the state. The 2018 Veteran Population Projection Model from the VA was examined; output from this model included a long-term forecast and was used in this analysis. Historical data provided by the VA included the number of Florida post 9/11 veterans that participated in educational opportunities and of those, the number of students that had a disability rating of 100%. Estimates of education participants and those participants with a 100% service-connected disability were calculated using historical ratios and growing the ratios by half of the percent change observed. Data on counts of 100% disabled veterans not receiving the full cost of tuition and fees was also provided by the VA over the previous five years. Estimates were grown using a three-year average ratio of Florida veterans not receiving the full cost of tuition and fees to the number of 100% disabled Florida veterans that were education participants. Additionally, there may be veterans that will now take advantage of this educational opportunity as the bill is intended to pay the remaining cost that is currently uncovered. To account for this potential behavioral change, it was assumed that there would be a 25% increase to estimated counts starting in FY 2022-23.

After determining how many students will be enrolled, the next step was to assign students to an institution type. Students were placed in an institution type based on VA data that displayed eligible veterans by degree type sought. Ratios calculated from FY 2020-21 were held constant in all years of the forecast. Data on the cost per credit hour for colleges and universities reflects the estimates used in the August 2021 Student Financial Aid Estimating Conference. Estimates for graduate cost per credit hour is from the Board of Governors FY 2021-22 Tuition and Fees Report, while the cost for career centers is from the Florida Department of Education FY 2020-21 Tuition and Fees Report.

The percentage of tuition and fees an eligible veteran currently receives is unknown at this time. It is assumed that for those who do not receive full tuition and fees, an average VA award amount is 70%, which is the median disability percentage of those not at 100%. The bill would pay 30% of tuition and fees, which is the difference between the full tuition and fees for a student at an institution and the assumed 70% awarded under federal law. Also, the average credit hours for these veterans is unknown; the scenarios make an assumption that students would be enrolled in 12

REVENUE ESTIMATING CONFERENCE

Tax: Tuition and Fees

Issue: Educational Opportunities for Disabled Veterans

Bill Number(s): CS/HB 45

(low), 18 (medium), and 24 (high) credit hours annually. The conference reviewed an earlier version of the bill on December 3, 2021 and adopted the middle estimate.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(0.2) M	(0.2) M	(0.1) M	(0.1) M	(0.1) M	(0.1) M
2023-24	(0.2) M	(0.2) M	(0.1) M	(0.1) M	(0.1) M	(0.1) M
2024-25	(0.2) M	(0.2) M	(0.1) M	(0.1) M	(0.1) M	(0.1) M
2025-26	(0.2) M	(0.2) M	(0.1) M	(0.1) M	(0.1) M	(0.1) M
2026-27	(0.2) M	(0.2) M	(0.1) M	(0.1) M	(0.1) M	(0.1) M

List of affected Trust Funds:

Section 5: Consensus Estimate (Adopted: 06/03/2022): The Conference adopted the middle estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(0.1)	(0.1)
2023-24	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(0.1)	(0.1)
2024-25	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(0.1)	(0.1)
2025-26	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(0.1)	(0.1)
2026-27	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(0.1)	(0.1)

	A	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
2	Veteran Disability Waiver	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27					
3	Florida Post 9/11 Veteran Population	192,520	206,091	219,612	233,680	248,087	262,832	277,777	291,327	303,973					
4	Florida Post 9/11 Veteran Population Education Participants	40,753	38,748	36,015	35,516	34,726	33,633	32,209	30,281	27,945					
5	Percent of Veteran Population that are Education Participants	21.2%	18.8%	16.4%	15.2%	14.0%	12.8%	11.6%	10.4%	9.2%					
6															
7	Florida Post 9/11 Veteran Population Education Participants with 100% service-connected disability	2,718	3,053	3,155	3,268	3,348	3,391	3,389	3,320	3,187					
8	Percent with 100% service-connected disability	6.7%	7.9%	8.8%	9.2%	9.6%	10.1%	10.5%	11.0%	11.4%					
9															
10	Florida Post 9/11 Veteran Population Education Participants with 100% service-connected disability not receiving 100% Tuition and Fees	97	95	88	103	132	134	134	131	126					
11	Percent of 100% service-connected disability and not receiving 100% Tuition and Fees	3.6%	3.1%	2.8%	3.2%	3.9%	4.0%	4.0%	3.9%	4.0%					
12															

Behavior Change: Percent Increase to Count of Veterans not Receiving 100% Tuition and Fees

25.0%

Percent of Florida Veteran Education Participants at 100% service-connected disability not receiving full tuition

3.2%

	A	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
13	High Estimate	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27					
14	Florida Post 9/11 Veteran Population Education Participants with 100% service-connected disability not receiving 100% Tuition and Fees					132	134	134	131	126					
15															
16	Percent of Tuition and Fees covered under Federal Law					70.0%	70.0%	70.0%	70.0%	70.0%					
17	Percent of Tuition and Fees covered under HB 45/5B 554					30.0%	30.0%	30.0%	30.0%	30.0%					
18															
19	Career Center														
20	Students					9	9	9	9	9					
21	Cost Per Credit Hour					\$82.87	\$82.87	\$82.87	\$82.87	\$82.87					
22	Average Credit Hour					24	24	24	24	24					
23	Average Cost per Student					\$1,989	\$1,989	\$1,989	\$1,989	\$1,989					
24	Average Cost Remaining per Student					\$597	\$597	\$597	\$597	\$597					
25	Career Center Total					\$5,373	\$5,373	\$5,373	\$5,373	\$5,373					
26															
27	College														
28	Students					37	38	38	37	36					
29	Cost Per Credit Hour					\$105.43	\$105.43	\$105.43	\$105.43	\$105.43					
30	Average Credit Hour					24	24	24	24	24					
31	Average Cost per Student					\$2,530	\$2,530	\$2,530	\$2,530	\$2,530					
32	Average Cost Remaining per Student					\$759	\$759	\$759	\$759	\$759					
33	College Total					\$28,083	\$28,842	\$28,842	\$28,083	\$27,324					
34															
35	University														
36	Students					69	70	70	69	65					
37	Cost Per Credit Hour					\$211.40	\$211.40	\$211.40	\$211.40	\$211.40					
38	Average Credit Hour					24	24	24	24	24					
39	Average Cost per Student					\$5,074	\$5,074	\$5,074	\$5,074	\$5,074					
40	Average Cost Remaining per Student					\$1,522	\$1,522	\$1,522	\$1,522	\$1,522					
41	University Total					\$105,018	\$106,540	\$106,540	\$105,018	\$98,930					
42															
43	Graduate														
44	Students					17	17	17	16	16					
45	Cost Per Credit Hour					\$408.75	\$408.75	\$408.75	\$408.75	\$408.75					
46	Average Credit Hour					24	24	24	24	24					
47	Average Cost per Student					\$9,810	\$9,810	\$9,810	\$9,810	\$9,810					
48	Average Cost Remaining per Student					\$2,943	\$2,943	\$2,943	\$2,943	\$2,943					
49	Graduate Total					\$50,031	\$50,031	\$50,031	\$47,088	\$47,088					
50															
51	Total Revenue					\$188,505	\$190,786	\$190,786	\$185,562	\$178,715					
52															

Post 9/11 Veteran Education Participants by Institution Type		Percent
Career Center		6.8%
College		28.4%
University		52.3%
Graduate		12.5%

Cost per Credit Hour by Institution Type		
Career Center		\$82.87
College		\$105.43
University		\$211.40
Graduate		\$408.75

	High	Medium	Low
Annual Average Credit Hour	24	18	12

	High	Medium	Low
Percent Covered under Federal Law	70%	70%	70%

	A	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
53	Medium Estimate	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27					
54	Florida Post 9/11 Veteran Population Education Participants with 100% service-connected disability not receiving 100% Tuition and Fees					132	134	134	131	126					
55															
56	Percent of Tuition and Fees covered under Federal Law					70.0%	70.0%	70.0%	70.0%	70.0%					
57	Percent of Tuition and Fees covered under HB 45/5B 554					30.0%	30.0%	30.0%	30.0%	30.0%					
58															
59	Career Center														
60	Students					9	9	9	9	9					
61	Cost Per Credit Hour					\$82.87	\$82.87	\$82.87	\$82.87	\$82.87					
62	Average Credit Hour					18	18	18	18	18					
63	Average Cost per Student					\$1,492	\$1,492	\$1,492	\$1,492	\$1,492					
64	Average Cost Remaining per Student					\$448	\$448	\$448	\$448	\$448					
65	Career Center Total					\$4,032	\$4,032	\$4,032	\$4,032	\$4,032					
66															
67	College														
68	Students					37	38	38	37	36					
69	Cost Per Credit Hour					\$105.43	\$105.43	\$105.43	\$105.43	\$105.43					
70	Average Credit Hour					18	18	18	18	18					
71	Average Cost per Student					\$1,898	\$1,898	\$1,898	\$1,898	\$1,898					
72	Average Cost Remaining per Student					\$569	\$569	\$569	\$569	\$569					
73	College Total					\$21,053	\$21,622	\$21,622	\$21,053	\$20,484					
74															
75	University														
76	Students					69	70	70	69	65					
77	Cost Per Credit Hour					\$211.40	\$211.40	\$211.40	\$211.40	\$211.40					
78	Average Credit Hour					18	18	18	18	18					
79	Average Cost per Student					\$3,805	\$3,805	\$3,805	\$3,805	\$3,805					
80	Average Cost Remaining per Student					\$1,142	\$1,142	\$1,142	\$1,142	\$1,142					
81	University Total					\$78,798	\$79,940	\$79,940	\$78,798	\$74,230					
82															
83	Graduate														
84	Students					17	17	17	16	16					
85	Cost Per Credit Hour					\$408.75	\$408.75	\$408.75	\$408.75	\$408.75					
86	Average Credit Hour					18	18	18	18	18					
87	Average Cost per Student					\$7,358	\$7,358	\$7,358	\$7,358	\$7,358					
88	Average Cost Remaining per Student					\$2,207	\$2,207	\$2,207	\$2,207	\$2,207					
89	Graduate Total					\$37,519	\$37,519	\$37,519	\$35,312	\$35,312					
90															
91	Total Revenue					\$141,402	\$143,113	\$143,113	\$139,195	\$134,058					
92															

	A	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
93	Low Estimate	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27					
94	Florida Post 9/11 Veteran Population Education Participants with 100% service-connected disability not receiving 100% Tuition and Fees					132	134	134	131	126					
95															
96	Percent of Tuition and Fees covered under Federal Law					70.0%	70.0%	70.0%	70.0%	70.0%					
97	Percent of Tuition and Fees covered under HB 45/5B 554					30.0%	30.0%	30.0%	30.0%	30.0%					
98															
99	Career Center														
100	Students					9	9	9	9	9					
101	Cost Per Credit Hour					\$82.87	\$82.87	\$82.87	\$82.87	\$82.87					
102	Average Credit Hour					12	12	12	12	12					
103	Average Cost per Student					\$994	\$994	\$994	\$994	\$994					
104	Average Cost Remaining per Student					\$298	\$298	\$298	\$298	\$298					
105	Career Center Total					\$2,682	\$2,682	\$2,682	\$2,682	\$2,682					
106															
107	College														
108	Students					37	38	38	37	36					
109	Cost Per Credit Hour					\$105.43	\$105.43	\$105.43	\$105.43	\$105.43					
110	Average Credit Hour					12	12	12	12	12					
111	Average Cost per Student					\$1,265	\$1,265	\$1,265	\$1,265	\$1,265					
112	Average Cost Remaining per Student					\$380	\$380	\$380	\$380	\$380					
113	College Total					\$14,060	\$14,440	\$14,440	\$14,060	\$13,680					
114															
115	University														
116	Students					69	70	70	69	65					
117	Cost Per Credit Hour					\$211.40	\$211.40	\$211.40	\$211.40	\$211.40					
118	Average Credit Hour					12	12	12	12	12					
119	Average Cost per Student					\$2,537	\$2,537	\$2,537	\$2,537	\$2,537					
120	Average Cost Remaining per Student					\$761	\$761	\$761	\$761	\$761					
121	University Total					\$52,509	\$53,270	\$53,270	\$52,509	\$49,465					
122															
123	Graduate														
124	Students					17	17	17	16	16					
125	Cost Per Credit Hour					\$408.75	\$408.75	\$408.75	\$408.75	\$408.75					
126	Average Credit Hour					12	12	12	12	12					
127	Average Cost per Student					\$4,905	\$4,905	\$4,905	\$4,905	\$4,905					
128	Average Cost Remaining per Student					\$1,472	\$1,472	\$1,472	\$1,472	\$1,472					
129	Graduate Total					\$25,024	\$25,024	\$25,024	\$23,552	\$23,552					
130															
131	Total Revenue					\$94,275	\$95,416	\$95,416	\$92,803	\$89,379					
132															
133	Savings / Loss (in millions \$)					2022-23	2023-24	2024-25	2025-26	2026-27					
134	High Estimate					-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.2					
135	Medium Estimate					-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1					
136	Low Estimate					-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1					

REVENUE ESTIMATING CONFERENCE

Tax: Tuition and Fees

Issue: Educator Certification Pathways for Veterans

Bill Number(s): CS/SB 896

Entire Bill

Partial Bill:

Sponsor(s): Senators Burgess, Perry

Month/Year Impact Begins: The bill takes effect July 1, 2022

Date of Analysis: June 3, 2022

Section 1: Narrative

a. Current Law:

Section 1 –

Under current law, the Department of Education may issue a temporary professional certificate to any applicant who meets the requirements as outlined in s. 1012.56(2) a-f, F.S., (shown below), completes the subject area content requirements that are specified in state board rule or demonstrates mastery of subject area, and holds an accredited degree or a degree approved by DOE based on the level required for a given subject area specialization as also specified in state board rule.

- (a) Be at least 18 years of age.
- (b) File an affidavit that the applicant subscribes to and will uphold the principles incorporated in the Constitution of the United States and the Constitution of the State of Florida and that the information provided in the application is true, accurate, and complete. The affidavit shall be by original signature or by electronic authentication. The affidavit shall include substantially the following warning: **WARNING: Giving false information in order to obtain or renew a Florida educator's certificate is a criminal offense under Florida law. Anyone giving false information on this affidavit is subject to criminal prosecution as well as disciplinary action by the Education Practices Commission.**
- (c) Document receipt of a bachelor's or higher degree from an accredited institution of higher learning, or a nonaccredited institution of higher learning that the Department of Education has identified as having a quality program resulting in a bachelor's degree, or higher. Each applicant seeking initial certification must have attained at least a 2.5 overall grade point average on a 4.0 scale in the applicant's major field of study. The applicant may document the required education by submitting official transcripts from institutions of higher education or by authorizing the direct submission of such official transcripts through established electronic network systems. The bachelor's or higher degree may not be required in areas approved in rule by the State Board of Education as nondegreed areas. The State Board of Education may adopt rules that, for purposes of demonstrating completion of specific certification requirements, allow for the acceptance of college course credits recommended by the American Council for Education (ACE), as posted on an official ACE transcript.
- (d) Submit to background screening in accordance with subsection (10). If the background screening indicates a criminal history or if the applicant acknowledges a criminal history, the applicant's records shall be referred to the investigative section in the Department of Education for review and determination of eligibility for certification. If the applicant fails to provide the necessary documentation requested by the department within 90 days after the date of the receipt of the certified mail request, the statement of eligibility and pending application shall become invalid.
- (e) Be of good moral character.
- (f) Be competent and capable of performing the duties, functions, and responsibilities of an educator.

Section 2 –

As per s. 1012.59(3)(c), the State Board of Education currently waives initial general knowledge, professional education, and subject area examination fees and certification fees for an honorably discharged veteran of the US Armed Forces or a veteran of a reserve component who served on active duty, including the spouse or surviving spouse of such veteran.

b. Proposed Change:

Section 1 –

In addition to the temporary eligibility requirements for a temporary professional certificate as outlined above, the following additional path was added:

2. For a subject area specialization for which the state board otherwise requires a bachelor's degree, documents 48 months of active-duty military service with an honorable discharge or a medical separation; completes the requirements outlined in paragraphs (2)(a), (b), (d), (e), and (f); completes the subject area content requirements specified in state board rule or demonstrates mastery of subject area knowledge pursuant to subsection (5); and documents completion of 60 college credits with a minimum cumulative grade point average of 2.5 on a 4.0 scale, as provided by one or more accredited institutions of higher learning or a nonaccredited institution of higher learning identified by the Department of Education as having a quality program resulting in a bachelor's degree or higher.

A person who receives a 5-year temporary certificate under s. 1012.56(7)(b)2., F.S., must be assigned a mentor for at least the first two school years. The bill further describes the qualifications of the mentor.

Section 2 –

The bill removes the requirement that the veteran have served on active duty.

REVENUE ESTIMATING CONFERENCE

Tax: Tuition and Fees

Issue: Educator Certification Pathways for Veterans

Bill Number(s): CS/SB 896

Section 2: Description of Data and Sources

- DOE list of Certification Subject Area Examinations That May Be Used to Qualify for a Temporary Certificate or Addition to a Certificate <https://www.fldoe.org/teaching/certification/certificate-subjects/certification-subject-examinations.stml>
- Definition of Active Duty vs Reserve or National Guard https://www.va.gov/vetsinworkplace/docs/em_activereserve.html
- Number of Florida National Guard members <https://fl.ng.mil/about/Pages/default.aspx>
- Number of initial certification waiver requests from DOE for 2020-21 and 2021-22.
- Florida Administrative Code, 6A-4.0012. Application Information
- Table 7L: VETPOP2018 LIVING VETERANS BY STATE, PERIOD OF SERVICE, GENDER, The Office of Predictive Analytics, U.S. Department of Veterans Affairs, https://www.va.gov/vetdata/docs/Demographics/New_Vetpop_Model/7L_VetPop2018_POS_State.xlsx.
- Veteran status by educational attainment and by occupation; US Department of Commerce, Census Bureau, 2020 5-year American Community Survey public use microdata sample (ACS PUMS)

Section 3: Methodology (Include Assumptions and Attach Details)

Section 1 –

There are 35 certification subject areas that require a bachelor’s degree for which an individual whom was either honorable discharged or medically separated after completion of at least 48 months of active military service and who satisfies the requirements as per s. 1002.56(7)(b)2., F.S. would receive a temporary professional certificate.

The analysis assumes that this new provision would encourage increased participation in temporary certificates, which could imply:

- Increased revenue due to certificates after the 5-year period (outside of the forecast horizon)
- Reduced fee revenue in years 3 through 5 for those that opt into the program, and go to university part-time to complete their remaining credit hours and qualifications for a teaching certificate

According to the American Community Survey PUMS, there are almost 30,000 Florida veterans who served in the Gulf War period from 9/2001 or later that have obtained an Associate’s Degree. Of those, over 17,000 are currently working. In addition, there are 1,819 teachers in PreK through 12 that are veterans from this same period. It is unknown how many veterans with an associate degree many be encouraged to either re-enter the workforce or to switch from their current job to obtain a temporary certificate.

Section 2 –

“A person who is active duty is in the military full time. They work for the military full time, may live on a military base, and can be deployed at any time. Persons in the Reserve or National Guard are not full-time active duty military personnel, although they can be deployed at any time should the need arise.”¹ Thus, removing that phrase from s. 1012.59(3)(c), F.S., would broaden the scope to include National Guard members and their spouses. “National Guard members are given Veteran status if they have served for 30 consecutive days in a war zone. The FY 2021 Adjutant General’s Report indicates that there were 11,477 Florida guardsmen. The table below shows the total over multiple fiscal years.

	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021
Florida Guardsmen	11,505	11,274	11,110	10,667	10,684	10,920	11,477
Guardsmen growth		-2.0%	-1.5%	-4.0%	0.2%	2.2%	5.1%

The first step in estimation was to determine the number of Florida resident post 9/11 veterans currently in the state. The 2018 Veteran Population Projection Model from the VA was examined; output from this model included a long-term forecast and was used in this analysis. The number of fee waivers granted in FY 2020-21 and FY 2021-22 were 1,511 and 1,097 respectively.¹ The analysis assumes that the ratio of fee waivers for active duty military or a veteran of a reserve component thereof that served on activity duty would apply to the National Guard members. Fee waivers included in the analysis were: Initial General Knowledge Fees (\$150) and Initial Certification Fees (\$75).

¹ https://www.va.gov/vetsinworkplace/docs/em_activereserve.html

REVENUE ESTIMATING CONFERENCE

Tax: Tuition and Fees

Issue: Educator Certification Pathways for Veterans

Bill Number(s): CS/SB 896

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	(*)	(*)	(*)	(*)	(*)	(*)
2023-24	(*)	(*)	(*)	(*)	(*)	(*)
2024-25	(*)	(*)	(*)	(*)	(*)	(*)
2025-26	(*)	(*)	(*)	(*)	(*)	(*)
2026-27	(*)	(*)	(*)	(*)	(*)	(*)

List of affected Trust Funds: State Trust Funds – Department of Education

Section 5: Consensus Estimate (Adopted: 06/03/2022): The Conference adopted a negative insignificant impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
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
2025-26	0.0	0.0	(*)	(*)	0.0	0.0	0.0	0.0
2026-27	0.0	0.0	(*)	(*)	0.0	0.0	0.0	0.0

¹ Florida Department of Education, email dated 5/13/2022.

	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2													
3	Waiver of Examination and Certification Fees	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27					
4	Florida Post 9/11 Veteran Population	219,612	233,680	248,087	262,832	277,777	291,327	303,973					
5	Fee Waivers	1,511	1,097										
6	Percent of Veteran Population	0.7%	0.5%										
7													
8	Florida Army and Air National Guardsmen	11,477	11,477										
9													
10													
11	High Estimate	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27					
12	Guardsmen			12,051	12,654	13,287	13,951	14,649					
13	Additional number that may use fee waivers			83	87	91	96	101					
14	Fee Waiver	\$ 225.00	\$ 225.00	\$ 225.00	\$ 225.00	\$ 225.00	\$ 225.00	\$ 225.00					
15													
16	Total Revenue (Loss) due to Fee Waiver			\$ (18,675.00)	\$ (19,575.00)	\$ (20,475.00)	\$ (21,600.00)	\$ (22,725.00)					
17													
18	Medium Estimate	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27					
19	Guardsmen			11,707	11,941	12,180	12,424	12,672					
20	Additional number that may use fee waivers			68	69	70	72	73					
21	Fee Waiver	\$ 112.50	\$ 112.50	\$ 112.50	\$ 112.50	\$ 112.50	\$ 112.50	\$ 112.50					
22													
23	Total Revenue (Loss) due to Fee Waiver			\$ (7,650.00)	\$ (7,763.00)	\$ (7,875.00)	\$ (8,100.00)	\$ (8,213.00)					
24													
25	Low Estimate	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27					
26	Guardsmen			11,477	11,477	11,477	11,477	11,477					
27	Additional number that may use fee waivers			54	54	54	54	54					
28	Fee Waiver	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00					
29													
30	Total Revenue (Loss) due to Fee Waiver			\$ (4,050.00)	\$ (4,050.00)	\$ (4,050.00)	\$ (4,050.00)	\$ (4,050.00)					

	High	Medium	Low
Guardsmen Growth per year	5.0%	2.0%	0.0%
Participation Percentage	0.7%	0.6%	0.5%

REVENUE ESTIMATING CONFERENCE

Tax: Various Taxes and Fees
Issue: DOR Tax Administration
Bill Number(s): CS/CS/SB 1382

- Entire Bill**
- Partial Bill:**

Sponsor(s): Senator Gruters
Month/Year Impact Begins: July 1, 2022
Date of Analysis: 5/23/2022

Section 1: Narrative

- a. **Current Law:** See attached section-by-section analysis.
- b. **Proposed Change:** See attached section-by-section analysis.

Section 2: Description of Data and Sources

SB 1382/HB 1041 – Section 21 Tax Administration Impact analysis, January 14, 2022

Section 3: Methodology (Include Assumptions and Attach Details)

The proposed language was reviewed for potential impacts section by section. The potential impacts, if any, are listed in the section-by-section analysis and summarized in the section 4 table below.

Section 20 – Reemployment Assistance Impact was obtained from the adopted impact analysis of SB 1382/ HB 1041 – Section 21 wherein it was stated: “The analysis interpreted SB 50 to state that Section 443.131 (3) (b)2., Section 443.131 (3) (e)1., and Section 443.131 (3) (e)2.a., remain in effect regardless of the balance in the Unemployment Compensation Trust Fund. The benefits multiplier in Section 443.131 (3) (b)2.c. remains zero (0) regardless of the balance in the Unemployment Compensation Trust Fund. Similarly, Section 443.131 (3) (e)2.a.(l) relating to noncharge benefits remains in effect regardless of the balance in the Unemployment Compensation Trust Fund. Since prior analyses were done with the interpretation as reiterated in the proposed bills, the latter are estimated to have no additional impact.”

Section 4: Proposed Fiscal Impact

Sections 1-19, 21:

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0/**	0/**	0/**	0/**	0/**	0/**
2023-24	0/**	0/**	0/**	0/**	0/**	0/**
2024-25	0/**	0/**	0/**	0/**	0/**	0/**
2025-26	0/**	0/**	0/**	0/**	0/**	0/**
2026-27	0/**	0/**	0/**	0/**	0/**	0/**

Section 20: Reemployment Assistance

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0	0	0	0	0	0
2023-24	0	0	0	0	0	0
2024-25	0	0	0	0	0	0
2025-26	0	0	0	0	0	0
2026-27	0	0	0	0	0	0

List of affected Trust Funds:

Sales and Use Tax Trust Fund Group
 Reemployment Assistance

REVENUE ESTIMATING CONFERENCE

Tax: Various Taxes and Fees

Issue: DOR Tax Administration

Bill Number(s): CS/CS/SB 1382

Section 5: Consensus Estimate (Adopted: 06/03/2022): The Conference adopted a positive indeterminate impact.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	**	**	**	**	**	**	**	**
2023-24	**	**	**	**	**	**	**	**
2024-25	**	**	**	**	**	**	**	**
2025-26	**	**	**	**	**	**	**	**
2026-27	**	**	**	**	**	**	**	**

	B	C	D	E	F	G
1	Section	Issue	Statute Section	Current Language	Proposed Language	Fiscal Impact
2	1	Exclusion of Certain Records in Litigation	72.011 (1)		<u>(c) A taxpayer may not submit records pertaining to an assessment or refund claim as evidence in any proceeding under this section if those records were available to, or required to be kept by, the taxpayer and were not timely provided to the Department of Revenue during the audit or protest period and before submission of a petition for hearing pursuant to chapter 120 or the filing of an action under paragraph (a), unless the taxpayer demonstrates to the court or presiding officer good cause for its failure to previously provide such records to the department. Good cause may include, but is not limited to, circumstances where a taxpayer was unable to originally provide records under extraordinary circumstances as defined in s. 213.21(10)(d)2.</u>	No Impact
3	2	Exclusion of Certain Records in Litigation	120.80		<u>7. A taxpayer may not submit records pertaining to an assessment or refund claim as evidence in any proceeding brought pursuant to this chapter as authorized by s. 72.011(1) if those records were available to, or required to be kept by, the taxpayer and were not timely provided to the Department of Revenue after a written request for the records during the audit or protest period and before submission of a petition for hearing under this chapter, unless the taxpayer demonstrates good cause to the presiding officer for its failure to previously provide such records to the department. Good cause may include, but is not limited to, circumstances where a taxpayer was unable to originally provide records under extraordinary circumstances as defined in s. 213.21(10)(d)2.</u>	No Impact
4	3	Department Permissions - Pre-Audit Preparation	202.34		<u>(4) (f) Once the notification required by paragraph (a) is issued, the department, at any time, may respond to contact initiated by a taxpayer to discuss the audit, and the taxpayer may provide records or other information, electronically or otherwise, to the department. The department may examine, at any time, documentation and other information voluntarily provided by the taxpayer, its representative, or other parties, information already in the department's possession, or publicly available information. Examination by the department of such information does not commence an audit if the review takes place within 60 days of the notice of intent to conduct an audit. The requirement in paragraph (a) does not limit the department from making initial contact with the taxpayer to confirm receipt of the notification or to confirm the date that the audit will begin. If the taxpayer believes the department has prematurely commenced the audit, the taxpayer must object in writing to the department prior to the issuance of an assessment or the objection is waived. If the department agrees that the audit was prematurely commenced, or a judge, hearing officer or administrative law judge so determines, the tolling period provided for in s. 213.345 shall be considered lifted for the</u>	no impact
5					<u>(6) The department may adopt rules to administer this section.</u>	No impact - Rule Making

	B	C	D	E	F	G
6	4	Delivery of Administrative Subpoenas and Extension of Tolling Provisions	202.36	(4)(a) The department may issue subpoenas or subpoenas duces tecum compelling the attendance and testimony of witnesses and the production of books, records, written materials, and electronically recorded information. Subpoenas must be issued with the written and signed approval of the executive director or his or her designee on a written and sworn application by any employee of the department. ... Witnesses are entitled to be paid a mileage allowance and witness fees as authorized for witnesses in civil cases.	to (4)(a) is added: <u>The failure of a taxpayer to provide documents available to, or required to be kept by, the taxpayer and requested by a subpoena issued under this section creates a rebuttable presumption that the resulting proposed final agency action by the department, as to he requested documents, is correct and that the requested documents not produced by the taxpayer would be adverse to the taxpayer’s position as to the proposed final agency action. If a taxpayer fails to provide documents requested by a subpoena issued under this section, the department may make an assessment from an estimate based upon the best information then available to it for the taxable period of retail sales of the taxpayer, together with any accrued interest and penalties. The department shall inform the taxpayer of the reason for the estimate and the information and methodology used to derive the estimate. The assessment shall be considered prima facie correct, and the taxpayer shall have the burden of showing any error in it. The presumption and authority to use estimates for the purpose of an assessment under this paragraph do not apply solely because a taxpayer or its representative requests a conference to negotiate the production of a sample of records demanded by a subpoena.</u>	Positive & Indeterminant
7	5	Delivery of Administrative Subpoenas and Extension of Tolling Provisions	206.14	(4) If any person unreasonably refuses access to such records, books, papers or other documents, or equipment, or if any person fails or refuses to obey such subpoenas duces tecum or to testify, except for lawful reasons, before the department or any of its authorized agents, the department shall certify the names and facts to the clerk of the circuit court of any county; and the circuit court shall enter such order against such person in the premises as the enforcement of this law and justice requires.	To 206.14 (4) is added: <u>The failure of a taxpayer to provide documents available to, or required to be kept by, the taxpayer and requested by a subpoena issued under this section creates a rebuttable presumption that the resulting proposed final agency action by the department, as to the requested documents, is correct and that the requested documents not produced by the taxpayer would be adverse to the taxpayer’s position as to the proposed final agency action. If a taxpayer fails to provide documents requested by a subpoena issued under this section, the department may make an assessment from an estimate of the taxpayer’s liability based upon the best information then available to it. The department shall inform the taxpayer of the reason for the estimate and the information and methodology used to derive the estimate. The assessment shall be considered prima facie correct, and the taxpayer shall have the burden of showing any error in it. The presumption and authority to use estimates for the purpose of an assessment under this subsection do not apply solely because a taxpayer or its representative requests a conference to negotiate the production of a sample of records demanded by a subpoena.</u>	no impact - Removal of obsolete language for pollutant tax registration fee repealed in 2017

	B	C	D	E	F	G
8	6	Administrative Provision - Pollutants Tax Registration Fee	206.9931	(1) Any person producing in, importing into, or causing to be imported into this state taxable pollutants for sale, use, or otherwise and who is not registered or licensed pursuant to other parts of this chapter is hereby required to register and become licensed for the purposes of this part. Such person shall register as either a producer or importer of pollutants and shall be subject to all applicable registration and licensing provisions of this chapter, as if fully set out in this part and made expressly applicable to the taxes imposed herein, including, but not limited to, ss. 206.02, 206.021, 206.022, 206.025, 206.03, 206.04, and 206.05. For the purposes of this section, registrations required exclusively for this part shall be made within 90 days of July 1, 1986, for existing businesses, or prior to the first production or importation of pollutants for businesses created after July 1, 1986. The fee for registration shall be \$30. Failure to timely register is a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.	subsection (1) of this section is amended to read: (1) Any person producing in, importing into, or causing to be imported into this state taxable pollutants for sale, use, or otherwise and who is not registered or licensed pursuant to other parts of this chapter is hereby required to register and become licensed for the purposes of this part. Such person shall register as either a producer or importer of pollutants and shall be subject to all applicable registration and licensing provisions of this chapter, as if fully set out in this part and made expressly applicable to the taxes imposed herein, including, but not limited to, ss. 206.02, 206.021, 206.022, 206.025, 206.03, 206.04, and 206.05. For the purposes of this section, registrations required exclusively for this part shall be made within 90 days of July 1, 1986, for existing businesses, or before <u>prior to</u> the first production or importation of pollutants for businesses created after July 1, 1986. The fee for registration shall be \$30. Failure to timely register is a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.	Positive & Indeterminant
9	7	Record Keeping	211.125	Under current law, records must be kept of all transaction activities and inventories	3. If any person fails to comply with a request of the department for the inspection of records, fails to give testimony or respond to competent questions, or fails to comply with a subpoena, a circuit court having jurisdiction over such person may, upon application by the department, issue orders necessary to secure compliance. <u>The failure of a taxpayer to provide documents available to, or required to be kept by, the taxpayer and requested by a subpoena issued under this section creates a rebuttable presumption that the resulting proposed final agency action by the department, as to the requested documents, is correct and that the requested documents not produced by the taxpayer would be adverse to the taxpayer's position as to the proposed final agency action. If a taxpayer fails to provide documents requested by a subpoena issued under this section, the department may make an assessment from an estimate based upon the best information then available to it. The department shall inform the taxpayer of the reason for the estimate and the information and methodology used to derive the estimate. The assessment shall be considered prima facie correct, and the taxpayer shall have the burden of showing any error in it.</u>	Positive & Indeterminant

	B	C	D	E	F	G
10	8	Affidavit Non-Resident Purchaser of Boat/Aircraft	212.05	(2) d The selling dealer, within 30 days after the date of sale, provides to the department a copy of the sales invoice, closing statement, bills of sale, and the original affidavit signed by the purchaser attesting that he or she has read the provisions of this section;	(2)d. The selling dealer, within 30 days after the date of sale, provides to the department a copy of the sales invoice, closing statement, bills of sale, and the original affidavit signed by the <u>nonresident purchaser affirming that the nonresident purchaser qualifies for exemption from sales tax pursuant to this subparagraph and attesting that the nonresident purchaser will provide the documentation required to substantiate the exemption claimed under this subparagraph attesting that he or she has read the provisions of this section;</u>	No Impact - Removes requirement for purchasers to attest to having read statutory provisions
11	9	Record Keeping	212.13	Under current law, records must be kept of all transaction activities and inventories;	(2) (b) 2. <u>Dealers licensed under chapter 561 shall maintain records of all monthly sales and all monthly purchases of alcoholic beverages and produce such records for inspection by any department employee within 10 days after written request therefor. The failure of a dealer licensed under chapter 561 to comply with such a request is deemed sufficient cause under s. 561.29(1)(j), and the department shall promptly notify the Division of Alcoholic Beverages and Tobacco and the dealer of such failure for further appropriate action by the division. The department may suspend the resale certificate issued to a dealer licensed under chapter 561 if the dealer fails to produce the records requested by the department under this section, unless such dealer, within 30 days after the receipt of notice by the department, corrects such failure or establishes reasonable cause to the department why the requested records do not exist. A dealer licensed under chapter 561 aggrieved by an action of the department which suspends the resale certificate of that dealer may apply to the department within 30 days after the receipt of the notice of suspension for an administrative hearing pursuant to chapter 120.</u>	Positive & Indeterminant
12		Administrative Processing			(5) (f) is added: <u>Once the notification required by paragraph (a) is issued, the department, at any time, may respond to contact initiated by a taxpayer to discuss the audit, and the taxpayer may provide documentation or other information, electronically or otherwise, to the department. The department may examine, at any time, documentation and other information voluntarily provided by the taxpayer, its representative, or other parties, information already in the department's possession, or publicly available information. Examination by the department of such information does not commence an audit if the review takes place within 60 days of the notice of intent to conduct an audit. The requirement in paragraph (a) does not limit the department from making initial contact with the taxpayer to confirm receipt of the notification or to confirm the date that the audit will begin. If the taxpayer believes the department prematurely commenced the audit, the taxpayer must object in writing to the department prior to the issuance of an assessment or the objection is waived. If the department agrees that the audit was prematurely commenced, or a judge, hearing officer or administrative law judge so determines, the tolling period provided for in s. 213.345 shall be considered lifted for the number of days equal to the difference between the date of premature commencement of audit and the 61st day from the date of the department's notice of intent to audit.</u>	No Impact

	B	C	D	E	F	G
13		Rule Making			<u>(7) The department may adopt rules to administer this section.</u>	No Impact
14	10	Delivery of Administrative Subpoenas and Extension of Tolling Provisions	212.14	(7) (a) For purposes of collection and enforcement of taxes, penalties, and interest levied under this chapter, the department may issue subpoenas or subpoenas duces tecum compelling the attendance and testimony of witnesses and the production of books, records, written materials, and electronically recorded information. ... Witnesses shall be paid mileage and witness fees as authorized for witnesses in civil cases.	to (7) (a) is added: <u>The failure of a taxpayer to provide documents available to, or required to be kept by, the taxpayer and requested by a subpoena issued under this section creates a rebuttable presumption that the resulting proposed final agency action by the department, as to the requested documents, is correct and that the requested documents not produced by the taxpayer would be adverse to the taxpayer’s position as to the proposed final agency action. If a taxpayer fails to provide documents requested by a subpoena issued under this section, the department may make an assessment from an estimate based upon the best information then available to it for the taxable period of retail sales of the taxpayer, together with any accrued interest and penalties. The department shall inform the taxpayer of the reason for the estimate and the information and methodology used to derive the estimate. The assessment shall be considered prima facie correct, and the taxpayer shall have the burden of showing any error in it. The presumption and authority to use estimates for the purpose of an assessment under this paragraph do not apply solely because a taxpayer or its representative requests a conference to negotiate the production of a sample of records demanded by a subpoena.</u>	Positive & Indeterminant
15	11	Delivery of Administrative Subpoenas and Extension of Tolling Provisions	213.051	Service of subpoenas.—For the purpose of administering and enforcing the provisions of the revenue laws of this state, the executive director of the Department of Revenue, or any of his or her assistants designated in writing by the executive director, shall be authorized to serve subpoenas and subpoenas duces tecum issued by the state attorney relating to investigations concerning the taxes enumerated in s. 213.05.	creates 213.051 (2) <u>In addition to the procedures for service prescribed by chapter 48, the department may serve subpoenas it issues pursuant to ss. 202.36, 206.14, 211.125, 212.14, and 220.735 upon any business registered with the department at the address on file with the department if it received correspondence from the business from that address within 30 days of issuance of the subpoena or if the address is listed with the Department of State Division of Corporations as a principal or business address. If a business’s address is not in this state, service is made upon proof of delivery by registered mail or under the notice provisions of s. 213.0537.</u>	Positive & Indeterminant
16	12	Confidentiality & information Sharing	213.053		adds subsection (21) to read: <u>(21)(a) The department shall publish a list of dealers whose resale certificates have been suspended pursuant to s. 212.13(2)(b). The list may contain the name of the dealer, including the name under which the dealer does business; the address of the dealer; the dealer’s employer identification number or other taxpayer identification number; and the date on which the dealer was added to the list.</u> <u>(b) The department shall update the list daily as needed to reflect additions to and deletions from the list.</u> <u>(c) The department may adopt rules to administer this subsection.</u>	No Impact - Rule Making

	B	C	D	E	F	G
17	13	Emergency Rules	213.06	Current law provides emergency rule making authority for revenue laws effective less than 60 days after the end of the session in which the change enacted under section 213.06(2), F.S.	This section provides that emergency rulemaking is available if a legislative change occurs less than 120 days after the close of the legislative session in which enacted or after the Governor approves or fails to veto the measure whichever is later. This provision only applies when the change affects a tax rate or a collection or reporting procedure which affects a substantial number of dealers or persons subject to the tax change or procedure.	No impact - Rule Making
18	14	Informal Conferences & Compromises	213.21		subection (3) (a) is amended to read: ... A taxpayer’s liability for penalties under any of the chapters specified in s. 72.011(1) greater than 25 percent of the tax must may be settled or compromised if it is determined by the department <u>determines</u> that the noncompliance is <u>not</u> due to reasonable cause and not to willful negligence, willful neglect, or fraud. <u>In addition, a taxpayer’s liability for penalties under any of the chapters specified in s. 72.011(1) up to and including 25 percent of the tax may be settled or compromised if the department determines that reasonable cause exists and the penalties greater than 25 percent of the tax were compromised because the noncompliance is not due to willful negligence, willful neglect, or fraud. There is a rebuttable presumption that a taxpayer’s noncompliance is due to willful negligence, willful neglect, or fraud when adequate records as requested by the department are not provided to the department before the issuance of an assessment. The presumption may be rebutted by a showing of reasonable cause why adequate records as requested were not provided or were unavailable to the taxpayer.</u> The facts and circumstances are subject to de novo review to determine the existence of reasonable cause in any administrative proceeding or judicial action challenging an assessment of penalty under any of the chapters specified in s. 72.011(1).	No Impact - Audit Process
19					Subsection (11) & (12) are added: <u>Following the expiration of time for a taxpayer to challenge an assessment or a denial of a refund as provided in s. 72.011, the department may consider a request to settle or compromise any tax, interest, penalty, or other liability under this section if the taxpayer demonstrates that the failure to initiate a timely challenge was due to a qualified event that directly impacted compliance with that section. For purposes of this subsection, a qualified event is limited to the occurrence of events during an audit or the expired protest period which were beyond the control of the taxpayer, including, but not limited to, the death or life-threatening injury or illness of the taxpayer or an immediate family member of the taxpayer; the death or life-threatening injury or illness of the responsible party that controlled, managed, or directed the affected business entity; acts of war or terrorism; natural disasters; fire; or other catastrophic loss. The department may not consider a request received more than 180 days after the expiration of time allowed under s. 72.011.</u> <u>(12) Any decision by the department regarding a taxpayer’s request to compromise or settle a liability under this section is not a final order subject to review under chapter 120.</u>	

	B	C	D	E	F	G
20	15	Notice Prior to Issuing an Assessment and Extension of Tolling Provisions	213.34	The Department is required to issue an assessment capable of becoming final 60-days prior to the end of the tolling of the audit period. The Department’s rules provide taxpayers with a notice prior to the issuance of the Notice of Proposed Assessment and 30 days to request a conference with the auditor to resolve as many issues as possible before the taxpayer must take more formal actions to contest the assessment.	The proposed change creates a statutory requirement for the Department to provide a taxpayer with a conference within 30 days of a notice of the audit findings and additional conferences upon written request of the taxpayer. The proposal provides the taxpayer with additional response time and the ability to provide additional information and extends the tolling period so taxpayers and the Department can ensure the audit is accurate based on the data available. The proposal clarifies that tolling is terminated and the statute of limitations begins to run when the Department fails to issue a “proposed assessment” instead of a “final assessment” within the one-year audit period or any extension of that period.	No Impact - Audit Process
21	16	Notice Prior to Issuing an Assessment and Extension of Tolling Provisions	213.345	Tolling of periods during an audit.—The limitations in s. 95.091(3) and the period for filing a claim for refund as required by s. 215.26(2) shall be tolled for a period of 1 year if the Department of Revenue has, on or after July 1, 1999, issued a notice of intent to conduct an audit or investigation of the taxpayer’s account within the applicable period of time. The department must commence an audit within 120 days after it issues a notice of intent to conduct an audit, unless the taxpayer requests a delay. If the taxpayer does not request a delay and the department does not begin the audit within 120 days after issuing the notice, the tolling period shall terminate unless the taxpayer and the department enter into an agreement to extend the period pursuant to s. 213.23.	213.345 Tolling of periods during an audit.—The limitations in s. 95.091(3) and the period for filing a claim for refund as required by s. 215.26(2) are shall be tolled for a period of 1 year if the Department of Revenue has, on or after July 1, 1999, issued a notice of intent to conduct an audit or investigation of the taxpayer’s account within the applicable period of time. <u>The 1-year period is tolled upon receipt of written objections to the subpoena and for the entire pendency of any action that seeks an order to enforce compliance with or to challenge any subpoena issued by the department compelling the attendance and testimony of witnesses and the production of books, records, written materials, and electronically recorded information. The department must commence an audit within 120 days after it issues a notice of intent to conduct an audit, unless the taxpayer requests a delay. If the taxpayer does not request a delay and the department does not begin the audit within 120 days after issuing the notice, the tolling period terminates shall terminate unless the taxpayer and the department enter into an agreement to extend the period pursuant to s. 213.23. If the department issues a notice explaining audit findings under s. 213.34(2)(a) based on an estimate because the taxpayer has failed or refuses to provide records, the audit will be deemed to have commenced for purposes of this section. In the event the department issues an assessment beyond the tolling period, the assessment will be considered late and the assessment shall be reduced by the amount of those taxes, penalties, and interest for reporting periods outside of the limitations period, as modified by any other tolling or extension provisions.</u>	No Impact - Audit Process
22	17	Garnishment/Levy Comprehensive Authority	213.67	The Department has the authority to issue a levy upon credits, other personal property, or debts belonging to a delinquent taxpayer. Currently, section 213.67 (1), F.S., allows DOR to levy for any taxes, penalties, and interest.	The proposal authorizes the Department to include all taxes, fees, interest, and costs authorized by law to be included in a garnishment or levy. This avoids multiple collection efforts for additional amounts. The proposal also allows the Department to deliver its notices of levy by electronic means as requested by many financial institutions.	Positive & Indeterminant

	B	C	D	E	F	G
23	18	Accepted Methods of Accounting	220.42(3)	(3) Any taxpayer which has elected for federal income tax purposes to report any portion of its income on the completed contract method of accounting under Treasury Regulation 1.451-3(b)(2) may elect to return the income so reported on the percentage of completion method of accounting under Treasury Regulation 1.451-3(b)(1), provided the taxpayer regularly maintains its books of account and reports to its shareholders on the percentage of completion method. The election provided by this subsection shall be allowed only if it is made, in such manner as the department may prescribe, not later than the due date, including any extensions thereof, for filing a return for the taxpayer's first taxable year under this code in which a portion of its income is returned on the completed contract method of accounting for federal tax purposes. An election made pursuant to this subsection shall apply to all subsequent taxable years of the taxpayers unless the department consents in writing to its revocation.	(3) Any taxpayer which has elected for federal income tax purposes to report any portion of its income on the completed contract method of accounting under Treasury Regulation 1.451-3(b)(2) may elect to return the income so reported on the percentage of completion method of accounting under Treasury Regulation 1.451-3(b)(1), provided the taxpayer regularly maintains its books of account and reports to its shareholders on the percentage of completion method. The election provided by this subsection shall be allowed only if it is made, in such manner as the department may prescribe, not later than the due date, including any extensions thereof, for filing a return for the taxpayer's first taxable year under this code in which a portion of its income is returned on the completed contract method of accounting for federal tax purposes. An election made pursuant to this subsection shall apply to all subsequent taxable years of the taxpayers unless the department consents in writing to its revocation.	No Impact - Federal Conforming Changes
24	19	Delivery of Administrative Subpoenas and Extension of Tolling Provisions	220.735		(4) is added to read: <u>The failure of a taxpayer to provide documents available to, or required to be kept by, the taxpayer and requested by a subpoena issued under this section creates a rebuttable presumption that the resulting proposed final agency action by the department, as to the requested documents, is correct and that the requested documents not produced by the taxpayer would be adverse to the taxpayer's position as to the proposed final agency action. If a taxpayer fails to provide documents requested by a subpoena issued under this section, the department may determine the amount of tax due according to its best judgment and may issue a notice of deficiency to the taxpayer, setting forth the amount of tax, interest, and any penalties proposed to be assessed. The department shall inform the taxpayer of the reason for the estimate and the information and methodology used to derive the estimate. The assessment shall be considered prima facie correct, and the taxpayer shall have the burden of showing any error in it.</u>	Positive & Indeterminant

	B	C	D	E	F	G
25	20	Pandemic Benefit Charges Clarification - Reemployment Assistance	443.131	In determining the contribution rate, varying from the standard rate to be assigned, the computation shall exclude any benefit that is excluded by the multipliers under subparagraph (b)2. and subparagraph 1. The computation of the contribution rate, varying from the standard rate to be assigned, shall also exclude any benefit paid as a result of a governmental order related to COVID-19 to close or reduce capacity of a business. In addition, the contribution rate for the 2021 and 2022 calendar years shall be calculated without the application of the positive adjustment factor in sub-sub-subparagraph (III).	Subsection (3) (e) is amended to read: <u>Regardless of whether subparagraph 5. is repealed as provided in subparagraph 6., in determining the contribution rate for rates effective January 1, 2021, through December 31, 2025, varying from the standard rate that would otherwise be assigned, the computation shall exclude any benefit that is excluded by the multipliers under subparagraph (b)2. and subparagraph 1. and The computation of the contribution rate, varying from the standard rate to be assigned, shall also exclude any benefit paid as a result of a governmental order related to COVID-19 to close or reduce capacity of a business before the date of the repeal.</u> In addition, the contribution rate for the 2021 and 2022 calendar years shall be calculated without the application of the positive adjustment factor in sub-sub-subparagraph (III).	No impact; Clarifying Language
26	21	Federally Required Offset Program	443.171		4. is added to read: <u>The department and its tax collection service provider shall comply with the requirements of the federal Treasury Offset Program as it pertains to the recovery of unemployment compensation debts as required by the United States Department of Labor pursuant to 26 U.S.C. 6402. The department or the tax collection service provider may adopt rules to implement this subparagraph.</u>	Positive & Indeterminant
27	22	Effective Date			-- bill to take effect July 1 , 2022	

REVENUE ESTIMATING CONFERENCE

Tax: Various Taxes and Fees

Issue: New Worlds Reading Initiative Tax Credit

Bill Number(s): CS/HB 7071

Entire Bill

Partial Bill: Section 37

Sponsor(s): Representative Payne

Month/Year Impact Begins: 07/01/2022

Date of Analysis: June 1, 2022

Section 1: Narrative

a. Current Law:

The New Worlds Reading Initiative was established in 2021 through the provision of tax credits for businesses that make monetary donations to the administrator of the New Worlds Reading Initiative, a literacy program that provides books to elementary school students in Florida who read below grade level. The tax credits are a dollar-for-dollar credit against the business’s liability for several state taxes, including:

- s. 211.02 or s. 211.025 F.S., for Severance Taxes on oil and gas
- s. 212.183, F.S., for Sales and Use Taxes due from direct pay permit holders
- s. 220.13, F.S., for Corporate Income Tax
- s. 561.1211, F.S., for Beverage Taxes on malt, wine, and liquor
- s. 624.51055, F.S., for Insurance Premium Tax

Businesses could apply to DOR beginning October 1, 2021, for an allocation of the tax credit. The annual tax credit cap is \$10 million for FY 2021-22, \$30 million for FY 2022-23, and \$50 million for all fiscal years thereafter.

As of May 2, 2022, the total approved allocations for FY 2021-22 was \$3,010,000 (\$1,000,000 Beverage; \$2,010,000 Sales Tax).

b. Proposed Change: The bill increases the annual cap for the program from \$50 million per state fiscal year to \$60 million, beginning in FY 2023-24.

Section 2: Description of Data and Sources

DOR Scholarship Program Reports

Section 3: Methodology (Include Assumptions and Attach Details)

The middle assumes the entirety of the cap increase will be realized. The low assumes that as the cap will not be met this year, it would be unlikely that they would outperform the current cap levels in the future.

FY 2021-22 Credit Allocations Breakout by Tax Source (SFO):

Corporate – 28%; Insurance Premium – 9.4%; Beverage – 60.6%; SUT Direct Pay – 1.9%; Severance 0.1%

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23			0	(\$10m)	0.0	0.0
2023-24			(\$10m)	(\$10m)	0.0	0.0
2024-25			(\$10m)	(\$10m)	0.0	0.0
2025-26			(\$10m)	(\$10m)	0.0	0.0
2026-27			(\$10m)	(\$10m)	0.0	0.0

List of affected Trust Funds: General Revenue

REVENUE ESTIMATING CONFERENCE

Tax: Various Taxes and Fees

Issue: New Worlds Reading Initiative Tax Credit

Bill Number(s): CS/HB 7071

Section 5: Consensus Estimate (Adopted: 06/03/2022): The Conference adopted the middle estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2022-23	0.0	(10.0)	0.0	0.0	0.0	0.0	0.0	(10.0)
2023-24	(10.0)	(10.0)	0.0	0.0	0.0	0.0	(10.0)	(10.0)
2024-25	(10.0)	(10.0)	0.0	0.0	0.0	0.0	(10.0)	(10.0)
2025-26	(10.0)	(10.0)	0.0	0.0	0.0	0.0	(10.0)	(10.0)
2026-27	(10.0)	(10.0)	0.0	0.0	0.0	0.0	(10.0)	(10.0)